



Department for  
Communities and  
Local Government

Non-Domestic Rates Team  
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**Chief Finance Officers of English Billing Authorities**

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

Dear Chief Finance Officer

**Business Rates Information Letter (5/2015): Business Rates Review and Additional Information**

This is the fifth 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/government/collections/business-rates-information-letters>

or for archived letters:

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

- **Business Rates Review**
- **Local Discounts - supporting the sharing economy including shared workspaces.**
- **Interest Rate for 2015/2016**

**Business Rates Review**

1. On Monday 16 March the Government launched the review in to the structure of the business rates system.

2. The Review will report by Budget 2016. The Terms of Reference and discussion paper can be found at the following link:

<https://www.gov.uk/government/news/government-paves-the-way-for-reform-of-business-rates>.

### **Local Discounts - supporting the sharing economy including shared workspaces.**

3. The Government would like to encourage authorities to use their business rates local discounts powers to support the sharing economy including shared workspaces and makerspaces (a type of shared workspace). Shared workspaces typically provide flexible and affordable access to workspace for small and medium sized enterprises micro-businesses and sole traders, and generally lend themselves to collaboration opportunities and peer to peer learning supporting growth and jobs in local economies.

4. Small businesses operating in shared spaces have raised concerns that they are liable for full business rates when they cluster, unlike if they were single, individual small properties. We would therefore encourage authorities to use their powers to provide relief to shared spaces and makerspaces where there is a clear benefit to the local economy, such as where shared spaces create economic growth, jobs and providing support to new businesses.

5. We would also like to remind authorities that, under business rates retention scheme, central government funds 50% of the cost of any local discount granted.

### **Interest Rate for 2015/2016**

6. The Non-Domestic Rating (Payment of Interest) Regulations 1990 provide that the rate of interest payable on refunds of overpaid rates, arising from alterations to the rating list, should be set for any year at one percentage point below the standard rate at 15 March (or the next business day) in the preceding year.

7. I am writing to confirm that, on 16 March the standard rate was 0.5%, the rate of interest to be applied for 1 April 2015 to 31 March 2016 is 0%.

8. Local authorities should note that the Regulations only allow interest to be paid or credited and not for a charge to be imposed on over payments held.