

BUSINESS RATES Festival Sites

Music festival sites & similar short term events



UPDATED SPRING 2019

A new Valuation List became operational on 1st April 2017. Some festival sites saw very substantial increases, some saw increases of less than 5%. The largest increases were in southern England, on sites that are not just used for festivals, they have regular events held throughout the year. Over recent years we have negotiated with the Valuation Office and agreed assessments on many festival sites.

We would be pleased to hear from owners of festival sites or leisure activity locations throughout the United Kingdom, or from their agents who have had similar discussions with the Valuation Office. We have always found the V.O to be helpful, constructive, and open to negotiation.

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, Sugarswell Business Park, Shenington, Banbury, Oxon OX15 6HW. Banbury 01295 688384, Mobile: 07831 338111. reception@centre-p.co.uk, www.centre-p.co.uk**

The following is intended to provide reassurance to site owners and users, including music festival organisers, those promoting larger annual shows and similar events, that **BANKIER SLOAN** Chartered Surveyors will be able to be of assistance 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 years, encouraged by local authorities who gain financially from any rates received from festival sites, have created Rateable Values for many rural locations used for annual events which in the past had 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 percentage will increase. This policy affects 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 new business rates. We anticipate therefore many more councils will look to bring more 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 six 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 legally 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 many reports relating to Small Business Rates Relief, our latest table covering 2019 / 2020 can be found at :

<http://www.centre-p.co.uk/Small%20Business%20Rates%20Relief%202019%202020%20BANKIER%20SLOAN.pdf>

Working in conjunction with

Association of
Independent Festivals



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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. Please note the Valuation Office are now restricted to April 2017 as the earliest date for bringing ANY assessment into the Valuation List. 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 £600 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 references please contact Paul Reed at the AIF <http://aiforg.com> /or Ian Sloan FRICS at reception@centre-p.co.uk
We will be very happy to provide contact details for those festivals we have assisted.

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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 and the 2018 Congress held in Sheffield.. We have also given a presentation to the annual conference of The Association of Festival Organisers at The Chase Conference Centre, Stratford-upon-Avon.



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/>

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BUSINESS RATES : YOUR FESTIVAL SITE AND YOUR OFFICE !

Looking first at the office accommodation that most festivals operate from, We can be reasonably sure 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 worry; the office 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 benefited 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 of many offices were therefore reduced in the 2017 Valuation List. The rateable value under the 2017 list, is intended to reflect the annual market rental of the property as at 1 April 2015. Many festival organisers therefore saw a reduction in the Rateable Value of their premises without needing to consider a formal appeal. 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 still be possible to obtain a *refund* in the rates payable back to 2012. If your Rateable Value prior to April 2017 was less than £12,000 it is worth asking the question; your council should know but we suggest you consult Bankier Sloan.

Refunds going back to April 2012 are still possible in some cases for any commercial property, and the process is very simple. We will happily assist. For the 2019 / 2020 financial year guidance can be found at :

<http://www.centre-p.co.uk/Small%20Business%20Rates%20Relief%202019%202020%20BANKIER%20SLOAN.pdf>

The increase in the 100% threshold for Small Business Rates Relief from £6,000 to £12,000 in April 2017 helped many festivals. 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 40+ festival sites listed, these not only include Glastonbury but sites such as Cropredy, Twinwood, Shambala, 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 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, the chances are it's not public land. Some councils operate private companies to manage their public spaces, be warned, rates may be payable in such situations.

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.

In conclusion, if you are approached by the Valuation Office please consider your options, obtain help / advise; don't sign anything before seeking assistance and please understand that whatever anyone tells you appealing a rateable value is now far from simple. If you need guidance we are here to help, and if you've not yet met us (*may be at Cardiff in 2015 / 2017, or in Sheffield in 2018 at Festival Congress*) then we look forward to meeting you .

Business Rates Warning: The new Retail Rates Relief commencing April 2019 is not going to effect the music festival industry. Please be very careful who you instruct to advise you on business rates as sadly there are many scams and we would suggest you read our warning which can be found at http://www.centre-p.co.uk/Business_Rates_Warning.pdf

Festival Diary 2019: For a list of many of this years festivals, including all AIF member's events, please click www.centre-p.co.uk/MUSIC_FESTIVALS.pdf

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Ian B Sloan FRICS
Festival Congress,
Cardi #NOVEMBER
2015

Photo Gallery: 2015 - 2018

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