



Department for
Communities and
Local Government

Chief Finance Officers of Local Authorities
in England

28 April 2017

Dear Colleague,

**DISCRETIONARY BUSINESS RATES RELIEF SCHEME – PAYMENT OF
SECTION 31 GRANT TO REIMBURSE COST OF PROVIDING RELIEF**


The Chancellor announced at the Budget on 8 March that the Government would establish a £300 million discretionary business rate relief fund so that local authorities could devise local schemes to assist businesses that are facing rising bills as a result of the revaluation.

We published a consultation on 9 March 2017 covering our proposed methodology for distribution of the available funding between local authorities and the arrangements for reimbursing local authorities. The consultation closed on 7 April 2017 and we subsequently stated that the allocations to local authorities would be as set out in the consultation. Details of the consultation can be found at: <https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme>

The attached grant determination (No. 31/3071) provides the amounts to be paid to authorities in 2017/18. The payments will be made quarterly in arrears and reflect the portion of overall income that would be retained under the 50% business rate retention scheme, taking into account agreed 100% retention pilots. Following the consultation, we have considered whether flexibility should be provided to allow funding to be moved between financial years and will return to this point in quarter 2 once we have a clearer picture of how local schemes are being shaped.

The grant is subject to the condition that billing authorities consult their major precepting authorities and, where applicable, their combined authority before adopting any scheme. We have also included a condition that local authorities will be required to repay any excess grant paid to them following a reconciliation process at year end.

If you have any payment enquires please contact the Department by email at: ndr@communities.gsi.gov.uk.


Chris Megainey
Deputy Director, Local Taxation