

RATING CLIENT UPDATE

AUTUMN 2021 Budget Special

I'm sure you will have read or scanned news releases on the announcements made recently by the Chancellor of the Exchequer, Rishi Sunak. This Autumn Budget also coincided with the release of the long-awaited 'Business Rates Review' report by HM Treasury.

Rather than issuing a general missive, I've waited for the post-Budget publication of the Business Rates Information Letter. And instead of information overload, I've opted to reflect a quote by Albert Einstein... 'Everything should be made as simple as possible, but not simpler.'

This edition is an important one to read; as ever, the BGL Rating Team can answer any questions you might have on this property tax, existing actions and new potential rates savings angles.



James Knott
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IN THIS UPDATE

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- ▶ Autumn Budget: Business rates measures
- ▶ The Government's 'Business Rates Review'
- ▶ Forms of Return issued by the VOA
- ▶ Update on the legislation to remove MCC Covid-19 actions

▶ 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 the 2022/23 rate year, the Chancellor set out:

- A new relief of 50% on rates bills for eligible retail, hospitality and leisure properties, subject to a cap of £110,000 per business
- No inflation-linked increase - this freezes 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, to stop any affected ratepayers from receiving a significant increase in liability in 2022/23.

NB - 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, with the details on eligibility published in due course.



▶ **Government's 'Business Rates Review' – a summary**

The final report for the Business Rates Review was also published at the Budget. This long awaited report confirms the Government is committed to keeping the existing business rates system; however, the Review commits, in the longer term, to making 'improvements', which include:

- More frequent revaluations, moving to a three-yearly cycle starting from the next rating revaluation in April 2023
- A new relief extending over 12 months to support investments in property innovation and improvements
- New exemption and relief arrangements to support green technologies
- New changes to support delivery of the more frequent revaluations, including new duties on ratepayers to provide the Valuation Office Agency (VOA) with property and lease information – *we will go into greater depth on the nature of new requirements for ratepayers in a future update.*



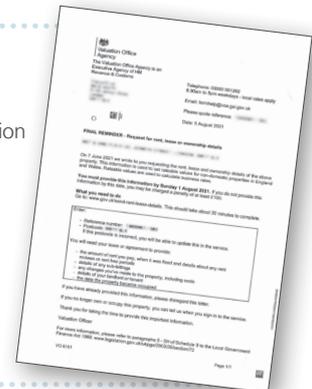
A link to the full report is included below:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1028478/BRR_final.pdf

▶ **Forms of Return issued by the VOA**

Valuation Officers are under pressure to gather rental evidence around 1 April 2021, as this is the valuation date (AVD) for the 2023 Rating Revaluation. Not surprisingly, many ratepayers and property owners are receiving Online Forms of Return, which require recipients to provide lease and rental information.

The information provided and way in which these questions are answered can impact on your current and future rate liability: given the importance of these forms, we recommend that you let us complete the process – it involves a nominal fee to cover our time, offers you peace of mind and saves your time.



▶ **Update on the legislation to remove MCC Covid-19 actions**

For most clients that didn't qualify for the rates relief via the Expanded Retail Discount scheme years we made MCC Covid-19 Check submissions, to reflect the impact of the pandemic on the property market.

As you may recall, the Government decided to legislate to stop this process; at the same time they promoted a £1.5bn fund as a fairer way to assist businesses impacted by the lockdowns, which would be made available once the relevant legislation received Royal Assent.

The Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill's first reading took place on 10 September 2021, signalling the start of the Bill's journey through Parliament. The second reading – the general debate on all aspects of the Bill – took place in Grand Committee on 19 October and then formally in the House of Lords chamber on 21 October.

It is likely that the Bill will receive Royal Assent at the turn of the year.

We will notify clients on the progress of the Bill and provide guidance on making an application from the Fund once the legislation is passed.

As ever, should you require more insight on any of the subjects covered in this update or if have any specific questions about this property tax (past, present or future), please feel free to get in contact with us.

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