Support for businesses and business rate relief 2020/21

The government has announced a number of changes to business rate relief both as a result of the budget and in order to assist with the effects of the current Coronavirus outbreak.

These frequently asked questions are designed to help businesses understand the effect of these announcements and how they will be applied to eligible ratepayers.

Expanded Retail Discount
The government announced that Retail Relief Discount would increase from 50% to 100% and to more areas of business for 2020/21.

To qualify for this relief, the premises must be occupied but will count as occupied if you would normally be open but have only chosen to close as a result of the current Coronavirus outbreak. The government guidance on the new scheme can be found here: https://www.gov.uk/government/publications/business-rates-retail-discount-guidance

If my business already receives 50% retail discount, will I need to apply for the new 100% rate relief?
No – if your existing bill for the 2020/21 financial year shows 50% retail discount then you do not need to take any action nor make any payment. Your bill will automatically be updated to show the 100% rate relief and will be reissued as soon as possible.

My business is classified as retail, leisure or in the hospitality sector but my 2020/21 bill does not show any retail discount, will I need to apply for the new 100% rate relief?
There are a number of reasons why your 2020/21 bill may not show retail relief. The original scheme was only available to businesses with a rateable value under £51,000 and to certain types of retail premises. The government has expanded the types of business which now qualify and lifted the £51,000 limit.

The council will endeavour to automatically identify your business as an eligible business for the enhanced relief and reissue your business rates bill as soon as we are able to. So you do not need to apply at this point.

However, this may not be possible in all instances so, if you believe that your business should qualify, but you do not receive a revised bill by the time your May instalment is due, please contact brates@wokingham.gov.uk.

During this time you should continue to pay your existing business rates bill for 2020/21. If you do subsequently qualify for increased assistance and have overpaid, these sums will be refunded to you. If you are struggling financially to make the payments, please contact brates@wokingham.gov.uk as soon as possible to discuss how we may be able to assist in this situation.

The types of businesses which do not qualify for the expanded scheme include:
I have more than one business premise. Can I have the retail relief on more than one property?
Yes, the new relief can be awarded for each eligible business property. The council will automatically identify each qualifying property.

Small Business Rate Relief and Grants
The government has announced that businesses eligible for small business rate relief will be able to apply for a grant of £10,000. There are two schemes which are outlined below:

Scheme 1 – Business Support Grants Fund
This scheme is the scheme originally announced in the budget on the 11th March, albeit the level of grant has now increased from the original £3,000 announced to £10,000.

All properties in receipt of rural rate relief or small business rates relief on 11th March, including those in receipt of tapered relief, will be eligible for a grant payment of £10,000.

Properties whose liability is calculated using the small business multiplier but not in receipt of small business rates relief will not qualify for this grant and neither will properties which are occupied for personal use, e.g. private stables, beach huts and moorings even if they are in receipt of relief.

Scheme 2 – Retail, Hospitality and Leisure Business Grants Fund
Announced by the Chancellor on 17 March the current proposal is that properties which would have qualified for retail discount on 11 March will be entitled to either, £10,000 where the Rateable Value is £15,000 or less or £25,000 where the Rateable Value is greater than £15,000 and less than £51,000.

I don’t receive small business rates relief or rural rate relief is this automatically applied if I am eligible?
If you have not previously received small business rates relief or rural rate relief please review the information on the following links and apply using the forms available, if appropriate:
To be eligible for small business rate relief you must have a rateable value of less than £15,000 and usually occupy only one property nationally.

**My business is not eligible for any of the new enhanced rate reliefs will my business rates bill be reissued anyway?**
No, your bill will remain the same and you must pay in the timeline already set out in your existing 2020/21 business rates bill. If you are struggling to make your payments please contact brates@wokingham.gov.uk as soon as possible to discuss this. If you fail to make the instalments detailed recovery action may be taken against you and this could mean that you incur additional costs.

**State aid information**
Many of the business rate reliefs will come under the rules regarding state aid. State aid law is the means by which the European Union regulates state funded support to businesses.

EC 1407/2013, the De Minimis regulations, allow an undertaking to receive up to €800,000 De Minimis aid over a rolling 3 year period, including aid received outside of business rates relief. Any De Minimis aid granted during the current or the two previous financial years must be declared. However, the government are working on obtaining approval from the EU to ignore the de minimus level for the expanded retail relief. We will update this information as and when we know more.

Further guidance on state aid can be found here: read guidance on state aid