

Business rates discretionary rate relief

Supporting small businesses policy

The Government announced in the Spring Budget in March 2017 that it would provide relief to those ratepayers facing large increases to their 2017-18 business rates bills as a result of losing some or all of their small business rates relief following the national 2017 revaluation.

The relief is to be known as Supporting Small Businesses relief and is payable in accordance with a local policy introduced by the council.

To support these ratepayers, the relief will ensure that the annual increase in business rates is limited to the greater of:

- A percentage increase* in each year (after inflation is applied) of:

Year	% Increase
2017/18	5%
2018/19	7.5%
2019/20	10%
2020/21	15%
2021/22	15%

*The percentage increase is taken against the bill for 31 March 2017 after small business rate relief is applied.

- Or a cash value of £600 a year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief will be paying something.

This means that in the first year of the scheme ratepayers losing some or all of their small business rate relief will see the increase capped at £600. The cash minimum increase will be £600 a year thereafter. This means that ratepayers who are currently paying nothing under small business rate relief, and are losing all of their entitlement to relief, would under this scheme be paying £3,000 in year five.

Those on the Supporting Small Businesses Relief Scheme whose 2017 rateable values are £51,000 or more will not be liable to pay a supplement to fund small business rate relief while they are eligible for the Supporting Small Businesses Relief Scheme.

Ratepayers will remain in the Supporting Small Businesses Relief Scheme for either five years or until they reach the maximum bill they would have paid if the scheme did not exist.

Further details of the scheme include:

- A change of ratepayer will not affect eligibility for the Supporting Small Businesses Relief Scheme
- Premises eligible for charity or community amateur sports club relief, or premises that are unoccupied, are not eligible for supporting small business relief.
- Supporting small business relief should be considered before the application of any other discretionary rate relief and after the award of small business rate relief and transitional relief.
- The amount of relief awarded under the Supporting Small Businesses Relief Scheme should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to a rateable value or the ratepayer vacating the premises. This change of circumstances could arise during the current or a previous financial year.

State Aid

The award of Supporting Small Businesses relief will be State Aid compliant.

The issue of rate reliefs being considered as qualifying as state aid is now of some significance and is briefly explained in the Rate Relief for Charities and other Non-Profit Making Organisations guidance note issued by the Office of the Deputy Prime Minister in December 2002.

Broadly, any award of discretionary rate relief is subject to State Aid limits, which allow a business to receive a maximum of €200,000 of aid in a three-year period (consisting of the current financial year and the two previous financial years).

For more information please speak to the business rates team on **01252 398 331** or email **businessrates@rushmoor.gov.uk**