

CABINET
24 FEBRUARY 2022

EXTENSION TO THE TRANSITIONAL RELIEF AND SUPPORTING SMALL BUSINESS RATES RELIEF SCHEME 2022/23

1. Summary

- 1.1 To consider the proposed approach to delivering the Government's extension to Transitional Relief and Supporting Small Business Rates Relief.

2. RECOMMENDATIONS

- 2.1 That, the Government's announcement to extend the current transitional relief and supporting small business rates relief for small and medium properties, for one year to the end of the current revaluation cycle, be noted.
- 2.2 That the Extension to the Transitional Relief and Supporting Small Business Rates Relief Scheme (2022/23), as set out in Appendix A to the report, be approved.

3. Background and Discussion

- 3.1. The Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2016 introduced the transitional relief scheme to limit the impact on ratepayers who were faced with higher bills as a result of the revaluation in 2017.
- 3.2. Supporting small business relief was introduced in 2017 to limit the increases in rate bills for ratepayers who lost all or part of their small business rate relief as a result of the increase in rateable value at revaluation. The relief ensured that the increase per year was limited to a prescribed percentage plus inflation or £600.00, whichever was the greater.
- 3.3. The current arrangements for both reliefs end on 31 March 2022. This means that, without further measures being put in place, some ratepayers would face a significant increase in their rates bills from 1 April 2022.
- 3.4. In the Budget on 27 October 2021, Government announced that it would extend the current transitional relief scheme and the supporting small business rate relief scheme for one year, to the end of the current revaluation cycle.

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- 3.5. As the extension is a temporary measure, the legislation is not being amended. Instead, local authorities have been instructed to use their discretionary powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief.
- 3.6. The Extension to the Transitional Relief and Supporting Small Business Rates Relief Scheme, at Appendix A to the report, sets out how the Council intends to implement these reliefs for the year 2022/23.
- 3.7. Applications for relief may be made up to six months after the end of the financial year for which relief is sought. No relief can be awarded if an application is made outside of the statutory timeframe. Once awarded, relief can only be withdrawn or reduced by the Council if a minimum of 12 months' notice has been given to the recipient.

Financial implications

- 3.8. Since 1 April 2013, all business rate relief awarded using discretionary powers under Section 47 of the Local Government Finance Act 1988 (as amended) has come under the provisions of the Business Rate Retention Scheme.
- 3.9. Government will fully reimburse billing authorities and major preceptors for the actual cost to them under the rates retention scheme of the relief that falls within the definitions in the scheme set out in Appendix A. Reimbursement will be by way of a grant under section 31 of the Local Government Act 2003.

4. Relationship to the Corporate Plan

Not applicable.

5. Financial, legal, staffing and other administrative implications and risk assessments

Financial Implications	As set out in the body of the report
Legal Implications	As set out in the body of the report
Staffing Implications	None
Administrative Implications	None
Risk Assessment	No uncertainties and/or constraints

6. Appendices

Appendix A Extension to the Transitional Relief and Supporting Small Business Rates Relief Scheme 2022/2023

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BACKGROUND PAPERS

<u>Documents consulted</u>	<u>Date</u>	<u>File Ref</u>	<u>Report Author</u>	<u>Section and Directorate</u>	<u>Exempt Information Category</u>
None			Sue Cressall 01732 227041	Revenues Corporate Services	N/A