

NFAN – Business Rates Guidance Note – Ready for Revaluation April 2017!

The Rateable Value on your farm attraction business is based upon the “open market rental” as at 1st April 2015.

All commercial properties in England, Wales and Scotland will be revalued and the draft Rateable Value for most properties, with effect from 1st April 2017, will be published on the Valuation Office Agency (VOA) website from 30th September 2016 – <http://www.2010.voa.gov.uk/rli/en/basic/find> (see attached VOA Website Example), your business’ Rateable Value can be obtained by typing in your postcode.

You will then be able to review your draft valuation (Rateable Value) online and to tell the VOA if any recorded factual details are incorrect. If you consider that the increase in your Rateable Value is too high then we would suggest you take professional advice from a Rating Surveyor who will carry out a valuation for “rateable value purposes”. This will enable you to decide whether action should be taken to engage with the VOA endeavouring to negotiate a reduction in the rateable value, prior to your local council calculating your business rates bill from 1st April 2017. The amount of business rates you will then pay to your local council will be based upon the Rateable Value and the application of the “multiplier” currently 49.7 pence in the pound (£), this will be slightly less if your Rateable Value is less than £12,000.

Example – Rateable Value: £40,000 x 49.7p (multiplier) = £19,880 (rates payable)

You should have received from the VOA, this year, a “return form” within which the VOA requested information in relation to your business whether you rent the premises or not and/or financial accounts information about your business. This information is requested so that the VOA can calculate the Rateable Value on your business to take effect from 1st April 2017.

If your farm attraction’s Rateable Value is currently £12,000 or less you will be able to receive **Small Business Rates Relief (SBRR)** from payment of business rates:

- Rateable value £6,000 or less – no rates will be paid
- Rateable value £6,000-£12,000 – rates will be paid on a tapering basis at the appropriate multiplier figure

There are primarily two methods of valuation to assess your “Rateable Value”:

1. **The rental value** (£ per sqm) - this should be used to value each component part of your farm attraction eg restaurant, play barn, gift shop, car park and other ancillary uses.

There are exemptions for agricultural buildings “if the building is occupied together with agricultural land and is used **solely in connection with agricultural operations** on that or other agricultural land”. To be reasonably sure of qualifying for agricultural exemption, the use of the buildings must relate directly to adjoining farmland or at least “other farm land”.

2. **Financial** – based on your Financial Accounts a full “Receipts & Expenditure” valuation taking account of the profitability (or loss), assets, tenants’ capital, to arrive at a fair and reasonable landlord “share or rent” – this is the “Rateable Value”.

Truly Comparable Evidence should be also taken into account of similar farm attraction business operations in your geographical area ideally, but sometimes it is appropriate to go further afield.

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VOA Website Example

<http://www.2010.voa.gov.uk/rli/en/basic/find>, type in your Postcode and Click on Search:

The screenshot shows the VOA Business Rates website search page. The page has a navigation bar with tabs: 1. Select a task, 2. Search options, 3. Select property, 4. My valuation, 5. Compare. The main content area is titled 'Find my property valuation' and includes a search form with a 'Search' button. The search results show a property with a rateable value of £15,000. There is also a 'Rating Agent' mode option and a 'Switch to RATING AGENT MODE' button.

Example of a VOA Business Rates extract

Address of property: <farm attraction name and address>

Valuation History

Current valuation – 2010 rating list (1st April 2010 – 31st March 2017)

Billing authority reference	Address of property	Description	Composite property	Appeals	With effect from	Rateable value	TC
		FARM ATTRACTION AND PREMISES	Y	0	01 Apr 2010	£15,000	N

Most recent valuation from 2005 rating list (1st April 2005 – 31st March 2010)

Billing authority reference	Address of property	Description	Composite property	Appeals	With effect from	Rateable value	TC
		FARM ATTRACTION AND PREMISES	Y	1	01 Apr 2006	£12,000	N/A

Earlier valuations from the 2005 rating list (1st April 2005 – 31st March 2010)

Billing authority reference	Address of property	Description	Composite property	Appeals	With effect from	Rateable value	TC
		FARM ATTRACTION AND PREMISES	Y	0	01 Apr 2010	£10,000	N/A