

BUDGET OVERVIEW 2023/24 AND DRAFT BUDGET

Response to action point 22. 22/23 (a)

Members asked for clarification of the size of shop unit which determined whether businesses rates were payable. Concern was expressed for larger shops, where rates were payable, and for empty shop units which were not contributing to the economic vibrancy of towns.

The following response was provided by the Head of Revenue and Benefits (PSPS) and circulated to the Joint PMP/PDP Committee on 3 May 2023:

Rating of Shops

The Valuation Office Agency (VOA) is responsible for maintaining the rating list, and decisions about the hereditaments (properties) that are on the list.

For shops and high street businesses the VOA use a 'rental' method to value businesses, analysing the information to work out a price per square metre for the property. It will consider local conditions and property characteristics in reaching its valuation.

Shops and high street properties that are 'like each other' will be part of a valuation 'scheme' making rateable values fair and consistent.

Unoccupied Shops

Shops will be entitled to a 3-month exemption from the date stock is removed from the property. Once the 3-month period has expired, they will then be liable to 100% empty property rates (this is calculated using the higher multiplier which for 2023/24 is £0.52).

There are some exemptions from empty property business rates including: -

Those with a rateable value below £2,900

- A property held by a Charity or Community Amateur Sports Club (CASC) and is likely to be used for charitable purposes or for the purposes of the sports club
- Listed buildings and ancient monuments
- A property owned by a company in administration
- Where the law does not allow the property to be occupied
- Where the Crown or a local/public authority is taking action that prevents occupation
- The person entitled to occupation holds it only as the personal representative of a deceased person

Shops will be treated as unoccupied until there are items e.g. stock etc., placed in the property, from which point the shop will be considered to be occupied.

Rate reliefs – occupied shops

Depending on the rateable value (RV), and the ratepayers individual circumstances, there may be eligibility to rate relief. Subject to meeting the required criteria, these reliefs are:

- **Small Business Relief (SBR)**

100% if the RV is below £12,000, and an amount awarded on a sliding scale if RV is between £12,000 & £15,000 [Small Business Relief \(SBR\) - South Holland District Council \(sholland.gov.uk\)](https://www.sholland.gov.uk)

- **Retail Hospitality and Leisure Relief**

75% for the 2023/24 financial year (increased from 50% from 2022/23) [Retail, Hospitality and Leisure Relief - South Holland District Council \(sholland.gov.uk\)](https://www.sholland.gov.uk)

- **Rural Rate Relief**

100% relief if the property is located in a qualifying rural settlement and the RV is below £8,500 (for a food shop, general store or post office) [Rural Rate Relief - South Holland District Council \(sholland.gov.uk\)](https://www.sholland.gov.uk)

- **Mandatory/discretionary Relief**

80% mandatory if the organisation is a registered charity or Community Amateur Sports Club (CASC) and up to 100% discretionary if the organisation is either a non-profit making body and/or meets the criteria for discretionary relief .