



# Extension to the Transitional Relief and Supporting Small Business Rates Relief Scheme (2023/24 financial year only)

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## 1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief to be awarded in respect of Transitional Relief (TR) and Supporting Small Business Rates relief (SSB) for the financial year commencing 1 April 2023.
- 1.2 This is a government led initiative and the Council is keen to support businesses as far as possible.

## 2.0 General explanation

2.1 The Transitional Relief scheme was introduced in 2017 to help those ratepayers who were faced with higher bills as a result of the revaluation. The scheme originally ended on 31 March 2022 and, as a result, a small number of ratepayers would face a significant increase to their full rates bill from 1 April 2022.

2.2 Government has announced that it will be extending the Transitional Relief (TR) Scheme and the Supporting Small Business Scheme (SSB) for one year to the end of the current revaluation cycle.

2.3 The scheme, which has been adopted by the Council, will restrict increases in bills from 1 April 2023 to the following cap amounts:

Rateable Value	2023-2024	2024-2025	2025-2026
Up to £20,000	5%	10% plus inflation	25% plus inflation
£20,001 - £100,000	15%	25% plus inflation	40% plus inflation
Over £100,000	30%	40% plus inflation	55% plus inflation

## 3.0 How will relief be provided?

3.1 As this is a temporary measure for 2023/24, the government is not changing the legislation around transitional relief. Instead, the government will, in line with the eligibility criteria set out in this guidance, reimburse the Council if it uses its discretionary powers under Section 47 of the Local Government Finance Act 1988, to grant relief.

### Who is eligible for this relief?

3.2 Hereditaments that will benefit are those with a rateable value based in the three new categories in the above table. This will be based on the rateable value shown for 1 April 2023 or the substituted day in the cases of splits and mergers.

3.3 The policy does **not** apply to those in downward transition to lower bills, those fall to their full bill on 1 April 2023.

### How much relief will be available?

3.4 Government will fund the discretionary relief to ensure eligible properties receive the same level of protection they would have received had the statutory Transitional Relief scheme and Supporting Small Business scheme extended into 2023/24.

3.5 The practical effects of the Transitional Relief scheme will be assumed to remain as it is in the current statutory scheme (as prescribed in the Non-Domestic Rating (chargeable amounts) (England) Regulations 2016 No. 1265) except that:

(a) the cap on increases for small properties (with a rateable value up to £20,000/£28,000 in London) in 2023/24 will be assumed to be 5% (before the increase for the change in multiplier). Specifically, X in the regulation 10(6) for the year commencing 1 April 2023 will be assumed to be 105. Q in regulation 10(12) should be assumed to be 1; and

(b) the cap on increases for medium properties (with a rateable value from £20,001 - £100,000 in 2023/24 will assumed to be 15% (before the increase for the change in the multiplier). Specifically, X in regulation 10(4) for year commencing 1 April 2023 will assumed to be 110. Q will be assumed to be 1.

(c) the cap on increases for medium properties (with a rateable value from £100,001 in 2023/24 will assumed to be 30% (before the increase for the change in the multiplier). Specifically, X in regulation 10(4) for year commencing 1 April 2023 will assumed to be 130. Q will be assumed to be 1.

3.6 Changes in rateable value which take effect from a later date will be calculated using the normal rules in the Transitional Relief scheme. For the avoidance of doubt, properties whose rateable value have changed since 1 April 2023 (or the day of the merger) will be eligible for relief based on the rateable value it had as of 1 April 2023.

3.7 Where necessary, the Valuation Office Agency will continue to issue certificates for the value at 31 March 2023 (regulation 17, SI 2016 No. 1265) or 1 April 2023 (as required under regulations 16 and 18 SI 2016 No. 1265).

3.8 The relief will be calculated on a daily basis.

3.9 The Supporting Small Business scheme will ensure that the increase in the bills of these ratepayers is limited to a cash value of £600 per year. This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business rate relief (as applicable) have been applied. In order to simplify the scheme, the 2023 Supporting Small Business scheme will not include minimum percentage bill increases (unlike the 2017 scheme).

3.10 Those on 2023 Supporting Small Business scheme whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the 2023 Supporting Small Business scheme.

3.11 Where a ratepayer would have been in receipt of both Transitional Relief and Support Small Business relief in respect of 2023/4, a single award of section 47 relief will be granted resulting in a chargeable amount equivalent to that, had the original Transitional Relief and Supporting Small business schemes continued.

### Recalculation of relief

3.12 As with the original Transitional Relief scheme, the amount of relief awarded will be recalculated in the event of change of circumstances. This could include, for example, a backdated

change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year.

### Calculating the extension of Transitional Relief and Supporting Small Business where other reliefs apply

3.13 Under the statutory Transition scheme which ended on 31 March 2022, Transitional Relief is measured before all other reliefs. But, the extension of Transitional Relief and Supporting Small Business Scheme into 2023/24 will be delivered via Section 47 of the Local Government Finance Act 1988, which will be measured **after** other reliefs (including other funded reliefs granted under Section 47).

## 4.0 Subsidy control

4.1 The extension of Transitional Relief and Supporting Small Business relief scheme is likely to amount to subsidy. Any relief provided by the Council under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

4.2 To the extent that a local authority is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2023/24 year and the two previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of 'Minimal or SPEI financial assistance'. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted under the £315,000 allowance.

4.3 In those cases where it is clear to the local authority that the ratepayer is likely to breach the MFA limit then the authority should automatically withhold the relief. Otherwise, local authorities may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the MFA limit.

## 5.0 Transitional Relief and Supporting Small Business rates relief (2023/24) – the Council's policy for granting discretionary relief

5.1 Over the past few years, a number of schemes have been led by government but without specific legislative changes. These are administered under Section 47 of the Local Government Finance Act 1988. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

5.2 In the case of Transitional Relief and Supporting Small Business rate relief, the Council will grant the relief strictly in accordance with government guidance.

## 6.0 Effect on Council's finances

6.1 As this is a government led initiative, grants for the full amount awarded will be available through Section 31 of the Local Government Act 2003.

## 7.0 Administration of Discretionary Relief

7.1 The following section outlines the procedures followed by officers in granting, amending or cancelling discretionary relief and reduction. This is essentially laid down by legislation (The Non-Domestic Rating (Discretionary Relief) regulations 1989.

### Applications and Evidence

7.2 Transitional Relief and Supporting Small Business rate relief will be awarded automatically by the Council.

7.3 **The Council provide this service free of charge. Ratepayers are encouraged to approach the Council directly and NOT pay for such services through third parties.**

### Granting of relief

7.4 in all cases, the Council will notify the ratepayers of decisions via their rates demand and details will include:

- The amount of relief granted and the date from which it has been granted;
- The new chargeable amount; and
- A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.

7.5 This relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins, whichever is the later.

7.6 Variations in any decision will be notified to ratepayers as soon as practicable.

## 8.0 Scheme of Delegation

### Granting, varying, reviewing and revocation of relief

8.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003 and the Localism Act 2011. However Section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub Committees or Officers.

8.2 The Council's scheme of delegation allows for the Exchequer Manager to award, revise or revoke any discretionary relief applications.

8.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on misinterpretation of the application.

## 9.0 Reviews

9.1 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting, or the amount of any discretionary relief, the case will be reviewed by the Exchequer Manager. Where a decision is revised, then the ratepayer shall be informed, likewise if the original decision is upheld.

9.2 Where the ratepayer wishes to appeal the decision, the case will be considered by the Council's Section 151 Officer whose decision on behalf of the Council will be final.

9.3 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

## 10.0 Reporting changes in circumstances

10.1 Where any award is granted to a ratepayer, the Council will require any change in circumstances which affect the relief, to be reported as soon as possible or in any event within 21 days of the change. This will be important where a change would result in the amount of the award being reduced or cancelled.

10.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date of the change of circumstances occurred.

## 11.0 Fraud

11.1 Where a ratepayer falsely applied for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.