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Business rates reliefs:Written statement - HCWS64

WS Treasury

Made on: 27 January 2020

Made by: **Jesse Norman** (The Financial Secretary to the Treasury)

Commons **HCWS64**

Business rates reliefs

The Government will increase the retail discount from one-third to 50 per cent, extend that discount to cinemas and music venues, extend the duration of the local newspapers office space discount, and introduce an additional discount for pubs.

The increase in the level of the retail discount from one-third to 50 per cent will apply in 2020/21 for eligible retail businesses occupying a property with a rateable value less than £51,000.

The extension of the retail discount is to those eligible music venues and cinemas with a rateable value of less than £51,000.

The extension of the £1,500 business rates discount for office space occupied by local newspapers will apply for an additional 5 years until 31 March 2025.

The pubs discount will provide a £1,000 discount to eligible pubs with a rateable value of less than £100,000 in 2020/21. This is in addition to the retail discount and will apply after the retail discount.

All reliefs are subject to state aid rules and apply in England only.

The Government confirms that it will fully fund local authorities for awarding these reliefs and provide new burdens funding to local authorities for administrative and IT costs.

Local authorities should start preparations to include these changes now, and act promptly to ensure eligible business receive the increased support in their rates bills at the start of the financial year.

The Government expects local authorities to ensure these changes are applied for the start of the 2020/21 billing period. The Government will publish amended guidance for the retail discount reflecting these changes as well as refreshed pubs relief guidance for local authorities.

The Barnett formula will be applied in the usual way. Consequential for the devolved administrations will be confirmed at the Budget.

This statement has also been made in the House of Lords: **HLWS61**