NUMBER OF HEREDITAMENTS BENEFITING FROM SMALL BUSINESS RATE RELIEF AND THE NUMBER OF EMPTY HEREDITAMENTS – EXPERIMENTAL DATA

Section A: Estimated number of hereditaments benefiting from the Small Business Rate Relief scheme in England

- At 31 December 2008, there were an estimated 462,000 hereditaments benefiting from the Small Business Rate Relief scheme in England. This represents an increase of 16.7% since December 2006.

Section B: Estimated number of empty non-domestic hereditaments in England

- At 31 March 2009, there were an estimated 237,000 empty non-domestic hereditaments in England representing 14% of all hereditaments.

Section A: Provides information for the first time on the number of hereditaments contributing to and benefiting from the Small Business Rate Relief scheme on the 31 December 2007 and 2008 and revised numbers for December 2006.

Section B: Provides information for the first time on the estimated number of empty non-domestic hereditaments as at 31 March 2008 and 2009.

The information in this release is based on National Non-Domestic Rates returns submitted by all billing authorities in England. The release has been compiled by the Local Government Finance – Data Collection, Analysis and Accounting division of Communities and Local Government

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Number of hereditaments benefiting from Small Business Rate Relief and the numbers of empty hereditaments

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Section A: Estimated number of hereditaments benefiting from the Small Business Rate Relief (SBRR) scheme as at 31 December in England

1. Data on the number of hereditaments in receipt of Small Business Rate Relief (SBRR) were collected from billing authorities for the first time in December 2006. Since then, billing authorities have provided more detailed information on the NNDR1 Supplementary form on the number of hereditaments benefiting from and contributing to the SBRR scheme.

2. The rules governing the SBRR scheme are set out in the Terminology used in this release section below.

3. The numbers provided by billing authorities have been subjected to rigorous quality assurance checks which are outlined in more detail in the Data quality section of this release. These checks indicate that the majority (53%) of billing authorities have provided information of an acceptable standard. National estimates of the number of hereditaments benefiting from and contributing to the SBRR scheme have been derived from these authorities and those where imputation was deemed possible. This information is being published for the first time in this format and can be seen in Table 1.

- At 31 December 2008, there were an estimated 462,000 hereditaments benefiting from the SBRR scheme. This represents an increase of 16.7% since December 2006

<table>
<thead>
<tr>
<th>Table 1: Estimated number of hereditaments benefiting from and contributing to the Small Business Rate Relief scheme as at 31 December</th>
<th>thousand hereditaments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2006</td>
</tr>
<tr>
<td>Benefiting from the SBRR scheme</td>
<td>396R</td>
</tr>
<tr>
<td>Contributing to the SBRR scheme</td>
<td>..</td>
</tr>
</tbody>
</table>

Source: NNDR returns
Section B: Estimated number of empty non-domestic hereditaments as at 31 March in England

4. Since 2007-08, billing authorities have been asked to report on the NNDR3 form the number of non-domestic hereditaments that are empty as at 31 March. These numbers have been subjected to quality assurance checks, which are outlined in detail in the Data quality section of this release. These checks indicate that the vast majority of authorities (90%) have returned data of an acceptable standard. The national estimate of the number of hereditaments that are empty is derived from these authorities and those where imputation was deemed possible. This information is being published for the first time in this release and can be seen in Table 2.

- At 31 March 2009, there were an estimated 237,000 empty non-domestic hereditaments in England representing 14% of all hereditaments.

<table>
<thead>
<tr>
<th>Table 2: Estimated number of empty hereditaments as at 31 March</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of empty hereditaments (thousand)</td>
<td>237</td>
<td>237</td>
</tr>
<tr>
<td>The percentage of hereditaments that are empty</td>
<td>14%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: NNDR returns

Additional tables – Experimental data

There are five additional tables produced at local authority level that are not included in the printed version of this release. They are available on the Department’s website and can be found at: http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/nondomesticrates/

The national estimates of the number of empty hereditaments and those either benefiting from or contributing to the Small Business Rate Relief scheme in England have been derived from data submitted by billing authorities that passed all the validation tests and from those billing authorities where imputation was deemed possible. Only information submitted by billing authorities that passed all the validation tests have been published in the tables listed below. Therefore the figures in the tables listed below will not sum to the England estimates in this release.
Below is a brief description of the data contained in the tables:

- **Table 3 & Table 4** show details of the number of empty properties by billing authority as at 31 March 2008 and 31 March 2009 respectively.

- **Table 5** shows details of the number of hereditaments benefiting from the Small Business Rate Relief scheme by billing authority as at 31 December 2006.

- **Tables 6 & 7** show details of the number of hereditaments benefiting from or contributing to the Small Business Rate Relief scheme by billing authority as at 31 December 2007 & 2008.

Following local government reorganisation, nine unitary authorities came into existence from 1 April 2009. The nine new authorities replaced seven county councils and 37 shire district councils. The data for these new authorities are included in this release in Table 7.

Details of the new authorities and the shire district councils they replaced are as follows:

**Bedford UA**: Bedford

**Central Bedfordshire UA**: Mid Bedfordshire, South Bedfordshire

**Cheshire East UA**: Congleton, Crewe & Nantwich, Macclesfield

**Cheshire West & Chester UA**: Chester, Ellesmere Port & Neston, Vale Royal

**Cornwall UA**: Caradon, Carrick, Kerrier, North Cornwall, Penwith, Restormel

**Durham UA**: Chester-le-Street, Derwentside, Durham City, Easington, Sedgefield, Teesdale, Wear Valley

**Northumberland UA**: Alnwick, Berwick-upon-Tweed, Blyth Valley, Castle Morpeth, Tynedale, Wansbeck

**Shropshire UA**: Bridgnorth, North Shropshire, Oswestry, Shrewsbury & Atcham, South Shropshire

**Wiltshire UA**: Kennet, North Wiltshire, Salisbury, West Wiltshire

**Terminology used in this release**

The most relevant terms for this release are explained below.

**Billing authority** - a local authority empowered to set and collect non-domestic rates, and manage the Collection Fund, on behalf of itself and other local authorities in its area. In England, shire and metropolitan districts, the Council of the Isles of Scilly, unitary authorities, London boroughs and the City of London are billing authorities.

**Hereditament** – a property that is, or may become, liable to national non-domestic rates, and thus appears on the rating list. The list is compiled and maintained by the Valuation Office Agency of HM Revenue and Customs.

**National non-domestic rates** – are a means by which local businesses or organisations contribute to the cost of local authority services. Liable properties include public buildings, pipelines and advertising hoardings, as well as businesses. Some non-domestic properties, such as agricultural land and associated buildings, and churches, are exempt however. On 1 April 1990 the rating of non-domestic (mainly commercial and industrial) properties was substantially reformed. Before 1990-91, rate poundages were set individually by local authorities and varied from authority to authority. Since 1 April 1990, single national poundage has been set by the Government.

**National non-domestic rates multiplier** – the factor by which a hereditament’s rateable value is multiplied in order to calculate its gross rate yield. For 2009-10 this is 48.5 pence in the pound.

**Small business rate multiplier** – the factor by which a hereditament’s rateable value is multiplied in order to calculate its gross rate yield. For 2009-10 this is 48.1 pence in the pound, this is 0.4 pence less than the national non-domestic rates multiplier.
**Small business rate relief scheme** - This offers relief of national non-domestic rates to businesses that satisfy a number of criteria. These are detailed in the table below.

<table>
<thead>
<tr>
<th>Rateable Value Range</th>
<th>Multiplier payable</th>
<th>Relief Granted</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below £5,000</td>
<td>Small business rate multiplier 2005-06: 41.5p 2006-07: 42.6p 2007-08: 44.1p 2008-09: 45.8p 2009-10: 48.1p.</td>
<td>50% rate relief on liability</td>
<td>This relief is available for: - one property; - one main property and other additional properties, according to certain conditions.</td>
</tr>
<tr>
<td>Between £5,000 and £10,000</td>
<td>Relief is on a declining sliding scale from 50% to zero.</td>
<td>No relief granted</td>
<td></td>
</tr>
<tr>
<td>Between £10,000 and £21,499 in London or £10,000 and £14,999 elsewhere</td>
<td>National non-domestic rate multiplier 2005-06: 42.2p 2006-07: 43.3p 2007-08: 44.4p 2008-09: 46.2p 2009-10: 48.5p</td>
<td>No relief granted</td>
<td>The small business rate relief scheme is funded by businesses that pay the national non-domestic rates multiplier.</td>
</tr>
</tbody>
</table>
Data quality

The information in this release is based on data returned to Communities and Local Government by English billing authorities on the National Non-Domestic Rates forms. CLG have imputed for non response and corrected systematic errors in the data as necessary. The release document, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.

Section A: Estimated number of hereditaments benefiting from the Small Business Rate Relief scheme

The estimated number of hereditaments benefiting from the SBRR scheme in 2008-09 and 2009-10 are calculated from data taken from the NNDR1 supplementary form. CLG subjected these data to a rigorous validation process which revealed a number of issues with the quality of data supplied by billing authorities.

The forms were initially screened for items of non response. The data sets were then subjected to three validation tests. Billing authorities whose data raised the most significant issues were contacted and provided data that passed the validation tests. Only returns which passed all the validation tests were used to calculate a national estimate for the number of hereditaments benefiting from the SBRR scheme.

The validation process consisted of three stages. In order to pass the validation process all three tests had to be passed. These tests required these data to be internally consistent, to broadly correspond to an external data source namely the VOA 2005 rating list, and that changes from one year to the next were reasonable.

This process identified a number of common errors in the data submitted by billing authorities, such as double counting of certain groups of hereditaments. Where these errors were identified the data were corrected.

These amendments meant that 70% of billing authorities were used to calculate the national estimate.

In addition to the national estimates, data at billing authority level are also being made available with this release. Only data submitted by billing authorities that passed all the validation checks will be made public, comprising 53% of billing authorities.

Section B: Estimated number of empty hereditaments

The number of empty hereditaments has been estimated from data taken from the memorandum item on the NNDR3 form and are, in general, as supplied by billing authorities.

These numbers have been subjected by CLG to a rigorous validation process. Initially non responses were identified and imputed for using a predefined method. The data then underwent a validation process consisting of two stages, to check that the proportion of empty properties reported by local authorities fell within a predefined range; and that changes from one year to the next were reasonable.
In addition to the national estimates, data at billing authority level are also being made available with this release. Only data submitted by billing authorities that passed all the validation checks will be made public, comprising 90% of billing authorities.

CLG have communicated the issues around these data to stakeholders through the Central and Local Information Partnership – Finance Group (CLIP F). In response to the feedback received, the forms by which this information is collected have been revised to include additional validation tests. New clearer guidance has also been issued.

**Uses made of the data**

This information will be used to inform the development of policy on business rates and to evaluate existing policies.

**Background notes**

The information in this release is derived from national non domestic rates returns submitted by all billing authorities.

For press enquiries about this Statistical Release please contact the Local Government press desk on 0303 444 0444 or email: press.office@communities.gsi.gov.uk

For other enquiries please telephone Steven Melbourne on 0303 444 2114 or email nndr.statistics@communities.gsi.gov.uk.

This Statistical Release can be found at the following web address: http://www.communities.gov.uk/localgovernment/localregional/localgovernmentfinance/statistics/nondomesticrates/


Further information is also available on the Department’s website http://www.communities.gov.uk/localgovernment/localgovernmentfinance/

For a fuller picture of recent trends in local government finance, readers are directed to *Local Government Financial Statistics England No. 19 2009* which is available in hard copy from Cambertown Limited at product@communities.gsi.gov.uk (Tel. 0300 123 1124) and electronically from the Communities and Local Government website at http://www.communities.gov.uk/publications/corporate/statistics/financialstatistics192009
### Symbols and convention used in this release

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>Revised</td>
</tr>
<tr>
<td>..</td>
<td>not available</td>
</tr>
</tbody>
</table>