

**Cabinet**  
**18<sup>th</sup> March 2024**

**BUSINESS RATES – RETAIL, LEISURE AND HOSPITALITY  
RATES RELIEF SCHEME 2024/25**

**Purpose:**

To consider the adoption of a rate relief scheme being made available to billing authorities by Welsh Government for 2024/25

**Recommendations / key decisions required:**

It is recommended that the 2024/25 Retail Leisure and Hospitality Rates Relief scheme outlined in this report be adopted by Cabinet.

**Reasons:**

The proposed scheme will reduce the 2024/25 business rates liability for qualifying businesses, at no cost to the Authority.

Cabinet Decision Required                      YES – 18<sup>th</sup> MARCH 2024

Council Decision Required                      NO

CABINET MEMBER PORTFOLIO HOLDER Cllr. Alun Lenny - Resources

Directorate: Corporate Services	Designations: Head of Revenues and Financial Compliance	Email addresses: <a href="mailto:HLPugh@carmarthenshire.gov.uk">HLPugh@carmarthenshire.gov.uk</a>
Name of Head of Service: Helen Pugh	Revenue Services Manager	AnThomas@carmarthenshire.gov.uk
Report Author: Ann Thomas		

**EXECUTIVE SUMMARY**  
**CABINET**  
**18<sup>TH</sup> MARCH 2024**

**Business Rates – Retail, Leisure and Hospitality Rates Relief Scheme  
2024/25**

**1. Background**

- 1.1. In 2017/18 Welsh Government introduced a “High Street Rate Relief scheme” for eligible businesses and the scheme continued for 2018/19, and every year since then.
- 1.2. Unlike previous years, the 2019-20 scheme was not limited to high street premises but included all properties within Wales meeting the wider retail criteria.
- 1.3. In response to the Coronavirus emergency in 2020/21 Welsh Government announced that it would introduce the Retail, Leisure and Hospitality Rates Relief scheme to increase the discount to 100%, This scheme also applied in 2021/22 and in addition to retail sector, extend it to include leisure and hospitality sectors for example shops, pubs and restaurants, gyms, performance venues and hotels across Wales.
- 1.4. However, the scheme for 2022/23, unlike the previous 2 years provided support for eligible occupied properties by offering a discount of 50% on non-domestic rates bills for 2022/23, and the scheme for 2023/24 offered a discount of 75% for eligible occupied properties.
- 1.5. Welsh Government has recently confirmed it will provide grant funding to all 22 local authorities in Wales to provide the Retail, Leisure and Hospitality Rates Relief scheme to eligible businesses for 2024-25.
- 1.6. However, for 2024/25 the scheme will provide a discount of 40% for eligible occupied properties.
- 1.7. The scheme will apply to all eligible businesses; however, the relief will be subject to a cap in the amount each business can claim across Wales. The total amount of relief available is £110,000 across all properties occupied by the same business.
- 1.8. Welsh Government has indicated the types of business that they consider appropriate for this relief, and those which are not. The non-exhaustive list of business types is given in **Appendix A**
- 1.9. This is a temporary measure which means Welsh Government is not making any legislative changes but instead will allow billing authorities to grant relief under the general discretionary relief powers available under section 47 of the Local Government (Finance) Act 1988. However, being a discretionary power, it is necessary for the Local Authority to formally adopt the scheme.
- 1.10. The scheme is fully funded and therefore at no cost to the authority provided relief is granted in accordance with the Welsh Government guidelines.

## **2. Retail, Leisure and Hospitality Rates Relief scheme 2024/25**

- 2.1. The Welsh Government will provide grant funding to the 22 local authorities in Wales to provide the Retail, Leisure and Hospitality Rates Relief scheme to eligible ratepayers for 2024-25.
- 2.2. The scheme aims to provide support for eligible occupied properties by offering a discount of 40% on the non domestic rates bill for a property, to all eligible premises.
- 2.3. The scheme will apply to all eligible businesses, however, the relief will be subject to a cap in the amount each business can claim across Wales. The total amount of relief available is £110,000 across all properties occupied by the same business.
- 2.4. All businesses are required to make an application for the relief and a declaration that the amount of relief they are seeking across Wales does not exceed this cap, when applying to individual local authorities.
- 2.5. If, for any reason, an authority is unable to provide this relief to eligible businesses from 1 April 2024, consideration should be given to notifying eligible businesses that they qualify for the relief and that their bills will be recalculated.

## **3. Other Factors**

- 3.1. The scheme guidelines also confirm that there are a number of further types of hereditaments which the Welsh Government believes should not be eligible for relief:
  - i. Hereditaments with the types of uses that the Welsh Government does not consider to be retail, leisure or hospitality use for the purpose of this relief
  - ii. Not reasonably accessible to visiting members of the public
  - iii. Hereditaments that are not occupied
  - iv. Hereditaments that are owned, rented or managed by a local authorityThe list is shown at **Appendix A**
- 3.2. As the granting of relief is discretionary, authorities may choose not to grant the relief if they consider that it would go against the authority's wider objectives for the local area.
- 3.3. Qualifying properties must be occupied and used *wholly or mainly* for the qualifying purpose, it is therefore a test on use rather than occupation.
- 3.4. Relief will be granted to each eligible business as a reduction to its rates bill, based on occupation between 1.4.24 and 31.3.25.
- 3.5. Ratepayers who occupy more than one property will be entitled to Relief for each of their eligible properties up to a cap of £110 000 across all properties occupied by the same business across Wales.
- 3.6. Retail, leisure and hospitality properties which are excluded from Small Business Rates Relief due to the multiple occupation rule are eligible for this relief scheme, subject to the cap being applied.

- 3.7. In instances where the local authority is notified retrospectively of change of occupier, if it is clear that the ratepayer was in occupation on or after 1.4.23, the local authority may use its discretion in awarding relief.
- 3.8. Empty properties becoming occupied after 1.4.24 will qualify for this relief from the time of occupation.
- 3.9. If there is a change in occupier part way through the financial year, after relief has already been awarded to the hereditament, the new occupier will qualify for the relief on a pro-rata basis if they operate in the retail, leisure or hospitality sectors.
- 3.10. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use should be considered afresh for the discount on that day.
- 3.11. Hereditaments which closed temporarily due to the government's advice on Covid-19 should be treated as occupied for the purposes of this relief.
- 3.12. A business with a single property with a remaining liability (after reliefs) greater than £275,000 can use the entire allocation of relief. No other properties owned by that business will be eligible for the scheme.
- 3.13. The total amount of government funded relief available for each property under the scheme for 2024-25 is 40% of the remaining bill, after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, excluding those where local authorities have used their wider discretionary relief powers, introduced by the Localism Act 2011 which are not funded by section 31 grants. Retail, Leisure and Hospitality Rates Relief should be applied against the net bill after other reliefs have been applied.
- 3.14. As of 4<sup>th</sup> January 2023, the new UK subsidy control regime commenced with the coming into force of the Subsidy Control Act 2022. The Retail Leisure and Hospitality Rates Relief Scheme is likely to be a subsidy under the new regime. Any relief provided by local authorities under this scheme will need to comply with the UK's domestic and international subsidy control obligations.
- 3.15. No ratepayer can exceed the £110,000 cash cap across all of their hereditaments in Wales. Where the ratepayer has a qualifying connection with another ratepayer they will be considered as one ratepayer for the purpose of the cash caps.
- 3.16. To the extent that a local authority is seeking to provide relief that falls below the Minimal Financial Assistance (MFA) thresholds, the Subsidy Control Act 2022 allows a holding company and its subsidiaries to receive up to £315,000 in a 3 year period (consisting of 24/25 and two previous financial years).
- 3.17. Local Authorities in Wales are required to ask the ratepayer, on a self-assessment basis, to declare as part of the application for relief that they are not in breach of the cash cap or MFA limit.

#### **4. Scheme Adoption**

4.1. As this is a temporary measure Welsh Government are providing the relief by reimbursing local authorities that use their discretionary powers under Section 47 of the Local Government Finance Act 1988, it is appropriate for the Council to formally adopt the scheme.

It is therefore recommended that:

- a) The Retail Leisure and Hospitality Rates Relief Scheme 2024/25 be adopted for 2024/25
- b) Relief be granted in accordance with the Welsh Government guidelines
- c) Applications that are not specifically covered by the guidelines or otherwise require specific consideration, to be determined by the Cabinet Member for Resources

<b>DETAILED REPORT ATTACHED?</b>	<b>NO</b>
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# IMPLICATIONS

**ALL IMPLICATIONS REQUIRE SIGN OFF BY THE DIRECTOR OR HEAD OF SERVICE**

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Chris Moore

Director of Corporate Services

Policy, Crime & Disorder & Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets	Bio-diversity & Climate Change
NONE	YES	YES	NONE	NONE	NONE	NONE	NONE

## 1. Legal

The decision on whether or not to adopt this scheme is a Cabinet function.

## 2. Finance

The relief granted under the scheme is fully funded, provided Welsh Government guidelines in terms of qualifying ratepayers, are adhered to.

# CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below:

Signed

Chris Moore

Director of Corporate Services

(Please specify the outcomes of consultations undertaken where they arise against the following headings)

<b>1. Scrutiny Committee request for pre-determination</b>	NA
<b>Scrutiny Committee</b>	N/A
<b>Date the report was considered:-</b>	N/A
<b>Scrutiny Committee Outcome/Recommendations:-</b> N/A	

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

<b>CABINET MEMBER PORTFOLIO HOLDER AWARE/CONSULTED</b>	<b>Include any observations here</b>
YES	

Section 100D Local Government Act, 1972 – Access to Information  
List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
<b>Non-Domestic Rates – Retail, Leisure and Hospitality Rates Relief Scheme 2024/25</b>	<b>internet</b>	<a href="#">Non-Domestic Rates – Retail, Leisure and Hospitality Rates Relief 2024-25   Business Wales (gov.wales)</a>