



Retail Hospitality and Leisure Business rates scheme (2025/26)

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief to be awarded in respect of Retail, Hospitality and Leisure Business rates Relief Scheme for the financial year commencing 1 April 2025.
- 1.2 This is a government led initiative and the Council is keen to support businesses as far as possible.

2.0 General explanation

2.1 The 2025/26 Retail, Hospitality and Leisure Business rates Relief Scheme will provide eligible, occupied, retail, hospitality and leisure properties with a 40% relief, up to a cash cap limit of £110,000 per business.

3.0 Who is eligible for the relief?

3.1 Hereditaments which benefit from the relief will be those which for a chargeable day in 2025/26:

(a) meet the eligibility criteria; and

(b) the ratepayer for that chargeable day has not refused the relief for the eligible hereditament. The ratepayer may refuse the relief for each eligible hereditament anytime up to 30 April 2025. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year.

4.0 How much relief will be available?

4.1 Subject to the £110,000 cash cap per business, the total amount of government funded relief available for each property for 2025/26 under this scheme is for chargeable days from 1 April 2025 to 31 March 2026, 40% of the chargeable amount.

4.2 the relief will be applied after mandatory reliefs and other discretionary reliefs funded by Section 31 grants have been applied, but before those where the Council has used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by Section 31 grants. However, as required in the NNDR guidance notes, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable/CASC and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before Retail, Hospitality and Leisure relief. Authorities may use their discretionary powers to, at cost to themselves, offer further discounts outside this scheme or additional relief to hereditaments within the scheme. However, where an authority applies a locally funded relief under section 47, this should be applied after the Retail, Hospitality and Leisure relief.

4.3 Subject to the cash cap, the eligibility for the discount and the relief itself will be assessed and calculated on a daily basis. The formula that will be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2025/26 is $V \times 0.40$, where V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and any certain other discretionary reliefs.

4.4 The total value of relief available per business, whether occupying one or more properties, is capped at £110,000. Any ratepayer who would be eligible for a sum of relief above £110,000 if there were no cap in place, should be awarded relief up to the full value of £110,000 (as has been the policy for previous years). Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties, up to a total value of £110,000.

5.0 Cash cap and subsidy control

5.1 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.

5.2 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purposes of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:

a. where both ratepayers are companies, and

i. one is a subsidiary of the other, or

ii. both are subsidiaries of the same company; or

b. where only one ratepayer is a company, the other ratepayer (the “second ratepayer”) has such an interest in that company as would, if the second ratepayer were a company, result in its being the holding company of the other.

*“company” has the meaning given by section 1(1) of the Companies Act 2006. “holding company” and “subsidiary” have the meanings given by section 1159 of the Companies Act 2006.

5.3 Furthermore, the Retail Hospitality and Leisure Scheme is likely to amount to subsidy. Any relief provided by Local Authorities under this scheme will need to comply with the UK’s domestic and international subsidy control obligations.

5.4 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 allows an economic actor (e.g. a holding company and its subsidiaries) to receive up to £315,000 in a 3-year period (consisting of the 2025/26 year and the 2 previous financial years). MFA subsidies cumulate with each other and with other subsidies that fall within the category of ‘Minimal or SPEI financial assistance’. BEIS COVID-19 business grants and any other subsidies claimed under the Small Amounts of Financial Assistance limit of the Trade and Cooperation Agreement should be counted towards the £315,000 allowance.

5.6 In those cases where it is clear to the local authority that the ratepayer is likely to breach the cash cap or the MFA limit then the authority should automatically withhold the relief. Otherwise, local authorities may include the relief in bills and ask the ratepayers, on a self-assessment basis, to inform the authority if they are in breach of the cash caps or MFA limit.

5.7 Splits, mergers and changes to existing hereditaments - The relief should be applied on a day-to-day basis using the formula set out above. 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 relief on that day.

5.8 The amount of relief awarded will be recalculated in the event of change of circumstances. This could include, for example, a backdated change to the rateable value or to the hereditament. This change of circumstances could arise during the year in question or during a later year. Previous restrictions in law concerning backdating have been removed.

6.0 Eligibility for the retail, Hospitality and Leisure Relief Scheme

6.1 Hereditaments that meet the eligibility for Retail, Hospitality and Leisure scheme will be occupied hereditaments which meet all of the following conditions for the chargeable day:

a. they are wholly or mainly being used:

i. as shops, restaurants, cafes, drinking establishments, cinemas or live music venues,

ii. for assembly and leisure; or

iii. as hotels, guest & boarding premises or self-catering accommodation

6.2 The Council considers shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

i. Hereditaments that are being used for the sale of goods to visiting members of the public:

- Shops (such as: florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores, supermarkets, etc)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/ display rooms (such as: carpet shops, double glazing, garage doors)
- Car/caravan show rooms
- Second-hand car lots
- Markets
- Petrol stations
- Garden centres
- Art galleries (where art is for sale/hire)

ii. Hereditaments that are being used for the provision of the following services to visiting members of the public:

- Hair and beauty services (such as: hairdressers, nail bars, beauty salons, tanning shops, etc)
- Shoe repairs/key cutting
- Travel agents
- Ticket offices e.g. for theatre
- Dry cleaners
- Launderettes
- PC/TV/domestic appliance repair
- Funeral directors
- Photo processing

- Tool hire
- Car hire

iii. Hereditaments that are being used for the sale of food and/or drink to visiting members of the public:

- Restaurants
- Takeaways
- Sandwich shops
- Coffee shops
- Pubs
- Bars

iv. Hereditaments which are being used as cinemas

v. Hereditaments that are being used as live music venues:

- Live music venues are hereditaments wholly or mainly used for the performance of live music for the purpose of entertaining an audience. Hereditaments cannot be considered a live music venue for the purpose of business rates relief where a venue is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
- Hereditaments can be a live music venue even if used for other activities, but only if those other activities (i) are merely ancillary or incidental to the performance of live music (e.g. the sale/supply of alcohol to audience members) or (ii) do not affect the fact that the primary activity for the premises is the performance of live music (e.g. because those other activities are insufficiently regular or frequent, such as a polling station or a fortnightly community event).
- There may be circumstances in which it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this would be clear in most circumstances, guidance on this may be found in [Chapter 16 of the statutory guidance](#) issued in April 2018 under section 182 of the Licensing Act 2003.

6.3 The Council considers assembly and leisure to mean:

i. Hereditaments that are being used for the provision of sport, leisure and facilities to visiting members of the public (including for the viewing of such activities).

- Sports grounds and clubs
- Museums and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms

- Wellness centres, spas, massage parlours
- Casinos, gambling clubs and bingo halls

ii. Hereditaments that are being used for the assembly of visiting members of the public.

- Public halls
- Clubhouses, clubs and institutions

6.4 The Council considers hotels, guest & boarding premises and self-catering accommodation to mean:

i. Hereditaments where the non-domestic part is being used for the provision of living accommodation as a business:

- Hotels, Guest and Boarding Houses
- Holiday homes
- Caravan parks and sites

6.5 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. In a similar way to other reliefs (such as charity relief), this is a test on use rather than occupation. Therefore, hereditaments which are occupied but not wholly or mainly used for the qualifying purpose will not qualify for the relief.

6.6 The list set out above is not intended to be exhaustive as it would be impossible to list the many and varied uses that exist within the qualifying purposes. However, it is intended to be a guide for authorities as to the types of uses that the government considers for this purpose to be eligible for relief. The Council should determine for themselves whether particular properties not listed are broadly similar in nature to those above and, if so, to consider them eligible for the relief. Conversely, properties that are not broadly similar in nature to those listed above should not be eligible for the relief.

7.0 Ineligible uses

7.1 The list below sets out the types of uses that the government does **not** consider to be an eligible use for the purpose of this discount. It is for the Council to determine for themselves whether particular properties are broadly similar in nature to those below and, if so, to consider them not eligible for the discount under their local scheme.

i. Hereditaments that are being used for the provision of the following services to visiting members of the public

- Financial services (e.g. banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops)
- Medical services (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- Professional services (e.g. solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents)
- Post office sorting offices

- **i. Hereditaments that not reasonably accessible to visiting members of the public**

8.0 Retail, hospitality, and leisure relief scheme (2025/26) – the Council’s policy for granting discretionary relief

5.1 Over the past few years, a number of schemes have been led by government but without specific legislative changes. These are administered under Section 47 of the Local Government Finance Act 1988. The Council is keen to support such initiatives especially where they are designed to help local businesses and will look to maximise both the reliefs given as well as maximise any grants receivable. However, the Council reserves the right to vary its approach where thought appropriate.

5.2 In the case of Retail, hospitality, and leisure relief scheme, the Council will grant the relief strictly in accordance with government guidance.

9.0 Effect on Council’s finances

6.1 As this is a government led initiative, grants for the full amount awarded will be available through Section 31 of the Local Government Act 2003.

10.0 Administration of Discretionary Relief

10.1 The following section outlines the procedures followed by officers in granting, amending or cancelling discretionary relief and reduction. This is essentially laid down by legislation (The Non-Domestic Rating (Discretionary Relief) regulations 1989).

Applications and Evidence

10.2 Retail, hospitality, and leisure relief will be awarded automatically by the Council.

10.3 The Council provide this service free of charge. Ratepayers are encouraged to approach the Council directly and NOT pay for such services through third parties.

Granting of relief

10.4 In all cases, the Council will notify the ratepayers of decisions via their rates demand and details will include:

- The amount of relief granted and the date from which it has been granted;
- The new chargeable amount; and
- A requirement that the applicant should notify the Council of any change in circumstances that may affect entitlement to relief.

10.5 This relief is to be granted from the beginning of the financial year in which the decision is made or when liability begins, whichever is the later.

10.6 Variations in any decision will be notified to ratepayers as soon as practicable.

11.0 Scheme of Delegation

Granting, varying, reviewing and revocation of relief

11.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003 and the Localism Act 2011. However Section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub Committees or Officers.

11.2 The Council's scheme of delegation allows for the Exchequer Manager to award, revise or revoke any discretionary relief applications.

11.3 Applications that are refused will, on request, be reconsidered if additional supporting information is provided or the refusal is subsequently considered to be based on misinterpretation of the application.

12.0 Reviews

12.1 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting, or the amount of any discretionary relief, the case will be reviewed by the Exchequer Manager. Where a decision is revised, then the ratepayer shall be informed, likewise if the original decision is upheld.

12.2 Where the ratepayer wishes to appeal the decision, the case will be considered by the Council's Section 151 Officer whose decision on behalf of the Council will be final.

12.3 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

13.0 Reporting changes in circumstances

13.1 Where any award is granted to a ratepayer, the Council will require any change in circumstances which affect the relief, to be reported as soon as possible or in any event within 21 days of the change. This will be important where a change would result in the amount of the award being reduced or cancelled.

13.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date of the change of circumstances occurred.

14.0 Fraud

14.1 Where a ratepayer falsely applied for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.

This policy was reviewed and updated in January 2025.