

*** FOR BERR & RDA USE ONLY ***

BERR REFERENCE NO: *[Insert Reference]*

RDA REFERENCE NO: *[Insert Reference]*

Last Updated: 08 April 2008

Version No: 1

Summary Of Business Support Measure:

The Government announced on Tuesday 31 March that it will bring forward regulations to enable businesses to defer payment of 60% of the increase in their 2009-10 business rate bills until 2010-11 and 2011-12.

This is to give businesses the flexibility to help them manage their rates bills in the current economic climate.

Summary of changes (for new version only):

N/A

What business issue(s) does this measure address:

The effect is to provide a smoother profile of business rates payments over the next three years. RPI is widely forecast to be negative later this year, which would have a downward pressure on 2010/11 bills. This scheme offers businesses the chance to pay a lower increase in 2009/10, and make up the payments in the following two years.

What are the key features of this measure:

Government will allow business rate payers to defer payment of 60% of the increase in their 2009-10 rates bills until 2010-11 and 2011-12.

The deferred liability will be repaid over two years. Businesses will pay 50% of the deferred amount in 2010-11 and the other 50% in 2011-12.

Who is eligible? Who will most benefit from this measure?

Businesses and other organisations that pay business rates in England.

When will the measure be available/ implemented?

Once the regulations are in place – which we expect to be by the end of July - local authorities will write to rate payers, offering them the option of deferring part of the increase. This is likely to be in the summer. There is no need for businesses to contact anyone at this stage.

Does this measure form part of the Solutions for Business product portfolio?

No

Is this measure related to other publicly funded business support packages? If so, how does it fit in with other measures:

No

What are the anticipated costs and benefits of taking up this support?

A business paying a rates bill on a fairly typical property seeing a £600 rise in its 2009/10 rates liability, would be able to defer £360 of that increase to future years.

How do businesses apply for the support offered by this measure?

Businesses are not required to apply at this stage. Billing authorities will write to all businesses offering them the option to defer payments once the necessary regulations have been made. We expect the regulations will be in place before the end of July. In the meantime, you must keep paying your business rates as normal.

Is there a deadline for receipt of applications (if applicable)?

This is to be advised by the Local Authorities – the information is not available as yet.

Where can businesses find further information?

Government will make further announcements when the regulations are in place. In the meantime, further information is available from:

Business Link, online at: www.businesslink.gov.uk/businessrates or
by phone on: 0845 600 9 006

Or DCLG helpline 0207 944 4400

Where can advisers find further information?

Government will make further announcements when the regulations are in place and will issue an updated briefing and Q&A when appropriate. In the meantime, further information is available from:

The Communities and Local Government's website at: www.communities.gov.uk/businessrates
or DCLG helpline 0207 944 4400.

To whom should queries or feedback about the measure be directed?

As support is delivered at a Local Government level in England only, direct contact with DCLG by RDAs or devolved administrations is not expected. Any additional questions should be directed through the appropriate Local Authority.

To whom should press enquiries be directed?

The Treasury Press Office on 020 7270 5238.