

Your business rates 2020-21

Cabinet member foreword

Thank you for the contribution that your business makes to Southwark. Not only through your Business Rates, but also through the jobs, apprenticeships, goods and services that businesses like yours generate every day in the borough.



We offer a range of support to businesses. Southwark Works is our free service to help businesses recruit the people they need. It continues to be a great success helping over 8,500 Southwark residents into employment since 2014. With an eye on the future we recently launched our “Pioneers Fund” and the “South London Innovation Corridor” programme to support local start-up businesses to grow and thrive.

Investment in skills remains a priority, having invested £5 million in the Passmore business skills and training hub at London South Bank University and our Southwark Construction Skills Centre has supported well over 5,000 learners. We are pleased to see that some of our Southwark Businesses have been awarded the Mayor of London’s Good Work Standard and we can offer support for any business that would like to seek accreditation.

The council has declared a climate emergency and committed to doing everything that it can to ensure the borough is carbon neutral by 2030. We can’t do this on our own, and want to work with you and others to help businesses to reduce their carbon and to thrive in a greener and more sustainable future. We are also of course aware that some businesses may face challenging times ahead due to changes brought by Brexit, but we will continue to engage meaningfully with you, listening carefully to your concerns and working tirelessly alongside you.

We will again ensure that appropriate Business Rate reliefs are awarded to businesses as equitably as possible, continuing into the final year of our Discretionary Revaluation Relief scheme, which has helped thousands of small and medium sized businesses adjust to the rates rise the Government imposed in 2017. We will also apply the increased “retail relief” for the coming year fairly to support local retailers.

We value our relationship with our business community and I thank you once more for your commitment to our borough.

Councillor Stephanie Cryan

Cabinet Member for Jobs, Business & Innovation

A guide to your business rates

Local businesses contribute towards services provided by the council by paying business rates

How are business rates calculated?

The level of business rates is set by the government, not the council. The amount you pay is calculated by multiplying the rateable value of your property, which is set by the Valuation Office Agency (VOA), with a multiplier set by the government.

If you occupy a property with a rateable value of less than £51,000 and are not in receipt of any mandatory rate reliefs, a lower multiplier will be used to calculate your bill.

For 2020-21 the full multiplier is 51.2p per £1 of rateable value. The small business multiplier is 49.9p per £1 of rateable value.

The rateable value represents the annual rental value of your property if it was offered on the open market on 1 April 2015.

Revaluation

The VOA has revalued properties in England and Wales from 1 April 2017. Properties are revalued two years before their new ratings take effect. For the 2017 revaluation, properties were valued as at 1 April 2015.

You can click, find and review your rateable value on the VOA's website www.gov.uk/correct-your-business-rates

If have reason to believe that your 2017 rateable value is not correct, follow the instructions provided on the site.

An appeal on your 2017 rateable value is not possible, and may not be necessary, until you have completed CHECK and CHALLENGE.

Transitional arrangements

Transition is a scheme to limit the amount by which bills can increase or reduce following a revaluation and is automatically applied to affected accounts.

Any transitional adjustment that applies to your property will be shown on the front of your bill. You can find more information regarding transitional arrangements here:

www.southwark.gov.uk/BRtransition

Small business rate relief

From 1 April 2017, occupied properties which have a rateable value of less than £51,000 and are not in receipt of any mandatory rate relief will

A guide to your business rates continued

have their business rates liability automatically calculated using the small business multiplier. You may be entitled to additional small business rate relief which could further reduce your charge if you occupy a single business premises only with a rateable value of up to £15,000.

If your single premises has a rateable value of £12,000 or less you will be entitled to 100% small business rate relief and therefore pay no business rates for the 2020-21 financial year. If your premises has a rateable value between £12,000 and £15,000 you will be eligible for a further reduction in the amount payable, as well as your bill being calculated using the smaller multiplier.

The government has introduced additional support to small businesses. For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, the government has confirmed that they will be allowed to keep that relief for a period of 12 months.

If your rateable value from 1 April 2017 is £15,000 or less, you occupy a single business property and you are not receiving small business rate relief, you can apply for this here:

www.southwark.gov.uk/sbrform

You do not need to employ a rating agent to apply for small business rate relief.

How can I pay my business rates?

Direct debit is the most convenient way to pay and allows you to pay on the 1st or 15th of the month. You can set up a direct debit online at www.southwark.gov.uk/brddform

What if I don't pay?

If you pay your business rates in instalments, we must receive each payment by the date stated on your bill, unless you pay by direct debit, in which case your payment is collected on the 1st or 15th of the month. If you don't pay on time, you will be sent a reminder notice and could receive a court summons and have to pay costs.

You can avoid the risk of forgetting a payment by signing up for direct debit. If you are having difficulty paying your business rates, please contact us for advice here:

www.southwark.gov.uk/BRcontact

Empty properties

Properties that are empty are exempt from rates for up to three months (six months if the property is a qualifying industrial hereditament). After this date the full charge is

A guide to your business rates continued

payable unless it qualifies for one of the following exemptions:

- Empty property where the rateable value is under £2,900
- Empty listed buildings
- Empty properties which are the responsibility of liquidators, bankrupt individuals, trustees in bankruptcy and companies in administration.
- Empty property where the owner is entitled to possession only in his capacity as personal representative of a deceased person
- Empty property held by a charity and that will be used for charitable purposes when next used
- Empty property that is held by a community amateur sports club and appears that it will next be used for these purposes
- Empty property where occupation is prohibited by law

Charitable rate relief

Charities are eligible for an 80% reduction on their business rates for properties used wholly or mainly for charitable purposes. Rate relief may also be granted to other organisations not established or conducted for profit. Discretionary rate relief may also be awarded to charities and organisations

not established or conducted for profit that make a major contribution to the wellbeing of Southwark residents.

You can apply online at:

www.southwark.gov.uk/mandatoryrelief

For further information or advice regarding business rates, please visit: www.southwark.gov.uk/businessrates
Or contact us at:

www.southwark.gov.uk/BRcontact

Discretionary Revaluation Relief

We are entering the final year of this central government financed scheme to help with the 2017 revaluation. We are currently working on a policy that enables us to help as many small and medium size businesses as possible. We aim to award the relief by May 2020 and will issue new bills once this has been done. You must continue paying until relief is awarded and you receive a revised bill.

Retail Relief Scheme

In the Autumn Budget 2018 the Chancellor announced that he would be offering assistance to the high street. If you run a retail business and your premises has a rv below £51,000 you could be eligible for 50 percent off of your rates bill. For further detail please see our website www.southwark.gov.uk/business/business-rates/reducing-your-bill

The council's finances

Southwark Council's income and expenditure

The table below shows the revenue budget 2020-21 which is funded from revenue support grant, council tax and business rates. Schools are funded through the dedicated schools grant.

Other key information

At 31 March 2019, the council's uncommitted reserves were £21m, investments £126m and borrowing £677m.

Southwark Council employs approximately 4,310 staff (headcount).

2019-20 Net Budget £m		2020-21 Expenditure £m	2020-21 Income £m	2020-21 Net Budget £m
86.9	Children's service	323.4	(234.2)	89.2
94.8	Adult social care	145.6	(52.3)	93.3
5.6	Traffic, transport and parking	25.1	(20.6)	4.5
8.7	Highways	15.4	(6.5)	8.9
6.7	Planning and economic development	18.7	(12.0)	6.7
9.2	Recreation and tourism	15.4	(6.0)	9.4
7.0	Libraries	7.5	(0.5)	7.0
3.3	Environmental health	9.0	(5.0)	4.0
32.2	Refuse collection and disposal	64.4	(30.2)	34.2
8.3	Revenue and benefits	166.2	(157.9)	8.3
27.7	Other services	243.0	(214.2)	28.8
290.4	Total spending on services	1,033.7	(739.4)	294.3
290.4	Southwark's budget requirement			294.3
(176.0)	Retained business rates, and top up			(138.6)
0	Revenue support grant			(36.4)
(3.9)	Council tax surplus from previous year			(1.4)
110.5	Southwark's council tax requirement			117.9
103,662	Divided by council tax base			106,284
1,066.27	Which equals Southwark's band D council tax			1,108.81
33.2	GLA tax requirement			35.3
103,662	Divided by council tax base			106,284
320.51	Which equals band D council tax			332.07
1386.78	Total band D council tax			1,440.88

Business support services

Southwark Council is committed to supporting businesses in the borough. Whether you're a start-up or an established business looking for support, we're here to help. We can help you find business advice and a range of support for your employment needs.

We also offer advice and guidance on practical issues related to setting up and running a business in Southwark, such as planning, building control, licensing and environmental health. For more information please visit: www.southwark.gov.uk/business

Southwark Works

Our employment support service provides recruitment services at no cost for employers. The programme offers tailored support that is based on individual business needs. For more information visit: www.southwark.gov.uk/southwarkworks

Southwark Pioneers Fund

The Southwark Pioneers Fund exists to support our creative and entrepreneurial residents to start and grow their enterprises, enhance inclusive growth in the local economy, and deliver social value for the Southwark community. The Fund provides grant support (up to £5,000 per enterprise). In 2020, the fund will also provide business support followed by loan provision.

For more information please see www.southwark.gov.uk/business/business-support-and-advice/southwark-pioneers-fund

Apprenticeship support

We offer support to any employer based in Southwark looking to hire an apprentice or develop an apprenticeship programme. We do not charge for these services, which help to create quality apprenticeships under the Southwark Apprenticeship Standard.

To find out more about how we can help, or for more details about the Southwark Apprenticeship Standard, please contact: localeconomy@southwark.gov.uk

Passmore Centre

In partnership with London South Bank University (LSBU) Southwark Council has made a substantial investment to help create the Passmore Centre. The centre aims to bring together employers and local people with relevant technical and professional skills. It provides a 'one stop shop' for employers to access information about apprenticeships and potential apprentices. For more information visit: www.lsbu.ac.uk/business/apprenticeships

GREATER LONDON AUTHORITY

The text on pages 8 and 9 has not been written by Southwark Council and the views in it should not be taken as representing those of the council.

What is Crossrail and how will it benefit your business?

Crossrail is London's newest railway. It will connect the outer suburbs and Heathrow airport to the West End, City and Canary Wharf. As such, Crossrail is vital to the future of London's economy. The increased earnings it will bring – from new jobs and quicker journeys – will benefit businesses across London. When it opens, it will be named the Elizabeth line in honour of Queen Elizabeth II.

Crossrail is the single largest investment in London's infrastructure for decades. It employed up to 14,000 people at the peak of construction. Work is now continuing to complete the project and stations along the route as soon as possible with the section through central London expected to open in 2021.

To find out more, visit www.crossrail.co.uk, call the Crossrail 24 hr Helpdesk on **0345 602 3813** or email helpdesk@crossrail.co.uk

Developments in the construction and financing of Crossrail

The previous Mayor of London agreed a funding settlement with Government in 2010 for the Crossrail

route. The Mayor and the Secretary of State for Transport announced a revised funding package for Crossrail on 10 December 2018.

How will London's businesses help fund Crossrail?

In April 2012, the previous Mayor introduced a Community Infrastructure Levy (MCIL) on new developments in London to finance Crossrail. This is paid for by the developer. Business ratepayers of larger properties have contributed through a special Crossrail Business Rate Supplement (BRS) since April 2010.

Under the December 2018 funding package, the GLA's total contribution towards Crossrail financed through the MCIL and BRS is expected to be around £6.1 billion. The BRS will need to be levied until the GLA's Crossrail related borrowing is repaid. This is expected to be some time in the mid to late 2030s, in line with the published prospectus. The policies for the BRS in 2020-21 remain unchanged from last year.

Does my business have to pay the Crossrail BRS?

Your rates bill makes clear if you are liable to pay the BRS. The Crossrail BRS is applied only to assessments

(for example business and other non-domestic premises) with a rateable value of over £70,000 on the local rating lists of the 32 London boroughs and City of London Corporation. This threshold means that around 85 per cent of non-domestic properties in London will be exempt from the BRS in 2020-21.

How much do I pay if my property's rateable value is above £70,000?

The Crossrail BRS multiplier for 2020-21 remains at 2p per pound of rateable value. Reliefs for the Crossrail BRS will apply on the same basis and at the same percentage rate as for your national non-domestic rates (NNDR) bill. However, no transitional relief is provided for the BRS.

Keeping you up to date

We will give ratepayers an annual update over the lifetime of the BRS.

Contact for more information

 020 7983 4100

 crossrail-brs@london.gov.uk

 www.london.gov.uk/crossrail-brs

Finance
GLA
City Hall
London
SE1 2AA

MySouthwark MyBusiness Rates 2020-21

www.southwark.gov.uk/mysouthwark

View your business rates bills and account details online from any device at anytime



 @lb_southwark  facebook.com/southwarkcouncil

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The Southwark Apprenticeship Standard

Making apprenticeships work for business.

Supporting employers with:

- Information, advice and guidance tailored to your needs
- One-to-one support to get your apprenticeships started
- Networking and information events
- Recruitment advertising through our network

For more information contact the Local Economy Team at localeconomy@southwark.gov.uk



www.southwark.gov.uk/apprenticeships

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“EXPLANATORY NOTES”

Non-Domestic Rates

Non-Domestic Rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally. This provides a direct financial incentive for authorities to work with local businesses to create a favourable local environment for growth since authorities will benefit from growth in business rates revenues. The money, together with revenue from council tax payers and certain other sums, is used to pay for the services provided by local authorities in your area. Further information about the business rates system, including transitional and other reliefs, may be obtained at www.gov.uk.

Rateable Value

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the valuation officers of the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They draw up and maintain a full list of all rateable values, available at www.gov.uk/government/organisations/valuation-office-agency. The rateable value of your property is shown on the front of your bill. This broadly represents the yearly rent the property could have been let for on the open market on a particular date. For the revaluation that came into effect on 1st April 2017, this date was set as 1st April 2015.

The valuation officer may alter the value if circumstances change. The ratepayer (and certain others who have an interest in the property) can request a change to the value shown in the list if they believe it is wrong, through the reformed Check, Challenge, Appeal (CCA) process introduced in April 2017. Full details on the CCA process are available from the VOA or from www.gov.uk. Your billing authority can only backdate any business rates rebate to the date from which any change to the list is to have effect. Further information about the grounds on which appeals may be made and the process for doing so can be found on the www.gov.uk website.

National Non-Domestic Rating Multiplier

The local authority works out the business rates bill by multiplying the rateable value of the property by the appropriate multiplier. There are two multipliers: the standard non-domestic rating multiplier and the small business non-domestic rating multiplier. The former is higher to pay for small business rate relief. Except in the City of London where special arrangements apply, the Government sets the multipliers for each financial year for the whole of England according to formulae set by legislation.

The current multipliers are shown on the front of your bill.

Business Rates Instalments

Payment of business rate bills is automatically set on a 10-monthly cycle. However, the Government has put in place regulations that allow businesses to require their local authority to enable payments to be made through 12 monthly instalments. If you wish to take up this offer, you should contact the local authority as soon as possible.

Revaluation 2017 and Transitional Arrangements

All rateable values are reassessed at a general revaluation. The most recent revaluation took effect from 1st April 2017. Revaluations make sure each ratepayer pays their fair contribution and no more, by ensuring that the share of the national rates bill paid by any one ratepayer reflects changes over time in the value of their property relative to others.

A £3.6 billion transitional relief scheme limits changes in rate bills as a result of the 2017 revaluation. To help pay for the limits on increases in bills, there are also limits on reductions in bills. Under the transitional scheme, limits continue to apply to yearly increases and decreases until the full amount is due (rateable value times the appropriate multiplier). The scheme applies only to the bill based on a property at the time of the revaluation. If there are any changes to the property after 1st April 2017, transitional arrangements will not normally apply to the part of a bill that relates to any increase in rateable value due to those changes. Changes to your bill as a result of other reasons (such as changes to the amount of small business rate relief) are not covered by the transitional arrangements. The transitional arrangements are applied automatically and are shown on the front of your bill. Further information about transitional arrangements and other reliefs may be obtained from [insert name of billing authority] or the website www.gov.uk/introduction-to-business-rates.

More information on the 2017 revaluation can be found at www.gov.uk/introduction-to-business-rates/revaluation.

Unoccupied Property Rating

Business rates will not be payable in the first three months that a property is empty. This is extended to six months in the case of certain industrial properties. After this period rates are payable in full. In most cases the unoccupied property rate is zero for properties owned by charities and community amateur sports clubs. In addition, there are a number of exemptions from the unoccupied property rate. Full details on exemptions can be obtained from your local authority.

Partly Occupied Property Relief

A ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short time, the local authority has discretion in certain cases to award relief in respect of the unoccupied part. Full details can be obtained from the local authority.

Small Business Rate Relief

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are not entitled to other mandatory relief or are liable for unoccupied property rates) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the national non-domestic rating multiplier.

In addition, generally, if the sole or main property is shown on the rating list with a rateable value which does not exceed £15,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 100%. For a property with a rateable value of not more than £12,000, the ratepayer will receive a 100% reduction in their rates bill.

Generally, this percentage reduction (relief) is only available to ratepayers who occupy either—

- (a) one property, or
- (b) one main property and other additional properties providing those additional properties each have a rateable value which does not exceed £2,899.

The aggregate rateable value of all the properties mentioned in (b) must not exceed £19,999 outside London or £27,999 in London on each day for which relief is being sought. If the rateable value, or aggregate rateable value, increases above those levels, relief will cease from the day of the increase.

The Government has introduced additional support to small businesses. For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, the Government has confirmed that they will be allowed to keep that relief for a period of 12 months. Where a ratepayer meets the eligibility criteria and has not received the relief they should contact their local authority. Provided the ratepayer continues to satisfy the conditions for relief which apply at the relevant time as regards the property and the ratepayer, they will automatically continue to receive relief in each new valuation period.

Certain changes in circumstances will need to be notified to the local authority by a ratepayer who is in receipt of relief (other changes will be picked up by the local authority). The changes which should be notified are—

- (a) the ratepayer taking up occupation of an additional property, and
- (b) an increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.

Charity and Community Amateur Sports Club Relief

Charities and registered Community Amateur Sports Clubs are entitled to 80% relief where the property is occupied by the charity or the club, and is wholly or mainly used for the charitable purposes of the charity (or of that and other charities), or for the purposes of the club (or of that and other clubs).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority.

Relief for Local Newspapers

The Government is providing funding to local authorities so that they can provide a discount worth up to £1,500 a year on office space occupied by local newspapers. This was due to run for 2 years from 1st April 2017. At Autumn Budget 2018, the Government extended the scheme for an additional year (2019/20).

This scheme provides up to a maximum of one discount per local newspaper title and per hereditament, and up to state aid limits. The relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Eligibility criteria for this relief is set out in a guidance note: “The case for a business rates relief for local newspapers”, which can be obtained at www.gov.uk/government/consultations/the-case-for-a-business-rates-relief-for-local-newspapers.

Spring Budget 2017 Relief Scheme: Supporting Small Business

Ratepayers losing Small Business or Rural Rate Relief as a result of the 2017 revaluation will have their increases limited to the greater of either (i) a cash value of £600 per year, or (ii) the matching cap on increases for small properties in the transitional relief scheme. This relief will run until the next revaluation in 2021 and ratepayers will receive the relief until this date or they reach what their bill would have been without the relief scheme, whichever is first.

This relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Further information can be obtained from the local authority.

Spring Budget 2017 Relief Scheme: Discretionary Scheme

The Government is providing £300 million of funding to local authorities over 4 years to 31st March 2021 to provide discounts to ratepayers in their area on a discretionary basis. Each authority has been allocated a share with which to design and implement a scheme to deliver targeted support to ratepayers.

Local authority allocations can be found at:

<https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme>

This relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Further information can be obtained from the local authority.

Retail Discount

At Autumn Budget 2018, the Government announced a one-third discount for eligible retail businesses with a rateable value of less than £51,000, up to state aid limits. This scheme will run for two years from April 2019. This discount will be applied to the bill after the application of any reliefs, excluding any local discounts.

The Government has issued guidance on the operation of the scheme, which can be found at:

<https://www.gov.uk/government/publications/business-rates-retail-discount-guidance>.

This relief will be delivered through local authority discretionary discount powers (under section 47(3) of the Local Government Finance Act 1988). Further information can be obtained from the local authority.

Local Discounts

Local authorities have a general power to grant discretionary local discounts. Full details can be obtained from the local authority.

State Aid

The award of discounts is considered likely to amount to state aid. However, it will be state aid compliant where it is provided in accordance with the De Minimis Regulations EC 1407/2013. The De Minimis Regulations allow an undertaking to receive up to EUR 200,000 'de minimis' aid over a rolling three-year period. If you are receiving, or have received, any 'de minimis' aid granted during the current or two previous financial years (from any source), you should inform the local authority immediately with details of the aid received.

Hardship Relief

The local authority has discretion to give hardship relief in specific circumstances. Full details can be obtained from the local authority.

Rating Advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill.

However, ratepayers who do wish to be represented should be aware that members of the Royal Institution of Chartered Surveyors (RICS - website www.rics.org) and the Institute of Revenues, Rating and Valuation (IRRV - website www.irrv.org.uk) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct. Before you employ a rating adviser, you should check that they have the necessary knowledge and expertise, as well as appropriate indemnity insurance.

Information Supplied with Demand Notices

Information relating to the relevant and previous financial years in regard to the gross expenditure of the local authority is available at [website address of local authority where information is published]. A hard copy is available on request by writing to the council or at [telephone number]."