

Guide from  
**Branston Adams**

Tel: 01252 728 598 Email: [info@taxaccountancy.com](mailto:info@taxaccountancy.com) [www.branstonadams.co.uk](http://www.branstonadams.co.uk)

Accountants and Business Advisors

## Non-domestic business rates – UK

[Details on covid-19 rates relief included below]

### BUSINESS RATES IN ENGLAND AND WALES

#### 1. How your rates are calculated

Business rates are payable on most non-domestic properties, including buildings part-used for non-domestic activity.

- A property's rateable value (RV) is based on a Valuation Office Agency (VOA) valuation using open market rental values as of 1 April 2015, which is then multiplied by a centrally set 'multiplier'.
- The multiplier you need to use may vary based on your company size and location and will indicate the tax liability you will pay in each pound of the estimated rateable value.
- Business rates liabilities for the following tax year will be issued annually by letter via local authorities in February-March.
- You can [look up your rateable value](#), which can be multiplied by the multiplier to calculate liabilities for the applicable financial year.

<b>Year</b>	<b>Standard multiplier* (above RV £51,000)</b>	<b>Small business multiplier (below RV £51,000)</b>
2021-22	51.2p	49.9p
2020-21	51.2p	49.9p
2019-20	50.4p	49.1p
2018-19	49.3p	48.0p

<i>*Note 1: A higher multiplier rate is applied to properties within the City of London – 52.0p standard rate and 50.7p for small businesses</i>	
<b>Wales (set against CPI)</b>	
2020-21	53.5p
2020-21	53.5p
2019-20	52.6p

## 2. Reliefs and exemptions

**Note:** Since April 2020 businesses in the retail, hospitality and leisure sectors in England have not had to pay business rates for the 20-21 tax year. This relief is applied directly by local council.

At the 2021 Budget the Chancellor announced that these businesses in England would continue to receive 100% relief from April -June 2021. From July- March 2022 businesses they would receive 66% relief.

There are several reliefs and exemptions available for qualifying use-classes, industries and rateable value thresholds. In England your local authority will apply reliefs for:

- Exempted buildings
- Empty buildings - for 3 months after the property becomes vacant in England & Wales. Notify your local authority when a property becomes vacant.
- Transitional relief - phased billing if your liability changes by more than a certain amount at revaluation.

	<b>Key Relief Areas England</b>	<b>Key Relief Areas Wales</b>
<b>Covid-19 Business Rates Relief</b>	<p>100% relief from April 2020 – June 2022 with 66% relief from July – March 2022. For retail, hospitality and leisure. Qualifying businesses include:</p> <ul style="list-style-type: none"> <li>• shop</li> <li>• restaurant, café, bar or pub</li> <li>• cinema or live music venue</li> </ul>	<p>All retail, leisure and hospitality businesses with a rateable value of £500,000 or below will receive 100% non-domestic rates relief in 2020-21.</p> <p>The Welsh government has not yet confirmed if the 21-22 relief in</p>

	<ul style="list-style-type: none"> <li>• <i>assembly or leisure property - for example, a sports club, a gym or a spa</i></li> <li>• <i>hospitality property - for example, a hotel, a guest house or self-catering accommodation</i></li> </ul>	<i>England has been extended to Wales.</i>
<b>Small Business Rate Relief</b>	<p><i>Properties with an RV of less than £15,000, only occupying one property.</i></p> <p><i>100% relief for properties with and RV under £12,000. The rate will be tapered between £12,000 - £15,000.</i></p>	<p><i>RVs £0 - £6000 – 100% relief.</i></p> <p><i>RVs £6,001 - £12,000 – tapered relief from 100% to zero.</i></p> <p><i>Relief may only be applied to up to two fully occupied properties.</i></p>
<b>Rural Rate Relief</b>	<i>Properties in eligible areas (rural areas with population of less than 3,000) that are the only village shop or post office with an RV of less than £8,500; or the only public house or petrol station with RV of less than £12,500.</i>	<i>Nil (See Note 1)</i>
<b>Charitable Rate Relief</b>	<i>Eligible charities and community amateur sports clubs may apply for relief of up to 80%.</i>	
<b>Enterprise Zones</b>	<i>For those starting up or relocating to an Enterprise Zone. <a href="#">Find your local enterprise zone</a> to check rates relief.</i>	<i>Nil</i>
<b>Hardship Relief</b>	<i>Ratepayers experiencing financial difficulties may apply to their local authority for hardship relief which may grant a discount or exemption to the ratepayer at their discretion.</i>	
<b>Retail Discount</b>	<i>100% discount in first three months of 2021-22 for those occupying properties in retail, leisure and hospitality use-class. 66% relief from July – March 2022.</i>	<i>All retail, leisure and hospitality businesses with a rateable value of £500,000 or below will receive 100% non-</i>

	<p><i>This discount will be available on top of any other rates discount you are eligible for. <b><u>If you opt out of the retail discount for 2021-22 you cannot opt back in.</u></b></i></p>	<p><i>domestic rates relief in 2020-21.</i></p> <p><i>The Welsh government has not yet confirmed if the 21-22 relief in England has been extended to Wales.</i></p>
<p><i>Note 1: There are special reliefs for Registered Childcare Premises and Post Offices in Wales which can be found <a href="#">here</a>.</i></p>		

You can find a full list of exemptions, types of relief for England [here](#) and Wales [here](#)

## **BUSINESS RATES IN SCOTLAND**

### **1. How your rates are calculated**

Business rates are payable on most non-domestic properties, including buildings part-used for non-domestic activity.

- A property's rateable value (RV) is based on a valuation by a local [assessor](#) which is then multiplied by a 'basic poundage rate' set by the Scottish Government.
- The multiplier you need to use may vary based on your company size and location and will indicate the tax liability you will pay in each pound of the estimated rateable value.
- Large businesses are subject to the Large Business Supplement rate – from April 2020 this will be replaced by the Intermediate Property Rate and the Higher Property Rate.
- You can [look up your rateable value](#), which can be multiplied by the multiplier to calculate liabilities for the applicable financial year.

<b>Year</b>	<b>Basic poundage rate</b>
2021-22	49.0p
2020-21	49.0p
2019-20	49.0p
2018-19	48.0p

*Higher Property Rate (50.3.p) for properties with RVs between £51,001 and £95,000*

*Higher Property Rate (51.6.p) for properties with RVs above £95,000*

## 2. Reliefs and exemptions

There are several reliefs and exemptions available for qualifying use-classes, industries and rateable value thresholds. In Scotland, your local council will apply reliefs for:

- Exempted buildings
- Empty buildings - for 3 months after the property becomes vacant in England & Wales. Notify your local authority when a property becomes vacant.
- Transitional relief - phased billing for certain types of properties and some properties located in Aberdeen/Aberdeenshire.

	<b>Key Relief Areas- Scotland</b>
<b>Covid-19 Business Rates Relief</b>	<p><i>100% relief for occupied retail, hospitality and leisure businesses, including those closed temporarily due to the government's coronavirus advice. Available throughout the 21-22 tax year (subject to central government funding) and applied automatically during 20-21 tax year. From April 2021 you will need to apply to your local council to have the relief applied.</i></p> <p><i>100% relief for Scottish Airports also applicable throughout 21-22.</i></p> <p><i>Businesses struggling to make payments due to covid can contact their local council for payment options.</i></p> <p><i>There were a range of <a href="#">business support grant schemes</a> for impacted businesses. Though all closed in July 2020 business should be aware in the case that any are made available again.</i></p>
<b>Small Business Bonus Scheme</b>	<p><i>For those with a combined RV across all properties of £35,000 or less or those occupying only one property with a RV of £18,000 or less.</i></p> <p><i>From April 1 2020 relief will only be applied to actively occupied properties.</i></p>

	<p><i>Combined RV up to £15,000 – 100% relief</i></p> <p><i>Combined RV between £15,001 - £35,00 – 25% relief on each property with an RV of £18,000 or less</i></p>
<b>Hardship Relief</b>	<i>Ratepayers experiencing financial difficulties may apply to their local authority for hardship relief which may grant a reduction to the ratepayer at their discretion.</i>
<b>Enterprise Areas Relief</b>	<i>Up to 100% relief for those setting up or relocating to an <a href="#">Enterprise Area</a> property and working in certain sectors.</i>
<b>Rural Rate Relief</b>	<p><i>Properties in eligible areas (rural areas with population of less than 3,000 that are;</i></p> <p><i>The only food shop, general store or post office with an RV of less than £8,500;</i></p> <p><i>The only small hotel, public house or petrol station with RV of less than £12,750;</i></p> <p><i>Any other business providing a benefit to the community below £17,000.</i></p>
<b>Charitable Rate Relief</b>	<i>Eligible charities and community amateur sports clubs may apply for relief of up to 80%. Councils may also offer up to 20% relief on top of this.</i>

There are also reliefs and exemptions available for:

- Disabled Persons Relief
- Districting Heating Relief
- Renewable Energy Generation Relief
- Telecommunications Relief
- Day Nursery Relief
- Reverse Vending Machine Relief
- Business Growth Accelerator Relief

You can find a full list of exemptions, and types of relief for Scotland [here](#).

## **BUSINESS RATES IN NORTHERN IRELAND**

### **1. How your rates are calculated**

Business rates are payable on most non-domestic properties capable of producing an income or commanding a rent, including buildings part-used for non-domestic activity.

- A property's Rateable Net Annual Value (NAV) is based on a valuation by the Land & Property Services (LPS) which is then multiplied by the non-domestic rate poundage (non-domestic regional rate + non-domestic district rate) for your council area for the relevant year.
- The multiplier you need to use may vary based on your location and will indicate the tax liability you will pay in each pound of the estimated rateable value. You can check your local poundage rate [here](#).

## 2. Reliefs and exemptions

There are several reliefs and exemptions available for qualifying use-classes and NAV thresholds.

	<b>Key Relief Areas- Northern Ireland</b>
<b>Covid-19 business rates relief</b>	<p><i>Businesses in hospitality, tourism, leisure (excluding some supermarkets and off-licenses), retail, childcare, certain airports will benefit from 100% rates relief for 2021-2022 tax year.</i></p> <p><i>All rate payers were granted a rates holiday between April-July 2020.</i></p>
<b>Small Business Rate Relief</b>	<p><i>For those with a NAV of £2000 or less – 50% relief</i></p> <p><i>For those with a NAV between £2000 - £5000 – 25% relief</i></p> <p><i>For those with a NAV between £5000 - £15000 – 20% relief</i></p>
<b>Charitable Exemption</b>	<p><i>Charitable Exemption can apply where a property is occupied by a charity <b>and</b> where the actual use of the premises is dedicated to the charitable objectives of that charity.</i></p>
<b>Hardship Relief</b>	<p><i>Ratepayers experiencing financial difficulties may apply to Land &amp; Property Services for hardship relief which may grant a reduction to the ratepayer at their discretion.</i></p> <p><i>This relief can only be claimed on rates due, so rates waived during the 4 month holiday in 2020 cannot be claimed.</i></p> <p><i>[Car parks, advertising hoardings, telecommunications masts and towers, and cash machines (ATMs) will not be eligible]</i></p>

There are also reliefs and exemptions available for:

- Sports and Recreation Rate Relief
- Industrial Derating
- Non-domestic Vacant Rating
- Relief for Post Offices

You can find a full list of allowances, and types of relief for Northern Ireland [here](#).

## **March 2021**

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