



**British
Chambers of
Commerce**
The Ultimate Business Network

**British Chambers of Commerce
Request for Information:**

**The 2010 Rating Revaluation -
transitional arrangements.**

July 2009

Background

In advance of the 1 April 2010 revaluation of business ratings, the Communities and Local Government Department have published the first results of the revaluation in England, alongside proposals for transitional arrangements for the 2010 ratings list for consultation.

Every five years all non-domestic properties are assessed and given new rateable values, based upon rental values, for the purpose of calculating liability for business rates. The process is designed to be revenue neutral and ensure that business rates reflect up-to-date information of property rental values. Because some rates will rise and some will fall government are putting in place a £2 billion transitional arrangements scheme to offer relief to those who could see their rates increase as a result of the revaluation.

The consultation will close on 23rd September (and draft rating lists will be published at the end of September 2009) and can be found in full here:

<http://www.communities.gov.uk/publications/localgovernment/nndrrevaluation2010>

While BCC would welcome any initial comments, the deadline for final input into the BCC response will be 11th September.

Summary of proposals

- As a result of revaluation, without taking into account reliefs, all regions except London and the South West will see a fall in their business rate Bills, with the East Midlands seeing the biggest fall of -10%. London will see a 10% increase and the South West 3%, although government state that the relief scheme could limit these increases to averages of 3% and 1%.
- As a result of revaluation, without taking into account reliefs, offices will see the largest increase in Bills at 5% with industry seeing the largest reduction of -9%. In addition to any transition relief, government also predict a fall in the small business multiplier 41.3p in 2010/11 (which is used to calculate business rate payments from assessed property values).
- The consultation sets out four options for introducing transitional arrangements for the 2010 rating list. The options under consideration are:
 - Option 1: annual caps on both increases and reductions over four years with different caps for small and large properties;
 - Option 2: the same caps on increases as option 1 but funded from a supplement on all other rate bills;
 - Option 3: annual caps on both increases and reductions over five years with different caps for small and large properties (the Government's current preferred option); and
 - Option 4: the same caps on increases as option 3 but funded from a supplement on all other rate bills.

Consultation questions

Below are the consultation questions in full (which should be read in conjunction with the consultation document):

- 1: Having regard to the cost of the transitional relief, do you think the caps on increases for small properties adopted at the 2005 revaluation should be repeated for the 2010 revaluation?
2. Having regard to the cost of transitional relief, do you think the caps on increases for large properties adopted at the 2005 revaluation should be repeated for the 2010 revaluation?
3. Do you think that transitional relief should be provided over four years or 5 years?
4. Do you think the transitional relief should be funded by downward caps on reductions in bills (options 1 and 3) or by a supplement levied on other ratepayers (options 2 and 4)?

If you would like to submit comments, please contact Kevin Hctor at the BCC at k.hctor@britishchambers.org.uk or 020 7654 5809.