

# Business rates 2023-24

## General explanatory notes

### Non-domestic rates

Business (or non-domestic) rates are collected by local authorities: this is how anyone that occupies a non-domestic property contributes towards the cost of local services.

Under the business rates retention arrangements introduced on 1 April 2013, authorities keep a proportion of the business rates that are paid locally. This provides a direct financial incentive for authorities to work with local businesses to create a favourable local environment for growth since authorities will benefit from growth in business rates revenues.

This money, together with revenue from council taxpayers, locally generated income, and grants from central government, is used to pay for the services provided by local authorities in your area.

An [introduction to business rates](#) is available online.

### Business rates instalments

Payment of business rate bills is automatically set on a 10-monthly cycle.

However, the Government has put regulations in place that require local authorities to accept payments in 12 monthly instalments; if you'd prefer to pay this way, you should email us at [business.rates@reading.gov.uk](mailto:business.rates@reading.gov.uk) as soon as possible.

### National non-domestic rating multiplier

The local authority works out the business rates bill for a property by multiplying the rateable value of the property by the appropriate non-domestic multiplier. There are two multipliers:

- the national non-domestic rating multiplier
- the small business non-domestic rating multiplier.

The Government sets the multipliers for each financial year for the whole of England, except in the City of London where special arrangements apply.

Ratepayers who occupy a property with a rateable value that does not exceed £50,999 (and who are neither entitled to certain other mandatory relief[s] nor liable for unoccupied property rates) will have their bills calculated using the lower, small business non-domestic rating multiplier, rather than the national non-domestic rating multiplier.

Both multipliers for a financial year are based on the previous year's multipliers, adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to the billing year unless a lower multiplier is set by the Government.

The current multipliers are shown on the front of your bill.

## **Rateable value**

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They compile and maintain a full list of all rateable values, available at [VOA](#)

The rateable value of your property is shown on the front of your bill. This broadly represents the yearly rent the property could have been let for on the open market on a particular date, which is specified in legislation. For the current rating list, this date was set as 1 April 2021.

The Valuation Office Agency may alter the valuation if circumstances change.

The ratepayer (and certain others who have an interest in the property) can also check and challenge the valuation shown in the list if they believe it is wrong. Further information about the grounds on which challenges may be made and the process for doing so can be found on the VOA website: [check your rateable value is correct](#)

## **Revaluations**

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation took effect from 1 April 2023.

Revaluations ensure that business rates bills are up-to-date and reflect - more accurately - the current rental values and relative changes in rents. Frequent revaluations ensure the system continues to be responsive to changing economic conditions.

## **Business rate reliefs**

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (that is, a reduction in your business rates bill).

There are several reliefs available. Some of the permanent reliefs are set out here and there is further detail about the latest availability of business rates reliefs on our website, as well as advice on whether you may qualify. Further information about reliefs is also available on the Government's [introduction to business rates](#).

## **Temporary reliefs**

Temporary reliefs are often introduced by the Government at a fiscal event. Further information is available on [current temporary reliefs](#). Contact your local authority for details about the latest availability of business rates reliefs and advice on whether you qualify.

## **Small business rates relief**

If a ratepayer's sole or main property has a rateable value that does not exceed an amount set out in regulations, the ratepayer may receive a percentage reduction in their rates bill for this property, of up to 100%.

The level of reduction will depend on the rateable value of the property – for example eligible properties below a specified lower threshold will receive 100% relief. Eligible properties above the lower threshold and below a specified upper threshold may receive partial relief. The relevant thresholds for relief are set out in regulations and can be found on the Government's [Business Rates Relief](#) webpage.

Generally, this percentage reduction (relief) is only available to ratepayers who occupy either:

- one property, or
- one main property and other additional properties, providing those additional properties each have a rateable value that does not exceed the limit set in regulations.

The total rateable value of all the properties mentioned in this second option must also not exceed an amount set in regulations.

Businesses that take on an additional property, which would normally have meant the loss of small business rate relief, will be allowed to keep that relief for a fixed additional period.

Full details on the relevant limits in relation to second properties and the current period for which a ratepayer may continue to receive relief after taking on an additional property can be found on the Government's [Business Rates Relief](#) page.

You must let us know about any of the following changes. Email us at [business.rates@reading.gov.uk](mailto:business.rates@reading.gov.uk) to tell us if:

- the property falls vacant,
- the ratepayer taking up occupation of an additional property, and
- an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

## **Charity and community amateur sports club relief**

Charities and registered Community Amateur Sports Clubs are entitled to 80% relief, where the property is occupied by the charity or the club and is wholly or mainly used for the charitable purposes of the charity (or of that and other charities), or for the purposes of the club (or of that and other clubs).

We have the discretion to give further relief on the remaining bill. Find out more on our Business Rates Discounts and Exemptions page.

## **Unoccupied property rating**

Business rates are generally payable for unoccupied non-domestic property. However, they are generally not payable for the first three months that a property is empty. This is extended to six months in the case of certain industrial properties. Certain other properties such as vacant listed buildings are not liable for business rates until they are reoccupied. Find out more information on our Empty Property and Business Rates page.

## **Transitional rate relief**

At a revaluation, some ratepayers will see reductions or no change in their bill, while others will see increases.

Transitional relief schemes are introduced at each revaluation to help those facing increases. Transitional relief is applied automatically to bills.

More information about this can be obtained from the local authority or find out more in the Government's [introduction to business rates](#)

## **Local discounts and Hardship Relief**

Local authorities have a general power to grant discretionary local discounts, and to give hardship relief in specific circumstances. Full details are available on our Business Rates Discounts and Exemptions page.

## **Subsidy control**

The new UK subsidy control regime started on 4 January 2023. It enables public authorities, including devolved administrations and local authorities, to deliver subsidies tailored for local needs, but which must comply with the UK's international subsidy control commitments.

The subsidy control legislation provides the framework for a new, UK-wide subsidy control regime. There is more information about subsidy control on [GOV.UK](#)

## **Rating advisers**

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill, however, any that do wish to be represented should be aware that members of the [Royal Institution of Chartered Surveyors](#) and the [Institute of Revenues, Rating and Valuation](#) are qualified and regulated by rules of professional conduct designed to protect the public from misconduct.

Before you employ a rating adviser or company you should check that they have the necessary knowledge and expertise, as well as appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.

## **Information supplied with demand notices**

Information about the gross expenditure of the local authority relating to the relevant and previous financial years is available on our [Budgets and Spending](#) pages.