



# BUSINESS RATES

TOWN COUNCIL MEETING

REPORT 77/16

14 NOVEMBER 2016

The purpose of this paper is to provide Members with the proposed re-valuations for Business Rate purposes affecting the properties that are the Town Council's responsibility and the consequences for the costs in 2017/18.

**No. DETAIL**

**1) BACKGROUND**

- a) In the current financial year the cost of Business Rates to the Town Council will total £20,339, made up of Salisbury Gardens (£5,299), Car Parks (£3,618), Public Toilets (£8,228) and Ventnor Central (£3,194).
- b) Charges for Business Rates are calculated by multiplying the valuation of premises by the Valuation Office Agency (VOA) – a part of government – by the multiplier applicable to those premises and then applying any discounts for which the premises may be eligible.
- c) The multipliers are also set by government and the one that applies to the Town Council's current premises is for Small Businesses, set this year at 48.4 pence in the pound.
- d) The VOA carries out revaluations of all premises periodically; the last time it did so was 2010 and it is now advising on its new valuations that will take effect from 1 April 2017.
- e) As the Town Council's lease on Ventnor Central ends on 31 March 2017, it is excluded from the calculations in the rest of this Report while the other three areas are detailed separately in sections (2) to (4) below.

**2) CAR PARKS**

- a) The proposed changes to the valuations of the four Car Parks are set out in this table:

CAR PARK	VALUATION		CHANGE		CHARGE	
	2016/17	2017/18	POUNDS	PERCENT	2016/17	2017/18
DUDLEY ROAD	2,125	2,425	300	14.1	1,028	1,174
MARKET STREET	1,375	1,550	175	12.7	665	750
POUND LANE	1,425	1,7090	275	19.3	690	823
SHORE ROAD	2,550	2,900	350	13.7	1,234	1,404
<b>TOTALS</b>	<b>7,475</b>	<b>8,575</b>	<b>1,100</b>	<b>14.7</b>	<b>3,618</b>	<b>4,150</b>

- b) If the valuations remain as stated and the multiplier doesn't change, the consequence will be an increased cost to the Town Council's management of the four Car Parks in 2016/17 of £532.

**3) PUBLIC TOILETS**

- a) The proposed changes to the valuations of the two Public Toilets to which Business Rates apply are set out in this table:

PUBLIC TOILET	VALUATION		CHANGE		CHARGE	
	2016/17	2017/18	POUNDS	PERCENT	2016/17	2017/18
EASTERN ESPLANADE	13,500	11,750	-1,750	-13.0	6,534	5,687
MARLBOROUGH RD	3,500	4,100	600	17.1	1,694	1,984
<b>TOTALS</b>	<b>17,000</b>	<b>15,850</b>	<b>-1,150</b>	<b>-6.8</b>	<b>8,228</b>	<b>7,671</b>

- b) If the valuations remain as stated and the multiplier doesn't change, the consequence will be a reduced cost to the Town Council's management of the Public Toilets in 2017/18 of £557.
- c) However, there is a possibility that the savings here will be significantly greater as the government is reported to be going to exempt all Public Toilets from Business Rates soon.

---

#### 4) SALISBURY GARDENS

- a) The proposed changes to the valuations of the Units into which Salisbury Gardens is divided for these purposes are set out in this table:

UNIT(s)	VALUATION		CHANGE		CHARGE	
	2016/17	2017/18	POUNDS	PERCENT	2016/17	2017/18
1-8, 10, 16	10,500	13,500	3,000	28.6	5,082	6,534
9	650	780	130	20.0	315	377
11	1,175	1,425	250	21.3	569	690
12	650	780	130	20.0	314	377
13	800	960	160	20.0	387	465
14	810	980	170	21.0	392	474
15	485	580	95	19.6	234	281
17	820	980	160	19.5	397	474
18	485	580	95	19.6	235	281
<b>TOTALS</b>	<b>16,375</b>	<b>20,565</b>	<b>4,190</b>	<b>25.6</b>	<b>7,925</b>	<b>9,953</b>

- b) If the valuations remain as stated and the multiplier doesn't change, the consequence will be an increased cost to the Town Council's management Salisbury Gardens in 2017/18 of £2,028.
- c) One amendment at least is necessary as Unit 8 is a separate office that should not be included in the top bundle as it will qualify for the 100% discount if that is extended beyond 1 April 2017.
- d) That discount has already been applied in the current year to Units 9, 11, 12, 14, 15, 17 and 18, reducing the overall Salisbury Gardens' charge by £2,456 to £5,469.
- e) If the discount is extended on the present terms, the Salisbury Gardens' charge shown in the table for 2017/18 will be reduced by £2,955 to £6,998.

---

#### 5) 2017/18 COSTS

- a) If the re-valuations remain as listed, the multiplier stays the same and the discounts are still available, the costs for 2017/18 will be £1,530 lower than this year's £20,339 at £18,819 due to the ending of the Ventnor Central lease and the reduction in the Eastern Esplanade toilets valuation.
- b) If the government follows through on the indication of its commitment to end Business Rates liability for Public Toilets, the cost will fall significantly to £11,148.
-