



## CABINET– 6<sup>TH</sup> MARCH 2024

**SUBJECT: WELSH GOVERNMENT RETAIL, LEISURE AND HOSPITALITY RATE RELIEF SCHEME 2024/2025**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES**

### 1. PURPOSE OF REPORT

- 1.1 The Welsh Government (WG) has announced a new temporary business rate relief scheme, the 'Retail, Leisure and Hospitality Rate Relief Scheme' for the financial year 2024/25 only.
- 1.2 Relief granted by the Authority under this new scheme is to be reimbursed by WG by way of a specific cash-limited grant but, before any relief is awarded, the Authority must consider and adopt the new scheme.
- 1.3 This report recommends that the Council endorses the new relief scheme in accordance with the WG guidance set out on the WG website: [Non-Domestic Rates – Retail, Leisure and Hospitality Rates Relief 2024-25 | Business Wales \(gov.wales\)](#)

### 2. SUMMARY

- 2.1 The report provides details of the new 'Retail, Leisure and Hospitality Rate Relief Scheme' offered by WG for 2024/25 only.
- 2.2 Adoption of the new scheme as set out on the WG website is obligatory because WG has prescribed the details for the scheme. The Authority must formally adopt the new scheme set out in the WG guidance on the WG website to obtain the WG grant funding.

### 3. RECOMMENDATIONS

- 3.1 Cabinet is asked to:
  - 3.1.1 Endorse the 'Retail, Leisure and Hospitality Rate Relief Scheme 2024-25' (the 2024/25 Scheme), in accordance with the WG guidance on the WG website and the provisions of section 47(1) (a) and section 47(3) of the Local Government Finance Act 1988.
  - 3.1.2 Note that the Head of Financial Services and S151 Officer will use delegated powers to award the relief.

- 3.1.3 Support the proposal set out in paragraph 5.8 that in order to assist ratepayers and minimise administration costs for the Authority, it is proposed that the declaration process will involve each eligible business completing and submitting an online form via the Council's website, with the Council's Business Rates Team aiming to process all declaration forms received as quickly as possible and issue amended bills to eligible ratepayers in accordance with the WG guidance.
- 3.1.4 Note that Officers of the Authority will make the business community aware of the 2024/25 Scheme through its usual channels, including its website and social media.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To ensure that the Authority complies with the grant conditions to obtain and fully utilise the grant funding in respect of any rate relief awarded under the WG Scheme as detailed in the guidance set out on the WG website.

#### **5. THE REPORT**

- 5.1 WG has announced the 'Retail, Leisure and Hospitality Rate Relief Scheme 2024/25' (the 2024/25 Scheme). It is intended that the relief under the 2024/25 Scheme will be made available subject to the Authority adopting the new Scheme as set out in the guidance on the WG website and accepting the grant offer.
- 5.2 WG has made a guidance document available on its website (refer to the link in paragraph 1.3), which in effect prescribes the detailed criteria and conditions for the 2024/25 Scheme. The 2024/25 Scheme is aimed at businesses in Wales in the retail, leisure and hospitality sectors, for example shops, pubs and restaurants, gyms, performance venues and hotels.
- 5.3 The 2024/25 Scheme aims to provide support for eligible occupied properties by offering a discount of 40% on non-domestic rate bills for such properties. 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. As with the 2022/23 and 2023/24 schemes, all businesses are required to make a declaration that the amount of relief they are seeking across Wales does not exceed this cap, when applying to individual local authorities. To do this, business rate payers will have to complete and submit an online declaration form that will be made available on the Council's website in early March 2024, along with a link to the Welsh Government's guidance document.
- 5.4 The relief will be provided as a subsidy by way of Minimal Financial Assistance (MFA). The same business must not claim more than £315,000 in total of MFA over three years (including 2024-25). Retail, Leisure and Hospitality Rate Relief Schemes in Wales prior to 2023-24 were not provided as a subsidy and should not be counted towards the MFA limit. The gross value of relief claimed by the same business must, therefore, not exceed £110,000 in Wales for 2024-25 (to comply with the terms of this scheme) or £315,000 from 2022-23 to 2024-25 inclusive (to comply with subsidy control requirements). Businesses claiming the relief must declare that the amount being claimed does not exceed those limits before the relief can be awarded.
- 5.5 Due to the need for the Authority to formally adopt the 2024/25 Scheme, and the relatively short time period between this process concluding and the 2024/25 annual

billing processes commencing in March 2024, the new financial year rate bills will be issued before any rate relief can be awarded under the Scheme. However, the Business Rate Team will aim to process all declaration forms received as quickly as possible so that businesses receive amended rate bills as a matter of urgency.

- 5.6 As this is a temporary measure for 2024/25 only, WG will provide the relief by reimbursing local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988. It will be for individual local authorities to adopt a scheme and decide in each individual case when to grant relief under section 47.
- 5.7 WG will reimburse local authorities for the relief that is provided in line with the WG guidance via a grant under section 31 of the Local Government Act 2003 and section 58A of the Government of Wales Act 2006. Officers estimate that the full cost of the scheme could be around £1.9m but this is subject to change as the eligibility of premises used by some businesses will alter throughout the lifetime of the Scheme.
- 5.8 In order to qualify for this rate relief, the guidance states that it will be for local authorities to determine how they wish to administer the scheme. To assist ratepayers and minimise administration costs for the Authority, it is proposed that the declaration process will involve each eligible business completing and submitting an online form via the Council's website. As explained in paragraph 5.5, the Council's Business Rate Team will aim to process all declaration forms received as quickly as possible and issue amended bills to eligible ratepayers in accordance with the WG guidance.
- 5.9 Due to business rate payers having to declare via an online application form they meet the criteria for the 2024/25 Scheme, officers will make the business community aware of the Scheme through its usual channels, including its website and social media.
- 5.10 Full details of the Scheme, including the qualifying criteria, are included in the guidance set out on the WG website: [Non-Domestic Rates – Retail, Leisure and Hospitality Rates Relief 2024-25 | Business Wales \(gov.wales\)](#)

## **Conclusion**

- 5.11 The report provides details of a new rate relief scheme offered by WG, details of which are contained on the WG website; refer to link in paragraph 5.10. Adoption of the new scheme is obligatory because WG has prescribed the details for the scheme.
- 5.12 The Authority must formally adopt the new scheme as detailed on the WG website to obtain the WG grant funding. In order to implement the new scheme, Cabinet is asked to endorse the recommendations set out in paragraphs 3.1.1 to 3.1.4 of this report.

## **6. ASSUMPTIONS**

- 6.1 It is assumed that the recommendations in the report will maximise the use of the grant funding in terms of the amount of rate relief awarded, whilst minimising the staff/administrative costs incurred in awarding the rate relief.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 An Integrated Impact Assessment has not been completed because the rate relief available under the Scheme will be awarded based on WG's terms and conditions, which the Authority is administering on behalf of WG.
- 7.2 This report sets out an overview of the Scheme. Full details of the Scheme, including the qualifying criteria, are included in the guidance set out on the WG website. Awarding this rate relief for the financial year 2024/25 will positively benefit those ratepayers who will receive it by reducing the amount of business rates they would otherwise have to pay. Awarding rate relief reduces business rate bills which lowers the running costs of premises and in turn may enable businesses to maintain or enhance employment opportunities. Not progressing with the proposal could have the reverse negative impact as those ratepayers would not benefit from a reduction in business rates payable.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 There are no direct financial implications as the Authority will be reimbursed by WG for any relief granted, provided it can evidence that the expenditure falls within the terms of the 'Retail, Leisure and Hospitality Rate Relief 2024/25' grant offer.
- 8.2 Officers estimate that the full cost of the scheme could be around £1.9m but this is subject to change as the eligibility of premises used by some businesses will alter throughout the lifetime of the Scheme.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 There will be some staff resource implications, but these will be managed within the Council's Business Rates Team and existing revenue budgets.

## **10. CONSULTATIONS**

- 10.1 There are no consultation responses that have not been reflected in this report.

## **11. STATUTORY POWER**

- 11.1 Local Government Finance Act 1988, Government of Wales Act 2006, and Local Government Act 1972, 2000 and 2003. The decision as to whether to adopt the WG 'Retail, Leisure and Hospitality Rate Relief Scheme 2024/25' may be taken by Cabinet. The Head of Financial Services and S151 Officer will use delegated powers to award the relief.

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