

GREATER LONDON AUTHORITY

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TO DIRECTORS OF FINANCE OF THE 32 LONDON
BOROUGHES AND THE CORPORATION OF LONDON

Our ref:
Your ref:
Date: 8 February 2024

Dear Colleague

CROSSRAIL BUSINESS RATE SUPPLEMENT POLICIES FOR 2024-25 NOTICE TO BILLING AUTHORITIES UNDER SECTION 18 OF THE BUSINESS RATE SUPPLEMENTS ACT 2009

In line with the provisions of section 18 of the Business Rate Supplements Act 2009 (the "BRS Act") I am writing to notify your authority that the Greater London Authority (GLA) is levying a Business Rate Supplement for the 2024-25 financial year to finance its contribution to the Crossrail project (the "Crossrail BRS").

For 2024-25 the Mayor is setting the rateable value condition (or threshold) for the BRS at £75,000 – the same level as in 2023-24. In other words, only hereditaments on the local rating list in London with a rateable value of £75,001 or greater will be liable for the BRS in 2024-25 subject to eligible reliefs. The BRS multiplier remains unchanged at 2p.

The policies have been agreed by the Mayor of London having regard to the final prospectus for the Crossrail BRS ('Intention to levy a Business Rate Supplement to finance the Greater London Authority contribution to the Crossrail project') which was published on 29 January 2010 and is available on the GLA's website (www.london.gov.uk/crossrail-brs).

POWERS FOR THE GLA TO LEVY THE CROSSRAIL BRS

The powers to levy the Crossrail BRS are being exercised by the GLA under section 1 of the BRS Act. The GLA has complied with the conditions for imposing a BRS under the BRS Act, including the publication of a final prospectus:
(<https://www.london.gov.uk/media/17776/download?attachment>)

- The Business Rate Supplements (Administrative Expenses) (England) Regulations SI 134 2010 (http://www.opsi.gov.uk/si/si2010/uksi_20100134_en_1) and explanatory notes (http://www.opsi.gov.uk/si/si2010/em/uksiem_20100134_en.pdf) (the "Administrative Expenses" regulations)
- Business Rate Supplements (Transfers to Revenue Accounts) (England) Regulations SI 2543 2009 (http://www.opsi.gov.uk/si/si2009/pdf/uksi_20092543_en.pdf) as amended by the Non-domestic Rating and Business Rate Supplements (England) (Amendment) Regulations 2011 (<http://www.legislation.gov.uk/uksi/2011/255/contents/made>) (the Transfer to Revenue Accounts regulations, as amended)

- The Business Rate Supplements (Rateable Value Condition) (England) Regulations SI 2542 2009 (http://www.opsi.gov.uk/si/si2009/pdf/uksi_20092542_en.pdf) (the Rateable Value Condition regulations)
- The Business Rate Supplements (Collection and Enforcement) (England) Regulations SI 187 2010 http://www.opsi.gov.uk/si/si2010/pdf/uksi_20100187_en.pdf.

THE PURPOSE OF THIS NOTIFICATION

Section 18 of the BRS Act requires the GLA (as the levying authority) to give written notice to each billing authority in its area prior to the financial year for which it intends to impose a business rate supplement. It is for this purpose that your authority is being notified of the GLA's decision to levy the Crossrail BRS for the period from 1 April 2024 to 31 March 2025. As a billing authority, your authority has a duty under the BRS Act to collect and enforce the Crossrail BRS on behalf of the GLA.

FORMAL NOTIFICATION REQUIRED UNDER THE BRS ACT

The formal notification required under section 18 (2) of the BRS Act is set out below:

Purpose of the BRS

The Crossrail BRS will be levied by the GLA to finance the Crossrail project as set out in "Intention to levy a business rate supplement to finance the Greater London Authority's contribution to the Crossrail project – Final Prospectus" published on 29 January 2010. Only one BRS will therefore be levied by the GLA in 2024-25.

Crossrail BRS chargeable period

The Crossrail BRS is to be levied for the period from 1 April 2024 to 31 March 2025 inclusive. It will therefore operate for the entire 2024-25 financial year and commence on the first day thereof.

Crossrail BRS multiplier

The multiplier for the Crossrail BRS (or chargeable amount) or "B" under section 14(3) of the BRS Act will be **2.0p** per pound of rateable value. The multiplier will apply to the entire rateable value for all hereditaments exceeding the rateable value condition subject to any automatic reliefs which the ratepayer may be entitled to under National Non-Domestic Rates ("NNDR").

Rateable value condition

The **rateable value condition (or threshold) above which the Crossrail BRS will be chargeable** in 2024-25 is **£75,000**. This means that only hereditaments on each local billing authority rating list within the GLA's area with a rateable value of £75,001 or more shall be liable for the Crossrail BRS. The GLA has exercised its powers under section 15 of the BRS Act to apply a higher threshold than the £50,000 statutory minimum prescribed by The Business Rate Supplements (Rateable Value Condition) (England) Regulations 2009.

Automatic NNDR reliefs applicable to the Crossrail BRS

The same level of reliefs applying to NNDR will also apply to the Crossrail BRS at the same percentage rate, having regard to the local policies of each of the 33 billing authorities in London and relevant legislation. This is consistent with sections 13 to 14 of the BRS Act.

The costs of any discretionary relief granted in respect of NNDR – which also applies on a pro rata basis for the BRS – will be borne by the GLA through a reduction in BRS revenue and will not be apportioned with billing authorities and the Department for Levelling-Up, Housing and Communities (DLUHC) as applies under business rates retention. No transitional relief scheme applies for the Crossrail BRS for the period of the current 2023 Rating List as there is no statutory provision for one to be applied under the BRS Act.

Section 45 ratepayers

Section 45 ratepayers under the Local Government Finance Act 1988 (i.e. the owners of – or those ratepayers next entitled to occupy – empty properties) will be included as a class in the Crossrail BRS. Under current legislation, this would mean ratepayers of empty properties not entitled to automatic empty property relief under the national non-domestic rating system, will be liable for the full 2p Crossrail BRS multiplier in 2024-25.

Section 15 reliefs (BRS Reliefs)

The GLA does not at present intend to exercise its discretion to grant any BRS specific reliefs under section 15 of the BRS Act with the exception of setting the rateable value condition (or threshold) at £75,000 which is £25,000 higher than the statutory minimum of £50,000 prescribed by secondary legislation (i.e. the Business Rate Supplements (Rateable Value Condition) (England) Regulations 2009).

Section 16 interaction with BID levy

The GLA does not intend to exercise its powers under section 16 (1) of the BRS Act to offset any Business Improvement District (BID) or BRS-BID (as defined by schedule II to the Act) levy contributions against ratepayers' Crossrail BRS liabilities for the period 1 April 2024 to 31 March 2025. No rules shall therefore apply under that section. BID and BRS-BID levypayers will therefore be treated on the same basis as all other ratepayers for the purposes of the Crossrail BRS.

Government funded relief schemes or local relief schemes approved by billing authorities

In line with the BRS Act, all other mandatory and discretionary rates reliefs applying in respect of NNDR, whether funded by the Secretary of State or introduced locally by billing authorities, apply equally to the BRS on a parallel pro rata percentage basis.

In the 2023 Autumn Statement the government announced that ratepayers in the retail, leisure and hospitality (RLH) sectors will again receive a 75 per cent discount on their rates bills in 2024-25, subject to a maximum cap of £110,000 per business entity. The same relief at the same percentage rate will apply for any BRS liabilities where they apply to hereditaments with a rateable value above £75,000 – as required by section 13 of the BRS Act – after taking into account the cap.

The government has also introduced a new improvement relief to ensure ratepayers do not see an increase in their rates for 12 months because of making qualifying improvements to a property they occupy from April 2024. The measures announced in the 2022 Autumn Statement which continue to apply in 2024-25 such as the supporting small businesses scheme for businesses losing eligibility for small business rate relief as a result of their new 2023 valuation are unlikely to apply to ratepayers liable to the BRS given the £75,000 threshold.

If the total value of any business rates reliefs granted to private companies exceed subsidy limits any cap should also be applied on a pro rata basis taking into account the relative NNDR and BRS liabilities.

Since 1 April 2014, ratepayers have had the automatic right to pay their bills in 12 monthly instalments. Billing authorities have paid their instalments over to the GLA over 12 months – net of a 5 per cent contingency allowance – since the BRS was introduced in 2010-11 so this change has no impact on the BRS. The proposed BRS instalment dates are set out in the section 18 notice in Appendix A and are in line with those used in previous years.

ADDITIONAL INFORMATION

Additional information and policies for the Crossrail BRS are set out in the following Annexes:

Annex A: Summary of policies for the Crossrail BRS

This sets out the policies for the BRS set out in the final prospectus in more detail. The text is consistent with the summary in section 8 of the final prospectus updated for the 2024-25 policies.

Annex B: Administration collection and enforcement of the Crossrail BRS

This provides guidance on the administration arrangements for the BRS focusing on funds transfers between GLA and billing authorities, administration costs and the submission of the proposed BRS 1 (provisional BRS estimate), BRS 2 (in year variations) and BRS 3 (outturn) returns to GLA.

Annex C: Illustrative examples of impact of Crossrail BRS on different categories of ratepayer

This provides illustrative examples of the amount payable in BRS by different categories of ratepayers having regard to the GLA's final policies and relief treatments for the BRS in 2024-25.

Annex D: Estimated number of hereditaments liable to the Crossrail BRS

This provides details on the expected number of properties liable to pay the BRS in 2024-25 and the expected tax take by billing authority area. This annex also provides details on the expected tax take by billing authority area for 2024-25 having regard to the make up of their rates after applying an allowance for collection and valuation list losses as well as mandatory and discretionary reliefs for NNDR which also apply in parallel to the BRS as required under section 13 of the BRS Act.

Billing authorities will provide the GLA forecasts of the actual income they expect to collect in 2024-25 by Friday 31 March 2024 (in practice Thursday 30 March which is the last working day before this statutory deadline) in line with the BRS transfer to revenue accounts regulations.

Annex F: Proposed supporting explanatory text on Crossrail BRS for non-domestic ratepayers

This should either be circulated alongside bills or made available on your websites.

Annex G: Provisional BRS cost of collection allowances

This sets out the provisional 'BRS cost of collection allowances' we estimate each billing authority will be entitled to in 2024-25 having regard to Regulation 4 of and paragraph 3 of Schedule 1 to the Business Rate Supplements (Administrative Expenses) (England) Regulations 2010 (the "Administrative Expenses Regulations").

The table in Annex G apportions 0.15 per cent of the estimated 2024-25 Crossrail BRS net tax take before assumed losses for successful valuation challenges and appeals and government funded reliefs in respect of NNDR (i.e. the share permitted for the eighth year and subsequent year of a BRS – in this case the 15th year) of £275.1 million (income gross of assumed collection and valuation losses and mandatory and discretionary reliefs), in proportion to each billing authority's estimated share of the number of hereditaments liable to the Crossrail BRS across the GLA. This calculation is subject to guaranteeing that no billing authority receives an allowance lower than £6,000. In calculating the estimated collection allowances this methodology reflects the fact that benefits of the RLH relief schemes in place for 2024-25 will be substantially reduced for example for BRS ratepayers due to the £110,000 national cap for their NNDR relief per business entity and that administrative costs also arise in respect of monitoring empty property and other mandatory reliefs. The methodology recognises that the administrative burden on billing authorities is not reduced by the existence of the relief schemes funded by the government in respect of NNDR.

Proposed supporting explanatory information on the Crossrail BRS for NNDR ratepayers

Annex F contains the proposed supporting explanatory text in respect of the Crossrail BRS for non-domestic ratepayers. The supporting explanatory text provides specific information to ratepayers on the operation of the Crossrail BRS in London. It therefore serves a different purpose to the Mayor's communication to council taxpayers on his budget and precept and the separate explanatory note required to be included on the BRS under regulations as set out below.

This information should either be circulated to ratepayers alongside their 2024-25 rates bills or alternatively made available on billing authority websites depending on the mechanism by which your authority has decided to communicate explanatory supporting information using its discretion under the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989 (as amended by the Non-Domestic Rating (Electronic Communications) (England) Order 2012). If the communication is issued directly with bills, it should ideally be included within your general leaflet to NNDR ratepayers or alternatively as a separate doubled sided A5 insert (including the GLA logo at the top).

Explanatory notes for Crossrail BRS required by regulations

Billing authorities were advised in Business Rates Information letter 1/2010 issued by the government in January 2010, of the proposed format for presenting BRS information in the explanatory notes to bills. This wording tailored for the Crossrail BRS has been revised for the 2024-25 billing round under the Council Tax and Non-Domestic Rating (Demand Notices) (England) (Amendment) Regulations 2019 and is set out below.

“ Business Rate Supplements – Statutory Explanatory Note

The Business Rate Supplements Act 2009 enables levying authorities – county councils, unitary district councils and, in London, the Greater London Authority – to levy a supplement on the business rate to support additional projects aimed at economic development of the area. This power has also been extended to the mayors of Cambridgeshire and Peterborough, Liverpool City Region, West of England, and West Midlands combined authorities. Business Rate Supplements (BRS) are not applicable to properties with a rateable value of £50,000 or below, and authorities have discretion to increase that threshold. The total maximum BRS which may be levied by a levying authority is 2p per pound of rateable value. Levying authorities have the power to apply such reliefs to the BRS as they think appropriate and in such cases must include an explanation of the rules for the application of those reliefs in the final prospectus for the BRS.

“The business rate supplement applicable in London is being levied by the Greater London Authority in relation to the Crossrail project, which delivered the Elizabeth line. The rateable value threshold in 2024-25 for the Crossrail BRS is £75,000. Further information may be found in the Crossrail BRS final prospectus which is available at www.london.gov.uk/crossrail-brs.”

Provisional Return for 2024-25 (BRS 1) and recovery of billing authority administrative expenses

The GLA intends to circulate proformas and guidance for the BRS 1 ‘provisional return’ form by Friday 1 March 2024. This is the Provisional Return that billing authorities are required to submit to a levying authority under section 2 of the Business Rate Supplements (Transfers to Revenue Accounts) (England) Regulations 2009 after receiving a notice under section 18 of the BRS Act. This will adopt the same format as for 2023-24. The introduction of business rates retention has had no direct impact on the Crossrail BRS or reporting arrangements.

The deadline for returning the 2024-25 BRS 1 form is Thursday 30 March 2024. This is the last working day before the statutory deadline of 31 March set out in secondary legislation. The return should be based on the information from the actual 2024-25 billing run in order to minimise the potential for billing authorities to have to submit in-year variation requests during the year.

The BRS 1 forms will be accompanied by a guidance note which will be similar in format to that used for the equivalent return for 2023-24.

Under the Administrative Expenses Regulations, initial administrative expenses (i.e. set up costs) can only be recovered by billing authorities for expenses associated with the first year of a BRS. This means that it will not be possible for the GLA to reimburse any initial administrative expenses relating to the collection of the BRS in 2024-25.

BRS Collection and Enforcement

The Collection and Enforcement regulations – which allow for the collection and enforcement of a BRS – were laid by the Secretary of State in February 2010 and remain valid for 2024-25.

Contact for further information

Further enquiries on the contents of this letter should be addressed by email to martin.mitchell@london.gov.uk and GLABudget@london.gov.uk. The GLA’s address is below; however, we would encourage any correspondence to be sent by email.

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Yours sincerely



Enver Enver
Interim Chief Finance Officer

SUMMARY OF POLICIES FOR THE CROSSRAIL BRS IN 2024-25

The policies and arrangements for the Crossrail BRS are summarised below:

- The GLA intends to set a basic BRS multiplier of 2p for each year of the Crossrail BRS which commenced on 1 April 2010.
- For 2024-25 the BRS shall apply for the full financial year, i.e. 1 April 2024 to 31 March 2025.
- The chargeable period for the Crossrail BRS is expected to be between 24 and 31 years, in line with the final prospectus, with a latest end date of 31 March 2041. The actual end date will depend on the BRS income received in future years following each revaluation, and the financing costs paid on the GLA's Crossrail related debt.
- The GLA will apply a threshold of £75,000 for the Crossrail BRS, i.e. only hereditaments on the local rating list with a rateable value of £75,001 or more will be liable for the supplement. This reflects the uplift applied from 1 April 2023 to reflect the impact of the 2023 revaluation.
- As a minimum, ratepayers will receive at least the same level of reliefs for the Crossrail BRS as they are eligible for under NNDR including any relief schemes announced for 2024-25 by the government which apply to hereditaments with a rateable value exceeding £75,000. However, no transitional relief will apply to the Crossrail BRS.
- Charities and community amateur sports clubs will be entitled to a mandatory 80 per cent relief on their Crossrail BRS contribution as applies under NNDR. If they are granted discretionary relief on all or part of the remaining 20 per cent of their bill under NNDR by their billing authority the same treatment (i.e. percentage rate of relief) will apply for the Crossrail BRS.
- Ratepayers awarded Hardship Relief under section 49 and discretionary relief under section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act 2011) by their billing authority will receive the same rate of relief on their Crossrail BRS liability. (N.B. The costs of granting discretionary relief for the BRS fall on the GLA i.e. as lost BRS revenue – they are not apportioned between the GLA and billing authorities as is the case for NNDR.)
- The GLA will include section 45 ratepayers (i.e. those owning or next entitled to occupy empty properties) in the Crossrail BRS. Under current legislation, this would mean ratepayers of empty properties not entitled to automatic empty property relief will be liable for the full 2p BRS multiplier in 2024-25. This is consistent with the current treatment for NNDR. The empty property BRS multiplier will therefore be 2p in 2024-25; and, subject to there being no change to existing business rates legislation affecting this class, will continue to apply at the same rate until the Crossrail BRS ends.

- Irrespective of the GLA's decision to include section 45 ratepayers within the Crossrail BRS, the same empty property reliefs (e.g. related to the category of ratepayer, hereditament type or the length of time the property has been empty) will apply at the same percentage rate to the Crossrail BRS as under NNDR.
- Where a hereditament is partly occupied the basic BRS multiplier shall apply to the occupied part and the empty property BRS multiplier to the unoccupied part, notwithstanding any other reliefs (e.g. empty property relief) to which the ratepayer may be entitled. In practice these are the same for 2024-25 (i.e. 2p) and will continue to be so unless there is a national change to the treatment of empty properties under the NNDR system.
- The GLA will require eligible ratepayers liable to pay levies (including BRS-BID levies payable under schedule II to the BRS Act) to Business Improvement Districts to pay the full basic BRS multiplier (if the valuation of their hereditament(s) exceeds £75,000 and notwithstanding their eligibility for any other reliefs). No full or partial offset will therefore be provided against the Crossrail BRS for BID levy contributions i.e. no reliefs will be applied under section 16 of the BRS Act.
- As stated above any other discretionary reliefs granted using billing authorities' Localism Act 2011 powers or as a result of the measures announced by the government in the 2021 Spending Review shall – if applicable to the hereditament or ratepayer in 2024-25 – also be applied on a pro rata basis to the Crossrail BRS element of the ratepayer's bill subject to subsidy (former state aid) limits at the same percentage rate as required under section 13(7) of the BRS Act. The GLA will absorb the associated cost through a reduction in BRS revenues received in respect of the BRS proportion of the relief granted.

ADMINISTRATION COLLECTION AND ENFORCEMENT OF THE BRS IN 2024-25

The planned arrangements for administering, collecting and enforcing the Crossrail BRS in 2024-25 are summarised below:

General Information

- The Crossrail BRS will be collected by the 32 London boroughs and the Common Council of the City of London (as the NNDR 'billing authorities' in London) on behalf of the GLA.
- The Crossrail BRS will be collected in parallel with NNDR. It will be included on the same bill and be subject to the same payment schedules and recovery procedures as determined locally by each billing authority for its ratepayers.

Proposed instalment dates for 2024-25

- Billing authorities will transfer Crossrail BRS funds directly to GLA and not via central government. Payments from billing authorities to the GLA will be made in 12 monthly instalments as specified by paragraph 4(2) of the Business Rate Supplements (Transfers to Revenue Accounts) (England) Regulations 2009. It is intended that for 2024-25 the instalment dates will be the last full working day of the month except for the December 2024 instalment – which is the Monday of the last full working week before the Christmas holiday period – and the final payment in March 2025.
- The proposed payment dates for 2024-25 are set out below – with the exception of the dates in bold these are the last working days of each calendar month:

30 April 2024 (Tuesday)

31 May 2024 (Friday)

28 June 2024 (Friday)*

31 July 2024 (Wednesday)

30 August 2024 (Friday)

30 September 2024 (Monday)

31 October 2024 (Thursday)

29 November 2024 (Friday)

16 December 2024 (Monday)

31 January 2025 (Friday)

28 February 2025 (Friday)

14 March 2025 (Friday)

- *The instalment due on 28 June 2024 will be adjusted to allow for amounts due to the GLA (where the amount actually collected is greater than the instalments already paid) or repayable by the GLA (where the amount actually collected is lower than the instalments already paid) as a result of the reporting of the 2023-24 outturn information through the BRS 3 return (see 'Final outturn for the financial year' section below).

- Billing authorities will be liable to pay interest on any instalments not paid by the due date. As the monetary amounts involved are normally minimal the GLA will recover any interest on the late payment of BRS instalments via an offset on the year end BRS 3 outturn return. This simplifies the administration and collection of interest penalties for both billing authorities and the GLA.

Further administrative expenses (ongoing cost of collection allowances)

- The quantum for further administrative expenses (i.e. the cost of collection allowance) will be 0.15 per cent of the estimated aggregate amount the GLA will collect through the BRS in 2024-25 in line with the provisions of section 3 of the Business Rate Supplements (Administrative Expenses) (England) Regulations 2010. The 0.15 per cent multiplier represents the proportion allowable for the 13th (i.e. eighth and subsequent) year of a BRS. The aggregate amount is estimated at £275.1 million (gross of collection allowances). In order to guarantee that each billing authority has sufficient resources to manage the additional workloads arising from management of any relief schemes and challenges in tackling rising business rates arrears due to the current economic situation, the minimum collection allowance will be set at £6,000 for all authorities. As a result, the total provisional collection allowance for 2024-25 has been set at £0.434 million. This will be apportioned to billing authorities in proportion to their share of hereditaments liable to the BRS across the GLA area subject to this minimum allowance of £6,000.
- The provisional collection allowances which should be used for budgeting purposes by billing authorities are set out in Annex G – however the actual allocations will be confirmed by the middle of April 2024 following the submission of the BRS 1 returns in March 2024 subject to maintaining the £6,000 minimum allowance.

Annual BRS communication to Ratepayers

- Information on the multiplier being applied each year and any reliefs applying to the Crossrail BRS must under the BRS Act be set out in a communication for ratepayers.
- It is for billing authorities to determine how they comply with the requirement to communicate this information to ratepayers having regard to the 'Non-Domestic Rating (Electronic Communications) (England) Order 2012' (http://www.legislation.gov.uk/uksi/2012/25/pdfs/uksi_20120025_en.pdf) which allows billing authorities for the 2024-25 billing round to supply their NNDR ratepayer communications electronically or on their websites rather than having to include them alongside the bill sent in the post. However, billing authorities should adopt the same approach for the Crossrail BRS communication as they do for their NNDR communications to ratepayers. If billing authorities intend to place the ratepayer information on their website they should use the print-ready pdf version circulated separately and supply that version to ratepayers on request.
- A copy of the text for 2024-25 which has been approved by the Mayor is enclosed with this notification at Annex F. If copies are being circulated alongside bills then the text should be sent to ALL NNDR ratepayers with their bill and not just to the ratepayers liable for the Crossrail BRS in 2024-25.

Estimating the budgeted amount of Crossrail BRS payable annually to the GLA by billing authorities (The “Provisional Amount”)

- Section 2 (1) of the ‘Transfer to Revenue Account’ Regulations requires billing authorities to submit a return to levying authorities setting out the amount of Crossrail BRS they expect to transfer to them during the next financial year. This must be actioned upon receipt of a direction from the levying authority under section 18 of the BRS Act (i.e. this letter which formally notifies billing authorities of the BRS multiplier, rateable value thresholds and reliefs policies which will apply in the next financial year).
- The amount to be shown in the provisional return is set at 95 per cent of the amount the billing authority expects to collect during the year (A). The 5 per cent (B) held back is deemed to be a contingency for refunds on valuation appeals, bad and doubtful debts and other factors. The billing authority must also provide an explanation of how it has calculated ‘A’ (the amount it expects to collect in Crossrail BRS). This is consistent with the contingency allowed for by the GLA in its BRS income estimates.
- In order to comply with the requirements of the regulations the GLA will again request that each billing authority submit what is designated the ‘BRS1’ return (i.e. a simplified equivalent of the NNDR 1 return billing authorities submit to DLUHC in relation to NNDR) showing how it has calculated the estimated Crossrail BRS it expects to collect allowing for eligible reliefs, collection costs and losses and the 5 per cent contingency. The format of this return for 2024-25 will be similar to that used for 2023-24. The GLA intends to circulate the proforma to billing authorities by 1 March 2024 for completion and return by Thursday 31 March 2024 (the last working day before the deadline stipulated in the regulations). This return should be prepared, ideally, using data from the actual NNDR and BRS billing run for 2024-25.

Variations to the budgeted amount of Crossrail BRS payable annually to the GLA by billing authorities in year

- Under paragraph 6 to the ‘Transfers to Revenue Accounts’ Regulations, billing authorities may vary their provisional amount (‘BRS 1’) calculation during the year. Any variation submitted by a billing authority must specify:
 - (a) the amount it has transferred from its collection fund to the relevant levying authority’s revenue account during the year
 - (b) the total amount it expects to transfer from its collection fund to the relevant levying authority’s revenue account during the financial year
 - (c) the difference between a and b.
- Billing authorities:
 - may not submit a variation more than once in any quarter (e.g. 1 April to 30 June and so on)
 - must provide an explanation to support their revised calculations
 - can only submit a variation where the amount expected to be collected is lower than the budgeted amount in their BRS 1 return.

- The associated return billing authorities will be required to complete is designated as the 'BRS 2' variation return in line with the corresponding arrangements for the NNDR2 form for national business rates. The BRS 2 return proforma is available from the GLA on request.

Final outturn for the financial year

- Under section 7 of the Transfers to Revenue Accounts Regulations (as amended in The Non-Domestic Rating (Alteration of Lists) and Business Rate Supplements (Transfers to Revenue Accounts) (Amendment etc.) (England) Regulations 2018) billing authorities are required to submit a final 'outturn' return (designated by the GLA as the 'BRS 3' return) to levying authorities by 30 April of the following financial year (e.g. Tuesday 30 April 2024 for the 2023-24 outturn – this being the deadline set out in the BRS regulations). The final level of Crossrail BRS due to the GLA is calculated by allocating the total sum collected in 'business rates' pro rata between NNDR and BRS adjusting for in year refunds and prior year adjustments. The GLA will review that 30 April deadline in light of any changes to reporting requirements and deadlines for 2023-24 local authority annual accounts but given that it is set out in secondary legislation it has limited flexibility in this respect.
- The BRS 3 outturn return for 2023-24 is expected to be circulated in late March 2024. The statutory deadline for returning this is as stated above 30 April. The format of the return is expected to be broadly unchanged from the 2022-23 version as no amendments to the BRS regulations affecting the year end outturn calculation have yet been published by DLUHC.
- Any additional payments required from billing authorities or refunds due from the GLA following the submission of the year end (BRS 3 returns) will be made in compliance with section 8 of the Transfers to Revenue Accounts regulations. Wherever practical the GLA will request that billing authorities adjust for any such sums through an amendment to the next (i.e. Friday 28 June 2024) BRS monthly instalment payable to the GLA. If, however, the amount refundable by the GLA (i.e. where the amount collected during the previous financial year is lower than the instalments already paid over) exceeds the monetary value of the June instalment then the GLA will pay the excess to the billing authority by BACS by 28 June 2024.

Certification of returns

- In line with paragraph 9 of the Transfer to Revenue Accounts regulations all BRS 1 (provisional amount), BRS 2 (in year variation) and BRS 3 (outturn) returns will need to be certified by each billing authority's Chief Finance Officer (i.e. the section 151 officer designated under the Local Government Act 1972). Instructions on this process will be provided in the guidance notes for each return.

ILLUSTRATIVE EXAMPLES OF IMPACT OF CROSSRAIL BRS ON DIFFERENT CATEGORIES OF RATEPAYER

The following scenarios provide illustrative examples of the level of Crossrail BRS payable by different types of ratepayer based on the GLA's final policies for the BRS in 2024-25 having regard to the requirements of the BRS Act and the contents of the final prospectus.

The rateable value figures quoted would be based on the 2023 rating list and the analysis assumes that the ratepayer occupies or has rights to occupy the property for a full chargeable year (1 April 2024 to 31 March 2025) unless stated otherwise, that the basic BRS multiplier for the year is 2p and the minimum BRS rateable value threshold above which the Crossrail BRS is payable is £75,000.

Illustrative examples of potential level of Crossrail BRS payable by different categories of ratepayer in 2024-25 under the GLA's final policies

A company occupies premises with a rateable value of £60,000

- No Crossrail BRS would be payable for this property because its rateable value is below the £75,000 threshold.

A company occupies premises with a rateable value of £75,000

- No Crossrail BRS would be payable for this property because its rateable value is not above £75,000.

A company that is not entitled to any reliefs under NNDR occupies premises with a rateable value of £150,000.

- The company would be liable to pay Crossrail BRS annually of £3,000 (£150,000 RV x 2% i.e. applying the 2p multiplier).

A charity (or community amateur sports club) occupies all of a property with a rateable value of £150,000 and receives 90% relief on its NNDR bill (80% mandatory relief and a further 10% discretionary relief awarded by its local borough council).

- The charity would pay Crossrail BRS annually of £300 (£150,000 RV x 2% i.e. the BRS 2p multiplier x 10% i.e. due to it being granted 90 % relief under NNDR).

A non-profit making body – that is not eligible for automatic relief as a charity or sports club but is granted discretionary relief of 50% of its NNDR bill by its local borough council - occupies premises with a rateable value of £150,000.

- The non-profit making body would be required to pay Crossrail BRS annually of £1,500 allowing for the 50% relief on their bill to which they are entitled under NNDR (£150,000 RV x 2% i.e. the 2p BRS multiplier x 50% i.e. due to it being granted 50% relief under NNDR).

A charity or community amateur sports club owns a property (or has rights to occupy a property) that is empty.

- No Crossrail BRS would be payable because charities and community amateur sports clubs will not be liable to the Crossrail BRS on empty properties they own or have rights to occupy, in line with the system for NNDR.

A company in administration owns a property (or has rights to occupy a property) that is empty and is expected to remain so.

- No Crossrail BRS would be payable because companies in administration will not be liable for the supplement on properties that they own or have rights to occupy, which are empty under current NNDR regulations.

A company owns an industrial property with a rateable value of £100,000 and a non-industrial property with a rateable value of £200,000. Both these properties will become empty on 1 April 2024 and are likely to remain empty until at least 31 March 2025.

Because empty properties will not be exempt from the Crossrail BRS as a class:

- No Crossrail BRS would be payable on the industrial property until 1 October 2024 as it would be automatically entitled to empty property relief under NNDR for the first six months. Thereafter the company would be liable to an annual Crossrail BRS bill for this property of £2,000 (£100,000 RV x 2% i.e. 2p) but would only be liable for £1,000 in 2024-25 (pro rata for the period 1 October 2024 to 31 March 2025).
- No Crossrail BRS would be payable on the non-industrial property until 1 July 2024 as it is automatically entitled to full relief under NNDR for the first three months it is empty. Thereafter the company would be liable to an annual Crossrail BRS bill of £4,000 (£200,000 RV x 2% i.e. 2p) but would only be liable for £3,000 in 2024-25 (pro rata for the period 1 July 2024 to 31 March 2025).

A ratepayer occupies 50% of the area of non-industrial property with a total rateable value of £100,000 and owns or is entitled to occupy the other 50% (i.e. the currently empty part) and has made a successful application for section 44a relief. The rateable value of the empty part is therefore £50,000 and the occupied part also £50,000. The empty part became empty on 1 April 2024 and is expected to remain so until at least 31 March 2025. The ratepayer is not a charity or amateur sports club and the hereditament is not a listed building (i.e. the ratepayer is not eligible for empty property relief).

Because empty properties will not be exempt from the Crossrail BRS as a class:

- The total Crossrail BRS liability on this property will be £1,500 in 2024-25. For the first three months (April to June 2024) when the empty part is eligible for empty property relief in line with the NNDR system no Crossrail BRS would be payable on the property as the occupied part has a rateable value below £75,000. For the remaining nine months (July 2024 to March 2025) the ratepayer is liable for Crossrail BRS on a pro rata basis of £1,500 (i.e. 2p x £100,000 x 9/12) because rate relief on the empty part has ceased.

A ratepayer in the retail, leisure, and hospitality sectors of a property with a rateable value of £500,000 receives a £110,000 reduction on its 2024-25 NNDR liability as a result of the authority's local discretionary relief scheme (under section 47 of the Local Government Finance Act 1988) for these sectors. The ratepayer occupies no other rateable commercial properties in England. This relief equates to 43% of their NNDR liability i.e. £110,000/£256,000 and they receive no other business rates reliefs.

- The Crossrail BRS payable will be £5,703 – the full liability of £10,000 (2p x £500,000) net of a 43 per cent discount. This being the same discount applicable for the BRS as for NNDR at the same percentage rate. The GLA bears the cost of this relief as it will receive less BRS income.

ESTIMATE OF NUMBER OF HEREDITAMENTS LIABLE TO BRS AND COLLECTABLE AMOUNT

Estimated Number of Hereditaments with a Rateable Value (RV) above £75,000 which may be liable to the Crossrail BRS in 2024-25 by Billing Authority

	Estimated no of hereditaments above £75,000 RV on local rating list
Barking and Dagenham	430
Barnet	614
Bexley	467
Brent	780
Bromley	621
Camden	3,451
City of London	4,757
Croydon	800
Ealing	1,129
Enfield	688
Greenwich	621
Hackney	1,132
Hammersmith & Fulham	1,387
Haringey	484
Harrow	299
Havering	553
Hillingdon	1,091
Hounslow	1,045
Islington	1,805
Kensington and Chelsea	1,736
Kingston	556
Lambeth	1,007
Lewisham	338
Merton	651
Newham	1,050
Redbridge	379
Richmond	519
Southwark	1,758
Sutton	388
Tower Hamlets	1,790
Waltham Forest	384
Wandsworth	756
Westminster	10,405
London total	43,871

Source 2023-24 billing authority estimates

Estimated percentage share of hereditaments that may be liable to BRS in each Billing Authority; and authority share of London total in 2024-25 assuming a £75,000 Rateable Value threshold

	Estimated Percentage of hereditaments in authority area on local rating list with an RV above £75,000	Authority share of all hereditaments estimated liable to BRS across London
Barking and Dagenham	10.0%	1.0%
Barnet	7.4%	1.4%
Bexley	8.7%	1.1%
Brent	8.6%	1.8%
Bromley	8.4%	1.4%
Camden	18.4%	7.9%
City of London	23.1%	10.8%
Croydon	9.1%	1.8%
Ealing	10.4%	2.6%
Enfield	9.6%	1.6%
Greenwich	10.2%	1.4%
Hackney	9.1%	2.6%
Hammersmith & Fulham	13.6%	3.2%
Haringey	6.7%	1.1%
Harrow	5.4%	0.7%
Havering	9.1%	1.3%
Hillingdon	13.2%	2.5%
Hounslow	13.8%	2.4%
Islington	14.3%	4.1%
Kensington and Chelsea	19.0%	4.0%
Kingston	12.3%	1.3%
Lambeth	11.1%	2.3%
Lewisham	5.3%	0.8%
Merton	12.3%	1.5%
Newham	13.3%	2.4%
Redbridge	5.8%	0.9%
Richmond	9.1%	1.2%
Southwark	13.7%	4.0%
Sutton	9.8%	0.9%
Tower Hamlets	9.7%	4.1%
Waltham Forest	5.7%	0.9%
Wandsworth	9.3%	1.7%
Westminster	27.5%	23.7%
London	13.8%	100.0%

Source: Billing authority estimates (2023-24 BRS1) and GLA analysis of 2023 rating list

Estimated BRS taxtake in 2024-25 by Billing Authority (BA)

	2024-25 Forecast Income £m
Barking and Dagenham	2.2
Barnet	2.7
Bexley	2.7
Brent	4.1
Bromley	2.3
Camden	20.1
City of London	44.0
Croydon	3.6
Ealing	5.0
Enfield	4.0
Greenwich	3.1
Hackney	4.8
Hammersmith and Fulham	7.5
Haringey	1.8
Harrow	1.1
Havering	2.4
Hillingdon	12.7
Hounslow	7.3
Islington	9.3
Kensington and Chelsea	8.8
Kingston	2.2
Lambeth	5.3
Lewisham	1.5
Merton	3.0
Newham	6.3
Redbridge	1.3
Richmond	2.1
Southwark	10.6
Sutton	2.0
Tower Hamlets	14.2
Waltham Forest	1.5
Wandsworth	3.0
Westminster	72.6
Total gross sum forecast collectable	275.1
Less contingency for valuation/collection losses and government funded reliefs	-27.7
Less Billing authority collection allowance	-0.4
Total net sum estimated receivable by GLA in year	247.8

Note: The above estimates are net of a contingency for valuation and collection losses and mandatory and discretionary reliefs having regard to the estimates supplied by authorities for 2023-24.

PROPOSED SUPPORTING EXPLANATORY TEXT ON CROSSRAIL BRS TO EITHER BE CIRCULATED WITH 2023-24 RATES BILLS TO ALL NNDR RATEPAYERS OR PLACED ON BILLING AUTHORITY WEBSITES IN LINE WITH THE LOCAL POLICY ADOPTED IN RESPECT OF RATEPAYER COMMUNICATIONS

GREATER LONDON AUTHORITY

CROSSRAIL BRS RATEPAYER COMMUNICATION FOR 2024-25

What is the Elizabeth line (formerly Crossrail) and how will it benefit your business?

The Elizabeth line is London's newest railway. It connects the outer suburbs and Heathrow airport to the West End, the City and Canary Wharf. As such, it is vital to the future of London's economy. It was named the Elizabeth line in honour of the late Queen Elizabeth II.

The Elizabeth line has been the single largest investment in London's infrastructure for decades. At the peak of construction, it employed up to 14,000 people. The central section opened in May 2022. Six months later, direct Elizabeth line services into central London from Reading, Heathrow, Shenfield, and Abbey Wood began. The final timetable for the entire railway was introduced in May 2023. The increased earnings it has brought – from new jobs and faster journeys – are benefitting businesses across London.

To find out more, visit www.tfl.gov.uk/modes/elizabeth-line/ or call the helpline on 0343 222 1234.

Developments in the funding of the Elizabeth line

The previous Mayor of London agreed a funding settlement with the government in 2010 for the Crossrail scheme. The Mayor and the Secretary of State for Transport agreed revised funding packages for Crossrail in December 2018 and November 2020.

How have London's businesses help fund the Elizabeth line?

In April 2012, the previous Mayor introduced a Community Infrastructure Levy (MCIL) on new developments in London to finance Crossrail. The charging schedule changed in April 2019. The developer pays this levy.

Business ratepayers of larger properties have contributed through a special Crossrail Business Rate Supplement (BRS) since April 2010.

Under the current funding package, the GLA is expected to contribute a total of around £7 billion towards Crossrail. This is financed through the MCIL and the BRS. The BRS will need to be levied until the GLA's Crossrail related borrowing is repaid. This should be no later than March 2041, in line with the published Crossrail BRS prospectus.

Does my business have to pay the Crossrail BRS?

Your rates bill makes clear if you are liable to pay the BRS. It applies only to assessments (for example business and other non-domestic premises) with a rateable value above £75,000. This threshold was increased from £70,000 to £75,000 on 1 April 2023 to reflect the impact of the 2023 business rates revaluation. This higher threshold means that at least 86 per cent of the capital's non-domestic properties are expected to be exempt from paying the BRS in 2024-25.

How much do I pay if my property's rateable value is above £75,000?

The Crossrail BRS multiplier for 2024-25 remains at 2p per pound of rateable value. Reliefs for the Crossrail BRS will apply on the same basis and at the same percentage rate as for your national non-domestic rates (NNDR) bill. However, there is no transitional relief scheme for the BRS.

Keeping you up to date

We will give ratepayers an annual update over the lifetime of the BRS.

Contact for more information

020 7983 4100; crossrail-brs@london.gov.uk; www.london.gov.uk/crossrail-brs
Finance, GLA, City Hall, London E16 1ZE

Annex G

PROVISIONAL ESTIMATE OF BRS COST OF COLLECTION ALLOWANCES FOR 2024-25 (FURTHER ADMINISTRATIVE EXPENSES AS DEFINED BY PARAGRAPH 3 OF THE BRS ADMINISTRATIVE EXPENSES REGULATIONS 2010)

BOROUGH	Estimated share of Hereditaments Across GLA Area Liable to BRS (Rounded)	Provisional 2024-25 Cost of collection allowance £
Barking and Dagenham	1.0%	6,000
Barnet	1.4%	6,000
Bexley	1.1%	6,000
Brent	1.8%	7,335
Bromley	1.4%	6,000
Camden	7.9%	32,455
City of London	10.8%	44,737
Croydon	1.8%	7,524
Ealing	2.6%	10,618
Enfield	1.6%	6,470
Greenwich	1.4%	6,000
Hackney	2.6%	10,646
Hammersmith and Fulham	3.2%	13,044
Haringey	1.1%	6,000
Harrow	0.7%	6,000
Havering	1.3%	6,000
Hillingdon	2.5%	10,756
Hounslow	2.4%	9,828
Islington	4.1%	16,975
Kensington and Chelsea	4.0%	16,326
Kingston upon Thames	1.3%	6,000
Lambeth	2.3%	9,470
Lewisham	0.8%	6,000
Merton	1.5%	6,122
Newham	2.4%	9,875
Redbridge	0.9%	6,000
Richmond upon Thames	1.2%	6,000
Southwark	4.0%	16,533
Sutton	0.9%	6,000
Tower Hamlets	4.1%	16,834
Waltham Forest	0.9%	6,000
Wandsworth	1.7%	7,439
Westminster	23.7%	97,853
LONDON TOTAL	100.0%	434,838

Note 1: Allocations will be revised following receipt of BRS 1 forms but it is our intention no authority will receive a lower allowance than the relevant figure above. Allowance will be offset against instalments and spread equally across the financial year.

Note 2: Figures assume aggregate amount collected in BRS by GLA will be £275.1 million before collection, section 47 relief and valuation losses and that 0.15% of the tax take can be recovered by billing authorities in further administrative expenses in the fifteenth year of a BRS in line with the BRS Administrative Expenses Regulations subject to guaranteeing that no billing authority receives an allowance below £6,000 to recognise the fixed costs that are incurred in administering the BRS.