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1. Introduction

- 1.1 The Chancellor announced the extension of the Retail Hospitality and Leisure Relief scheme in her Autumn Budget on 30 October 2024.
<https://www.gov.uk/guidance/business-rates-relief-202526-retail-hospitality-and-leisure-scheme>
- 1.2 Each council must adopt a local scheme using the discretionary powers set out in section 47 of the Local Government Finance Act 1988 (as amended).
- 1.3 The scheme provides eligible, occupied, retail, hospitality and leisure properties with a 40% relief, up to a cash cap limit of £110,000 per business.

2. General Eligibility

- 2.1 The hereditament (property) must be occupied and wholly or mainly used:
 - a. as a shop, restaurant, cafe, drinking establishment, cinema or live music venue, or
 - b. for assembly and leisure; or
 - c. as a hotel, guest & boarding premises or self-catering accommodation

Detailed definitions of property use are set out in Annex 1. Where a use is not listed, we will consider if the use is like any that are. Where visits by members of the public are infrequent or tenuous it is unlikely that the “wholly or mainly” criteria will be met.

- 2.2 Where a ratepayer refuses relief on a property, the property is no longer eligible for the 2024 Retail, Hospitality and Leisure Scheme. A ratepayer may refuse relief for each eligible property anytime up to 30 April 2026. Once refused a ratepayer cannot later withdraw their refusal for either all or part of the financial year.
- 2.3 Precepting authorities are not eligible for the relief per section 47(8A) of the Local Government Finance Act 1988
- 2.4 The scheme applies to the period 1 April 2025 to 31 March 2026 inclusive.

3. Calculation

3.1 We will calculate 2025 Retail, Hospitality and Leisure relief after all other reductions apart from hardship relief. This is as set out in paragraph 15 of the government guidance.

3.2 Subject to the cash cap, we will assess both eligibility and amount on a daily basis.

Amount of relief = $V \times 0.40$ where:

V is the daily charge for the hereditament for the chargeable day after the application of any reductions in 3.1.

3.3 Ratepayers occupying more than one property can receive relief for each eligible property up to the £110,000 cash cap, per business.

3.4 We will recalculate 2025 Retail, Hospitality and Leisure relief when circumstances change. The change could arise during the year in question or during a later year. It could include a change in rateable value (including splits or mergers) or occupation.

4. Cash Cap and Subsidy Control

4.1 No ratepayer can in any circumstances exceed the £110,000 cash cap across all their hereditaments in England.

Where a ratepayer has a qualifying connection with another ratepayer, we consider those ratepayers as one for the cash cap. We treat a ratepayer 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.

4.2 The Retail Hospitality and Leisure Scheme is likely to amount to a subsidy. It must therefore follow the UK’s domestic and international subsidy control obligations.

4.3 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 (eg a holding company and its subsidiaries) to receive up to £315,000 in a three-year period (consisting of the 2025-26 year and the two 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.

- 4.4 Where it is clear to us that the ratepayer is likely to breach the MFA limit then we will withhold relief. Otherwise, we will include the relief on bills and ask ratepayers to tell us if they are in breach of the MFA limit.
- 4.5 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. We will add individual reductions over £100,000 to the subsidy control database.

5. Applications and Opting Out

- 5.1 We will provide 2025 Retail, Hospitality and Leisure Relief where we can see an entitlement exists.
- 5.2 Where we have not granted a reduction a ratepayer can apply for relief by emailing brates@guildford.gov.uk and confirming:
- How they use the property
 - That they will not exceed the £110,000 cash cap
 - That they will not breach the Minimal Financial Assistance limit of £315,000 subsidy in a three-year period.
- 5.3 A ratepayer that will exceed the 2025-26 cash cap limit, can ask for a reduction in the relief we provide. They should complete a "Form A" declaration, requesting a lower reduction. We will issue a letter with the 2025-26 bill containing this form.
- 5.4 If a ratepayer is not eligible for relief, but we have applied it to their account, they must decline it. They can do this by emailing brates@guildford.gov.uk, or by completing a "Form B" declaration. We will issue a letter with the 2025-26 bill containing this form.

Annex 1 – Definitions of Property Use

1. Shops, restaurants, cafes, drinking establishments, cinemas and live music venues mean:
 - 1.1 Properties used for the sale of goods to visiting members of the public:
 - Shops eg florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores or supermarkets
 - Charity shops
 - Opticians
 - Post offices
 - Furnishing shops/ display rooms eg: 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
 - 1.2 Properties used to provide of the following services to visiting members of the public:
 - Hair and beauty services eg hairdressers, nail bars, beauty salons, tanning shops
 - Shoe repairs/key cutting
 - Travel agents
 - Ticket offices eg for theatre
 - Dry cleaners
 - Launderettes
 - PC/TV/domestic appliance repair
 - Funeral directors
 - Photo processing
 - Tool hire
 - Car hire
 - 1.3 Properties used for the sale of food and/or drink to visiting members of the public:
 - Restaurants
 - Takeaways
 - Sandwich shops
 - Coffee shops
 - Pubs
 - Bars
 - 1.4 Properties used as cinemas
 - 1.5 Properties used as live music venues:
 - Live music venues are properties wholly or mainly used for the performance of live music to entertain an audience.
 - A property is not considered a live music venue for business rates relief where it 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).

- Properties can be a live music venue even if used for other activities, but only if those other activities
 - a. are merely ancillary or incidental to the performance of live music (eg the sale/supply of alcohol to audience members) or
 - b. do not affect the fact that the primary activity for the premises is the performance of live music (eg. because those other activities are infrequent, such as a polling station or a fortnightly community event).
2. Assembly and leisure mean:
- 2.1 Properties used for the provision of sport, leisure and facilities to visiting members of the public. This includes 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
- 2.2 Properties used for the assembly of visiting members of the public:
- Public halls
 - Clubhouses, clubs and institutions
3. Hotels, guest & boarding premises and self-catering accommodation means:
- Properties where the non-domestic part provides living accommodation as a business:
- Hotels, Guest and Boarding Houses
 - Holiday homes
 - Caravan parks and sites
4. To qualify for the relief the property should be wholly or mainly used for one or more of the qualifying purposes. If the property is occupied but not wholly or mainly used for these purposes, then it will not qualify for the scheme.
5. The government does not consider the following uses meet the scheme criteria
- 5.1 Properties used to provide the following services to visiting members of the public
- Financial services eg banks, building societies, cash points, bureaux de change, short-term loan providers, betting shops
 - Medical services eg vets, dentists, doctors, osteopaths, chiropractors
 - Professional services eg solicitors, accountants, insurance agents/ financial advisers, employment agencies, estate agents, letting agents
 - Post office sorting offices
- 5.2 Properties that are not reasonably accessible to visiting members of the public