



Department for  
Communities and  
Local Government

Non-Domestic Rates Branch  
LGF – BRV  
Zone 5/D2  
Eland House  
Bressenden Place  
London SW1E 5DU

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Email: [ndr@communities.gov.uk](mailto:ndr@communities.gov.uk)

**Chief Finance Officers of English Billing Authorities**

**FOR THE ATTENTION OF THE BUSINESS RATES SECTION**

Dear Chief Finance Officer

**Business Rates Information Letter (11/2012): The Autumn Statement and 2013-14 provisional multipliers**

This is the eleventh business rates information letter to be issued by the Department for Communities and Local Government this year. Previous letters are available on the internet at:

<https://www.gov.uk/business-rates-information-letters>,

or for archived letters:

<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/>.

**This letter covers:**

- **Autumn Statement**
- **2013-14 Provisional Multipliers**

**Autumn Statement**

1. The Chancellor announced in his Autumn Statement two business rates measures. They were:

- a further one year extension of the temporary increase in Small Business Rate Relief; and
- a new measure to extend empty property rate relief for empty new builds.

2. The extension of the temporary Small Business Rate Relief measure will mean that eligible ratepayers will receive the increased relief through the whole of the 2013/14 billing year. We are therefore aiming to have the necessary legislation in place for January so that ratepayers' annual bills are able to take account of the extension.
3. Empty new builds will be exempt from empty property rates for up to 18 months up to state aid limits between 1 October 2013 and 30 September 2016. The 18 month period includes the initial 3 or 6 month exemption. The relief continues beyond 31 October 2016 for those that become eligible before that date. We will consult on this measure in the new year.
4. The Government will fund the costs arising from these tax changes under the new burdens principle. We will provide further information on that shortly. We will also consider whether there is an administrative new burden associated with the empty property rate relief measure once we have consulted on changes.

### **The Provisional Multipliers for 2013-14**

5. Under Schedule 7 to the Local Government Finance Act 1988 (the 1988 Act) as amended there are two multipliers. The small business non-domestic rating multiplier, which is applicable to those that qualify for small business rate relief, and the non-domestic rating multiplier, which includes the supplement to pay for the small business rate relief scheme.
6. The small business non-domestic multiplier is determined by Schedule 7 to the 1988 Act. These rules ensure that the small business multiplier in 2013-14 is based on the 2012-13 multiplier adjusted for RPI inflation for September 2012 (2.6%)
7. This provides a provisional small business non-domestic multiplier for 2013-14 of **46.2p**.
8. Schedule 7 to the 1988 Act also provides that the non-domestic rating multiplier is the small business non-domestic multiplier plus an adjustment to fund the estimated cost of the small business rate relief scheme.
9. The Secretary of State has estimated that the supplement to fund small business rate relief should be at **0.9p** for 2013-14.
10. The provisional non-domestic multiplier will therefore be **47.1p** in 2013-14.
11. In accordance with Schedule 7 to the 1988 Act, the provisional multipliers will be confirmed after either the local government finance report for 2013-14 has been approved by the House of Commons or 1 March 2013.