

## **Supporting Small Businesses Relief 2023 - 2024**

### **Small Business Rate Relief:**

In April 2017, the Government adjusted the regulations relating to Small Business Rate Relief

Prior to 1 April 2017, Small Business rate Relief was granted to businesses who only used one property with a Rateable Value of less than £6,000 and those with rateable values between £6,000 and £12,000 received tapered relief. If you had more than one property you would have been awarded the relief if the rateable value of each of your other properties was less than £2,600.

From 1 April 2017 there was a national revaluation of all Business Rates properties and the values associated to small business rate relief changed. From 1 April 17 relief doubled from 50% to 100% and the £6,000 and £12,000 thresholds increased to £12,000 and £15,000 respectively. Therefore, those with rateable values below £12,000 that meet the eligibility criteria receive 100% relief and those with rateable values between £12,000 and £15,000 receive tapered relief. If you have more than one property, the relief may be granted if the rateable value of each of your other properties is less than £2,900.

### **Additional support for small businesses:**

To help assist with the impact of these changes from 1 April 2017, Central Government announced that a new scheme of relief would be made available to support ratepayers facing bill increases greater than the Transitional Relief caps as a result of the loss of Small Business Rate Relief due to the April 2017 revaluation.

The relief is known as '**Supporting Small Businesses Relief**' (SSBR) and is payable in accordance with a local policy introduced by the council.

## **2023 Supporting Small Business Relief**

### **Eligibility and Level of Relief**

At the 2022 Autumn Statement the Chancellor announced that the 2023 Supporting Small Business Relief scheme will help ratepayers who as a result of the change in their rateable value at the 2023 revaluation are losing some or all of their Small Business Rate Relief, Rural Rate Relief or 2017 SSBR and, as a result, are facing large increases in their bills.

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

To support ratepayers affected, 2023 SSBR will ensure that the increase in bills of these ratepayers is limited to a cash value of £600 per year. This cash maximum increase ensures that ratepayers do not face large bill increases in 2023/24 after transitional relief and small business rate relief (as applicable) have been applied. In order to simplify the scheme, the 2023 SSBR scheme will not include minimum percentage bill increases (unlike the 2017 scheme).

The Government has also decided that those on the 2023 SSBR scheme whose 2023 rateable values are £51,000 or more will not be liable to pay the supplement (1.3p) to fund small business rate relief while they are eligible for the 2023 SSBR.

A change of ratepayers will not affect eligibility for the SSBR Scheme, but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

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.

### **Period of Entitlement to 2023 SSBR**

The 2017 SSBR scheme was provided to support small and medium ratepayers who had seen large increases in their bills at the 2017 revaluation, and those

ratepayers have had 6 years of support to allow them to adjust to their full 2017 bills. Therefore, for those ratepayers receiving 2017 SSB relief in 2022/23, any eligibility for 2023 SSB will end on 31 March 2024.

All other eligible ratepayers receiving 2023 SSB will receive relief for either 3 years or until they reach the bill they would have paid without the scheme.

### **Sequence of Reliefs**

SSB is to be awarded after any eligibility to Transitional Relief and Small Business Rate Relief.

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

### **Subsidy Control**

The 2023 SSB is likely to amount to a subsidy. Therefore, any relief provided by local Authorities under this scheme will need to comply with the UK's domestic and international subsidy control obligations.

The 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.

In those cases where it is clear to the local authority that the ratepayer is likely to breach the MFA limit then the authority will automatically withhold the relief.

### **Applying the relief**

Sandwell MBC has identified the businesses that are eligible for the 2023 SSB scheme. Ratepayers eligible for the scheme starting in the 2023/24 financial year have been awarded a reduction in line with the new scheme to help offset the increase in their business rates.

The amount of relief awarded under Supporting Small Business Relief scheme will be recalculated in the event of a change of circumstances, including changes such as a backdated change to the rateable value or the property or the award of another relief.

If you believe you meet the above criteria and are entitled to Supporting Small Business Relief but have not received an amended bill reflecting this reduction, please contact us at [www.sandwell.gov.uk/contactbusinessrates](http://www.sandwell.gov.uk/contactbusinessrates)