

# Gloucester City Council

## Retail, Hospitality & Leisure Business Rates Relief Scheme 2022-23

### **Background**

Since 2019/20 the government has provided a Business Rates Retail Discount for retail properties, which in 2020/21 expanded to include the leisure and hospitality sectors.

At the Budget on 27 October 2021, the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties in 2022/23, to further support the high streets and town centres.

The 2022/23 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality and leisure properties with 50% relief (from the chargeable business rates amount), up to a cash cap limit of £110,000 per business. For the avoidance of doubt ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,00 cash cap, per business.

There is an expectation from the government that local authorities will include details of the relief to be provided to eligible ratepayers for 2022/23 in their bills for the beginning of the 2022/23 billing cycle.

Gloucester City Council will be administering the scheme in accordance with Government guidelines – a full copy of which can be found at:

[2022/23 Retail, Hospitality and Leisure Relief Scheme: local authority guidance - GOV.UK](https://www.gov.uk/government/guidance/2022-23-retail-hospitality-and-leisure-relief-scheme-local-authority-guidance)  
([www.gov.uk](https://www.gov.uk))

### **Legal Provision**

Section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act 2011) gives discretionary powers to Local Authorities to grant relief to reduce business rates bills. The cost of relief to the Local Authority can be recovered from the Government by way of grant under section 31 of the Local Government Act 2003.

To access the funding, the Local Authority is required to establish a discretionary scheme for administering the relief under Section 47.

## **Eligibility Criteria**

Hereditaments that meet the eligibility for Retail, Hospitality and Leisure Business Rates Relief scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:

a. they are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues,
- for assembly and leisure; or
- as hotels, guest & boarding premises and self-catering accommodation,

We consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

### **Hereditaments that are being used for the sale of goods to visiting members of the public:**

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)
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### **Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Tool hire
- Car hire

**Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:**

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

**Hereditaments which are being used as cinemas**

**Hereditaments that are being used as live music venues:**

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).

We consider assembly and leisure to mean:

**Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).**

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

**Hereditaments that are being used for the assembly of visiting members of the public.**

- Public halls
- Clubhouses, clubs and institutions

We consider hotels, guest & boarding premises and self-catering accommodation to mean:

**Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:**

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

To qualify for the discount the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

The preceding lists are not exhaustive as it is impossible to list the many varied retail uses in existence, but is a guide and any retail business considered by Gloucester City Council as broadly similar in nature to those listed above will be considered as eligible for the Retail, Hospitality and Leisure Business Rate Relief scheme.

**Ineligibility Criteria**

Hereditaments where the ratepayer has refused the relief are outside of the scheme and outside of the scope of the decision of which hereditaments qualify for the discount and are therefore ineligible for the relief.

The Government has given a list of types of uses that it does not consider to be retail and thus, these properties will not benefit from the retail discount relief

**i) Hereditaments that are being used for the provision of the following services to visiting members of the public:**

- Financial services (e.g. banks, building societies, cash points, bureaux de change, short term loan providers, betting shops)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents, financial advisors, employment agencies, letting agents, estate agents)
- Post office sorting offices

The list of ineligible properties is also not exhaustive and Gloucester City Council will consider any properties offering services broadly similar to those listed above to be not eligible for retail discount relief.

**ii) Hereditaments that are not reasonably accessible to visiting members of the public**

## **Retail, Hospitality and Leisure Business Rate Relief Scheme 2022/23**

The Business Rates Relief scheme for Retail, Hospitality and Leisure is effective from 01 April 2022.

Businesses that meet the eligibility criteria will automatically be awarded the Retail, Hospitality and Leisure relief AFTER mandatory reliefs and other discretionary reliefs have been applied to the account

### **Eligibility for the Closed Cash Cap**

Relief will be provided to eligible occupied retail, hospitality and leisure properties in 2022/23.

Eligible businesses will be advised of the cash cap conditions, namely:

- A ratepayer may only claim up to £110,000 of support under the 2022/23 Retail, Hospitality and Leisure relief scheme, in total, for all of their eligible hereditaments
- The cash cap applies at a Group company level (so holding companies and subsidiaries cannot claim up to the cash cap for each company)
- The Retail Hospitality and Leisure Relief Scheme is subject to the subsidies chapter within the UK-EU Trade and Cooperation Agreement (TCA). The subsidies chapter within the TCA applies to subsidies over the value of approximately £343,000 per beneficiary over a 3 year period (to include current financial year and the two previous financial years) – Small Amounts of Financial Assistance. Expanded retail discounts granted in 2020/21 or 2021/22 do not count towards this limit, however, covid business grants received from local government and any other subsidy claimed under the Small Amounts of Financial Assistance limit over the 3 year period should be counted. Therefore to claim the Retail, Hospitality and Leisure relief a business must not have exceeded either the £110,000 cash cap for 2022/23 OR the Small Amounts of Financial Assistance limit of £343,000 over 3 years (including 2022/23).

It will be expected that businesses who receive a Retail Discount Relief and are aware that they are in excess of the Cash Cap Rules will inform the council as soon as possible.

### **Application Process and Administration**

Civica Revenues and Benefits on behalf of Gloucester City Council will identify qualifying businesses using the criteria as set out above. Where there is a clear eligibility to Retail, Hospitality and Leisure Relief it will applied to eligible business's rates bill.

## **Review of Decision / Appeals**

Should there be any dispute over eligibility then an appeal can be made to the Section 151 Officer at Gloucester City Council. The appealing business must clearly outline their reasons for the appeal and supply any documentation in support of their appeal.

The decision on eligibility and Retail Discount Relief will be made by the Section 151 officer within 14 days of any appeal and the business will be notified in writing of the decision.