



West Devon Borough Council

Business Rates Relief: 2023/24 Retail, Hospitality and Leisure Scheme

1. Introduction

- 1.1 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 £2.1billion in 2023/2024.
- 1.2 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.
- 1.3 This document explains how the scheme will operate and the eligibility criteria for businesses in the West Devon Borough Council area.

2. Eligibility for the Retail, Hospitality and Leisure Relief Scheme

- 2.1 Hereditaments that meet the eligibility criteria for the Retail, Hospitality and Leisure Scheme 2023/24 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 and boarding premises or self-catering accommodation.
- 2.2 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 florists, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licences, chemists, newsagents, hardware stores and supermarkets)
- Charity shops
- Opticians
- Post offices
- Furnishing shops/display rooms (such as carpet shops, double glazing and 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 and tanning shops)
- 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.

2.3 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
- Museum and art galleries
- Nightclubs
- Sport and leisure facilities
- Stately homes and historic houses
- Theatres
- Tourist attractions
- Gyms
- Wellness centres, spas and massage parlours
- Casino, 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

2.4 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

2.5 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.

2.6 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. We will consider if particular properties not listed are broadly similar in nature to those above and, if so, the Council considers them eligible for relief.

3. Hereditaments not eligible for relief

3.1 The list below sets out the types of use the Government does not consider to be an eligible use for the purpose of this relief.

3.2 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 and betting shops)
- Medical services (e.g vets, dentists, doctors, osteopaths and chiropractors)
- Professional services (e.g solicitors, accountants, insurance agents/financial advisers, employment agencies, estate agents and letting agents)
- Post office sorting offices

4. Duration of relief awards

4.1 This relief will apply effective from 1 April 2023 for the 2023/24 financial year only.

4.2 If a ratepayer moves out of a property, the relief will be apportioned on a daily basis for the number of days the property is occupied.

4.3 Ratepayers are required to notify the Council immediately of any change in circumstances which may affect their entitlement to the relief.

5. The 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 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.

- 5.3 The Retail, Hospitality and Leisure Scheme is likely to amount to a 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 commenced on 4 January 2023.
6. If a ratepayer disagrees with a decision made under this policy, they must write and tell us why they think the decision is wrong. We will consider any additional information in deciding if the eligibility criteria has been properly applied.