



Department for Levelling Up,
Housing & Communities

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21 December 2022

Chief Finance Officers of English Billing Authorities

FOR THE ATTENTION OF THE BUSINESS RATES SECTION

Dear Chief Finance Officer

Business Rates Information Letter (7/2022): Business Rates guidance and general information

This is the seventh 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:

- **2023/24 Retail, Hospitality and Leisure (RHL) rate relief scheme guidance**
- **2023 Supporting Small Business (SSB) relief scheme guidance**
- **Publication of data on the CARF & RHL schemes**
- **2023 Transitional Relief regulations**
- **New burdens**

2023/24 Retail, Hospitality and Leisure (RHL) relief scheme guidance

At Autumn Statement 2022 the Chancellor announced a new business rates relief scheme for retail, hospitality, and leisure properties, worth an estimated £2.1 billion in 2023-24.

The 2023/24 Retail, Hospitality and Leisure (RHL) relief scheme will provide eligible, occupied, retail, hospitality, and leisure properties with 75% relief, up to a cash cap of £110,000 per business.

Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England. Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps.

The RHL relief scheme guidance provides local authorities with information about the intended operation and delivery of the policy.

The Government anticipates that local authorities will include details of the relief to be provided to eligible ratepayers for 2023/24 in their bills for the beginning of the 2023/24 billing cycle. The Government has published guidance setting out the eligibility criteria for the scheme. This guidance can be found at: <https://www.gov.uk/government/publications/business-rates-relief-202324-retail-hospitality-and-leisure-scheme-local-authority-guidance>

2023/24 Supporting Small Business (SSB) relief scheme guidance

At Autumn Statement 2022 the Chancellor also announced that a new Supporting Small Business (SSB) relief scheme which will cap bill increases at £600 per year for any business losing eligibility for Small Business Rate Relief or Rural Rate Relief at the 2023 revaluation. The scheme also provides support for those previously eligible for the 2022/23 SSB scheme and facing large increases in 2023/24 but in those cases for one further year only.

The Government anticipates that local authorities will include details of the relief to be provided to eligible ratepayers for 2023/24 in their bills for the beginning of the 2023/24 billing cycle. The Government has published guidance setting out the eligibility criteria for the scheme. This guidance can be found at: <https://www.gov.uk/government/publications/business-rates-relief-2023-supporting-small-business-relief-local-authority-guidance>

Publication of data on the CARF & 2022/23 RHL schemes

We are grateful for the work of local authorities in collating and returning data for the Covid-19 Additional Relief Fund (CARF) and 2022/23 Retail, Hospitality and Leisure (RHL) scheme DELTA collection. The DELTA collection has now ended, and the Department will therefore no longer require authorities to provide this information. Local authorities should, however, continue to provide information as part of the usual NNDR process.

Data for the CARF and the 2022/23 RHL scheme has now been published for the months of July, August and September. The below link contains the published data for the CARF and RHL scheme:

<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-distribution-data>

2023 Transitional Relief regulations

The regulations to implement the Transitional Relief scheme for the 2023 revaluation have been debated and approved by both Houses of Parliament, and will come into force on 22nd December. The structure and format of the Transitional Relief scheme only differs from the 2017 scheme in that there is no downward transition and, of course, the caps are different.

The draft regulations can be found [here](#) and the relevant Explanatory Memorandum [here](#). To satisfy the legal requirement for the regulations to also fund transitional relief, the regulations include in 2027/28 a supplement of 3.3p payable on all relevant hereditaments. As noted in the Explanatory Memorandum however, the government has announced its intention to bring forward the next revaluation to 1st April 2026 and also remove the requirement for funding transitional relief. Subject to the introduction and passage of such legislation, the government will remove from the regulations the supplement in 2027/28 and fund this scheme from the Exchequer.

New Burdens

With thanks to those local authorities who responded to requests for evidence on the additional costs of implementing the following schemes:

- Extended Retail Discount 2021-22
- Retail, Hospitality and Leisure 2022-23
- Covid-19 Additional Relief Fund
- Nursery Discount 2021-22
- Public Toilets
- Supporting Small Business 2022-23
- Transitional Relief 2022-23

We are currently analysing the evidence provided and, subject to that analysis, we will advise and make payments to local authorities in the New Year.