



## KEY BUSINESS RATES BILL FALLS AWAY DUE TO CLOSURE OF PARLIAMENT

It has been announced that a key piece of legislation, The Non-Domestic Rating (Lists) Bill, has fallen away due to the 2017-2019 parliamentary session coming to a close.

The legislation aimed to deliver more frequent revaluations by bringing forward the next revaluation to 2021 from 2022 and to ensure three yearly revaluations thereafter, rather than the current five-year period. This would improve the fairness of the system as valuations would be more aligned to the properties' current rental value.

Currently, business rates bills are calculated based on the estimated rental value of each property at a specified historic date and each property is revalued every 5 years.

For the current 2017 Rating List, each property was ascribed a new Rating List valuation on 1<sup>st</sup> April 2017 based on rental values from 1<sup>st</sup> April 2015.

Having such an historic valuation date can lead to inflated rates being paid in areas where rents have fallen. This is having a detrimental impact, especially in the current economic climate and particularly in the retail sector where rents have fallen significantly.

The Government may decide to introduce the Bill in the Queen's Speech. However, if it decides to do so, the Bill would have to undergo the process from the beginning and getting the Bill through all the necessary stages would depend upon parliamentary time. Unless the new law is brought before Parliament quickly, the 2021 revaluation may not go ahead.

Mairead Gethings of FHP Property Consultants comments:

*"This was a key piece of legislation that would make the rating system fairer and more accurate for ratepayers. There is a need to have more regular revaluations so that ratepayers are not paying inflated taxes based on historic rents. As a result of the Bill falling away, occupiers and in particular, retailers, will continue to pay rates that are not aligned with the rental value of the property."*

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*To ensure greater accuracy, certainty and fairness in the rating system, the Government must ensure that the Non-Domestic Rating (Lists) Bill is re-introduced and progressed quickly through Parliament in the next parliamentary session”.*

FHP have a strong track record of achieving exceptional business rates savings for national and independent retailers nationwide and can offer strategic advice as regards to managing and mitigating business rates liabilities.

If you would like further information and advice on the above, or if you would like to investigate whether the Business Rates Team could help you, please contact Mairéad Gethings on 0115 950 7577.

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Mairéad Gethings

Date: 11 October 2019

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