

**Runnymede Borough Council**

**Retail, Hospitality and Leisure  
Scheme 2023-24**

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## Introduction

At the Autumn Statement on 17 November 2022 the Chancellor announced the introduction of a new business rates relief scheme for retail, hospitality and leisure properties worth around £2.1 billion in 2023/24. This will support the businesses that make our high streets and town centres a success and help them to evolve and adapt to changing consumer demands.

The 2023/24 Retail, Hospitality and Leisure Business Rates Relief scheme will provide eligible, occupied, retail, hospitality and leisure properties with a 75% relief, up to a cash cap limit of £110,000 per business.

## Part 1

### Which properties will benefit from relief?

- 1.1 Hereditaments which benefit from the relief will be those which for a chargeable day in 2023/24:
  - a) meet the eligibility criteria at Part 2,
  - 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 2024. The ratepayer cannot subsequently withdraw their refusal for either all or part of the financial year.
- 1.2 Where the ratepayer refuses the relief this means that the business no longer qualifies for the relief and an application made at a later date cannot be considered.

### How much relief will be available?

- 2.1 Subject to the £110,000 cash cap per business, the total amount of government-funded relief available for each property for 2023/24 under this scheme is:

For chargeable days from 1 April 2023 to 31 March 2024, 75% of the chargeable amount.
- 2.2 Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties up to the maximum £110,000 cash cap, per business.

## The Cash Cap and Subsidy Control

- 3.1 Under the cash cap, no ratepayer can in any circumstances exceed the £110,000 cash cap across all of their hereditaments in England.
- 3.2 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.
- 3.3 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 (See the BEIS guidance for public authorities which contains guidance and information for the new UK subsidy control regime, which will commence on 4 January 2023).
- 3.4 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 2023/24 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’. Expanded Retail Discount granted in 2021/22 does not count towards the £315,000 allowance but 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.
- 3.5 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. Part 4 of this guidance contains a sample ratepayer declaration, which local authorities may wish to use to discharge this responsibility.
- 3.6 MFA subsidies above £100,000 are subject to transparency requirements. This is not cumulated per beneficiary but applies per subsidy award. This means that for every individual subsidy provided of more than £100,000, the local authority needs to include details of the subsidy on the subsidy control database. Local authorities will need to create an account to use the Manage UK Subsidies Portal. This will enable users to upload subsidy schemes and awards. To gain access, users must email [subsidydatabase@beis.gov.uk](mailto:subsidydatabase@beis.gov.uk).

## **Refusing the relief**

- 4.1 The ratepayer may notify us of their refusal of the discount for each eligible property.
- 4.2 Once refused, the ratepayer cannot withdraw their refusal for either all or part of the discount period.
- 4.3 For the purposes of section 47 of the Local Government Finance Act 1988, where the ratepayer has refused the relief on a property then that property is outside of the scheme and outside of the scope of the decision of which properties qualify for the discount and are therefore ineligible for the relief.

## **Fraud and change of circumstances**

- 5.1 Any change in circumstances that would affect the discount, including exceeding the cash cap or subsidy limits, must be informed to the council within 28 days. Where this is not complied with the council reserves the right to cancel all relief granted and refuse any further application for local relief(s).
- 5.2 The government and Runnymede Borough Council will not tolerate any business falsifying their records or providing false evidence to gain this discount, including claiming support above the cash cap. A ratepayer who falsely applies for any relief or provides false information or makes false representation in order to gain relief may be guilty of fraud under the Fraud Act 2006.
- 5.3 Any relief found to have been awarded in error will be removed.

## **Splits, mergers, and changes to existing hereditaments**

- 6.1 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.

## **Recalculations of relief**

- 7.1 The amount of relief awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value or the hereditament. This change of circumstances could arise during the year in question or during a later year.
- 7.2 Under regulations made under section 47 of the Local Government Finance Act 1988 authorities must give at least 12 months' notice of a revocation or variation of a rate relief scheme the effect of which would be to increase rate bills. Such a revocation or variation can only take effect at the end of a financial year (other than to comply with international agreements). But within these regulations, local authorities may still make decisions to ensure the scheme is administered in accordance with the extant rules. If a change in circumstances renders a property ineligible, the relevant bill can be amended in the year to reflect the loss of the relief.

## Part 2

### Eligibility for the Retail, Hospitality and Leisure Relief Scheme

8.1 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

8.2 We consider shops, restaurants, cafes, drinking establishments, cinemas and live music venues to mean:

- a) 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)
- b) 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
- c) 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
- d) Hereditaments which are being used as cinemas
- e) 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.

### 8.3 We consider assembly and leisure to mean:

- a) Hereditaments that are being used for the sale of goods to visiting members of the public:
- 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

b) Hereditaments that are being used for the assembly of visiting members of the public:

- Public halls
- Clubhouses, clubs and institutions

8.4 We consider hotels, guest & boarding premises and self-catering accommodation to mean:

a) 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

8.5 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.

8.6 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. Authorities 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.

8.7 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. Again, it is for local authorities 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.

a) 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
- b) Hereditaments that are not reasonably accessible to visiting members of the public.

### **Application process**

Where the property appears to be occupied for an eligible use the council may apply the discount automatically and instruct the ratepayer to inform us should they not be entitled (for example, incorrectly identified usage or the award will exceed the cash cap or subsidy limit) and to complete a cash cap and/or subsidy declaration where relevant. Where we have not determined the usage an application can be submitted by the ratepayer, or an agent authorised to act on their behalf. Section 47 of the Local Government Finance Act 1988 states any decision to award must be made before six months after the end of the financial year in which the award days falls.

### **Appeal rights**

Whilst there is no formal right of appeal except by judicial review, in the interests of natural justice applicants may seek a review of the decision from the Council. Where the authority receives a request from the ratepayer for a review of the decision regarding the granting or refusal of discretionary relief or an amount of any discretionary relief or to revoke relief, the case will be reviewed by the Corporate Head of Customer Service, Digital and Collection Services. Where the original decision is not revised, the ratepayer may then appeal to the Assistant Chief Executive whose decision will be final. In exceptional circumstances, the Assistant Chief Executive may refer the case to the Corporate Management Committee if it is believed that the case merits further consideration. The ratepayer shall be informed of the final outcome.

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