



The Supporting Small Businesses Relief Scheme

The government has made funds available to local authorities to implement the supporting small businesses relief scheme, following the valuation office agency's 2017 revaluation of non-domestic properties.

This relief is intended to help those ratepayers who have lost some or all of their small business rate relief (SBRR) as a result of the increase in their business property's rateable value (RV) and have consequently had large increases in their 2017/18 business rates bills.

To support these ratepayers, the supporting small businesses relief scheme will ensure that the increase per year in the bills of these ratepayers is limited to the greater of either a percentage increase of 5%, 7.5%, 10%, 15% and 15% per year from 2017/18 to 2021/22 (all plus inflation), or an increase of £600 per year.

In the first year of the scheme, all ratepayers losing some or all of their SBRR will see a maximum increase in their bill of £600. The minimum increase will be £600 per year thereafter. This means that ratepayers who are currently paying nothing under SBRR and are losing all of their entitlement to relief (i.e. their property's RV increased from £6,000 or less to more than £15,000) would eventually pay £3,000pa after 5 years under the scheme.

Ratepayers will remain in the supporting small businesses relief scheme for either 5 years or until the annual incremental increase in business rates reaches the amount they would have paid without the scheme.

A change of ratepayers will not affect eligibility for the relief, 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 eligibility test for the relief scheme. However, ratepayers who lost entitlement to SBRR during 2016/17 because they failed the second property test but have been given a 12-month grace period before SBRR is withdrawn will not have it withdrawn earlier.

Those in the Supporting Small Businesses Relief scheme whose 2017 RV is £51,000 or more will not be liable to pay the supplement (1.3p) to fund SBRR while they are in the scheme.