Retail, Hospitality and Leisure Relief

Policy 2025-26

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1. Introduction

1.1 In the Autumn Budget on 30th October 2024, the Chancellor announced the extension of the business rates relief scheme for retail, hospitality, and leisure properties for the 2025/26 financial year.

1.2 The 2025/26 Retail, Hospitality and Leisure (RHL) relief scheme will provide eligible retail, hospitality, and leisure properties with 40% relief up to a cash cap of £110,000 per business.

1.3 This is a temporary measure for 2025/26 and therefore the government is not changing the legislation relating to the reliefs available to properties.

2 Scope of policy

2.2 The Local Government Finance Act 1988 makes provision for local authorities to award certain reliefs. This policy relates to the discretionary powers of the London Borough of Waltham Forest to award business rates relief under Section 47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011.

2.3 This policy document sets out the Council's approach to supporting local businesses that are eligible under the policy and provides guidance and clarity regarding the operation and delivery of the policy.

2.4 Qualifying businesses will have their business rates liability reduced by 40% of the net rates liability (after mandatory reliefs, transitional relief, and other discretionary reliefs) for the billing year 1 April 2025 to 31 March 2026.

2.5 Whilst this scheme is administered under the Council's discretionary powers; the guidance and qualifying criteria have been developed by the Government and costs are fully funded by Government through Section 31 grant payments under the Local Government Act 2003.

2.6 The Council will consider each individual case in accordance with the criteria set out below.

3 Eligibility Criteria – Retail, Hospitality and Leisure Relief

3.1 To be eligible to receive the RHL relief hereditaments must be occupied, and be wholly or mainly used as one of the following three categories for the chargeable period:

Category 1: as shops, restaurants, cafes, drinking establishments, cinemas, or live music venues.
Category 2: for assembly and leisure; or
Category 3: as hotels, guest & boarding premises, or self-catering accommodation.

3.1.1 Category 1 (shops, restaurants, cafes, drinking establishments, cinemas, or live music venues)

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)

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

Being used for the sale of food and/or drink to visiting members of the public:

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

Hereditaments which are being used as cinemas

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.

3.1.2 **Category 2 – (Assembly and Leisure)**

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

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

- Public halls
- Clubhouses, clubs, and institutions

3.1.2 Category 3 – (hotels, guest & boarding premises, or self-catering accommodation)

Hotels, guest & boarding premises, and self-catering accommodation are considered to mean hereditaments where the non-domestic part is being used for the provision of living accommodation as a business. For example:

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

3.1 Hereditaments which are occupied but not wholly or mainly used for the qualifying purposes listed above will not qualify for the relief.

3.2 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. Properties not listed that are broadly similar in nature to those listed above and

are wholly or mainly used in the ways described above will also be considered to establish whether they are eligible for this relief.

4 Hereditaments ineligible for Retail, Hospitality and Leisure Relief

4.1 The list below identifies the types of hereditaments that are being used for the provision of services to visiting members of the public that are not considered eligible uses for the purpose of this relief as outlined in Government guidance. These include:

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

4.1 The list above is not intended to be an exhaustive list. Hereditaments that are broadly similar in nature to those above will also be considered as ineligible for the relief under this scheme.

5 Cash capping of Retail Hospitality & Leisure Relief at £110,000

5.1 No ratepayer can receive relief in excess of the £110,000 cash cap across all their hereditaments in England. The cash cap applies at a Group company level, therefore holding companies and subsidiaries cannot claim up to the cash cap for each company.

5.2 Where a ratepayer has a qualifying connection with another ratepayer then those ratepayers will be considered as one ratepayer for the purposes of the cash cap. 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.

6 Subsidy

6.1 The Retail Hospitality and Leisure Scheme is likely to count as subsidy. Any relief provided under this scheme will need to comply with the UK's domestic and international subsidy control obligations (See the BEIS guidance for public authorities https://www.gov.uk/government/collections/subsidy-control-regime which contains guidance and information for the new UK subsidy control regime which commenced 4 January 2023.)

6.2 The Retail, Hospitality and Leisure Relief scheme is subject to the Minimal Financial Assistance limits under the Subsidy Control Act. This means no recipient can receive over £315,000 over a 3-year period (consisting of the current financial year and the 2 previous financial years). Extended Retail Discounts granted in 2021/22 do not count towards the limit. Covid business grants received from local government and any other subsidy claimed under the Minimal Financial Assistance or Small Amounts of Financial Assistance limit over the 3-year period should be counted.

6.3 Businesses exceeding the £110,000 cash cap for 2025/26 or the minimal financial assistance limit of £315,000 over 3 years (including 2024/25) will not be eligible for the relief.

7 Applying for Retail Hospitality Relief

7.1 We will award the relief automatically to those businesses previously receiving the RHL relief in the 2024/25 billing year. If you think you are entitled to the relief and it has not been awarded, you must apply on the Council website using the link below:

https://www.walthamforest.gov.uk/ndrretdiscform

If you received the RHL relief in the 2024/25 billing year, but are no longer entitled to receive it, it is your responsibility to notify us immediately, in order that we can cancel the relief.

8. Maximum level of relief

8.1 The maximum level of relief under these schemes is 40% of the net bill, after the awarding of mandatory reliefs and other discretionary reliefs for the period 1st April 2025 to 31st March 2026, subject to the cash cap of £110,000.

8.2 The eligibility for the relief and the reduction itself will be assessed on the basis of a daily award and relief granted for chargeable days for a hereditament in the financial year 2025/26.

8.3 Ratepayers that occupy more than one property which satisfy the criteria will be entitled to relief for each of their eligible properties subject to the relevant cash cap levels applicable.

8.4 Hereditaments that are subject to splits, mergers or other changes during the 2025/26 billing year will be considered afresh based on their new daily liability.

8.5 No relief will be paid under these schemes where the ratepayer is London Borough of Waltham Forest, a precepting authority, or a functional body, within the meaning of the Greater London Authority Act 1999.

8.6 The relief will be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied. Business Rates Relief: 2025/26 Retail, Hospitality and Leisure Scheme - GOV.UK

9. Circumstances under which an award will be terminated

9.1 In addition to the circumstances outlined above under which no award will be made under the scheme; awards will be terminated early under the following circumstances:

- the organisation ceases from activities which the Council deems to meet the above eligibility criteria. The organisation is required to advise the Council of any such change as soon as possible in writing.
- The organisation ceases trading

10. Appeals/ Reconsideration process

10.1 Rate Reliefs made under the local authority's discretionary powers have no formal right of appeal, other than by way of an application for a judicial review at the High Court. However, applicants dissatisfied with the authority's decision may request a review/reconsideration under the following circumstances:

- Additional information that is relevant to the application and that was not available at the time the decision was made becomes available; or
- There are good grounds to believe the application or supporting information was not interpreted correctly at the time the decision was made.

10.2 Any such request should be made in writing with the title Retail, Hospitality and Leisure Relief Appeal. Appeals should be made to

The Service Head of – Revenues and must be received by the Council within 4 weeks of the date the decision letter is sent. Late appeals will not be considered. The Service Head of Revenues' decision will be final.

10.3 All review requests must state the reason for the request and include any supporting evidence.

10.4 Where relief is refused either initially or following a review, further representation will not be considered unless:

- The use of the property changes
- The objectives of the organisation changes
- There have been other material changes that may affect the Council's decision.

11. Refusing or opting out of the scheme

11.1 Organisations can choose to refuse the relief award or decide to opt out of the scheme. If you have been awarded the relief but decide to opt out or refuse the award, please email us, and ask for it to be removed.
Email: business.rates@walthamforest.gov.uk