

Rating Policy Division,  
Department of Finance and Personnel,  
3rd Floor,  
Longbridge House,  
20-24 Waring Street,  
BELFAST BT1 2EB.



Sent by E-mail to: [ratingpolicy.cfg@dfpni.gov.uk](mailto:ratingpolicy.cfg@dfpni.gov.uk)

18 October 2011

Dear Sir/ Madam

**IRR V Response: Rating of Commercial Properties: Small Businesses, Large Retail Properties and Empty Shops**

The Institute of Revenues, Rating and Valuation (IRR V) is pleased to respond to this consultation.

The IRR V is the professional body concerned with all aspects of local benefits administration and local taxation in the United Kingdom. It draws its membership from those working within both the private and public sectors. Institute members are engaged in local authority benefits administration, local tax administration, valuation of property for taxation, the appeals process and financial management in local government. The Institute represents the professional interests of its members who work within this broad church.

The Institute is the only professional body in the United Kingdom that specialises in the law and practice of local authority revenues and local taxation collection, together with the income related benefits that support these processes.

As a general principle, we would not support measures that lead to such significant adjustments during the life of the valuation list. However, we acknowledge that the postponement and ultimate cancellation of the 2010 non-domestic rating revaluation (due to insufficient market evidence being available), has led to a perceived need to rebalance the business rates system during this pronounced economic downturn. Given that the proposed rebalancing measures are short-term (three years) and have been subject to initial impact assessment and financial impact assessment; and that there is a clear commitment to a full revaluation in 2015 (the end of this period of rebalance), we give our support to the preferred approach to these proposals as detailed in the consultation paper, as follows:

- General expansion of the small business rate relief scheme. 20% relief to be provided to eligible premises with an NAV of £5,001 - £10,000. No additional relief to be provided to those currently receiving small business rate relief (NAV of £5,000 or below).



- An average levy on rate bills of around 20% to be applied to those retail premises with a rateable value of £500,000 or more, in the form of a regional rate supplement.
- Allowing the use of shop fronts or shop window displays for (non-political) community, artistic or other non-commercial purposes so that the full occupied rate is not charged on otherwise empty properties. Entitlement to 50% empty property relief (or exclusion if applicable) to be preserved.
- These changes would apply for three years from 1 April 2012 until 31 March 2015.
- A further change to clarify the legislation relating to the valuation assumptions used at non-domestic revaluation, by being more specific about the state and circumstances to be taken into account in compiling a new valuation list. This to take effect at the next general revaluation planned for 2015.

Please contact me should you wish to discuss further any of the points raised in this submission.

Yours faithfully,



p.p. Peter Scrafton IRRV (Hons), FCI Arb, MRSA (Hon), Solicitor (Non-Practising)  
Chairman, IRRV Valuation Faculty Board  
E-mail: [valuation.faculty@irrv.org.uk](mailto:valuation.faculty@irrv.org.uk)