

## Facilities Management from A to Z

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Businesses and other organisations that occupy non-domestic premises pay a local tax called Non-domestic Rates, more usually known as called business rates. The payments are used to fund services provided by local authorities, such as the police and the fire and rescue service.

The Valuation Office Agency (VOA) is an executive agency of HM Revenue & Customs (HMRC) and is responsible for compiling and maintaining the business rating and council tax valuation lists for England and Wales. Business rates in Scotland are dealt with by the Scottish Assessors.

With a few exceptions like farm buildings or places of religious worship, business premises are all given a rateable value by the VOA. The rateable value is based on the likely annual open market rent for the premises at a particular date and is reviewed every five years. Details of the rateable value, and how it has been calculated, are shown on a summary valuation for the property.

The amount of business rates payable is calculated using the rateable value and a multiplier, which is set by the government. Different multipliers are used for England, Wales, Scotland and Northern Ireland. Normally, the occupier of the property, whether owner or leaseholder, has to pay the business rates. Occasionally business rental agreements include rates in which case the landlord is responsible for passing on the amount paid to the local authority.

It is possible to challenge the rateable value if it is believed that the rateable value or other entry in the rating list is wrong. This is called a 'Proposal to Alter the Rating List'. This 'proposal' asks the valuation officer to change the entry in the list - if the valuation officer does not agree that a change is needed then the matter is treated as an appeal and referred to the valuation tribunal.

Empty business properties are exempted from business rates for the first three months that they are empty. Industrial and warehouse properties qualify for a further three months' exemption from business rates. After that, full business rates are normally payable. If a property is only partly occupied, the billing authority has discretion to request that the valuation officer apportions the property's rateable value between its occupied and unoccupied parts.

*For more information on rating and full details of the appeals process see the VOA website*

*[www.voa.gov.uk](http://www.voa.gov.uk) or consult your local authority.*