



## Briefing note for Clubs - Business rates revaluation 2017

The purpose of this briefing note is to alert clubs to the rating revaluation and to some of the consequences of it. A brief checklist is provided for your information.

### Background & Structure of business rates

Business rates is the commonly used name of non-domestic rates, a tax on the occupation of non-domestic property such as rugby clubs. Business rates liabilities are calculated by multiplying the Rateable Value (RV) of a property by the Uniform Business Rate (UBR) multiplier for the year concerned. Until 2013 all business rates collected by local authorities were paid on to HM Treasury but local authorities now keep a proportion of business rates for their area and this has altered their approach to granting discretionary rate reliefs, leading to a growing number reducing or removing the reliefs offered.

Rateable Values are normally revalued every five years. The current Rateable Values came into force from 1 April 2010 and were due to be revalued on 1 April 2015. However the government decided to postpone that revaluation for two years and it will now take place in 2017, but will be based on values in 2015.

We recommend you check your clubs current valuation by visiting the Valuation Office Agency website at [www.2010.voa.gov.uk/rli](http://www.2010.voa.gov.uk/rli) and check whether your club is receiving any rate reliefs currently from your Local Authority.

### 2017 rating revaluation

New RV's will come into force on 1 April 2017 based on rateable values at 1 April 2015. The new RV's will not be published until September 2016. Clubs will receive a "Notice Requiring Return of Information" from the Valuation Office Agency. These are blue forms which seek information regarding leases, rents, and other matters and *will be used to calculate the 2017 rateable value of the club.*

There are financial penalties for failing to return these forms within 56 days. It is therefore important that these forms are returned promptly. Clubs should also be aware that new RV's will include any improvements carried out to clubhouses, pitches or other facilities and clubs should bear this in mind in responding to any questions relating to improvements.

When new RV's are published in September 2016 these should be checked. Details of the new RV's will be published on the Valuation Office Agency [www.2010.voa.gov.uk/rli](http://www.2010.voa.gov.uk/rli)

It is possible to use the VOA website to search by postcode to discover details of the new RV's and of what is included in the RV. It is important to check whether any items have been missed out before deciding whether to make any appeal against a new RV. An appeal may increase or decrease the RV. It is also possible to use the VOA website to compare with other valuations, particularly the valuations of other clubs in the locality.

It will not be possible to appeal against the new RV's until they come into force on 1 April 2017 but it will be possible to use the period between the publication of the RV's in September 2016 and their coming into force in April 2017 to check factual matter and compare with other valuations.

It is possible to make appeals against existing RV's which came into force on 1 April 2010, in the period up to April 2017 but clubs should be aware that appeals made after 1 April 2015 will not have backdated effect. So any club that has checked its existing RV and wishes to make an appeal should do so before 31 March 2015.

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## **Business rates reliefs**

Business rate reliefs are a very complicated area of law and practice. There are at least 17 different business rates exemptions and eight different rate relief schemes. The three principal rate reliefs that are likely to apply to clubs are:

- Community amateur sports club (CASC) relief
- Charitable rate relief
- Small business rate relief

### **CASC relief**

CASC relief is a mandatory 80% rate relief, with the possibility of applying for a further 20% discretionary rate relief. This relief applies to properties that are occupied by a registered CASC and are “wholly or mainly used for the purposes of that CASC, or of that CASC and other CASC’s”. So, if you are a registered CASC the local authority must give you 80% rate relief. Please note that HMRC are introducing new regulations for CASC and these will come into force from 1<sup>st</sup> April 2015. This legislation will both affect current registered CASC’s and those looking to register for the first time. Further updates will be provided as information is released by HMRC. Please contact [davestubley@rfu.com](mailto:davestubley@rfu.com) 07736 722387 for further information or to discuss further.

### **Charitable rate relief**

Charitable rate relief is also a mandatory 80% rate relief, again with the possibility of applying for a further 20% discretionary rate relief. It applies to properties that are occupied by a charity and are “wholly or mainly used for the purposes of that charity, or of that charity and other charities”. You do not have to be a registered charity to be entitled to charitable rate relief but, if you are not a registered charity, it will be essential to show a charitable purpose and that the occupation of the property is wholly or mainly for that purpose.

### **Small business rate relief**

Small business rate relief is a mandatory rate relief on a sliding scale. To qualify for the relief the ratepayer must, either, occupy only one property with RV under £12,000, or occupy a main property with RV under £12,000 and all other properties with RV under £2,600 and a total RV under £18,000 (or £25,500 in London).

If these conditions are satisfied the relief is currently 100% for properties with RV up to £6,000. The relief is then applied on a sliding scale reducing to zero at RV £12,000. This is a valuable relief for smaller clubs and it is important to make sure that the relief is being applied by the local authority.

### **Checklist of actions for clubs**

- Rateable Values will change from 1st April 2017 – clubs should be aware of this
- Notices Requiring Return of Information will be issued – complete these promptly and carefully
- In the meantime check what rate reliefs may be available
- Mandatory reliefs available for CASC’s, Charities, and small businesses
- Discretionary reliefs are under pressure
- New Rateable Values will be published in September 2016
- Use the VOA website to check and compare before appealing
- Appeals against current RV’s must be made before 31 March 2015 if they are to be backdated

### **Contact details**

For further details on any of the matters covered in this briefing note please contact:  
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