

Committee: Council

Date: Tuesday 21
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Title: Business Rates Reliefs Policy 2023/24

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Summary

1. The Government has updated the Business Rates reliefs for the financial year 2023/24.
2. All grants relating to the Pandemic and post Pandemic recovery have now ended.
3. A revaluation of all commercial properties has been carried out and will come into effect on the 1 April 2023, a new transitional relief scheme has been put in place to support businesses where their rateable value has increased.
4. The Supporting Small Business Rates Relief has been amended to cap business rates increases to a maximum of £600, where businesses have lost Small Business Rate Relief or Rural Rate Relief due to the revaluation.
5. A Retail, Leisure and Hospitality relief has been introduced for 2023/24 to support businesses during the cost of living crisis.
6. A new Heat Network Relief has been introduced for 2023/24.
7. All business rates reliefs will be funded by the Section 31 grant and new burdens funding will be provided to administer the revaluation transitional relief scheme.

Recommendations

8. It is requested that the Council approves the updated Business Rates Relief Policy as set out in this report and Appendix A, using its discretionary powers under S47 of the Local Government Act 1988 (as amended).

Financial Implications

9. Government will reimburse Local Authorities that use their discretionary relief powers under S47 of the Local Government Finance Act 1988 (as amended) for the additional rate relief.
10. All grant payments will be fully reimbursed using a grant under S31 of the Local Government Finance Act 2003.
11. New burdens funding will also be provided to support the cost of the administration of the new reliefs and grants.

Background Papers

12. The following papers were referred to by the author in the preparation of this report and full details can be found using the following links.

[Business rates revaluation 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/business-rates-revaluation-2023)

[Business rates relief: Transitional relief - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/business-rates-relief-transitional-relief)

[2022/23 Retail, Hospitality and Leisure Relief Scheme: local authority guidance - GOV.UK](https://www.gov.uk/government/news/2022-23-retail-hospitality-and-leisure-relief-scheme)

www.gov.uk

[Business rates heat network relief: local authority guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/business-rates-heat-network-relief-local-authority-guidance)

Impact

Communication/Consultation	N/A
Community Safety	N/A
Equalities	N/A
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	N/A
Workforce/Workplace	N/A

Business Rates Revaluation

13. The Valuation Office Agency (VOA) has updated the rateable values of all business and other non-domestic properties in England and Wales and the new rateable values will take effect from the 1 April 2023. The last full revaluation took place six years ago.
14. Revaluations make sure that rateable values reflect changes in the property market, and this includes any impacts due to the Covid-19 pandemic.
15. To support businesses where there is an increased rateable value, subject to eligibility criteria, a new transitional scheme has been put in place. The transitional relief will phase the increased business rates liability over a 3 year period.
16. Supporting Small Businesses relief has been amended to take account of the impacts of the revaluation. Where the increase in rateable value means that businesses currently in receipt of Small Business or Rural Rate Relief the impact will be limited to a max of £600.

Retail, Hospitality and Leisure Relief

17. To further support Businesses during the Cost-of-Living crisis, in the Autumn budget on 17th November 2022 the Government announced a new business rate relief scheme for retail, hospitality and leisure properties for the 2023/2024 financial year.
18. Occupied retail, leisure, and hospitality properties for 2023/2024 (subject to certain exceptions see Government guidance) are eligible for 75% relief for the period 1st April 2023 – 31st March 2024. No rateable value limits are applied to this relief although the amount of relief is subject to a cash cap limit of £110,000.

Heat Network Relief

19. Heat networks take heat or cooling from a central source(s) and deliver it to a variety of different customers such as public buildings, shops, offices, hospitals, universities, and homes. The businesses or company will be entitled to 100% discount, subject to the eligibility criteria of having their own rateable value, using a low carbon source and the business must be used wholly or mainly for this purpose.

20. Further details of all the above reliefs are set out in the Business Rates Policy (Appendix A), full details can be found using the links provided in paragraph 12.

Risk Analysis

21.

Risk	Likelihood	Impact	Mitigating actions
The reliefs are not administered based on the guidance and eligibility criteria	1 – low due to the level of information held on businesses and access to the valuation register	2 – incorrect allocations of reliefs, loss of income from government reimbursement	Staff are collecting and checking details against data bases and will have the support of software provided by HMRC to check for fraudulent claims

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.