

Transitional Arrangements

All rateable values are reassessed at a general revaluation. Revaluations maintain the fairness in the rating system by reflecting changes in the property market since the previous revaluation. Revaluation does not raise extra revenue for the council or government as the multiplier is adjusted to offset the overall change in rateable value.

When a revaluation takes place there can be significant changes in rateable values due to the increases or decreases in rents in the intervening period. In order to phase in the major changes the government has put in place a transitional arrangement scheme which limits the percentage increase and decrease in business rate charges (before adjustment for inflation), as shown below.

If a reduction in rateable value exceeds the maximum allowed, as outlined below, a **premium** is allocated to the account charge to bring the level of the reduction back up to the maximum. Similarly, if an increase in rateable value exceeds the maximum allowed, a **relief** is allocated to the account charge to reduce the increase down to the maximum level.

These transitional calculations are carried out automatically and, if applicable, will show on your bill.

2017/2020 transition scheme (effective from 1 April 2017)

- Small properties have rateable values up to £20,000 (£28,000 in London)
- Medium properties have rateable values between £20,001 and £100,000
- Large properties have rateable values over £100,000

Rate liability maximum % increase (before inflation)

| Year | Small Property | Medium Property | Large Property |
|---------|----------------|-----------------|----------------|
| 2017/18 | 5.0 | 12.5 | 42.0 |
| 2018/19 | 7.5 | 17.5 | 32.0 |
| 2019/20 | 10.0 | 20.0 | 49.0 |
| 2020/21 | 15.0 | 25.0 | 16.0 |
| 2021/22 | 15.0 | 25.0 | 6.0 |

Rate liability maximum % decrease (before inflation)

| Year | Small Property | Medium Property | Large Property |
|---------|----------------|-----------------|----------------|
| 2017/18 | 20.0 | 10.0 | 4.1 |
| 2018/19 | 30.0 | 15.0 | 4.6 |
| 2019/20 | 35.0 | 20.0 | 5.9 |
| 2020/21 | 55.0 | 25.0 | 5.8 |
| 2021/22 | 55.0 | 25.0 | 4.8 |

Inflation factor used in calculations

| | |
|---------|-------|
| 2017/18 | 1.020 |
| 2018/19 | 1.030 |
| 2019/20 | 1.023 |
| 2020/21 | 1.016 |
| 2021/22 | |

2010/2016 transition scheme

- Small properties have rateable values under £18,000 (£25,000 in London)

Rate liability maximum % increase (before inflation)

| Year | Small Property | Large Property |
|-------------|-----------------------|-----------------------|
| 2010/11 | 5.0 | 12.5 |
| 2011/12 | 7.5 | 17.5 |
| 2012/13 | 10.0 | 20.0 |
| 2013/14 | 15.0 | 25.0 |
| 2014/15 | 15.0 | 25.0 |

Rate liability maximum % increase (before inflation)

| Year | Small Property RV <£18000 | Medium Property RV £18000 - £50000 |
|-------------|-------------------------------------|---|
| 2015/16 | 15.0 | 25.0 |
| 2016/17 | 15.0 | 25.0 |

Rate liability maximum % decrease (before inflation)

| Year | Small Property | Large Property |
|-------------|-----------------------|-----------------------|
| 2010/11 | 20.0 | 4.6 |
| 2011/12 | 30.0 | 6.7 |
| 2012/13 | 35.0 | 7.0 |
| 2013/14 | 55.0 | 13.0 |
| 2014/15 | 55.0 | 13.0 |

Inflation factor used in calculations

| | |
|---------|-------|
| 2010/11 | 0.986 |
| 2011/12 | 1.047 |
| 2012/13 | 1.04 |
| 2013/14 | 1.027 |
| 2014/15 | 1.019 |