

COVID 19 – BUSINESS RATES (ENGLAND) WHAT NEW RELIEFS FROM RATING ARE AVAILABLE FOR MY BUSINESS?

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BACKGROUND

On 17 March 2020 the Chancellor of the Exchequer announced measures to help businesses through the current crisis including increasing the amount businesses can borrow through the Coronavirus Business Interruption Loan Scheme to £5 million, with the first 6 months interest free.

RATING OF LEISURE AND HOSPITALITY BUSINESSES

A £20 billion package of business rates support and grant funding will help the most-affected firms manage their cash flow through this period. The business rates retail discount is increased to 100% for one year and applied to the leisure and hospitality sectors.

The following types of businesses in England will receive a 100% business rates holiday for the next 12 months. The government may add to this list in the coming weeks. Businesses that received the retail discount in 2019-20 will be rebilled by their local authority as soon as possible.

- Retail
- Hospitality
- Leisure
- Estate Agents
- Letting Agencies
- Bingo Halls

The package applies to occupied properties only. When an occupier shuts a unit, they will still need to demonstrate the unit is rateably occupied in order to qualify. Occupiers should consider leaving stock and other chattels in place to demonstrate rateable occupation.

Some of the original exclusions for this relief have been removed, so that retail, leisure, and hospitality properties that have closed as a result of the Covid-19 restriction measures will now be eligible for the relief.

The government has notified the EU and sought clearance to grant the 100% relief and be released from the state aid limits. If the EU provide clearance, the relief will become a 'notified state aid' and will not be subject to the usual state aid limits. Government guidance to billing (local) authorities states that they prepare to award the discount ignoring the current state aid limits (which indicates that the Government anticipate EU approval being granted). We await the EU's response but we consider it likely that approval will be granted

PUBS

The planned rates discount for pubs rises to £5,000.

SMALL BUSINESSES

Grants to small businesses eligible for Small Business Rate Relief rise from £3,000 to £10,000.

£25,000 grants will be made to retail, hospitality and leisure businesses operating from smaller premises, with a rateable value over £15,000 and below £51,000.

WHAT YOU MUST DO

There is no action for you. This will apply to your next council tax bill in April 2020. However, local authorities may have to reissue your bill automatically to exclude the business rate charge. They will do this as soon as possible.

MUST I PAY MY RATES IN THE MEANTIME?

If you have received a rates bill you should pay. If you wish to defer payment because you will be covered by the new relief speak to the billing (local) authority.

WHAT NEXT?

We will provide further updates as further guidance for billing (local) authorities on the application of the expanded retail discount is published and the EU's response to the government's application is announced.