



Department for Levelling Up,  
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**1 November 2021**

**Chief Finance Officers of English Billing Authorities**

**FOR THE ATTENTION OF THE BUSINESS RATES SECTION**

Dear Chief Finance Officer

**Business Rates Information Letter (6/2021): Business Rates Relief 2022-23 and additional information**

This is the sixth business rates information letter to be issued by the Department for Levelling Up, Housing and Communities this year. Previous letters are available on the internet at:

<https://www.gov.uk/government/collections/business-rates-information-letters>

or for archived letters:

<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/>.

**This letter covers:**

- **Autumn Budget 2021 business rates measures**
- **Administration and communication of reliefs**
- **New Burdens**
- **Business rates review**

## **Autumn Budget 2021 business rates measures**

At the Budget on 27 October 2021, the Chancellor announced that the Government would provide a package of business rates measures to support businesses in England.

For 2022/23 the Chancellor set out:

- A new relief for eligible retail, hospitality and leisure properties with 50% relief on rates bills up to £110,000 per business
- A freezing of the multipliers at 49.9p (small business multiplier) and 51.2p (standard multiplier)
- The extension of the current Transitional Relief and Supporting Small Business schemes

The scope of the discount for 2022/23 will return to pre-Covid-19 eligibility for retail properties. Hospitality and leisure properties will continue to remain in scope. Further details on the eligibility for the scheme will be included in guidance.

## **Administration and communication of reliefs**

These changes will have effect for 2022/23. Local authorities will be expected to use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988 as amended) to grant the discount in line with the relevant eligibility criteria. Authorities will be compensated for the cost of granting the discount through a section 31 grant from Government. No new legislation will be required to deliver the scheme.

## **New Burdens**

The Department recognises that implementing these measures will place some additional burden on billing authorities and confirms that it will provide New Burdens funding to cover matters such as IT costs, additional staff costs.

In accordance with the New Burdens doctrine, the Department will conduct an assessment of the expected reasonable additional costs of new software and staffing and administration with relevant stakeholders.

## **Business rates review**

The final report for the Review of Business Rates was also published at the Budget. The Budget and the Review commits, in the longer term, to making improvements to the business rates system, including:

- More frequent revaluations, moving to a three yearly cycle starting from the next revaluation in 2023, with the following revaluation in 2026
- New changes to support delivery of the more frequent revaluations, including new duties on ratepayers to provide the VOA with information

- A new relief to support investments in property improvements
- New exemption and relief to support green technologies

A technical consultation will follow to support these changes. Further information on the review can be found at:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1028478/BRR\\_final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1028478/BRR_final.pdf)