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Business rates explained

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These are the explanatory notes to accompany your bill.

Explanatory notes

Non-Domestic rates

National Non-Domestic rates (widely known as 'business rates') is the way those who occupy non-domestic property contribute towards the cost of local services. This includes:

- Shops
- Offices
- Warehouses
- Cafe's
- Hotels
- And many more non-domestic properties

Under the business rates retention rules the local authorities keep a proportion of the business rates paid locally, in Blackpool this is 49% subject to the rules of tariff and top-up.

The money, together with revenue from council tax payers, locally generated income and grants from central government, [is used to pay for our local council services](#) and the [Lancashire Fire Authority who are partially funded from business rate](#).

Business rates instalments

Payment of business rate bills is automatically set on a 10-monthly cycle.

However, we do allow payments to be made through 12 monthly instalments on request. We also offer a seasonal payment plan which runs from June to November each year which is available to those with a seasonal income.

National non-domestic rating multiplier

The local authority works out the business rates bill for a property by multiplying the rateable value of the property by the appropriate non-domestic multiplier. There are two multipliers: the standard non-domestic rating multiplier and the small business nondomestic rating multiplier.

The government sets the multipliers for each financial year, except in the City of London where special arrangements apply.

Ratepayers who occupy a property with a rateable value which does not exceed £50,999 (and who are neither entitled to certain other mandatory relief[s] nor liable for unoccupied property rates) will have their bills calculated using the lower small business non-domestic rating multiplier, rather than the standard non-domestic rating multiplier. Both multipliers for a financial year are based on the previous year's multiplier adjusted to reflect the Consumer Price Index (CPI) inflation figure for the September prior to the billing year, unless a lower multiplier is set by the government. The current multipliers are shown on the front of your bill.

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 Office Agency (VOA), an agency of His Majesty's Revenue and Customs. They compile and maintain a full list of all rateable

values which [is available on the VOA website](#).

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 specified in legislation. For the current rating list, this date was set as 1 April 2021.

The VOA may alter the valuation if circumstances change. The ratepayer (and certain others who have an interest in the property) can also check and challenge the valuation shown in the list if they believe it is wrong. [Further information about the grounds on which challenges may be made and the process for doing so can be found on the VOA website](#).

The business rates calculation

The amount of business rates you pay is set by others, not Blackpool Council. We simply administer your bill and collect payment from you.

We work out your bill by multiplying the rateable value of your property by the rate poundage, which the government sets in March each year. The rate poundage figure applies to every property in England.

For example, the rate poundage figure for 2023/24 is 51.2p. If your rateable value was £20,000, we would multiply this by 51.2p and the amount you would have to pay for the year would be £10,240.00.

This is not taking any transitional relief into account.

Revaluations

All non-domestic property rateable values are reassessed at revaluations. The most recent revaluation took effect from 1 April 2023. Revaluations ensure that business rates bills are up-to-date and more accurately reflect current rental values and relative changes in rents.

Frequent revaluations ensure the system continues to be responsive to changing economic conditions.

Self-catering and holiday let accommodation

Whether you pay business rates will depend on how many nights your property is available to let each year and how many nights it was actually let.

The [Valuation Office Agency \(VOA\) will work out the rateable value of your property](#) based on its type, size, location, quality and how much income you're likely to make from letting it.

Rules from 1 April 2023

If your property is in England, it will be rated as a self-catering property and valued for business rates if it's both:

- Available to let for short periods for at least 140 nights in total over the current and previous tax years
- Actually let for at least 70 nights in the last 12 months

Improvement relief

From 2024, more information to follow regarding this. It is proposed that from 1 April 2024, businesses that have made qualifying improvements may benefit from 100% relief from higher bills for 12 months. The scheme will run until 1 April 2029.

Seasonal holiday accommodation

[Self-catering accommodation such as holiday homes are liable for business rates](#) where they are **available** for use by short stay guests for 140 days or more during the year, and **used** for 70 days or more during the year.

If you only use your property during the season, this is taken into account when the rateable value of the property is calculated. There is no extra reduction given during the winter months if you don't open for business.

If you are not sure whether your [rateable value has been calculated correctly, please contact the Valuation Office Agency](#).

Working from home

You may have to pay business rates if you have structurally altered your property, subject to planning approval, to make room for your business, for example into a nursery/creche or a garage for vehicle repairs. If you are only using a room in your home as a home office, you may not be charged for business rates.

Business rate reliefs

Depending on individual circumstances, a ratepayer may be eligible for a rate relief (i.e. a reduction in their business rates bill). There are a range of available reliefs.

Temporary reliefs

Some of the permanent reliefs are set out below but other temporary reliefs may be introduced by the government at a fiscal event.

Small business rates relief

If a ratepayer's sole or main property has a rateable value which does not exceed a set threshold, the ratepayer may receive a percentage reduction in their rates bill for the property of up to a maximum of 100%. The level of reduction will depend on the rateable value of the property.

For example eligible properties with a rateable value below a specified lower threshold will receive 100% relief while eligible properties above the lower threshold and below a specified upper threshold may receive partial relief. The relevant thresholds for relief are set by the government by order.

Generally, these percentage reductions (reliefs) are 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 the limit set by order.

The aggregate rateable value of all the properties mentioned in (b), must also not exceed an amount set by order. For those businesses that take on an additional property which would normally have meant the loss of small business rate relief, they will be allowed to keep that relief for a fixed additional period. [Full details on the relevant limits](#) in relation to second properties and the current period for which a ratepayer may continue to receive relief after taking on an additional property can be obtained from your local authority.

Certain changes in circumstances will need to be notified to the local authority by the 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 property falling vacant
- (b) the ratepayer taking up occupation of an additional property, or
- (c) 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).

[Blackpool Council also has discretion to give further relief on the remaining bill.](#)

Transitional rate relief

At a revaluation, some ratepayers will see reductions or no change in their bill whereas some ratepayers will see increases. Transitional relief schemes are introduced at each revaluation to help those facing increases. Transitional relief forms part of the calculation and is applied automatically to bills.

Local discounts and hardship relief

Local authorities have a general power to grant discretionary local discounts and to give hardship relief in specific circumstances. [Further details are available in our Discretionary Discount Policy \[PDF 720KB\]](#).

Unoccupied property rating

Business rates are generally payable in respect of unoccupied non-domestic property. However, they are generally not payable for the first three months that a property is empty. This is extended to six months in the case of certain industrial premises, whilst certain other properties such as vacant listed buildings are not liable for business rates until they are reoccupied.

Subsidy control

The new UK subsidy control regime commenced from 4 January 2023. The new regime enables public authorities, including devolved administrations and local authorities, to deliver subsidies that are tailored for local needs. Public authorities giving subsidies must comply with the UK's international subsidy control commitments. The subsidy control legislation provides the framework for a new, UK-wide subsidy control regime. [Further information about subsidy control](#).

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](#)) and the Institute of Revenues, Rating and Valuation ([IRRV website](#)) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct.

Before you employ a rating adviser or company you should check that they have the necessary knowledge and expertise, as well as appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.

Information supplied with demand notices

[We have published information relating to the relevant and previous financial years in regard to the gross expenditure of the local authority.](#)

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