

# Supporting Small Business Relief

## Guidance Notes

The DCLG announced a new scheme in the Spring Budget to support ratepayers whose charge has increased significantly in 2017/18 after the revaluation. This scheme is called Supporting Small Businesses (SSB) Relief.

### Who will benefit from relief?

The SSB Relief will help those ratepayers 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 have faced large increases in their bills.

To support these ratepayers the SSB relief will ensure that the increase per year in the bills of these ratepayers is limited to the greater of:

a) A percentage increase p.a. of 5%, 7.5%, 10%, 15% and 15% 2017/18 to 2021/22 all plus inflation. Unlike the transitional relief scheme, for the first year of the scheme the percentage increase is taken against the bill for 31 March 2017 after small business rate relief or rural rate relief

or

b) A cash value of £600 per year (£50 per month). This cash minimum increase ensures that those ratepayers paying nothing or very small amounts in 2016/17 after small business rate relief are brought into paying something.

### To qualify:

- Must have been in receipt of Small Business Rate/Rural Rate Relief at 31 March 2017
- The daily charge for 1/4/17 (after transition) is more than daily rate for 31/3/17 + (£600/365).
- If the ratepayer was receiving Small Business Rate extension, due to taking on an additional property, they will be eligible for the remainder of the 12 month extension period.

In the first year of the scheme, this means all ratepayers losing some or all of their small business rate relief or rural rate relief will see the increase in their bill capped at £600. The cash minimum increase is £600 per year thereafter. This means that ratepayers who are currently paying nothing under small business rate relief and are losing all of their entitlement to relief (i.e. moving from £6,000 rateable value or less to more than £15,000) would under this scheme be paying £3,000 in year 5.

Ratepayers will remain in the SSB relief scheme for either 5 years or until they reach the bill they would have paid without the scheme. A change of ratepayers will not affect eligibility for SSB relief scheme but eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club.

In addition to this in the event of a change of circumstances, for example, a backdated change in rateable value the relief will be re-calculated.

Those on the SSB relief scheme whose 2017 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 SSB scheme.

### **Which properties will NOT benefit from relief?**

Properties eligible for charity or Community Amateur Sports Club relief or hereditaments which are unoccupied are NOT eligible for Supporting Small Businesses Relief.

### **State Aid**

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the SSB relief scheme will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (EU1407/2013).

The De Minimis Regulations allow an undertaking to receive up to 200,000 Euros 'de minimis' aid over a rolling three year period. If you are receiving, or have received, any 'de minimis' aid granted during the current or two previous financial years (from any source) you must declare to us details of any aid received.

Further information on State Aid law can be found at <https://www.gov.uk/state-aid>