

14th March 2023

**KEY DECISION?
YES/NO**

**BUSINESS RATES – SUPPORTING SMALL BUSINESS RATES RELIEF
SCHEME**

SUMMARY:

This report seeks approval to adopt a local policy to enable the council to award supporting small business rates relief from business rates with effect from 1 April 2023 to local businesses.

RECOMMENDATIONS

Cabinet are recommended to:

- 1) Establish a local Small Business Rates Relief Scheme for reducing business rates liabilities as set out in this report.

1. INTRODUCTION

- 1.1 The purpose of this policy is to determine the level of discretionary relief to be awarded in respect of Supporting Small Business Rates Relief for the financial year commencing 1st April 2023 until 31st March 2026, which coincides with the end of the 2023 Rating List.
- 1.2 This is a government led initiative and the Council is keen to support businesses as far as possible.

2. BACKGROUND

- 2.1 In the Autumn Statement 2022, on 17th November 2022, the Chancellor announced a new scheme of Discretionary Rate Relief to support those Business Ratepayers who are having large increases to their bills following the national 2023 revaluation.
- 2.2 This new relief scheme is known as Supporting Small Businesses Rate Relief (SSBR).
- 2.3 The Government has provided guidance, which sets out the criteria for awarding Supporting Small Businesses Relief. This guidance has been

used in developing the Council's local policy. This guidance does not replace existing legislation or any other relief.

- 2.4 Full details of the guidance can be found at [Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance)

3. DETAILS OF THE PROPOSAL

General

- 3.1 Full details of SSBR are contained in Annexe 1 of this report. A summary of this relief is outlined in paragraphs 3.2 to 3.3 below.
- 3.2 SSBR is a scheme of relief is to be made available to those ratepayers facing large increases to their business rates bills as a result of the losing some or all of their small business rate relief following the 2023 revaluation.
- 3.3 To support these ratepayers, the SSBR will ensure that the increase per year in the business rates bill is limited to a cash value of £600.00 per year:

4. IMPLEMENTATION

- 4.1 Once the scheme is approved, new software will be applied to the Business Rates system to accurately calculate the business rates bills for all those eligible for SSBR Relief.
- 4.2 The businesses set to qualify for SSBR have already been identified and will automatically have the relief applied to their Business Rates Bills.
- 4.3 The scheme will also be available on the Council's website.

5. IMPLICATIONS

Legal Implications

- 5.1 Local Authorities are expected to deliver the scheme through the use of their discretionary relief powers under Section 47 of the Local Government Finance Act 1988.
- 5.2 The issue of some discretionary rate reliefs and discounts are considered as qualifying as "subsidy" and is of some significance.
- 5.3 Broadly, any awards of discretionary rate relief or discounts are subject to Subsidy Control. The Subsidy Control Act allows a business to receive £315,000 in a three-year period (consisting of the current financial year and the two previous financial years).
- 5.4 Expanded Retail Discount granted in 2021/22 does not count towards the £315,000 allowance but any other subsidies such as Covid-19 business

grants claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement will be counted.

Financial and Resource Implications

- 5.5 If all businesses identified are awarded SBRR the total value of the award will be approximately £139k in 2023/24 and reducing thereafter.
- 5.6 Central Government will reimburse billing authorities awarding Supporting Small Businesses Relief and Pub Relief within the rates retention scheme for the actual cost of awarding relief.
- 5.7 Therefore, there will be no financial impact on the Council but would have a benefit to certain ratepayers within the Borough.

6 CONCLUSIONS

- 6.1 In conclusion, Cabinet are asked to approve the new discretionary rate relief policy as attached at Annexe 1 of this report.
- 6.2 The reliefs will be delivered using existing Discretionary Relief Powers under Section 47 Local Government Finance Act 1988 and the Council will be reimbursed for all relief awarded these schemes.
- 6.3 The schemes will benefit smaller ratepayers in the Borough by the provision of a transitional scheme that will reduce the burden on small businesses that have fallen out of Small Business Rates Relief due to the 2023 revaluation exercise.

BACKGROUND DOCUMENTS:

Discretionary Relief - Supporting Small Business Rate Relief Policy

S47 Local Government Finance Act 1988

Non-Domestic Rating (Discretionary Relief) Regulations 1989 (SI 989 1059).

DLUHC Business Rates Supporting Small Business Rate Relief Guidance

[Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance)

Business Rates Information Letter (7/2022) – Business Rates Guidance and general information

[7/2022: Business rates guidance and general information - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/business-rates-guidance-and-general-information)

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