

CROSSRAIL BUSINESS RATE SUPPLEMENT

The Greater London Authority (GLA) is introducing a new business rate supplement (BRS) for the 2010-11 financial year to finance £4.1 billion of the costs of the £15.9 billion Crossrail project.

What is Crossrail and How Will It Benefit Your Business?

Crossrail will provide a new modern railway across London connecting the outer suburbs and Heathrow to the West End, the City and Canary Wharf. It is key to the future growth of London's economy and will enable the capital to remain a leading world city for years to come. The increased earnings - from new employment opportunities and transport time savings - will benefit businesses right across London.

Once completed in 2017-18, the link will add 10 per cent to London's rail capacity and substantially reduce congestion on the Tube, DLR and national rail services. It will be by far the largest single investment in London's infrastructure for a generation or more employing up to 14,000 people at the peak of construction.

Crossrail Ltd is committed to consulting widely within local communities and the business sectors to ensure that business' voice is heard. As part of Crossrail's approach to responsible procurement it will be using CompeteFor to ensure that SMEs are also included in the tendering process. Further information on Crossrail can be found at www.crossrail.co.uk, by calling the Crossrail 24 hr Helpdesk on 0345 602 3813 or visiting Crossrail's Visitor Information Centre at 16-18 St Giles High Street London WC2H 8LN.

How Will London's Businesses Help to Fund Crossrail?

The Crossrail BRS will be used to finance £3.5 billion worth of borrowing by the GLA and the repayment of this sum after the end of the Crossrail construction works in 2018. A further £0.6 billion will be applied directly to fund the Crossrail construction in the first 5 years.

The GLA expects the Crossrail BRS will run for a period of between 24 and 31 years until the £3.5 billion of borrowing is repaid - with a target end date of 2037-38.

Will My Business Have to Pay the Crossrail BRS?

The Crossrail BRS will be applied only to assessments (e.g. business premises) on the local rating lists of the 32 London boroughs and the City of London Corporation which have a rateable value of more than £55,000. Your rates bill makes clear if you are liable to pay the BRS.

Over 80 per cent of properties in London will therefore be exempt from the BRS – so the vast majority of small and medium sized companies will not have to pay anything. By setting the threshold at £55,000 rather than the minimum possible of £50,000 the Mayor has exempted almost 4,000 smaller businesses from the BRS.

How Much Will I Pay if My Property's Rateable Value is Above £55,000?

The Crossrail BRS multiplier for 2010-11 is 2p in the pound. A ratepayer for a property with a rateable value of £100,000 would therefore pay £2,000 per annum (2% x £100,000).

What Reliefs Will Apply to the BRS?

Reliefs for the Crossrail BRS (e.g. for charities) will apply on the same basis and at the same percentage rate as for National Non Domestic Rates (NNDR) – the main element of your rates bills.

Empty properties will not be exempt from the BRS – except where they are eligible for empty property relief under NNDR (for example charities and listed buildings). Businesses paying levies to a Business Improvement District will be treated on the same basis as other ratepayers and will therefore be liable to the full 2p contribution.

Keeping You Informed

We will provide updates on the Crossrail BRS over its lifetime with your annual rates bills. Further information on the Crossrail BRS can be obtained by contacting the GLA or viewing our website:

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