

SUPPORTING SMALL BUSINESS RATES RELIEF SCHEME 2023-2026

Cabinet 9 February 2023

Report of: Deputy Chief Executive and Chief Officer - Customer and Resources

Status: For Decision

Key Decision: No

Executive Summary: This report sets out the proposed Supporting Small Business Rates Relief Scheme for 2023 - 2026

This report supports the Key Aim of: Supporting and developing the local economy and providing value for money.

Portfolio Holder: Cllr. Dickins

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Recommendation to Cabinet: members are asked to approve the Supporting Small Business Rates Relief Scheme for 2023 - 2026

Reason for recommendation: Relief from business rates provides organisations with valuable support and contributes to the Council's commitment to supporting and developing the local economy.

Introduction and Background

- 1 The Government announced in the Autumn Statement on 17 November 2022 that it would provide a business rate relief scheme for eligible ratepayers who, as a result of the change in their rateable value at the revaluation, are losing some or all of their Small Business Rate Relief, Rural Rate Relief or 2017 Supporting Small Business Rate Relief.
- 2 To support these ratepayers, who would otherwise face large increases in their bills, the scheme will ensure that the increase in the bills is limited to a cash value of £600 per year (after any transitional rate relief and any remaining Small Business Rate Relief or Rural Rate Relief has been applied).
- 3 In addition, those eligible ratepayers with a rateable value of £51,000 or more will not be liable to pay the supplement to fund small business rate relief.

- 4 Relief for those in receipt of 2017 Supporting Small Business Rate Relief will be limited to 2023/2024 only as set out in paragraph 3.5 of the scheme.
- 5 Government guidance states that it will be for each billing authority to adopt a local scheme for Supporting Small Business Rate Relief and decide in each individual case when to grant relief under Section 47 of the Local Government Finance Act 1988 (as amended).
- 6 Appendix A contains the Supporting Small Business Rates Relief Scheme for 2023/2026 which sets out how Sevenoaks intends to implement this Government led relief.

Other options Considered and/or rejected

- 7 Although each billing authority has to create and determine its own scheme, Government expects authorities to have regard to the published guidance. Having considered the content of the available guidance, the scheme has been drafted to closely mirror the eligibility criteria and thereby maximise available support for ratepayers.

Key Implications

Financial

- 8 Since 1 April 2013 all discretionary relief granted has come under the provisions of the business rate retention scheme.
- 9 The cost of relief is initially shared between central government (50%) and local authorities (50%). Of this Sevenoaks District Council is required to fund 40%. However, due to the complexities of business rates retention, the actual impact is likely to be significantly lower.
- 10 Government will fully reimburse billing authorities and major precepting authorities 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.

Legal Implications and Risk Assessment Statement

There are no legal issues.

Risk Assessment Statement

Rate relief awarded using discretionary powers under Section 47 of the Local Government Finance Act 1988 (as amended) can only be awarded for a specific financial year if the decision to award relief is made by 30 September of the following financial year. In order to ensure that ratepayers do not miss out on vital financial support, this scheme will be proactively promoted.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Net Zero Implications

The decisions recommended through this paper have a remote or low relevance to the council's ambition to be Net Zero by 2030. There is no perceived impact regarding either an increase or decrease in carbon emissions in the district, or supporting the resilience of the natural environment.

Conclusions

There are clear benefits to the business community of awarding rate relief utilising the full range of measures available. The relief covered by this scheme will continue to support economic recovery and provide ongoing support for ratepayers adversely affected by the cost of living crisis.

Appendices

Appendix A - Supporting Small Business Rate Relief Scheme 2023-2026

Background Papers

None

Jim Carrington-West

Deputy Chief Executive and Chief Officer - Customer & Resources