STATUTORY INSTRUMENTS

2025 No. 1093

RATING AND VALUATION, ENGLAND

The Non-Domestic Rating (Definition of Qualifying Retail, Hospitality or Leisure Hereditament) Regulations 2025

Made - - - -	*14th October 2025*
Laid before Parliament	*16th October 2025*
Coming into force - -	*1st April 2026*

The Treasury make these Regulations in exercise of the powers conferred by section 143(1) and (2) of, and paragraph 10(9C) of Schedule 4ZA to, the Local Government Finance Act 1988(**a**).

Citation, commencement, extent and application

1.—(1) These Regulations may be cited as the Non-Domestic Rating (Definition of Qualifying Retail, Hospitality or Leisure Hereditament) Regulations 2025.

(2) These Regulations come into force on 1st April 2026.

(3) These Regulations extend to England and Wales and apply in relation to England only.

Qualifying retail, hospitality or leisure hereditament

2. For the purposes of paragraph 10(9B) of Schedule 4ZA (occupied hereditaments: chargeable amount) to the Local Government Finance Act 1988, a "qualifying retail, hospitality or leisure hereditament" means a hereditament that—

(a) is used wholly or mainly for one or more of the qualifying purposes specified in regulation 3, and

(b) is not used wholly or mainly for one or more of the purposes specified in Schedule 1.

Qualifying purposes

3.—(1) The qualifying purposes referred to in regulation 2(a) are—

(a) use for—

(i) the retail sale or hire of goods, or

(ii) the provision of a service,

where the sale, hire, or provision of the service is to visiting members of the public;

(**a**) 1988 c. 41. Section 143(2) was amended by paragraph 72(2) of Schedule 5 to the Local Government and Housing Act 1989 (c. 42) and paragraph 19(5)(b) of the Schedule to the Local Government Finance (Wales) Act 2024 (asc 6). Schedule 4ZA to the Local Government Finance Act 1988 was inserted by section 1(3) of the Non-Domestic Rating Act 2023 (c. 53). Paragraph 10(9B) and (9C) of Schedule 4ZA to the Local Government Finance Act 1988 was inserted by section 3(2)(b) of the Non-Domestic Rating (Multipliers and Private Schools) Act 2025 (c. 12).

(b) use for the sale of food or drink, where the food or drink is for consumption on or off the hereditament by visiting members of the public;

(c) use as a hotel or as a boarding or guest house by members of the public, provided that no significant element of nursing care is provided as part of the services provided by the hotel, boarding house or guest house;

(d) use as a caravan park, campsite, self-catering accommodation or holiday home by members of the public;

(e) use for the provision of cultural, community or recreational facilities, to visiting members of the public, as further described in Schedule 2.

(2) A hereditament does not cease to be used wholly or mainly for a purpose set out in paragraph (1) if the majority of sales by the business using that hereditament take place online, provided that some goods, food or drink are sold, or services or other facilities are provided, by the business to members of the public visiting the hereditament in person.

(3) In determining for the purposes of this regulation whether a hereditament is used by visiting members of the public, it is irrelevant that access to the hereditament may be limited (at all times or at particular times) to members of the public who—

(a) have paid to access the hereditament,

(b) have tickets or passes allowing access, or

(c) are members or guests of a club, association or similar body.

Taiwo Owatemi
Stephen Morgan

14th October 2025 — Two of the Lords Commissioners of His Majesty's Treasury

SCHEDULES

SCHEDULE 1

Regulation 2(b)

Excluded purposes

Financial services

1. Use for the provision of—

(a) financial, investment or insurance services, including any activity which is a regulated activity for the purposes of the Financial Services and Markets Act 2000(**a**),

(b) loans or any other form of credit to consumers,

(c) cash withdrawal and other services, provided through automatic teller machines, or

(d) money service business (within the meaning given by regulation 3 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017(**b**)).

Medical or health services

2. Use for the provision of medical or health services, including use for the provision of—

(a) any services which are primary medical services for the purposes of Part 4 of the National Health Service Act 2006(**c**),

(b) dentistry and dental services,

(c) audiology and hearing services,

(d) cosmetic surgery,

(e) physiotherapy,

(f) osteopathy or chiropractic services,

(g) acupuncture, or

(h) herbal medicine.

Professional services

3. Use for the provision of professional services, including use for the provision of—

(a) legal services, including reserved legal activities as defined by section 12 of the Legal Services Act 2007(**d**),

(b) accountancy services, including tax advice,

(c) management consultancy,

(d) engineering services,

(e) architectural or surveying services,

(**a**) 2000 c. 8. "Regulated activities" are defined in section 22 of the Financial Services and Markets Act 2000, and Part 2 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544), as amended.
(**b**) S.I. 2017/692. There are amendments to regulation 3 which are not relevant to this S.I.
(**c**) 2006 c. 41.
(**d**) 2007 c. 29.

(f) veterinary services,

(g) estate agency work (within the meaning of section 1(1) of the Estate Agents Act 1979(**a**)), or

(h) letting agency work (within the meaning of section 86 of the Consumer Rights Act 2015(**b**)).

Miscellaneous

4. Use—

(a) for storage and distribution of goods for online sale,

(b) for the production or recording of music, audio or film for business or professional use,

(c) as a crematorium (within the meaning of section 2 of the Cremation Act 1902(**c**)),

(d) for the operation of a vehicle hire service with drivers,

(e) as a display property to demonstrate the design and features of new homes for sale,

(f) as premises for the hosting of meetings or conferences,

(g) as a betting shop,

(h) as a postal sorting office,

(i) as a citizens' advice bureau,

(j) as a job centre,

(k) as a marina, wharf, pier or jetty,

(l) as a car park, or

(m) as premises for the provision of public transport, other than bicycle docking stations, including—

(i) a bus or coach station,

(ii) a bus shelter or tram shelter,

(iii) a railway station,

(iv) a tramway station,

(v) an airport or ferry port, and

(vi) a riverboat service, including any piers used for the purposes of that service.

SCHEDULE 2

Regulation 3(1)(e)

Cultural, community or recreational facilities

1. For the purposes of regulation 3(1)(e), cultural, community or recreational facilities include the facilities specified in the following paragraphs.

2. Live music venues.

3. Nightclubs.

4. Cinemas.

(**a**) 1979 c. 38.
(**b**) 2015 c. 15. Section 86 was amended by S.I. 2022/1166.
(**c**) 1902 c. 8.

5. Theatres.

6. Libraries, museums or galleries, including—

(a) archives, and

(b) sites where a collection of objects or works (or a single object or work) considered to be of scientific, historic, artistic or cultural interest is exhibited outdoors, or partly outdoors.

7. Stately homes, historic houses and other visitor attractions of cultural, historic, touristic or educational value.

8. Tourist information centres.

9. Public halls and venues for hire for events or activities, where the events and activities are principally for the benefit of visiting members of the public, and other premises used wholly or mainly for meetings by voluntary associations.

10. Premises used by youth groups for meetings and activities, such as scout huts.

11. Premises used for lectures or lessons undertaken for recreational purposes, including language lessons, music and dance lessons, or pottery and arts lessons.

12. Sports grounds (within the meaning of section 17(1) of the Safety of Sports Grounds Act 1975(**a**)), sports clubs, gyms and other sport and leisure facilities.

13. Health spas and massage parlours.

14. Casinos, gambling clubs and bingo halls.

15. Theme parks, soft play centres, and recreational centres for activities such as bowling, laser tag, paintballing, escape rooms or miniature golf.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations provide a definition for the term "qualifying retail, hospitality or leisure hereditament" for the purposes of determining whether a lower multiplier may be applied to calculate the business rates due in relation to the hereditament in question. Local authorities multiply the rateable value of a business property with a multiplier set by central government to calculate the amount due in business rates. The definition is intended to ensure that the lower multiplier is only used for businesses within the retail, hospitality or leisure sectors.

An impact assessment has not been produced for this instrument because it amends an existing local tax regime. Publication of a full impact assessment is not necessary for such legislation.

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(**a**) 1975 c. 52.

ISBN 978-0-34-827564-3

£6.40

http://www.legislation.gov.uk/id/uksi/2025/1093