

PERFECT-PITCHING

PRIVATE CARAVAN SITE DEVELOPMENT CONSULTANCY

BUSINESS RATES:

Overview:

Small Private Caravan Sites can be liable for Business Rates (BR) the calculation of which differs from other property based businesses in as much as the assessment of the Rateable Value (RV) upon which the BR valuations are computed.

In considering BR specifically related to a small Private Caravan Site it may be beneficial to consider the issue of BR, BR calculation and BR relief in a more general context.

Property Based Business Rateable Value Assessment:

The Valuation Office Agency (VOA) generally assesses the RV of all non-domestic property based on the annual rent for the property as if it was available on the open market on a fixed date.

Local Authorities adjust the RV by one of two 'Multipliers' (set by Central Government) the resultant figure being the BR liability before any relief is deducted.



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Property Based Business Rateable Value Assessment (Cont'd):

The 'Multpliers' comprise:

- Standard Multiplier for RVs of £51,000 or more (50.4p for year 1st April 2019 to 31st March 2020), and
- small Business Multiplier for RVs under £51,000 (49.1p for year 1st April 2019 to 31st March 2020).

Some 'properties' may be eligible for discounts against their BR - Business Rate Relief (BRR) - from the Local Authority. This is sometimes automatic but it may be necessary to apply dependant in part whether located in England or Wales. Different arrangements exist if Scotland and Northern Ireland but these fall outwith the remit of this presentation.

The types of BRR for which it will be necessary to contact the Local Authority include the following with qualifying thresholds stated as at the date of publication:



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Property Based Business Rateable Value Assessment (Cont'd):

- Small Business Rate Relief:
 - If RV less than £15,000, and
 - Generally business only using one property (may still be able to get relief on Additional Properties – see below).

Levels of Relief:

- Properties with a RV of £12,000 or less – no BR.
- Properties with a RV of £12,001 to £15,000 sliding scale from 100% to 0%.

Additional Properties:

- On acquisition of second property existing relief on main property maintained:



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Property Based Business Rateable Value Assessment (Cont'd):

- Additional Properties (Cont'd):
 - For 12 months.
 - And thereafter providing that:
 - None of the properties have a RV above £2,899, and
 - Total RV of all properties in less than £20,000.
- Rural Rate Relief:
 - Businesses in rural area with a population below 3,000 and where either:
 - Only Village Shop or Post Office with RV up to £8,500, or
 - Only Public House or Petrol Station with RV up to £12,500.



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Property Based Business Rateable Value Assessment (Cont'd):

- Charitable Rate Relief:
 - Open to Charities and Community Amateur Sports Clubs:
 - Rate relief of up to 80% if property used for charitable purposes.
 - With further possibility of 'Discretionary Relief' top-up from Local Authority to 100%.

If not eligible for Charity Relief, Local Authority may have option to award Discretionary Relief for non-profit and/or voluntary organisations.



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Property Based Business Rateable Value Assessment (Cont'd):

- Enterprise Zone Relief:
 - Starting up in or relocating to an Enterprise Zone may qualify for BRR the calculation for which is carried out by the Local Authority and up to £55,000 a year over a five year period.
- Hardship Relief:
 - Local Authorities in England can reduce BR bills with Hardship Relief (HR) provided:
 - The business would be in financial difficulties without such relief, and
 - The awarding of HR is in the best interests of the local population.



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BUSINESS RATES:

Property Based Business Rateable Value Assessment (Cont'd):

- Retail Discount:
 - Provided:
 - The business is a shop, restaurant, café, pub or bar,
 - Is in England, and
 - Has a RV of less than £51,000.

Discount:

- Applicable to Tax Years 2019-2020 and 2020-2021.
- Third off BR bill on top of any other BRR eligibility.



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BUSINESS RATES:

Property Based Business Rateable Value Assessment (Cont'd):

The types of BRR which the Local Authority will automatically apply include the following again with qualifying thresholds stated as at the date of publication:

- Exempted Buildings and Empty Buildings Relief:
 - Exempted Buildings - Certain properties can be exempt from BR subject to strict legal compliances:
 - Agricultural Land and Buildings (including Fish Farms).
 - Buildings Used for Training of or Welfare for Disabled.
 - Buildings Registered for Public Religious Worship or Church Halls.



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BUSINESS RATES:

Property Based Business Rateable Value Assessment (Cont'd):

- Empty Buildings - Certain properties can be exempt from BR subject to strict legal compliances (Cont'd):
 - 3 month relief thereafter full BR but with Extended Empty Property Relief for:
 - Industrial Premises (e.g. Warehouses) - exempt for a further 3 months.
 - Listed Buildings – until such time as occupied.
 - Buildings with a RV of less than £2,900 - until such time as occupied.
 - Properties Owned by Charities – only if next use predominantly for charitable purposes.
 - Community Amateur Sports Clubs and Buildings - only if next use predominantly as a Sports Club.



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Property Based Business Rateable Value Assessment (Cont'd):

- Transitional Relief:
 - Limits the amount a BR bill can change each year as a result or revaluation - changes to be phased in gradually provided:
 - Property is in England, and
 - BR go up or down by more than a specified amount.

Automatically adjusted by the Local Authority.

- The relief can change from year to year (1st April to 31st March) until such time as the BR bill reaches the full amount set by the revaluation and is dependant upon:
 - Property's RV, and
 - Whether increasing or decreasing resulting from the revaluation.



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BUSINESS RATES:

That concludes the 'taster' edition for this Design Consideration which we trust you have found interesting, informative & imaginative in equal measures.

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THIS OR ANY OF THE TOPIC SHEETS**

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