



NEW FOREST DISTRICT COUNCIL
RETAIL, HOSPITALITY AND LEISURE
RELIEF SCHEME

NATIONAL NON-DOMESTIC RATES RETAIL, HOSPITALITY AND LEISURE RELIEF SCHEME 2025/26

1. Introduction

- 1.1 In the Autumn Statement on 30 October 2024, the Chancellor announced the extension of the business rates relief scheme for occupied retail, hospitality, and leisure properties. The value of the relief will be 40% of chargeable amount for 2025/26, subject to a cash cap limit of £110,000 per business.
- 1.2 The Department for Housing, Communities and Local Government, issued guidance to local authorities to identify the types of hereditaments they consider to be qualifying premises for the purposes of reimbursement to local authorities by Central Government via a grant under Section 31 of the Local Government Act 2003.
- 1.3 The DLUHC guidance is available to view at [Business Rates Relief: 2025/26 Retail, Hospitality and Leisure Scheme - GOV.UK](#) This local policy is consistent with the guidance.
- 1.4 This document provides guidance about the operation and delivery of the scheme. As stated in Section 9 this policy will be updated in line with government guidance.

2. Legislation

- 2.1 The Government is not changing the legislation. Instead the Government will, in line with the eligibility criteria for the relief, reimburse billing authorities that use their discretionary relief powers, under Section 47 of the Local Government Finance Act 1988, as amended, to grant the discount.
- 2.2 Central government will fully reimburse local authorities for the local share of the discretionary relief Scheme (using a grant under section 31 of the Local Government Act 2003).
- 2.3 In view of the fact that such expenditure will be reimbursed, the Government expects billing authorities to grant Retail, Hospitality, and Leisure relief to all qualifying ratepayers.

3. Which properties will benefit from relief?

- 3.1 Properties that will benefit from the relief will be *occupied* hereditaments that are wholly or mainly being used as:

- i. shops, restaurants, cafes, drinking establishments, cinemas, or live music venues
- ii. for assembly and leisure, or
- iii. as hotels, guest and boarding premises or self-catering accommodation

3.2 We consider 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: florist, 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 can be a live music venue even if used for other activities, but only if those other activities are merely ancillary or incidental to the performance of live music or do not affect the fact that the primary activity for the premises is the performance of live music,

3.3 We consider 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

3.4 We consider hotels, guest and 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

3.5 To qualify for the relief the hereditament should be wholly or mainly being used for the above qualifying purposes. Therefore, hereditaments which are occupied but not wholly or mainly used for qualifying purposes will not be eligible for the relief. The list above is not intended to be exhaustive and the Council will determine whether particular properties not listed are broadly similar in nature and therefore eligible for the relief.

3.6 In addition to the hereditaments set out above, the list below sets out the types of uses that Government does not consider to be eligible for the relief for the purpose of this policy:

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, bureau de change, short-term loan providers, and 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 and letting agents)
- Post office sorting office

ii. Hereditaments that are not reasonably accessible to visiting members of the public

- 3.7 In accordance with 47(8A) of the Local Government Finance Act 1988 Local Authorities may not grant the relief to themselves or precepting authorities, e.g. parish or county councils.
- 3.8 The rate payer may refuse the relief for each eligible hereditament anytime up to 30 April 2026. The ratepayer cannot withdraw their refusal for either all or part of the financial year. Where the ratepayer has refused the relief for a relevant financial year, they are outside of the scheme and ineligible for relief.

4. How much relief will be available?

- 4.1 The amount of government funded relief available for each eligible hereditament under the scheme is calculated on a daily basis, from 1 April 2025 to 31 March 2026, and is 40% of the chargeable amount.
- 4.2 The relief must be applied after any improvement rate relief, transitional relief, mandatory rate reliefs and section 47 discretionary reliefs funded under Section 31 grants have been applied, for example the small business rates relief.

5. Award Period

- 5.1 The Government have stated that the scheme applies until 31 March 2026. The Retail, Hospitality and Leisure Rate Relief Scheme was introduced on 1 April 2023 and there are no restrictions to backdating an award subject to the ratepayer meeting the relevant eligibility criteria.
- 5.2 Where there is a change of circumstances, such that the eligibility criteria shown above are no longer met, the decision to award the relief will be reviewed and where necessary the amount of relief will be recalculated and amended.

6. Applications for Retail, Hospitality, and Leisure relief

- 6.1 The Revenues Team will adhere to government guidance which may require business to apply for the relief. The team will review our business rate system and will also continue to try and identify potential recipients and apply the relief. Notifications will be sent, detailing the eligibility criteria, and businesses must contact the Council where the conditions are not met. Text will be added to the business rates bill, on our website and via our eNewsletter. New businesses will have to apply for the relief using a form on our website.

7. The cash cap and subsidy control

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

- 7.2 Ratepayers that occupy more than one property will be entitled to the relief for each of their eligible properties up to the maximum £110,000 cash cap per business.
- 7.3 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers should be considered as one ratepayer for the purpose of the cash caps. A ratepayer shall be treated as having a qualifying connection with another:
- a) where both ratepayers are companies, and
 - b) one is a subsidiary of the other, or
 - c) both are subsidiaries of the same company, or
 - d) 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.
- 7.4 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. The subsidy limit under the Minimal Financial Assistance (MFA) threshold is £315,000 per beneficiary over a 3-year period, 1 April 2023 to 31 March 2026. 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.
- 7.5 For further information see [UK subsidy control regime - GOV.UK \(www.gov.uk\)](https://www.gov.uk)
- 7.6 Where any single relief awarded is above £100,000 the Council has an obligation to include details of this on the [subsidy control database](#).
- 7.7 This policy will adhere to Government guidance and any future changes to State Aid and Subsidy Limitations regulations.

8. Recalculations of relief

- 8.1 The amount of relief awarded will be recalculated in the event of a change in circumstances. This may include a backdated change to a rateable value, which could arise during the year in question or a during a later year, or where a new hereditament is created as a result of a split or merger or change of use.

9. Decision Making

- 9.1 Decisions will be made by the Business Rate team, in conjunction with the Revenues Manager, in accordance with the eligibility criteria.
- 9.2 Applicants will be notified of the outcome of their application and if unsuccessful, will be given the opportunity to request a review of the decision.
- 9.3 The Service Manager will make changes to this policy in line with updates in guidance as issued by the Department for Housing, Communities and Local Government.

10. Review of decisions

- 10.1 The Council will operate an internal review process and will accept an applicant's request for an appeal of its decision.
- 10.2 All such requests must be made in writing or by email to the Council within one month of the Council's decision and should state the reasons why the applicant is aggrieved with the decision of the Council. New information may be submitted at this stage to support the applicant's appeal.
- 10.3 The application will be reconsidered by Service Manager – Revenue, Benefits and Customer Services, as soon as practicable and the applicant informed in writing or by email of the decision. This decision is final.

11. Recovery of amounts incorrectly awarded

- 11.1 If it is established that **any** award has been made incorrectly due to error, misrepresentation or incorrect information provided to the Council by an applicant or their representative(s), the Council will look to recover the amount in full.

12. Complaints

- 12.1 The Council's 'Complaints Procedure' (available on the Council's website) will be applied in the event of any complaint received about this scheme.