

Crossrail Business Rate Supplement

The Greater London Authority (GLA) introduced a business rate supplement (BRS) on 1 April 2010 to finance £4.1 billion of the costs of the £15.9 billion Crossrail project. Details on the progress of the project so far and the proposed policies for the BRS in the 2011-12 financial year are set out below.

What is Crossrail and how will it benefit London's economy?

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 the increased earnings - from new employment opportunities and transport time savings - will benefit businesses right across London. 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 engaging regularly with local communities and 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 Small and Medium Sized Enterprises (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 by visiting Crossrail's Visitor Information Centres at 16-18 St Giles High Street, London, WC2H 8LN and the Idea Store, 321 Whitechapel Road, London E1 1BU.

Developments in the last 12 months

The Mayor of London agreed a funding settlement with the Government in October 2010 which will allow Crossrail to be built on its agreed route and secure investment for the upgrade of the Tube. Crossrail is now under construction at all its central station sites across London and the first contracts have been awarded to enable the tunnelling works to begin in 2011.

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. £800m of this was borrowed by the GLA in 2010-11 with a further £700m scheduled to be drawn down in 2011-12. A further £600 million will be applied to fund the Crossrail construction and financing costs. The GLA has already paid over £1 billion towards the project using revenues financed by the BRS. The GLA expects the Crossrail BRS will run for a period of between 24 and 31 years until its borrowing is repaid.

Does my business or organisation have to pay the Crossrail BRS?

The Crossrail BRS is applied only to assessments (e.g. business and other non domestic 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. Over 80 per cent of non domestic properties in London will therefore be exempt from the BRS as their rateable value is below this threshold. Your rates bill makes clear if you are liable to pay the BRS.

How much do I pay if my property's rateable value is above £55,000?

The Crossrail BRS multiplier for 2011-12 is 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 although no transitional relief is provided for the BRS.

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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The Queen's Walk London SE1 2AA. Tel: 020 7983 4100.

Email: crossrail-brs@london.gov.uk or www.london.gov.uk/crossrail-brs