



# NEW FOREST DISTRICT COUNCIL

## 2023 SUPPORTING SMALL BUSINESS RELIEF SCHEME

## **NATIONAL NON-DOMESTIC RATES 2023 SUPPORTING SMALL BUSINESS RELIEF**

### **1. Introduction**

- 1.1 In the Autumn Statement on 17 November 2022, the Chancellor announced that a new business rates relief scheme to support small businesses for the years 2023/24 to 2025/26. The 2023 Supporting Small Business Relief 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 following the 2023 revaluation.
- 1.2 The Department for Levelling Up, Housing and Communities, issued guidance to local authorities which sets out the criteria for the scheme, which is available at:  
  
[Business Rates Relief: 2023 Supporting Small Business Relief, local authority guidance - GOV.UK \(www.gov.uk\)](#)
- 1.3 This document provides guidance about the operation and delivery of the scheme.

### **2. Legislation**

- 2.1 The Government is not changing the legislation. Instead the Government will, in line with the eligibility criteria for the relief, reimburse billing authorities that use their discretionary relief powers, under Section 47 of the Local Government Finance Act 1988, as amended, to grant the relief for the period 1 April 2023 to 31 March 2026.
- 2.2 Central government will fully reimburse local authorities for the local share of the discretionary relief Scheme (using a grant under section 31 of the Local Government Act 2003).

### **3. Who is eligible for the relief?**

- 3.1 The Supporting Small Businesses relief will help those ratepayers who occupy a business and who as a result of the change in their rateable value at the revaluation are losing some or all of their small business or rural rate relief and, as a result, are facing large increases in their bills.
- 3.2 A change of ratepayers will not affect eligibility for the Supporting Small Businesses relief scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club

- 3.3 Those ratepayers who during 2022/23 lost entitlement to small business rate relief because they failed the 2nd property test but have, under the rules for small business rate relief, been given a 12 month period of grace before their relief ends, can continue on the scheme for the remainder of their 12 month period of grace.
- 3.4 Charities and Community Amateur Sports Clubs, who are already entitled to mandatory 80% relief, are not eligible for 2023 Supporting Small Business relief.
- 3.5 Any ratepayer receiving 2017 Supporting Small Business relief in 2022/23, any eligibility for 2023 Supporting Small Business relief will end on 31 March 2024.
- 3.6 The hereditament must be occupied to be eligible for the relief.
- 3.7 Hereditaments which cease to be entitled to Supporting Small Business relief for a day cannot return to eligibility if their circumstances change from a later day, for example, if a property becomes unoccupied it will not be eligible for 2023 Supporting Small Business relief if it subsequently becomes occupied again.

#### **4. How much relief will be available?**

- 4.1 To support these ratepayers, the 2023 Supporting Small Businesses relief will ensure that the increase in the bills of eligible ratepayers is limited to £600 per year. This maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business relief have been applied (as applicable).
- 4.2 All other discretionary reliefs, including those funded by section 31 grants, should be considered after the application of 2023 Supporting Small Business relief.

#### **5. Award Period**

- 5.1 Supporting small business rate relief will be awarded for 12 months, to the end of the financial year in question.
- 5.2 At the end of each financial year, the account will be reviewed and if appropriate, rate relief will be awarded for a further 12 months (except where 3.5 exists).
- 5.3 Where there is a change of circumstances, such that the eligibility criteria are no longer met e.g. the ratepayer vacates the hereditament or there is a change to the rateable value of the hereditament, the decision to award rate relief will be reviewed and where necessary the amount of relief will be recalculated and amended.

## **6. Applications for 2023 Supporting Small Business Relief**

- 6.1 The Council will work with our software supplier, Northgate Public Services to identify potential recipients.
- 6.2 We will award the 2023 Supporting Small Business Rate Relief to those ratepayers who are eligible and notify them of the amount of the award and the period of the award.

## **7. Subsidy control**

- 7.1 The 2023 SSBR is likely to amount to a subsidy. Therefore, any relief provided under this scheme will need to comply with the UK's domestic and international subsidy control obligations (See [Guidance on the UK's international subsidy control commitments - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-on-the-uk-s-international-subsidy-control-commitments) which contains guidance and information for the new UK subsidy control regime, which will commenced on 4 January 2023.
- 7.2 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.
- 7.3 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.
- 7.4 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the local authority needs to include details of the subsidy on the subsidy control database.

## **8. Recalculations of relief**

- 8.1 The amount of Supporting Small Business relief awarded will be recalculated in the event of a change in circumstances. This may include a backdated change

to a rateable value, which could arise during the year in question or a during a later year.

## **9. Decision Making**

- 9.1 Decisions will be made by the Business Rate team, in conjunction with the Revenues Manager, in accordance with the eligibility criteria, and notified to the ratepayer.
- 9.2 The Service Manager reserves the right to make changes to this policy in line with updates in guidance as issued by the Department for Levelling Up, Housing and Communities

## **10. Review of decisions**

- 10.1 The Council will operate an internal review process and will accept an applicant's request for an appeal of its decision.
- 10.2 All such requests must be made in writing or by email to the Council within one month of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.
- 10.3 The application will be reconsidered by Service Manager – Revenue and Benefits, as soon as practicable and the applicant informed in writing or by email of the decision. This decision is final.

## **11. Complaints**

- 11.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.