

UBR & TRANSITIONAL ARRANGEMENTS (PHASING)

The tables below set out the information announced to date on the Uniform Business Rate (UBR) and Transitional Arrangements (Phasing). Note that if rates are phased, the percentage change is in real terms ie an adjustment has to be made for inflation. The inflation rate for 2005/06 calculations is 3.1%, for 2006/07 2.6%, for 2007/08 3.5%, for 2008/09 3.8% and for 2009/10 5.0%. From 2006/07, the change in the Standard UBR each year in England and Wales is no longer limited to the RPI increase. The baseline for 2005/06 is RV 31/3/2005 x 45.6p (England) and 48.8p (Scotland). For subsequent years it is the RV on 31 March in previous year x number of days in that year.

ENGLAND - 2005 REVALUATION

| | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|---|---------|---------|---------|---------|------------|
| Small hereditaments - phased up | 5% | 7.5% | 10% | 15% | No phasing |
| Large hereditaments - phased up | 12.5% | 17.5% | 20% | 25% | No phasing |
| Small hereditaments - phased down | -30% | -30% | -35% | -60% | No phasing |
| Large hereditaments - phased down | -12.5% | -12.5% | -14% | -25% | No phasing |
| Basic UBR | 41.5p | 42.6p | 44.1p | 45.8p | 48.1p |
| City of London UBR Supplement | 0.3p | 0.4p | 0.4p | 0.4p | 0.4p |
| Small Business Relief UBR Supplement - for hereditaments with an RV over £14,999 (£21,499 in London). | 0.7p | 0.7p | 0.3p | 0.4p | 0.4p |

Small hereditaments in England are those defined as having an RV of under £15,000 (under £21,500 in London).

The Small Business Rate Relief Scheme from 2005 offers relief at 50% for businesses with an RV of under £5,000, declining on a sliding scale to 0% relief at RV £10,000. Businesses occupying more than one property are eligible for relief only if their 'main' property has an RV under £10,000 and all their other properties are under RV £2,200 and the aggregate of all hereditaments occupied is under £15,000 (under £21,500 in London) - but note the relief will apply to the main property only. The Scheme is funded by the unphased Small Business Relief UBR Supplement (see above). The threshold for 100% rates relief for unoccupied very small

hereditaments is RV £2,200 (£15,000 for 2009/10 only). The relief for rural single petrol station and pubs is £10,500 (£9,000), for other rural single enterprises £7,000 (£6,000) with discretionary relief of £14,000 (£12,000). Relief for Stud Farms is £3,500 (£3,000) and former agricultural premises £7,000 (£6,000).

SCOTLAND - 2005 REVALUATION

| | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|--|---------|---------|---------|------------|------------|
| All subjects - phased up | 12.5% | (1) | (2) | No phasing | No phasing |
| All subjects - phased down | -10% | (1) | (2) | No phasing | No phasing |
| Basic UBR | 46.1p | 44.9p | 44.1p | 45.8p | 48.1p |
| Small Business Rate Relief Supplement - for subjects with an RV over £29,000 | 0.45p | 0.4p | 0.3p | 0.4p | 0.4p |

The baseline for 2005/06 rates is the RV 31/3/05 x 0.488p. The multiplying factors for working out transitional relief in 2005/06 are Upper 1.160, Lower 0.928. For 2006/07 the 05/06 transitional adjustment (NCA - Payable before SBRRS) is multiplied by 0.649 and for 2007/08 by 0.491.

The 2008 Small Business Bonus Scheme in Scotland (replacing the 2005 Small Business Rate Relief Scheme) offers rates relief for businesses with an RV of £15,000 or less based on the total RV of all subjects occupied. If the total RV is less than £8,001 the relief is 80% (100% from 2009/10); RV

(1) 2005/2006 phasing adjustment adjusted for inflation x 2/3rd.
(2) 2005/2006 phasing adjustment adjusted for inflation x 1/3rd.

£8,001 to £10,000 40% (50% from 2009/10) and RV £10,001 to £15,000, 20% (25% from 2009/10). Businesses are required to apply for relief under the Scheme although councils have the discretion to award relief if they are satisfied that the information they hold is complete, accurate and up to date. If a business is already in receipt of one of the other non-discretionary rates reliefs or discretionary relief for not-for-profit recreation clubs then that relief will be deducted from the notional amount of Small Business Bonus Relief available. The Scheme is funded by the Small Business Rate Relief UBR Supplement (see above).

The threshold for granting 50% mandatory rate relief to qualifying post offices, general stores and small food stores is RV £7,000 (2000 List £6,000) and for qualifying petrol filling stations, small hotels and public houses RV £10,500 (£9,000). Additionally local authorities have discretion to give up to 100% relief to qualifying properties used for purposes beneficial to the local community - the threshold is RV £14,000 (£12,000). The stud farm derating allowance is RV £3,500 (£3,000) and the threshold RV £7,000 (£6,000). The threshold for granting 50% mandatory relief to former agricultural premises is RV £7,000 (£6,000).

WALES - 2005 REVALUATION

| | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 |
|-------------------|------------|------------|------------|------------|------------|
| All hereditaments | No phasing | No phasing | No phasing | No phasing | No phasing |
| UBR | 42.1p | 43.2p | 44.8p | 46.6p | 48.9p |

A Small Business Rate Relief Scheme in Wales was introduced from 2007/08 and provides mandatory rates relief of 50% for businesses with an RV under £2,201 and 25% where the RV is between £2,201 and £6,500. Post Offices with a RV under £9,001 will receive 100% relief, 50% where the RV is between £9,001 and £12,000. Child Care premises

with an RV below £12,001 get 50% relief, Retail premises, petrol stations and public houses with an RV between £6,501 and £9,000 get 25% relief and Credit unions with an RV below £9,001 get 50%. The threshold for 100% rates relief for unoccupied very small hereditaments is RV £2,200 (£15,000 for 2009/10 only). Relief is given automatically. The Scheme is funded by the Welsh Assembly with no supplementary UBR.

London Office: 20 Soho Square, London W1D 3QW T: +44 (0)20 7851 4900 F: +44 (0)20 7851 4910

For further information on this Briefing Paper or on any general business rates matter please contact Blake Penfold on 020 7851 4958 or Paul Dickinson on 07768 381814 or your usual GL Hearn contact.

Regulated by the RICS

www.glhearn.com

UBR & TRANSITIONAL ARRANGEMENTS (PHASING) - continued

NORTHERN IRELAND - 2003 REVALUATION

| | 2003/04 Poundage | 2004/05 Poundage | 2005/06 Poundage | 2006/07 Poundage | 2007/08 Poundage | 2008/09 Poundage | 2009/10 Poundage |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Antrim | 43.12p | 45.33p | 47.66p | 49.34p | 50.6586p | 53.5786p | 55.4161p |
| Ards | 42.17p | 44.00p | 45.74p | 47.35p | 48.984p | 50.4719p | 51.4990p |
| Armagh | 44.43p | 46.38p | 48.15p | 50.61p | 52.6527p | 55.0673p | 56.8156p |
| Ballymena | 40.25p | 42.35p | 44.38p | 46.99p | 49.9049p | 52.7452p | 54.1051p |
| Ballymoney | 43.02p | 45.54p | 46.82p | 48.54p | 50.6659p | 52.3139p | 54.0247p |
| Banbridge | 44.04p | 46.35p | 48.60p | 50.76p | 51.6907p | 53.3703p | 54.2975p |
| Belfast | 42.71p | 44.57p | 46.76p | 48.75p | 50.2641p | 52.0753p | 53.6225p |
| Carrickfergus | 44.07p | 45.44p | 48.10p | 49.41p | 50.9348p | 53.2475p | 55.1122p |
| Castlereagh | 38.46p | 40.11p | 41.46p | 42.92p | 44.6642p | 45.7124p | 45.7121p |
| Coleraine | 40.70p | 42.53p | 44.19p | 46.28p | 48.0978p | 50.0077p | 51.2092p |
| Cookstown | 40.62p | 42.51p | 44.32p | 46.40p | 48.4003p | 50.1380p | 50.9192p |
| Craigavon | 42.13p | 45.28p | 47.40p | 49.68p | 50.962p | 52.2657p | 52.9238p |
| Downpatrick | 42.20p | 44.51p | 46.28p | 48.70p | 50.802p | 53.0431p | 53.6341p |
| Dungannon | 40.05p | 41.87p | 43.70p | 45.74p | 47.8035p | 49.8238p | 50.7061p |
| Fermanagh | 37.73p | 39.09p | 40.59p | 42.32p | 43.8191p | 45.6243p | 46.9613p |
| Larne | 43.29p | 45.60p | 47.53p | 49.55p | 51.037p | 52.3781p | 52.3781p |
| Limavady | 43.08p | 44.94p | 46.69p | 49.19p | 51.9353p | 54.2276p | 55.5632p |
| Lisburn | 41.03p | 42.94p | 43.96p | 45.19p | 46.4615p | 47.5498p | 48.0080p |
| Londonderry (Derry) | 44.24p | 46.57p | 48.64p | 50.78p | 52.3804p | 54.3236p | 55.6903p |
| Magherafelt | 40.11p | 41.82p | 43.43p | 44.90p | 46.6397p | 47.9374p | 48.4651p |
| Moyle | 45.14p | 47.66p | 50.13p | 52.53p | 55.3998p | 58.6578p | 60.2767p |
| Newry | 42.13p | 43.55p | 45.26p | 47.05p | 48.6449p | 50.3926p | 51.7791p |
| Newtownabbey | 44.60p | 46.31p | 47.84p | 49.54p | 51.2185p | 53.3181p | 53.7708p |
| North Down | 39.55p | 40.88p | 42.32p | 44.02p | 45.6433p | 47.6703p | 49.1153p |
| Omagh | 41.70p | 43.53p | 45.51p | 47.31p | 49.0548p | 50.8099p | 51.7509p |
| Strabane | 42.39p | 44.32p | 46.03p | 47.91p | 49.0891p | 51.1720p | 52.7641p |

There is effectively no phasing in Northern Ireland. There is also no Uniform Business Rate with District Councils setting their own Rate Poundage (multiplier) each year. There is no Small Business Rate Relief Scheme in Northern Ireland - consideration for introduction of a scheme from 1 April 2006 was given but the Scheme was not adopted.

The available rate relief and exemption schemes in Northern Ireland at April 2007 were:

1. ATMs in rural areas - 100% exemption automatically applied by Valuation Service;
2. Charitable Exemptions - 100% exemption available if property occupied and used for public benefit or for charitable purposes;
3. Farm Diversification Scheme - introduced from 1 April 2007. 50% relief provided NAV does not exceed £7,000;
4. Hardship Relief - introduced from 31 December 2006. Discretionary;
5. Industrial Derating - until 2006/07 property occupied and used for industrial purposes was only liable to pay 15% of full rates. This 'industrial derating' is being phased out so that by 2011/12 100% rates will be payable. The % of full rates payable from 2007/08 to 2010/11 is 30%;
6. Empty rates - introduced in Northern Ireland only from 1 April 2004. Unoccupied non-domestic properties with a rateable value of £2,000 and greater, are liable to 50% rates after the property has been vacant for 3 months. There are a number of exemptions notable qualifying industrial hereditaments, listed buildings etc.
7. Sports and Recreation - properties or parts of properties occupied for amateur (non-profit making) physical recreation and which make a significant contribution to health care are eligible for 80% rates relief. There is a list of 'prescribed recreations' which qualify.

REPUBLIC OF IRELAND

There is also no Uniform Business Rate with Councils setting their own Rate Poundage (multiplier) in Euros each year. There is currently a rolling revaluation of properties in the Republic of Ireland. *For further details on business rates in Ireland please contact David Hackett in our Southampton office on 02380 221361 or your usual GL Hearn contact who will be able to advise in detail.*

CHANNEL ISLANDS & THE ISLE OF MAN

There are different arrangements for rates in The Channel Islands and The Isle of Man. *For further details on business rates in these areas please contact Blake Penfold on 020 7450 4958 or your usual GL Hearn contact who will be able to advise in detail.*

Note that GL Hearn systems provide accurate rates calculations for all parts of Great Britain, Northern Ireland, The Republic of Ireland, The Isle of Man and The Channel Islands.

London Office: 20 Soho Square, London W1D 3QW T: +44 (0)20 7851 4900 F: +44 (0)20 7851 4910

For further information on this Briefing Paper or on any general business rates matter please contact **Blake Penfold on 020 7851 4958** or **Paul Dickinson on 07768 381814** or your usual GL Hearn contact.

Regulated by the RICS

www.glhearn.com