



HM Treasury

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London  
SW1A 2HQ

Caroline Lucas MP  
House of Commons  
London  
SW1A 0AA

17 March 2021

Ref: ML.C0168.CM.17.2.21

Dear Caroline Lucas,

Thank you for your correspondence dated 17 February on behalf of your constituents regarding business rates. The Treasury has received unprecedented amounts of correspondence since the start of the coronavirus outbreak in the UK and I am sorry for the delay so far in replying. The Chancellor of the Exchequer has asked me to write to you directly.

The Government recognises the extreme disruption that the pandemic has had on businesses, employment and the wider economy. That is why it has provided a package totalling over £350 billion designed to protect people's jobs and livelihoods and support businesses and public services across the UK.

Ministers have been particularly mindful of the severe impact felt by the retail, hospitality and leisure sectors from recent events; it is right to offer them exceptional assistance to meet the crisis.

Eligible businesses in the retail, hospitality and leisure sectors in England will benefit from business rates relief worth over £6 billion in 2021-22.

This follows the unprecedented £10 billion business rates holiday provided in 2020-21 for eligible properties in retail, hospitality and leisure and nurseries, to help these businesses through the worst of the pandemic. In total, it means that the business rates holiday for retail, hospitality and leisure has provided £16 billion in rates relief since the start of the crisis.

This includes a three month extension of the 2020-21 business rates holiday, followed by 66% relief with a cap of £2 million for businesses that were required to close as at 5 January 2020, and a cap of £105,000 for businesses that were permitted to open.

Over 350,000 properties will pay no business rates for three months, with the vast majority receiving 75% relief across the year. When combined with Small Business Rates Relief, this means 750,000 retail, hospitality and leisure properties in England will pay no business rates for 3 months from 1 April. Taken with existing measures, around 1.1 million properties will pay no business rates for 3 months in 2021-22.

The Government has also frozen the business rates multiplier for 2021-22, saving businesses in England an estimated £575 million over the next five years.

I hope this is helpful. If you have any questions about this reply, please email [public.enquiries@hmtreasury.gov.uk](mailto:public.enquiries@hmtreasury.gov.uk) quoting reference MC2021/06516.

Yours sincerely,

J Champ

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