

BUSINESS RATES Festival Sites

Music festival sites & similar short term events



NEWS APRIL 2017 / BUSINESS RATES REVALUATION

The Draft 2017 Valuation List was published on 30th September 2016 and will become operational on the 1st April. Some festival sites have seen very substantial proposed increases, some have seen increases of less than 5%. The largest increases would appear to be in southern England, on sites that are not just used for festivals, they have regular events held throughout the year. We are currently discussing with the Valuation Office various festival sites in an attempt to understand the different methods used to reach the proposed rateable values. This is an ongoing discussion, and we would be pleased to hear from site owners of festivals and leisure activity locations of the different criteria used by the Valuation Office.

If you are a festival organiser reading this we recommend you FORWARD this link to the owner of the land on which your festival is held! If you receive a request from the Valuation Office to visit your site we strongly recommend you contact: **BANKIER SLOAN Chartered Surveyors, Sugarwell Business Park, Shenington, Banbury, Oxon OX15 6HW. Banbury 01295 688384, Moreton-in-Marsh 01608 652888, Mobile: 07831 338111. reception@centre-p.co.uk, www.centre-p.co.uk**

The following is intended to provide site owners and users, including music festival organisers, those promoting larger annual shows and similar events that **BANKIER SLOAN** Chartered Surveyors based in Oxfordshire will be able to be of assistance to you should your site be subject to a potential visit by an officer from The Valuation Office.

If you receive a letter requesting a site visit we recommend you immediately make contact.

The Valuation Office, which is part of the Inland Revenue, is responsible for setting the Rateable Value for all business premises in England and in recent months, encouraged by local authorities who will gain financially from any rates received from festival sites, are beginning to create Rateable Values for many rural locations used for annual events which in the past have not been assessed. Since April 2013 under the government's Rates Retention Scheme local authorities have been able to retain 50% of rates obtained on new assessments. This policy will effect open fields which are used for music festivals or similar events which for the remainder of the year are used for agricultural purposes. The Chancellor announced in his 2015 Autumn Statement that by April 2020 councils will be able to retain 100% of business rates. We anticipate therefore many more councils will look to bring festival sites into the rating system.

This practise was originally retained in the spring of 2014 by the organisers of **Fairport's Cropredy Convention** to respond to a proposal by The Valuation Office who had assessed the Cropredy site for business rates and had back-dated the assessment to April 2010. In the last three years we have been retained by an ever growing list of festival organisers and are providing on-going assistance. We advise event organisers not only on the actual assessment, but also how to mitigate the liabilities on the site so that the payments made to the local authority, who will be responsible for the collection of the rates, will be minimised. **BANKIER SLOAN** has been based in North Oxfordshire since November 1984 and deals exclusively in commercial and industrial property. In recent years we have produced reports relating to Small Business Rates Relief, and the lack of information available on most councils websites. Our latest report, dated April 2017, can be read at http://www.centre-p.co.uk/Small_Business_Rates_Relief_.pdf

Working in conjunction with

Association of
Independent Festivals



BANKIER SLOAN Chartered Surveyors

Sugarwell Business Park, Shenington, Banbury, Oxon OX15 6HW

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Fees: We appreciate that event organisers will be concerned if they receive an initial letter from The Valuation Office on this subject, and even more concerned when they are notified that the assessment may be back-dated to April 2015. Please note since April 2016 the Valuation Office have been restricted to April 2015 as the date for bringing ANY assessment into the list (except in Wales, where for some reason it remains April 2010). We do believe our professional advice will help considerably reduce any potential liability, and because we advise a number of venues / festival organisers we have set our anticipated fees at £500 plus VAT, plus of course 2 tickets to your festival! If your festival is very small and you do get approached by the Valuation Office please discuss our fee level with us; we'll hopefully never turn-away business.

For further information please contact Paul Reed at the AIF <http://aiforg.com>/or email Ian Sloan FRICS at reception@centre-p.co.uk

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Ian Sloan made a presentation on business rates to Festival Congress in Cardiff on 5th November 2015 <http://aiforg.com/the-festival-congress-announced-for-2015/> and attended the 2016 Congress. In November 2015 we also gave a presentation to the annual conference of The Association of Festival Organisers at The Chase Conference Centre, Stratford-upon-Avon. See <http://zimfestlive.com/event/the-association-of-festival-organisers-conference-2015/>

Coverage of the issue of business rates and the work carried out by Bankier Sloan can also be found in Issue 24 December 2015 and **Issue 25 January** of *festival*, a planning-season publication free to subscribers of LIVE UK <http://www.liveuk.com/>

References: We are confident that a number of festival organisers will be very happy to provide references, including those whose logos appear at the top of this information sheet.

Edited by : Ian B Sloan FRICS



BANKIER SLOAN

Sugarswell Business Park, Shenington, Banbury, Oxon OX15 6HW

Banbury 01295 688384

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BUSINESS RATES : YOUR FESTIVAL SITE AND YOUR OFFICE !

The next two months will see not only the publication of the draft **2017 Valuation List** (on 1st October) , but sadly an increase in telephone calls from many companies who will offer to reduce your rates in exchange for a % of the savings they obtain. Be warned you may be paying for a service that you don't need, or worse still a service that results in your rates bill increasing!

Looking first at the office accommodation that most festivals operate from, I can be reasonably sure that these are as small as you can manage with, often on rural sites or on upper floor accommodation in town / city centres; the type of office that are generally unattractive to the solicitors and accountants who traditionally wish "smart" offices to impress their clients. Festival organisers generally don't care; it simply needs to be practical and the fewer visitors the better, as it allows you to get on with the job in hand; selling more tickets and reducing costs for the coming year !

It is exactly this latter type of office that will probably benefit from the 2017 revaluation , because the demand for the upper floor town centre offices has reduced dramatically in recent years, due mainly to improved technology / smart phones etc, and as a result rents have fallen and the Rateable Value will therefore be reduced in the 2017 list; (the rateable value under the 2017 list, is intended to reflect the annual market rental of the property as at 1st April 2015). I believe therefore many festival organisers will see a reduction in the Rateable Value of their premises without needing to take up the "generous offers" that will come your way! It is only the Rateable Value you can appeal, the multiplier used to then calculate your rates payable is set by The Treasury and can't be appealed.

For some it may even still be possible to obtain a *refund* in the rates payable under the 2010 Valuation List ; if your Rateable Value is less than £12,000 it is worth asking the question; your council should know but we suggest you consult this simple printable one page A4 guide first [http://www.centre-p.co.uk/Small Business Rates Relief 2016 2017.pdf](http://www.centre-p.co.uk/Small_Business_Rates_Relief_2016_2017.pdf) . Refunds going back to April 2010 are still possible in some cases for any commercial property, and the process is very simple. We will happily assist.

The promised increase in the 100% threshold for Small Business Rates Relief from £6,000 to £12,000 in April 2017 will also help many festivals, providing they have only ONE office in the Valuation List in their name. If you have two offices or more we suggest you seek advice on how you might, legally, mitigate your rates payment.

Turning now to the important issue, that of your festival site. The Valuation Office currently have 32 festival sites listed, these not only include Glastonbury but sites such as Cropredy, Twinwood, The Secret Garden Party, and Nozstock; the list doesn't however include festivals such as Download which are held on land which already have Rateable Values due to other uses. Where festivals are held on "public land" no rates are payable, that's the law, thus for example no events held in Hyde Park need to pay rates. If you are considering this as an issue when deciding on a festival location be careful however, what you believe is public land, it may not be. Some hold events on sports fields such as rugby and cricket grounds. Most will *not* be public land; if you need the permission of a sports club committee for example to rent land to hold your event on, the chances are it's not public land!

As for deciding how to value a festival site, well it's an art not a science. There is nothing exact about doing the valuation; The Valuation Office have co-operated with some parts of the festival industry and their advisers , and are working well to establish a pattern which all parties can understand , but it is not yet established enough to allow precise budgeting for many sites. The new valuation list will show increases in rateable values on some newer sites I believe, and *may* include some sites in the list for the first time. The new list may however show no Rateable Value increase for the long established festival sites where their capacity was reached pre-2008; the 1st October will produce some answers.

In conclusion, when the Valuation List is published in October consider your options, obtain help / advise from the AIF; don't sign anything before seeking assistance and understanding that whatever anyone tells you it is **NOT POSSIBLE** to appeal the new Rateable Value of your office, or your festival site until after 1st April next year, so you have lots of time to decide what action, if any to take. If you need guidance we are here to help, and if you've not yet met us (*may be at Cardiff last November, or at your festival this summer*) then myself and my assistance Lucy Castle look forward to meeting you .

Ian B. Sloan FRICS, Bankier Sloan, Chartered Surveyors
Sugarswell Business Park, Shenington, Banbury, Oxon, OX15 6HW .
Tel: Banbury 01295 688384. Mobile: 07831 338111.

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