



Business Rates

MARKET UPDATE

May 2023

The Government are to introduce a ratepayer obligation to notify the VOA within 60 calendar days of any changes to the occupation and characteristics of their properties.

Business Rates

Non-Domestic Rating Bill

At the end of March the Government introduced a **Non-Domestic Business Rating Bill** which if enacted will have a significant impact on all ratepayers.

New Ratepayer Duty to Notify

The Government are to introduce a ratepayer obligation to notify the VOA within **60 calendar days** of any changes to the occupation and characteristics of their properties. Examples of details to be notified include:

- Signing a new lease
- Signing a sub let
- Signing a rent review memorandum
- A change in rent, e.g. as a result of a CVA

- A change to a lease e.g. side agreement, deed of variation
- The start or ending of the occupation of a property
- Alterations to a property

The new duty will be phased in during the 2023 Revaluation period. The government will permit the bulk upload of information enabling ratepayers with multiple properties to upload information on notifiable changes every 30 days.

This significant obligation is being proposed despite the Government confirming they had been advised in both roundtables and written responses that ratepayers would need to provide additional resources and would incur additional costs to meet the duty.

Compliance and penalties

If ratepayers fail to provide their information then they may be liable for a penalty – details below:

Failure to provide information

Rateable value	Up to £15,000	£15,001- £51,000	Over £51,000
First penalty	2% of the RV change (minimum £300)	2% of the RV change (minimum £600)	2% of the RV change (minimum £900)
Second penalty for continuing non-compliance	£60 per day until compliance	£60 per day until compliance	£60 per day until compliance

Failure to false information

Rateable value	Up to £15,000	£15,001- £51,000	Over £51,000
First penalty	£500	£500	£500
Variable	3% of the RV change	3% of the RV change	3% of the RV change

Annual confirmation

For the 2026 Revaluation there will be a new 6 month deadline for appeals. Any appeals after this date will be barred even if subsequently the valuation rate is reduced on neighbouring properties. The Government are refusing however to impose any deadline on the VOA for handling appeals which can often take up to 2 years to conclude.

- Provision to ratepayers of a summary of the rental evidence used to calculate the Rateable Values
- A new “Improvement Relief” which will potentially delay by 12 months the increase in rates payable following an improvement to a building. This will come into effect from April 2024.

The Bill follows on from the 2020 Business Rates Review undertaken by the Government. The new Duty to Notify measures propose a fundamental change in the obligations of ratepayers who will be faced with a significant additional administrative burden to keep on top of all the new obligations.

Other measures

Some of the other measures proposed have broad business support and include the following:

- 3 yearly Rating Revaluations
- Replacement of RPI with CPI in calculating the annual increase of the UBR

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