



**your
council
tax**
2011-2012

Including Hampshire Police Authority policing budget and priorities

A message from Councillor David Pugh

Leader of the Isle of Wight Council

Setting next year's budget has been extremely difficult. The financial pressures we face are unprecedented. Because of significantly reduced government funding and rising demands on services, we must save over £17 million in 2011-2012.

Therefore we have reviewed how we provide services or whether we should provide them at all. We cannot simply delay making difficult decisions now because we will need to save a further £8 million next year, and beyond.

To meet this challenge, we have focused our limited resources on areas for which we have a legal duty and those important to our most needy residents.

Consequently difficult decisions affecting the spend on services including libraries, toilets and tourist information have been taken. Crucially, the bulk of the savings will come from operating and staffing costs – some £11 million.

But this budget – which provides residents with a freeze in council tax bills – is not all about reductions. It contains investment in adult social care, safeguarding children, our leisure facilities, funding for public transport and the Highways PFI scheme to improve and maintain our entire road network and bring huge economic opportunities.

While this has been a difficult budget, we have been able to ensure that many services will continue, albeit in a different form. Support from the Island's community, including parish councils, has been vital in this process – for which we are hugely grateful.

Contacting the Isle of Wight Council

Web: www.iwight.com

It is possible to **find out about**, **pay for**, **report on**, **comment on** or **complain about** a service through the A to Z of services on our website.

Phone: call centre 01983 821000

For information on any council-related service, contact our call centre where an advisor will deal with your enquiry.

- Monday to Friday 8am to 6pm
- Saturday 9am to 1pm

For enquiries regarding the following services, please dial:

Automated payments	0207 1381970
Building control	01983 823580
Business rates	01983 823920
Children's and young people's services	01983 823455
Council tax	01983 823901
Highways	01983 823777
Housing benefits	01983 823950
Housing services	01983 823040
Parking services	01983 823714
Planning	01983 823552
Registrars	01983 823233
Waste collection	01983 823777

Face to face

If you need to visit us for assistance with your enquiries the council's Help Centre is available. For opening times and further information on where you can visit please call **01983 821000** or refer to our website.

Email: callcentre@iow.gov.uk

Your guide to the council's budget

The Isle of Wight Council believes it is important to provide you with information about your council tax bill, which is enclosed with this booklet.

The following pages give you details of the council's budget for 2011-2012 and explains how your council tax bill is calculated.

If you would like more information about the Isle of Wight Council and its services, please contact us in one of the following ways:

Telephone (01983) 821000

Email customer.services@iow.gov.uk

Web www.iwight.com

Spending changes

The Isle of Wight Council plans to spend £339.6 million in 2011-2012 on providing services for Islanders. After deducting grants and income of £204.6 million, the net budget requirement excluding schools is £135 million. This is £7 million lower than the adjusted 2010-2011 budget requirement.

Budget gap

Total grant loss £11,359,000

Extra spending net of council tax
freeze grant and NHS transfer £6,474,000

Total budget gap £17,833,000

The budget gap will be funded during 2011-2012 in the ways shown below.

Extra spending by the council

£10,841,000

Increased investment in key priorities

£4,426,000

Revenue impact of capital investment

£729,000

Net cost of maintaining existing service levels

£2,286,000

Adult Social Care base adjustment

£3,400,000

Management and business infrastructure costs

£11,173,000

Increased income generation and grants

£2,010,000

Savings from realigned services

£4,650,000

Factors which offset budget gap

£17,833,000

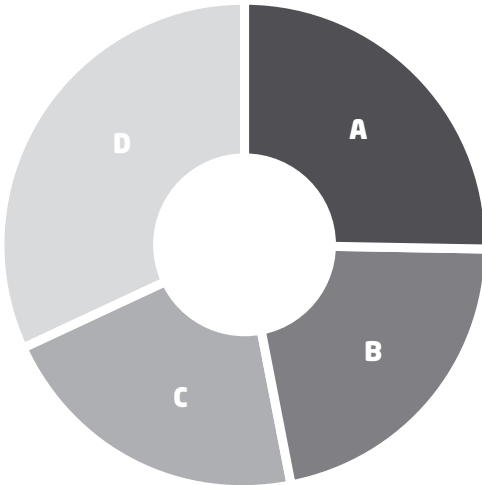
Net budget reduction

£6,992,000

Where the money comes from

The money the council uses to provide services comes from sources including:

- formula grant from the government;
- the council tax;
- core grants for specific services and projects;
- dedicated schools' grant;
- income from charging and contributions for certain services;
- other grants including Council Tax Freeze Grant.



- A Dedicated Schools' Grant** – 25.4%
(£86,348,000)
- B Council Tax and Council Tax Freeze Grant** – 21.6%
(£73,240,000)
- C Formula Grant and Core Grants** – 21.2%
(£71,948,000)
- D Fees, charges, contributions and other grants** – 31.8%
(£108,100,000)

Investing in the future

Apart from its day to day spending, the council also plans to invest up to £62.3 million in capital assets, directing resources to its key priorities.

The council has re-assessed its programme for capital spending in the light of the significantly reduced grant allocations from Central Government for 2011-2012 onwards and the affordability of the revenue cost of repayment of prudential borrowing. Nevertheless, the council will still spend significant amounts on investment in fixed assets which will contribute to the achievement of its strategic priorities including schools, highways, and housing, and in meeting its statutory responsibilities in, for example, the replacement of the cremator to meet new legislative requirements. It will also be investing in capital projects to deliver on going revenue savings. Prudential borrowing will be used where necessary to augment other capital resources. At 31 March 2010 our total net borrowings were £116.4 million.

Council workforce

At the end of December 2010 the council employed the equivalent of 3,974 permanent full time posts (3,953 at December 2009). The apparent increase is actually due to a change in employment classifications for fire service staff (87 in 2009 to 234 in 2010).

Actual reductions in staff have taken place in schools, (2,078 in 2009 to 2,046 in 2010) and in other council service areas (1,788 in 2009 to 1,694 in 2010).

Where the money will go in 2011-2012

	This year £'000	Last year ¹ £'000
Adult social services	60,454	57,696
Housing services ²	72,821	72,985
Schools' budgets	95,178	95,516
Children's services	34,516	36,422
Fire service	7,441	7,704
Environmental services	2,182	2,348
Community safety	4,439	4,896
Street and beach cleansing	2,020	2,033
Waste management	9,067	8,434
Highways (including Private Finance Initiative [PFI])	10,298	9,827
Car parking ³	1,915	2,010
Street lighting	869	929
Public transport support	6,608	6,813
Planning and development control	3,535	3,972
Recreation and sport	4,795	5,448
Parks and open spaces	2,436	2,713
Economic and tourism development	1,708	1,986
Cultural, leisure and libraries	4,923	5,448
Other services	9,332	10,167
Other financing	5,099	21,072
Gross expenditure	339,636	358,419
Less grants and other income	-204,589	-216,381
Net budget requirement	135,047	142,038

¹ Due to fundamental changes in local authority funding (formula grant and specific grants) the 2010-2011 budget has been adjusted to allow a proper comparison between the two years.

² The housing services figure includes housing benefits expenditure for which government subsidy (included with grants and other income) is received.

³ The car parking figure represents expenditure on the service; income is included in the line with grants and other income.

Four factors that affect what you pay

1 The level of tax set by the Isle of Wight Council

The level of tax set by the council to cover the cost of services it will provide in 2011-2012 is unchanged from 2010-2011. By setting a zero increase the council will receive a grant equivalent to a 2.5 per cent increase.

3 The level of spending set independently by the Hampshire Police Authority

The element of council tax that relates to the Hampshire Police Authority is unchanged from 2010-2011. The Hampshire Police Authority also receives a grant equivalent to a 2.5 per cent increase.

2 The property band you are in

The value of your property, on 1 April 1991, will have been assessed by the independent listing officer, a central government agent. Your property will then have been placed in one of eight bands – your bill will show which one.

4 Charges for local services

Your bill includes an amount towards the cost of the town or parish council for the area in which you live.

Want to appeal against your property banding?

Further information about this is provided on page 12 of this booklet.

Band	Value of property 1 April 1991	Proportion of Band D	Council tax (IW Council element)
A	Up to £40,000	6/9	859.87 716.56*
B	£40,001 to £52,000	7/9	1,003.18
C	£52,001 to £68,000	8/9	1,146.49
D	£68,001 to £88,000	9/9	1,289.80
E	£88,001 to £120,000	11/9	1,576.42
F	£120,001 to £160,000	13/9	1,863.04
G	£160,001 to £320,000	15/9	2,149.67
H	Over £320,000	18/9	2,579.60

* Disabled reduction

Council, police, parishes and towns

This table shows the combined costs for a band D council tax payer. The figures include the Isle of Wight Council, the Hampshire Police Authority and the Island's town and parish councils.

	£ per Band D	£ Total 2011-2012	£ Total 2010-2011		£ per Band D	£ Total 2011-2012	£ Total 2010-2011
Isle of Wight Council	1,289.80	71,510,381	71,154,397	Nettlestone & Seaview	17.47	29,910.00	29,540.00
Hampshire Police Authority	146.25	8,108,539	8,068,174	Newchurch	12.99	14,380.00	11,000.00
Parish/town councils				Newport	15.75	127,245.00	127,257.00
Arreton	18.24	7,172.00	6,520.00	Niton & Whitwell	12.38	12,200.00	12,200.00
Bembridge	56.26	117,000.00	97,000.00	Northwood	12.47	11,228.00	11,114.00
Brading	67.51	56,775.00	45,500.00	Rookley	23.82	6,130.00	6,130.00
Brighstone	19.90	16,596.00	16,596.00	Ryde	36.30	319,800.00	200,000.00
Calbourne	26.26	10,500.00	9,339.00	Sandown	44.33	115,000.00	100,450.00
Chale	30.41	8,600.00	8,600.00	Shalfleet	37.09	27,849.00	24,636.00
Cowes	20.22	86,700.00	86,700.00	Shanklin	34.72	127,980.50	108,974.00
East Cowes	33.10	82,324.00	67,324.00	Shorwell	17.71	6,000.00	6,000.00
Fishbourne	20.73	8,638.00	7,638.00	St Helens	37.19	21,650.00	12,500.00
Freshwater	38.76	98,469.00	60,945.00	Totland	29.46	40,277.00	33,846.00
Gatcombe	37.31	7,530.15	7,382.50	Ventnor	48.79	135,000.00	149,466.00
Godshill	23.77	14,500.00	14,500.00	Whippingham	30.90	10,759.00	10,750.00
Gurnard	39.69	32,000.00	32,000.00	Wootton Bridge	38.61	57,800.00	47,800.00
Havenstreet & Ashey	22.10	7,778.00	8,600.00	Wroxall	15.26	10,350.00	9,850.00
Lake	19.51	37,500.00	25,000.00	Yarmouth	38.47	20,318.00	18,471.00

Please note: the council is required to show costs in this table as they affect band D council taxpayers. In accordance with government guidelines we are required to detail parish or town council precepts exceeding £140,000. This is shown in the table below:

	Gross spend £	Income £	Reserve movement £	Budget requirement 2011-2012 £	Budget requirement 2010-2011 £
Ryde Town Council	368,100	-29,300	-19,000	319,800	200,000

Please note: commentary by individual parish or town councils in respect of their budget for 2011-2012 is provided in appropriate parish communications such as newsletters or websites.



Hampshire Police Authority – ensuring efficient and effective policing for Hampshire and the Isle of Wight

During this time of unprecedented economic change organisations and public services are facing very challenging times ahead, and the police service is no exception. This year brings the challenge of working within a reduced budget to provide a more efficient and effective police service for the future, which will continue to deliver an excellent service for the people of Hampshire and the Isle of Wight.

We have been working for some time to see how policing can adapt to the reduction in budget by making the most of our resources and providing best value for money for the taxpayer.

Your Police Authority

Hampshire Police Authority is the independent body responsible for overseeing the work of Hampshire Constabulary and ensuring effective and efficient policing in Hampshire and the Isle of Wight. This includes setting the policing budget, local policing priorities and representing the voice of the public.

The 17 members of Hampshire Police Authority, nine local councillors and eight independent members, work hard to ensure Hampshire and the Isle of Wight

are even safer places to live, work and visit.

Policing priorities

The policing priorities are developed after consultation with the people of Hampshire and the Isle of Wight, together with local authorities and other agencies, along with the latest crime statistics. Hampshire Police Authority has agreed the strategic direction for Hampshire Constabulary up to 2015. We will protect the funding of as many frontline services as possible, including targeted patrol teams, safer neighbourhood teams and local crime management, until at least April 2012 and with the objective of protecting them right through to April 2015.

Hampshire Police Authority and the Chief Constable jointly agree on

three-year policing priorities, and these are published in the Policing Plan. The priorities are informed by results of consultation exercises with the public, local authorities and other agencies, along with the latest crime statistics.

A full copy of the Policing Plan is available by visiting www.hampshirepoliceauthority.org



The priorities are underpinned by a set of values which aims to secure the trust and confidence of our communities.

In everything we do, we **CARE**:

Common sense and sound judgement

Act with integrity, courage and compassion

Respect people and keep our promises

Experiences used to learn and improve



Police funding

The majority of funding for policing comes through Government grants, with around a third coming from Council Tax. The funding announcement in December 2010 meant that the Government general grant paid to Hampshire Police Authority has been reduced by 5.1 per cent for 2011/12 and 6.7 per cent for 2012/13 as a part of a 20 per cent cut in real terms over the next four years. The specific grants we receive from the Government for Neighbourhood Policing and Counter Terrorism will be at similar levels to last year so the reduction in total Government funding is 3.8% in 2011/12 and 6.3% in 2012/13. In Hampshire and the Isle of Wight this means the Police Authority grant has been reduced by £9million for 2011/12 and a further £14million for 2012/13.

We have decided to freeze the Police Authority council tax precept

for 2011/12 in Hampshire and the Isle of Wight, meaning that properties in bands A to H will not have any increase in the police element of their council tax. By freezing the council tax Hampshire Police Authority will receive a government grant equivalent to 2.5% of council tax.

BAND	ANNUAL COST £
A	97.50
B	113.75
C	130.00
D	146.25
E	178.75
F	211.25
G	243.75
H	292.50



Hampshire Police Authority budget

£'000

Budget for 2011/12	314,096
Police grant	137,968
Revenue support grant	17,540
National business rates	56,748
Total general government grants	212,256
Surplus on Council Tax collection funds	1,042
Council Tax precept	100,798

Making the savings

The scale of the financial challenge we face is no surprise to Hampshire Police Authority or Hampshire Constabulary, and we have been working together for a number of years taking steps to prepare for it.

Although the reduction of Government grant for 2011/12 is £9m, inflation and other budget pressures mean that £20million of savings need to be found to balance the budget. The majority of these savings will be delivered by making efficiency improvements that

allow us to reduce the number of employees needed to deliver excellent services. No reductions will be made to frontline personnel. The Authority has planned under-spends totalling £16million in the last two financial years to build reserves to smooth the funding loss and provide for the cost of change. £4million of reserves will be used as a one-off to balance the 2011/12 budget whilst transformational change is delivered during 2011/12 to put

the Authority in a sustainable budget position from April 2012.

We have a successful history of collaboration with other forces to deliver services more efficiently and make savings. Through these close relationships we intend to identify even more opportunities to do this and continue to respond to your needs.



Providing better value for money

Hampshire Police Authority has been praised for the way its finances have been managed. The Audit Commission independently assesses public sector bodies in the way money is spent, and has concluded that “the authority has built on a good performance management framework to ensure

it continues to have strong arrangements for securing value for money in its service delivery”.

By 2015 we intend to be a top quartile force in key performance areas and in the bottom quartile for cost. A combination of low cost and high achievement will make the constabulary one of the best value for money forces in the country.

The majority of budget will again be spent on employees in order to continue to deliver excellent service. Budget pressures and growth for new spending have been limited to £1.3million, of which £0.6million relates to essential IT expenditure to meet statutory and security requirements. Officer posts have been removed from support roles and the officers returned to the frontline. Despite the funding reductions, there will be more officers, PCSOs and staff in frontline posts in 2011/12 than when the emergency budget funding reductions were first announced in June 2010.

Council tax - explanatory notes

This information forms part of your bill

Council tax valuation bands

Council tax is charged on most dwellings. There is one bill per dwelling, whether it is a house, bungalow, mobile home or houseboat, and each dwelling is placed in one of eight bands according to its open market value on 1 April 1991.

The Valuation Band and values are as follows:

- A** Up to £40,000
- B** £40,001 - £52,000
- C** £52,001 - £68,000
- D** £68,001 - £88,000
- E** £88,001 - £120,000
- F** £120,001 - £160,000
- G** £160,001 - £320,000
- H** Over £320,000

Valuation banding proposals

If you are responsible for paying the council tax, or an agent acting on behalf of someone who is, you may make a formal proposal against your council tax band. The circumstances in which you can make a formal proposal are very limited but if you have a genuine concern that your home may be in the wrong band, you should contact your local valuation office and ask to have your band reviewed. The occasions when a challenge by 'proposal' is permitted include the following:

- Property demolished.
- Houses converted to flats or flats back to houses.
- Physical changes in the locality affecting values.

- Within six months of a band change to your property by the listing officer.

If you think you meet one of the above by which a valid proposal can be made – for example, if you have moved into a property within the last six months and you think the band is wrong you can complete a proposal form online at www.voa.gov.uk or in writing to the council tax listing officer at:

Overline House, Central Station, Blechynden Terrace, Southampton SO15 1GW

Tel: 023 8053 8500

Fax: 023 8053 8599

Making a proposal does not allow you to withhold payment of your council tax. If your proposal is successful you will be refunded any money you have overpaid.

Any proposal must be made within six months of you becoming the responsible person for council tax at your property, however the valuation office may consider late applications.

Appeals

As well as banding issues you may appeal if:

- you have been billed for council tax but do not believe you are responsible for paying the tax;
- you have claimed a discount or exemption and this has been refused;
- you think any item on your bill has been calculated incorrectly.

To appeal about these matters, please mark your letter 'APPEAL' and send it to:

Isle of Wight Council Offices, Broadway, Sandown, Isle of Wight PO36 9EA

We should respond to your appeal within two months. If you are not satisfied with the response, or you do not get a reply, you may apply to a tribunal to hear your appeal. Certain time limits apply. More details can be found at www.valuationtribunal.gov.uk

Making an appeal/proposal does not allow you to withhold payment of your Council Tax.

How to contact us

Telephone: 01983 823901

(Lines are open between 8am and 6pm Monday to Friday, and 9am to 1pm Saturday).

Email: council.tax@iow.gov.uk

Fax: (01983) 823900

Or you can write to the address shown above.

People with disabilities

If anyone living in your home has a disability and uses a wheelchair in the home or needs an extra bathroom or room adapted to meet their special needs they may be entitled to a reduced bill. The room or the wheelchair must also be essential or of major importance to the disabled person's well-being, due to the nature and extent of their disability. If this applies the bill will be reduced to the rate for the band immediately below that shown in the banding list. If your home is in Band A a reduction of one ninth of band D will be made. Application forms are available on www.iwight.com

Exempt properties

Council tax is not charged on some properties (known as exempt properties), including empty properties which are:

- unfurnished and requiring major repairs (this lasts for up to 12 months);
- unfurnished (this lasts for six months and

granted on the property irrespective of owner);

- owned by charities (this lasts for up to six months);
- annexes (granny flats) which cannot be sold/let separately without breaching planning conditions;
- not allowed to be lived in by law;
- repossessed;
- waiting to be lived in by a minister of religion;
- a deceased person's former dwelling (may be exempt for up to six months after probate granted);
- left empty by a bankrupt;
- left empty by students, prisoners, patients in hospitals or care homes, people receiving or providing care elsewhere.

Other exempt properties are:

- homes lived in only by people with severe mental impairment;
- halls of residence;
- homes lived in only by students;
- homes lived in only by persons under 18;
- dwellings which form part of a single property and which are occupied by a dependant relative/relatives of the family living in the rest of the building (e.g. properties with an annexe or similar self-contained unit);
- armed forces accommodation, owned by the Ministry of Defence;
- visiting forces accommodation.

For further information visit www.iwight.com

Discounts

The full council tax bill assumes that there are two adults (over 18) living in a dwelling. If only one adult lives in a dwelling (as their main home) the council tax bill will be reduced by 25 per cent.

If your property is no-one's main home certain discounts can apply. A property will count as someone's main home if it is furnished and it is the only property owned, however if you are contracted to live elsewhere then a reduction may apply.

- You can get 10 per cent off your bill if your property is your second residence which is furnished and unoccupied this also applies after you or your tenants have moved out. You must send us: the full address of your main home and a copy of the latest council tax bill.
- You can apply for a 50 per cent discount because you are required to live elsewhere for work, you must also send us full details of where and for whom you work together with a copy of your contract which states that you must live at that address to conduct your employment effectively.
- There is a change to the charge levied on unfurnished empty properties. Previously if the property remained empty for more than six months you could claim a 50 per cent discount. From 1 April 2004 this no longer applies. If your property has previously been exempt, when that exemption ends you will have to start paying the full charge. There is now no discount awarded.

If you do not permanently live in the UK, or have moved abroad, you may not qualify for a discount, as the empty property may count as your main home in the UK.

If the property is furnished and unoccupied after your tenants have moved out, please confirm the date they vacated and give any new address you may have for them.

If you are a company, you must tell us your company name and registered address.

There is no discount if the property is unoccupied and unfurnished, however you could qualify for a period of exemption from council tax.

- A 25 per cent discount applies if a property is only occupied by one adult aged 18 or over.

Some people are disregarded from council tax if they meet certain conditions and the following discounts may apply:

- A 25 per cent discount may apply if all but one of the occupiers of a property are disregarded.
- A 50 per cent discount may apply if all the occupiers are disregarded.

Examples of people disregarded from council tax are:

- people aged over 18 who have child benefit paid for them;
- some school or college leavers aged under 20;
- students, student nurses and foreign language assistants;
- apprentices;
- people on youth training schemes;
- severely mentally impaired people;
- long-term residents of hospitals, residential care homes or nursing homes;
- volunteer care workers;
- people providing care for someone they live with;
- members of religious communities;
- members of international headquarters, defence organisations and visiting forces;
- people who are in prison or detention (except for non-payment of fines or local taxes);
- people staying in hostels or night shelters.

For further information and to apply visit www.iwight.com

Discounts have been granted based on existing council tax records and will be shown on the front of your bill. If you have not been allowed a discount but think you are entitled to one, you should contact us. If you have been allowed a discount you are not entitled to **you must tell us as soon as possible** or you may have to pay a £70 penalty. For more information visit www.iwight.com or contact the council tax office on 01983 823901.

Section 13A of the Local Government Finance Act 1992, inserted by section 76 of the Local Government Act 2003

This gave councils new powers to create their own discounts and exemptions, including powers to grant relief on a case by case basis of between one per cent and 100 per cent. Any discount given has to be met by the council.

The council has the power to agree discounts but is not obliged to do so as council tax is a tax related to property and not directly to the provision of any specific services. Any specific application for discount is referred to the cabinet member for the resources, under his/her delegated authority, and he/she decides on the merits of the case.

Privacy notice

The Isle of Wight Council as data controller will process your personal information in accordance with the Data Protection Act 1998. The personal details provided by you may be shared with other departments within the council for the recovery of any debts, for providing assistance in relation to tenancies, maximising claimants' income bringing empty properties back into use and to identify persons responsible for business rates and/or council tax. The departments include council tax, benefits, parking

services, business rates, electoral registration, housing services, supporting people, community services financial assessment and sundry debts (including housing benefit overpayments).

The council may also be required to disclose personal information to third parties (such as the police or Department for Work and Pensions) for the purposes of preventing or detecting crime or apprehending or prosecuting offenders.

The council is under a duty to protect the public funds it administers, and to this end may use council tax information for the prevention and detection of fraud. It may also share this information with other bodies responsible for auditing or administering public funds for these purposes.

The council is required under section 6 of the Audit Commission Act 1998 to participate in the National Fraud Initiative (NFI) data matching exercise. Council tax data will be provided to the Audit Commission for NFI and will be used for cross-system and cross-authority comparison with other relevant organisations' data for the prevention and detection of fraud.

Council Tax Benefit

Main scheme – if you are in receipt of income support, jobseekers allowance, employment support allowance, pension credits, other state benefit or low income, you may qualify for council tax benefit. Application forms should be returned without delay to avoid loss of benefit. If your joint capital, eg, savings or investments exceeds £16,000 you are unlikely to qualify for council tax benefit from the main scheme, unless you receive pension credit (guarantee element).

Second adult rebate – this is a form of council tax benefit that is available to council tax payers who share their home with someone on a low income but who do not have a partner or a paying lodger. It may be payable even if the council tax payer has a high income themselves and would not normally qualify for benefit.

Application forms and further advice are available from www.iwight.com or contact the benefit office **Tel:** (01983) 823950

Please note: Benefit is normally paid from Monday following the date a claim is treated as being received.

Fraud hotline - 01983 823969 – If you know someone who is fraudulently claiming council tax or housing benefit please call our hotline, your call will be dealt with confidentially. Email: benefit.fraud@iow.gov.uk

Your rights

The council wishes to give the best possible service and hopes to resolve your concerns quickly, if you have a complaint about council services please make it to the council department concerned. If we cannot deal with your concerns ourselves, or if you are not satisfied with the way we have handled your complaint, you can talk to the local government ombudsman advice team on 0300 061 0614 email: advice@lgo.org.uk or go to their website at www.lgo.org.uk. Alternatively you can write to:

The Local Government Ombudsman,
PO Box 4771, Coventry CV4 0EH

How to pay your council tax/ business rates

Paying by direct debit

Collecting local taxation by direct debit is much cheaper for the council as it saves substantial administrative time and expense, such savings free more council funds for providing local services.

We offer a choice of payment dates – **1st, 10th or 20th** of the month and half-yearly (**two instalments, 1 April and 1 October**).

Go to www.iwight.com/online and select 'apply online' to download a direct debit instruction or contact the council tax office on (01983) 823901, and the business rates office on (01983) 823920.

For other payment methods please see reverse of the council tax/business rates bill.

Non-domestic rates explained

Non-domestic rates, or business rates, collected by local authorities are the way that those who occupy non-domestic property contribute towards the cost of local services. Except in the City of London where special arrangements apply, the rates are pooled by central government and redistributed to local authorities as part of the annual formula grant settlement. The money, together with revenue from council tax payers, revenue support grant provided by the Government and certain other sums, is used to pay for the services provided by your local authority and other local authorities in your area.

Rateable value

Apart from properties that are exempt from business rates, each non-domestic property has a rateable value which is set by the valuation officers of the Valuation Office Agency (VOA), an agency of Her Majesty's Revenue and Customs. They draw up and maintain a full list of all rateable values, available on their website at www.voa.gov.uk

The rateable value of your property is shown on the front of the bill. This broadly represents the yearly rent the property could have been let for on the open market on a particular date. For the revaluation that came into effect on 1 April 2010, this date was set as 1 April 2008.

The valuation officer may alter the value if the circumstances change. The ratepayer (and certain others who have an interest in the property) can appeal against the value shown in the list if they believe it is wrong. Further information about the grounds on which

appeals may be made and the process for doing so can be found on the VOA website or from your local valuation office.

National non-domestic rating multiplier

The local authority works out the business rates bill by multiplying the rateable value of the property by the appropriate multiplier. There are two multipliers; the standard non-domestic rating multiplier and the small business non-domestic rating multiplier. The former is higher to pay for small business rate relief, except in the City of London where special arrangements apply. The Government sets the multipliers for each financial year for the whole of England according to formulae set by legislation. Between revaluations the multipliers change each year in line with inflation and to take account of the cost of small business rate relief. In the year of revaluation the multipliers are rebased to account for overall changes to total rateable value and to ensure that the revaluation does not raise extra money for Government. The current multipliers are shown on the front of your bill.

Revaluation 2010 and transitional arrangements

All rateable values are reassessed every five years at a general revaluation. The current rating list is based on the 2010 revaluation. Five-yearly revaluations make sure each ratepayer pays their fair contribution and no more, by ensuring that the share of the

national rates bill paid by any one ratepayer reflects changes over time in the value of their property relative to others. Revaluation does not raise extra money for Government.

Whilst the 2010 revaluation will not increase the amount of rates collected nationally, within this overall picture, over a million properties will see their business rate liabilities reduced and some ratepayers will see increases.

For those that would otherwise see significant increases in their rates liability, the Government has put in place a £2 billion transitional relief scheme to limit and phase in changes in rate bills as a result of the 2010 revaluation. To help pay for the limits on increases in bills, there also have to be limits on reduction in bills. Under the transition scheme, limits continue to apply to yearly increases and decreases until the full amount is due (rateable value times the appropriate multiplier). The scheme applies only to the bill based on a property at the time of the revaluation. If there are any changes to the property after 1 April 2010, transitional arrangements will not normally apply to the part of a bill that relates to any increase in rateable value due to those changes. Changes to your bill as a result of other reasons (such as because of changes to the amount of small business rate relief) are not covered by the transitional arrangements.

The transitional arrangements are applied automatically and are shown on the front of the bill. Further information about transitional arrangements and other reliefs may be obtained from the business rate department, Isle of Wight Council or the website:

www.businesslink.gov.uk

More information on revaluation 2010 can be found at www.voa.gov.uk

Unoccupied property rating

Business rates will not be payable in the first three months that a property is empty. This is extended to six months in the case of certain industrial properties. After this period, rates are payable in full unless the unoccupied property rate has been reduced by the Government by order. In most cases, the unoccupied property rate is zero for properties owned by charities and community amateur sports clubs. In addition, there are a number of exemptions from the unoccupied property rate. Full details of exemptions can be obtained from the local authority. If the unoccupied property rate for the financial year has been reduced by order, it will be shown on the front of the bill.

Partly occupied property relief

A ratepayer is liable for the full non-domestic rate whether a property is wholly occupied or only partly occupied. Where a property is partly occupied for a short time, the local authority has discretion in certain cases to award relief in respect of the unoccupied part. Full details can be obtained from the local authority.

Small business rate relief

This relief is only available to ratepayers who apply to their local authority and who occupy either:

- a) One property; or
- b) One main property and other additional properties providing those additional properties each have a rateable value which does not exceed £2,599.

The rateable value of the property mentioned in (a), or the aggregate rateable value of all the properties mentioned in (b), must not exceed £17,999 outside London or £25,499 in London

on each day for which relief is being sought. If the rateable value, or aggregate rateable value, increases above those levels, relief will cease from the day of the increase.

Ratepayers who satisfy these conditions will have the bill for their sole or main property calculated using the lower small business non-domestic rating multiplier rather than the national non-domestic rating multiplier that is used to calculate the liability of other businesses.

In addition, if the sole or main property is shown on the rating list with a rateable value which does not exceed £12,000, the ratepayer will receive a percentage reduction in their rates bill for this property of up to a maximum of 50 per cent for a property with a rateable value of not more than £6000.

If an application for relief is granted, provided the ratepayer's continues to satisfy the conditions for relief which apply at the relevant time as regards the property and the ratepayer, they will not need to re-apply for relief in each new valuation period.

Certain changes in circumstances will need to be notified to the local authority by the ratepayer (other changes will be picked up by the local authority). The changes which must be notified are:

- a) The ratepayer taking up occupation of a property they did not occupy at the time of making their application for relief, and**
- b) An increase in the rateable value of a property occupied by the ratepayer in an area other than the area of the local authority which granted the relief.**

Notification of these changes must be given to the local authority within four

weeks of the day after the day on which the change happened. If this happens, there will be no interruption to the ratepayer's entitlement to the relief. A notification that the ratepayer has taken up occupation of an additional property must be by way of a fresh application for relief. **Notice of an increase in rateable value must be given in writing.**

Charity and community amateur sports club (CASC) relief

Charities and registered CASCs are entitled to 80 per cent relief where the property is occupied by the charity or the CASC, and is wholly or mainly used for the charitable purposes of the charity (or of that and other charities), or for the purposes of the CASC (or of that and other CASCs).

The local authority has discretion to give further relief on the remaining bill. Full details can be obtained from the local authority's business rates section on (01983) 823920.

Non-profit making organisation relief

The local authority has discretion to give relief to non-profit making organisations.

Hardship relief

The local authority has discretion to give relief in special circumstances. Full details can be obtained from the local authority.

Rate relief for businesses in rural areas

Certain types of properties in a rural settlement with a population below 3,000 may be entitled to relief. The property must be the only general store, the only post office or a food shop and have a rateable value of less

than £8,500, or the only public house or the only petrol station and have a rateable value of less than £12,500. The property has to be occupied. An eligible ratepayer is entitled to relief at 50 per cent of the full charge whilst the local authority also has discretion to give further relief on the remaining bill. In addition, the local authority can give relief on certain other occupied property in a rural settlement where the rateable value is less than £16,500.

Full details on how to apply for this relief are available from the local authority or at www.iwight.com/online selecting 'apply online.'

Deferred payment of 2009-2010 rates liabilities

Ratepayers in 2009-2010 were able to defer payment of three per cent of their 2009-2010 rates bill and, where applicable, 60 per cent of the increase in that bill due to the ending of the 2005 rating list transitional relief scheme. The right to apply for deferral has now ended. For those ratepayers who applied for this

scheme, the deferred amount to be collected in 2010-2011 and 2011-2012 will be included in the bills for each of those years respectively.

Rating advisers

Ratepayers do not have to be represented in discussions about their rateable value or their rates bill. Appeals against rateable values can be made free of charge. However, ratepayers who do wish to be represented should be aware that members of the Royal Institution of Chartered Surveyors (RICS – website www.rics.org.uk) and the Institute of Revenues Rating and Valuation (IRRV – website www.irrv.org.uk) are qualified and are regulated by rules of professional conduct designed to protect the public from misconduct. Before you employ a rating adviser, you should check they have the necessary knowledge and expertise, as well as appropriate indemnity insurance. Take great care and, if necessary, seek further advice before entering into any contract.



Isle of Wight Council

High Street
Newport
Isle of Wight
PO30 1UD
Tel: (01983) 821000

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