



MONTAGU EVANS TALKS...

BUDGET 2021 - ROCKY ROAD TO RECOVERY

BY JOSH MYERSON

The Chancellor today tabled his budget for recovery and, as anticipated, there was some relief for business ratepayers.

Treasury's focus remains on helping those occupiers who are considered to have been most impacted by the lockdown restrictions and it is therefore not surprising to see the Expanded Retail Discount continued beyond 31st March 2021. However, the relatively limited scope and duration of that extension may come as a surprise to some.

Grants and government-backed loans will continue to feature prominently in the Treasury's arsenal to support economic recovery.

There was no mention of a move towards an online sales tax or differential multipliers, both of which have been suggested as tools to help level the playing field between the high street and online retail. And for the time being we must assume that the 2023 Revaluation will go ahead as planned, with a valuation date of 1st April 2021.

RELIEFS

Expanded Retail Discount

The ERD, which has provided 100% relief to occupied properties within the Retail, Leisure and Hospitality Sectors since April 2020, will continue beyond the end of March but in a more limited fashion:

- 100% business rates relief from 1 April 2021 to 30 June 2021.
- 66% business rates relief for the period from 1 July 2021 to 31 March 2022, capped at £2 million per business (or £105,000 per business that was able to remain open on 5th January 2021).

THE MULTIPLIER

The government has maintained its freeze on the national multiplier at 51.2p (49.9p for small properties).

GRANTS

Restart Grants

Restart Grants in England of up to £6,000 per premises for non-essential retail businesses and up to £18,000 per premises for hospitality and other sectors that are opening later; and an additional £425 million of discretionary business grant funding for local authorities to distribute.

Airport Grants

This will provide support for eligible businesses in England up to the equivalent of half of their business rates liabilities during 2021-22, subject to certain conditions and a cap per claimant of £4 million.

FREEPORTS

The government's new Freeports will benefit from business rates relief measures. Relief will be available to all new businesses, and certain existing businesses where they expand, until 30 September 2026. Relief will apply for five years from the point at which each beneficiary first receives relief.

OTHER MEASURES

HMRC will receive funding to carry out initial design and development of Digitalising Business Rates to help modernise the business rates system in England and support more effective analysis and oversight of the collection of the tax.

TALK TO ONE OF THE TEAM



JOSH MYERSON
IS A HEAD OF RATING

T 020 7312 7511
E josh.myerson@montagu-evans.co.uk

SUBSCRIBE
TO READ
MORE