

<b>Report to:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>6 March 2024</b>
<b>Subject:</b>	<b>Business Rates – Retail, Hospitality and Leisure Relief Scheme 2024-25</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>Yes</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>Appendix A – Retail, Hospitality and Leisure Business Rates Relief Scheme 2024-25</b>		
	<b>Appendix B – Business Rates Relief: 2024-25 Retail, Hospitality and Leisure Scheme government guidance</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 The Government announced in the Autumn 2023 statement it will extend the business rates relief scheme for retail, hospitality, and leisure properties into 2024/25.

This report proposes a retail, hospitality, and leisure business rates relief scheme, in line with guidance published by the government setting out the eligibility criteria for the scheme.

### 2.0 Recommendations

**CABINET** is asked to **RESOLVE**;

- that the Retail, Hospitality and Leisure Business Rates Relief Scheme 2024-25 (Appendix A) be the approved scheme for Gloucester City for 2024-25

### 3.0 Background and Key Issues

- 3.1 In the Autumn 2023 statement the Chancellor announced the extension of the business rates relief scheme for retail, hospitality, and leisure properties. Local

authorities are expected to use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It is for each individual billing authority to adopt a local scheme and to grant retail, hospitality and leisure relief having regard to government guidance. The relief will support the businesses that make our high streets and town centres a success and to help them evolve and adapt to changing consumer demands. For the 2024/25 year:

- The business rate relief scheme will award 75% relief to eligible occupied retail, hospitality, and leisure properties, up to a cash cap limit of £110,000 per business.
- Businesses may choose to opt out of support by providing billing authorities with notification of their request to refuse support, per eligible hereditament.

3.2 The Government is not changing the legislation around reliefs available to properties – this measure is temporary for 2024-25 only.

3.3 Cabinet is being asked to approve a local scheme for business rates retail, hospitality and leisure relief as detailed in appendix A.

3.4 The Government will reimburse the Council for business rates retail, hospitality and leisure reliefs granted under the local scheme for each property awarded the discount in 2024-25. Mandatory reliefs will be applied first.

#### **4.0 PROGRESS**

4.1 The Retail, Hospitality and Leisure Business Rates Relief Scheme proposes discounts of 75% for qualifying occupied retail, hospitality, and leisure properties.

4.2 Some businesses will already have their business rates bill reduced. Retail, Hospitality and Leisure reliefs will be applied after mandatory reliefs and Section 31 funded discretionary reliefs have been applied

4.3 The full eligibility criteria and arrangements for administering the scheme are detailed in appendix A.

4.4 Gloucester City Council's Revenues Service will administer the retail discount. The government expects billing authorities to apply and grant relief to qualifying ratepayers from the start of the 2024/25 billing year. Therefore, the annual billing process will see qualifying ratepayers on 31 March 2024 automatically awarded relief for the 2024/25 tax year subject to the cash cap and Subsidy Control. Ratepayers will be asked to self-assess and inform the council if there is doubt over eligibility and/or their cash cap limit.

4.5 Should there be any dispute over eligibility then an appeal can be made, and considered by the Section 151 Officer

#### **5.0 Reasons for Recommendations**

5.1 The 2024-25 Retail, Hospitality and Leisure Business Rates Relief scheme is part of the Governments wider support for businesses.

#### **6.0 Future Work and Conclusions**

6.1 The impact of these changes will be monitored

## **7.0 Financial Implications**

7.1 The full cost of granting Retail, Hospitality and Leisure Business Rates relief will be met by Central Government and will be reclaimed by the local authority via the usual standard process.

(Financial Services were consulted in the preparation of this report)

## **8.0 Legal Implications**

8.1 As mentioned in the body of the report, the Chancellor announced the extension of the business rates relief scheme for retail, hospitality, and leisure properties. Eligible ratepayers will receive 75% relief on their business rates bills for the year 2024/ 25 up to a maximum cap of £110,000.

8.2 The power to apply the relief was delegated to local authorities (billing authorities) for them to determine the relief policy. This will be administered under [Section 47 of the Local Government Finance Act 1988](#) (as amended by the Localism Act 2011).

8.3 Providing the billing authority's scheme is compliant with the Governments eligibility criteria, it will be compensated for any loss of income it incurs by means of grant payments under [section 31 of the Local Government Act 2003](#).

8.3 The Retail, Hospitality and Leisure Business Rates scheme is likely to amount to a subsidy under the provisions of the Subsidy Control Act 2022. The policy therefore contains provisions to ensure that the total amount of relief to ratepayers does not exceed the Minimal Financial Assistance limits set out in the Act.

(One Legal were consulted in the preparation of this report)

## **9.0 Risk & Opportunity Management Implications**

9.1 There are no risks associated as the scheme has full backing and funding from Central Government.

There are potentially positive impacts from the introduction of the scheme. Eligible local businesses such as shops, restaurants, cafes, cinemas, live music venues, drinking establishments, leisure and hospitality businesses will see their business rates bills reduced by 75%, up to a cash cap limit of £110,000 per business.

## **10.0 People Impact Assessment (PIA):**

10.1 None

## **11.0 Other Corporate Implications**

11.1 Not applicable.

Sustainability

11.2 Not applicable

Staffing & Trade Union

11.3 Not applicable

**Background Documents:**

[Local Government Finance Act 1988 \(S47\)](#)

[Local Government Act 2003 \(S31\)](#)