

Joint Message from CIPFA and the IRRV

You will be aware, in light of the CV19 situation, the Chancellor has announced support for business both in the form of business rates reliefs and grants.

Work has been going on in the background around the eligibility criteria for these grants and guidance should be issued in the very near future.

As it currently stands there are two proposed schemes:

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 increased from £3,000 to £10,000

The current proposal is that 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 the 17th March the current proposal is that properties which would have qualified for retail discount on 11th March will be entitled to either, £10,000 where the RV is £15,000 or less or £25,000 where the RV is greater than £15,000 and less than £51,000.

The guidance will make clear the situation with regard retrospective changes both in terms of ratepayer changes and changes to the rating list. The expectation is that, subject to an exceptional discretion held by the local authority, subsequent retrospective changes will be ignored.

Government are not expecting local authorities to make payments to eligible businesses until such time they have received funding and they are hoping to have this in place early April using NNDR1 and VOA data.

The intention is that this will be followed by a data capture exercise to determine whether the initial award was sufficient to cover the amount of grant paid out with additional payments being made where required. There will then be a reconciliation process at some point in the future to ensure the amount of grant to local government matches the actual grant paid to business.

A new burdens assessment will be undertaken to compensate local authorities for the cost of administering these grants.

With guidance anticipated early next week, can I request that any questions are held until this is issued.