

RVA Surveyors explain what you should look out for with your business rates bill

Submitted by: Greyheart Media Ltd

Wednesday, 20 April 2022

It's that time again where new business rates bills for the year ahead are starting to arrive. Will you be reviewing yours, putting it straight in the filing or just passing it on to the finance team to deal with?

As we expected, there were no further changes to business rates in the Chancellor's Spring Statement and with costs for business' escalating at a rate not seen in over a generation, every penny counts. For the majority of firms, business rates represent the third or fourth highest cost to their business yet many do nothing to reduce it or may not even know how to, but RVA Surveyors are here to help.

Understanding Your Bill

It is important to have a basic understanding of your rates bill. It can be the difference in overpaying or saving thousands of pounds each year. All too often we find clients have missed out on reliefs because the local authority had not informed them; they were unaware they were eligible or that they even existed.

The first thing, above all else, is to check that your rate bill is for the right property(s). It sounds simple and obvious but mistakes happen and you may be unknowingly paying for a property or part of a property that is not yours. On every rates bill, there should be a property reference number. If you put that number into the 'find a property' section of the Valuation Office Agency website it will bring up your property details allowing you to see all of the relevant information in one place to compare against your rates bill.

Your property's Rateable Value will usually be one of the first things you see on your rates bill. All councils present their rates bills differently. You will then find the multiplier (the pence in the pound for what you actually pay), which is usually set out just beneath or alongside the Rateable Value. All you need to do is simply times your Rateable Value by the multiplier and this gives you the Rates Payable. This is the actual amount charged before any reliefs are applied.

Understanding Reliefs

A large number of businesses are in receipt of various reliefs. Some may have more than one. All businesses should question if they are in receipt of the full relief or if there are any additional reliefs that they could claim. You should familiarise yourself with your local authority's website and their business rates pages to find out in more detail about each specific relief.

Credits on your account

At RVA surveyors we've come across 1000s of businesses that don't know they may have a credit on their business rates account that needs to be claimed and returned - or potentially used to offset against your future liability. If you do have a credit on your account, not all councils publish this and we would recommend that you contact your local authority to enquire.

What's the future for Business Rates?

I don't believe the changes announced as part of the Government's technical consultation are wide ranging or deep enough to support business growth. With ever-increasing costs, the support that has been announced acts as little more than a sticking plaster. Each of the changes involve you having to make significant long-term investment to receive a meagre short-term relief, in the case of Green relief and Investment relief. Freezing the current multiplier, whilst a nice gesture, does not go far enough to support business. In fact, many within the industry, including senior Valuation Office Agency (VOA) officials have publicly called for the multiplier to return to its original 35p (back in the early 90s) rather than the current values.

The movement to a three year list, whilst sold as a benefit to business owners, really only allows the VOA more opportunities to increase the rates paid by commercial property owners and tenants on a more regular basis. Whilst there are a small percentage of businesses that receive reductions at revaluation, they are definitely the minority. At the last revaluation (2017) properties throughout England and Wales saw a combined Rateable Value increase of nearly 9%.

It is interesting that the VOA will soon be putting the onus on businesses to supply information about their properties within fixed timescales, the implication being that this will ensure a property's

rating is correct.

What this really shows is that the level of information held by the VOA is not sufficient; they are still only working from basic broad information provided by owners and tenants. In addition to this, the information that is requested and reviewed does not take into account the nuances that exist across all of the individual leases that are in place.

The Government views business rates as an extremely efficient tax with 95% collection rates throughout England and Wales. With little more than a year to go in the current rating list, only one third of all commercial properties have reviewed their business rates according to Valuation Office statistics released in September 2021. This is a startling statistic given the fact we at RVA Surveyors find that 50% of all the properties we review could achieve a reduction or rebate that could go as far back as April 2017.

Can you afford not to check your rates bill and review your business rates? There could be thousands at stake! And it could be easier than you think RVA Surveyors explain reasons for you to challenge your rates

(<https://www.landlordzone.co.uk/information/its-time-to-consider-challenging-your-business-rates-calculation-says-rva-surveyors>)

If you feel that you are paying too much or have been overcharged, RVA Surveyors professionals (<https://www.rvasurveyors.com/>) are here to help reduce your historic and future business rates liability.