AUTUMN STATEMENT PLEDGE WILL LIMIT BUSINESS RATES SAVINGS

- Government’s Autumn Statement contained changes to rules regarding Business Rates appeals

It was announced in the Autumn Statement that an appeal deadline will come into effect from **31 March 2015**. Appeals made after this date will have their savings limited to 1 April 2015 onwards, only.

This change affects ratepayers who have yet to appeal against their current Rateable Value or those who are yet to take further appeal action that may be necessary.

Colin Whelan, Director of BNP Paribas Real Estate’s Business Rates team in Birmingham, said:

“Rateable Values and corresponding rates charges are based on rental levels prevailing in the market at 1 April 2008. The government’s action to delay the revaluation that was scheduled on 1 April 2015 to 1 April 2017 ensures businesses will continue to pay Business Rates on pre-recession levels of value for an additional two years and therefore, it seems rather iniquitous to suddenly restrict savings for only two years of the extended seven year cycle.

“Many businesses have not appealed their property’s rateable value or may be unaware of material changes in circumstance (‘MCCs’) that could permit additional appeal action. It is important that any business that is unsure of its position seeks advice urgently, or they could for-go up to five years’ worth of potential retrospective cash savings in liability”.

Click here for the pro-forma that identifies situations for possible appeal action. Should any of these situations be of interest then please complete and return to: colin.j.whelan@bnpparibas.com.

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Notes for editors

See below for an extract from the Government’s Autumn Statement 2014
AUTUMN STATEMENT 2014

Presented to Parliament by the Chancellor of the Exchequer by Command of Her Majesty December 2014

2.126 Business rates administration review: interim findings – The government will publish its interim findings in December 2014, setting out a summary of stakeholder responses and providing an update on how the government proposes to respond to businesses' calls for clearer billing, better sharing of information and a more efficient appeals system.

2.127 Small Business Rate Relief (SBRR) – The government will extend the doubling of SBRR for a further year from 1 April 2015.

2.128 Business rates: transitional arrangements – The government will extend the transitional arrangements for properties with a rateable value of £50,000 and below facing significant bill increases due to the ending of Transitional Rate Relief from 1 April 2015 to 31 March 2017.

2.129 Business rates: backdating – The government will change the rules so that alterations to rateable values can only be backdated to the period between 1 April 2010 and 1 April 2015 for Valuation Office Agency (VOA) alterations made before 1 April 2016 and ratepayers’ appeals made before 1 April 2015.

2.130 Business rates: discount – The government will increase the business rates discount for retail and food and drink premises with a rateable value of £50,000 and below to £1,500 up to the state aids limit for 1 year from 1 April 2015.

2.131 Business rates: indexation – The government will continue the 2% cap on the RPI increase in the business rates multiplier for an additional year from 1 April 2015.

2.132 Business rates: long-term review – The government will conduct a review of the future structure of business rates to report by Budget 2016. The review will be fiscally neutral and consistent with the government’s agreed financing of local authorities. The government will publish terms of reference in due course.

2.150 Business rates avoidance: discussion paper – The government will publish a discussion paper on the nature and scale of business rates avoidance in December 2014.

About BNP Paribas Real Estate

BNP Paribas Real Estate, one of the leading international real estate providers, offers its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management. BNP Paribas Real Estate has local expertise on a global scale through its presence in 38 countries with more than 180 offices and 3,700 employees (17 wholly owned and 21 by its Alliance network that represents today more than 3,000 people). BNP Paribas Real Estate is a subsidiary of BNP Paribas.

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