

The Telegraph

Small business rates relief up for grabs

Hundreds of millions in business rates relief is available but few small businesses claim the tax break



Sign of the times: increases in demand are reported from the corporate sector, but the retail sector remains subdued Photo: GETTY

By Roland Gribben

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Tens of thousands of small companies risk losing rates relief worth £200m because they are in danger of missing the end of month deadline for submitting claims say business organisations.

They estimate that almost half the £500m available from the relief scheme could go begging as a result of negligence and the failure of many local authorities to provide details or provide the correct forms and information.

Around a million small businesses which have occupied commercial premises in the three year period ending April this year could qualify for help under the terms of the Small Business Rate Relief scheme. Rebates of up to 50pc are available on property with a valuation of £5,000, reducing on a sliding scale up to £10,000.

A 20pc increase in rateable values for 2010-11 has produced a new scale of relief, increasing the importance of meeting the registration deadline say advisers LeaseholdersUnited (LU).

Businesses with a rateable value of under £6,000 occupying a single property would be entitled to 100pc relief with smaller rebates for property rated up to £12,000. Empty property relief has also been extended with the result that vacant sites with a rateable value below £18,000 are exempted from business rates.

[Cut business support budget, says FSB \(http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/8037474/Cut-business-support-budget-says-Federation-of-Small-Businesses.html\)](http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/8037474/Cut-business-support-budget-says-Federation-of-Small-Businesses.html)

[Dartmouth shopping street sees country's steepest rise in rates \(http://www.telegraph.co.uk/finance/yourbusiness/7536015/Dartmouth-shopping-street-sees-countrys-steepest-rise-in-rates.html\)](http://www.telegraph.co.uk/finance/yourbusiness/7536015/Dartmouth-shopping-street-sees-countrys-steepest-rise-in-rates.html)

[Group discount buying hits UK \(http://www.telegraph.co.uk/finance/yourbusiness/7985454/Group-discount-buying-hits-UK.html\)](http://www.telegraph.co.uk/finance/yourbusiness/7985454/Group-discount-buying-hits-UK.html)

Andrew Bacon, of LU and property adviser to the Forum of Private Business, said: "Unfortunately most councils are saying nothing about the issue and many are handing out to businesses forms that actually stop them backdating their claim. This is something we first highlighted two years ago but despite assurances that it would be tackled the problem persists."

Many small businesses are also struggling to retain the benefits of the relief because of increased rents, he says. LU estimates that rents for small businesses rose by around 25pc in the five years to 2008 compared with 15pc for bigger companies and believes the differential has been maintained over the last two years.

Concerns about the rating issue have spilled over into the wider question of property values and their impact on providing loan security for bank borrowings. Indices suggesting commercial property prices have dropped by around 50pc over the last three years are said to be making banks more cautious in reaching lending decisions.

Nick Brown, chairman of LU, said: "Banks are saying that they want more information about valuations but the valuers seem to be reluctant to provide it because of the difficulties they encountered with the banks during the last recession."