



Supporting Small Business Rate Relief 2023/24 – 2025/26

1. Introduction

1.1 At the 2022 Autumn Statement the Chancellor announced that the 2023 Supporting Small Business (SSB) scheme will cap bill increases at £600 per year for any business losing eligibility for some or all Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation. SSB was first introduced at the 2017 revaluation to support ratepayers facing bill increases greater than the Transitional Relief caps due to loss of Small Business Rate Relief or Rural Rate Relief.

1.2 The full Government guidance can be found: Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK (www.gov.uk)

2. How will 2023 Supporting Small Business Relief be provided?

2.1 It is for individual local authorities, which administer the 2023 Supporting Small Business relief, to adopt a local scheme and determine in each individual case when to grant relief under section 47 of the Local Government Finance Act 1988.

2.2 2023 Supporting Small Business Relief will be awarded automatically by North Warwickshire Borough Council as part of the annual billing process. The relief will show on the demand notices issued at that time.

3. Who is eligible for the 2023 Supporting Small Business Relief and how much relief will be available?

3.1 The 2023 SSBR will help those ratepayers who, because of the change in their rateable value at the revaluation, are losing some or all of their Small Business, Rural Rate Relief or 2017 SSBR and, as a result, are facing large increases in their bills.

3.2 Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 SSBR.

3.3 To support these ratepayers, 2023 SSBR will ensure that the increase in the bills is limited to a cash value of £600 per year.

3.4 Those on 2023 SSBR whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement to fund small business rate relief while they are eligible for 2023 SSBR.

3.5 For those ratepayers receiving 2017 SSBR relief in 2022/23, any eligibility for 2023 SSBR will end on 31 March 2024. All other eligible ratepayers will remain in 2023 SSBR for either 3 years or until they reach the bill they would have paid without the scheme.

3.6 A change of ratepayer will not affect eligibility for the Supporting Small Business scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club (CASC).

3.7 There is no second property test for eligibility for the 2023 SSBR scheme. However, those ratepayers who during 2022/23 lost entitlement to Small Business Rate Relief (because they failed the second property test) but have, under the rules for Small Business Rate Relief, been given a 12 month period of grace before their relief ended - can continue on the 2023 SSBR scheme for the remainder of their 12 month period of grace.

4 Sequence of reliefs

4.1 Hereditaments eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are not eligible for 2023 SSBR. And small business rate relief or rural rate relief will not be applied to further reduce the bill found under 2023 SSBR .

4.2 The same principle applies to properties for which a Section 44A certificate has been granted (apportionment of rateable values for partly occupied properties). The presence of a section 44A certificate will not further reduce the bill found under 2023 SSBR.

4.3 All other discretionary reliefs, including those funded by section 31 grants, will be considered after the application of 2023 SSBR.

5 Subsidy control

5.1 Any relief provided by North Warwickshire Borough Council under this scheme must comply with the UK's domestic and international subsidy control obligations.

Further details of subsidy control can be found: UK subsidy control statutory guidance - GOV.UK (www.gov.uk)

5.2 In cases where it is clear to North Warwickshire Borough Council that the ratepayer is likely to breach the MFA limit then North Warwickshire Borough Council will automatically withhold the relief.

5.3 In instances where it is unclear, North Warwickshire Borough Council will include the relief in bills and will ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the MFA limit.

6 Recalculations of reliefs

6.1 As with other reliefs, the amount of SSBR awarded will be recalculated in the event of a change in circumstances i.e. a change in the Rateable Value (RV) which could arise during the year in question or in later years. .

6.2 When making an award for SSBR, North Warwickshire Borough Council will ensure in the conditions of the award, that the relief is subject to the property's continuing eligibility. If the use of the property changes so that it is no longer eligible, the relevant chargeable amount will be recalculated to reflect that fact.

7 Splits and mergers

7.1 2023 SSBR will apply to hereditaments:

a. coming into existence because of the circumstances described in paragraph 1 of the Schedule of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022,

b. where one of the hereditaments from which the new hereditament was formed in whole or in part was for the day immediately before the creation day eligible for 2023 SSBR, and

c. Where for 31 March 2023 the chargeable amount has been found under section 47 other than under a scheme introduced to deliver the Extension of Transitional Relief and Supporting Small Business Relief for small and medium properties, then eligibility for 2023 SSBR does not apply for the creation day in respect of the hereditament.

7.2 After the creation day, 2023 SSBR will cease to apply in the circumstances described above.

7.3 Instead, for hereditaments meeting the criteria in paragraph 7.1 & 7.2 above, North Warwickshire Borough Council will apply a chargeable amount under section 47 of the 1988 Act found in accordance with the following principle:

a. that the protection offered by SSBR (that the bill will not rise by more than £600 p.a.) will continue to apply in principle to that part of the newly created hereditament, which was immediately before the creation day in SSBR, and

b. that increases (or reductions) in overall rateable value arising from the split or merger are not subject to the protection of SSBR.

7.4 For simple splits of hereditaments previously eligible for SSB, North Warwickshire Borough Council will apportion the chargeable amount in the SSB scheme for the hereditament before the split in line with the change in rateable value from the split (i.e. in line with the principle in the Schedule of Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2022).

7.5 For mergers and reorganisations, North Warwickshire Borough Council will estimate the degree to which, in line with the principle of the SSB scheme, that part of the hereditament which was formerly eligible should continue to receive support under the SSB scheme. There will be no formal apportionments of the rateable value for this purpose.

8 Claiming Supporting Small Business Relief

8.1 There is no application form. Entitlement to Supporting Small Business Relief is automatically calculated and granted to eligible ratepayers.

In instances where relief has not been granted but a ratepayer believes they are eligible email:

businessrates@northwarks.gov.uk

9 Notification

9.1 A demand will be issued showing entitlement.

10 Reporting Changes

10.1 Where any changes in circumstance which may affect the relief, need to be reported by the ratepayer as soon as possible (within 28 days of the change in circumstances), as this can affect the date in which the relief, is revised from or cancelled.

10.2 Where any relief is reduced or cancelled, the Council will look to recover the amount in full.

11 Fraud

11.1 Where a ratepayer falsely applies for any relief, provides false information, makes false representation, or withholds information to gain relief, prosecutions will be considered under the Fraud Act 2006

12 Policy Review

12.1 This is a stand-alone policy relating to the 2023 Rating list only. A review schedule is not required.