



**Rushmoor Borough Council
Film Studio Relief
(2026-27)**

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1.0 Purpose of the Policy

- 1.1 The purpose of this policy is to determine the level of discretionary relief to be awarded in respect of the Film Studio Relief Scheme for the financial year commencing 1st April 2026.
- 1.2 This is a government led initiative and the Council is keen to support certain businesses within this sector.

2.0 General Explanation

- 2.1 The 2026-27 Film Studio Relief scheme will provide all hereditaments identified as a Film Studio by the Valuation Office Agency (VOA) with a 40% relief. This relief will be provided until 2034.
- 2.2 The film studio sector is uniquely placed in comparison to other sectors. Film studios are responsible for the production of a significant quantity of economic spillovers, but are also a lynchpin for film production, which is one of the UK's most important exports, and brings with it significant cultural benefits to UK society, as well as strengthening the UK's soft power and global standing abroad. However, although film studios themselves are immovable, film productions are highly internationally mobile, which means that they can readily move wherever is cheapest.
- 2.3 In order to absorb the increased business rates liabilities which have arisen for the sector, the government's assessment is that (in the absence of this subsidy scheme) studios in England would be required to pass through the costs charged to productions, thereby significantly increasing the cost of filming in England. This passthrough of costs would reduce the competitiveness of the UK as a filmmaking destination, and lead to more films moving abroad. The consequence of this would be a weakening of the UK's film output, and of the economic spillovers and cultural benefits which accompany the production of UK film.
- 2.4 The scheme is available to any properties assessed as 'film studios' for valuation purposes by the Valuation Office Agency (VOA). The government estimates that around 40 properties will be eligible for this scheme
- 2.5 The authority will be fully compensated by central government for the loss of income as a result of this relief. The scheme will be backdated to 1 April 2024.

3.0 How will the relief be provided?

- 3.1 As this is a temporary measure for the period until 2034, Government is not changing the legislation relating to the reliefs available to properties. Instead, Government will, in line with the eligibility criteria set out in this guidance, reimburse the Council if it uses its discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It will be for the Council to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.
- 3.2 Government will fully reimburse the Council and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in this guidance, using a grant under section 31 of the Local Government Act 2003.
- 3.3 The government expects the Council to apply and grant relief to qualifying ratepayers from the effective start date of the 2024- 25 billing year.

4.0 Which properties will benefit from relief?

- 4.1 Film studio rate relief is available for a chargeable day in the financial years 2026-27 to 2033-34 for a hereditament which for the chargeable day is:
- (a) Used (or if unused appears that when next in use would be used) for the production of films or television programmes and in whole or in part comprises sound stages or film sets, and
 - (b) Valued by the Valuation Office Agency (VOA) as a studio falling within one of the following VOA's valuation categories for film studios:
 - (i) temporary or semi-permanent filming studios;
 - (ii) older filming studios, whether converted or purpose built;
 - (iii) modern industrial conversion filming studios (typically converted to film studios post 2010);
 - (iv) modern purpose built filming studios (typically built post 2010); and
 - (v) campus sites
- 4.2 These are the types of facilities which have seen exceptionally large increases at the 2023 revaluation. The relief is not available on materially unaltered industrial premises (even if occupied by a studio). VOA descriptions in the rating list or the "Scat" code should not be used for this test. The VOA will notify the Council whether they have a hereditament in their list which meets the conditions above.
- 4.3 The scheme is available to new, existing and expanding facilities. It is also available on conversions of previously industrial buildings provided they meet the tests above.
- 4.4 There are no occupation conditions for film studio relief. Relief is available where the above conditions are met irrespective of whether the property is occupied or whether occupation or ownership changes.

5.0 How much relief will be available?

- 5.1 For hereditaments eligible for the film studios business rates relief scheme, the **maximum** chargeable amount for each chargeable day is the chargeable amount which would be found by applying paragraph 1 of Schedule 4ZA or paragraph 1 of Schedule 4ZB to the 1988 Act multiplied by 60%.
- 5.2 For the avoidance of doubt, the chargeable amount found by applying paragraph 1 of Schedule 4ZA includes the effect of any current improvement relief. The value "A" in paragraph 1 is the rateable value in the list less any current Improvement Relief certificate (G). The paragraph 1 chargeable amount ignores other reliefs such as transitional relief, section 44A relief or any other mandatory or discretionary relief scheme.
- 5.3 Where the maximum chargeable amount is less than the actual chargeable amount for the day (after all other reliefs) then the Council will award discretionary relief reducing the chargeable amount for the day to the maximum chargeable amount. Where the maximum chargeable amount is more than the actual chargeable amount (after all other reliefs) then no film studio relief should be awarded.
- 5.4 Where the rateable value on the subject hereditament changes, including retrospectively when due to Checks, Challenges or Appeals, the Council will recalculate the relief with retrospective effect. The Council will ensure that these recalculations, including the clawback provisions (see later within this policy), in respect of prior years.

6.0 The Subsidy Control

- 6.1 To the extent that the Council 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 2026-27 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'
- 6.2 In those cases, where it is clear to the Council that the ratepayer is likely to breach the cash cap or the MFA limit, then the Council will automatically withhold the relief.
- 6.3 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 Council will include details of the subsidy on the subsidy control database.

7.0 Clawback of relief

Clawback: general policy

- 7.1 The level of support provided by the film studio relief scheme and the 10 year duration of the scheme has been determined by the government on the assumption that:
- (a) The rateable values in the 2023 rating list will continue to reflect the outcome of the VOA's January 2024 review of film studio rateable values ("the January 2024 review"), and
 - (b) For the rating lists commencing on 1 April 2026, 2029, and 2032, the film studio sector and those ratepayers falling within this rate relief scheme cooperate fully with the VOA in the preparation of the draft rating lists and discuss the valuation scheme prior to the draft list being published. And that the rateable values subsequently shown in those lists will continue to reflect the levels of value adopted in the respective draft lists. As discussed below, the government may review the level of relief in the event of significant changes in rateable values at future revaluations based upon the draft rating lists.
- 7.2 Therefore, the government intends that the Council will be able to clawback some or all relief in the event that, following Checks, Challenges or Appeals by the ratepayers, or any other reason, the level of rateable value departs from the outcome of the January 2024 review or the draft 2026, 2029 or 2032 rating lists. To meet this objective, this section applies a chargeable amount floor below which bills cannot fall whilst still being awarded film studio rate relief.

Application of the clawback and chargeable amount floor

- 7.3 The Council will not apply the clawback provisions unless the VOA have issued a clawback certificate. Therefore, in the absence of such a certificate, the Council may, in the event of alterations to rateable values retrospectively or otherwise, recalculate the relief without regard to this clawback provision.
- 7.4 However, where the VOA have issued a clawback certificate for the chargeable day, or any previous day to the extent that it could affect the chargeable amount (such as due to transitional relief), then the Council will apply a chargeable amount floor below which the chargeable amount for the day should not fall as a result of this relief scheme. The chargeable amount floor is the chargeable amount which would have applied for the day under this rate relief scheme had the rateable value in the list for the chargeable day and any previous chargeable day been the rateable value provided by the VOA in a clawback certificate/s.
- 7.5 Where the VOA amends a rateable value with an earlier effective date (i.e. a backdated alteration) and issues a clawback certificate with effect from that earlier day (or any other earlier day) then the Council will recalculate the rates bill with retrospective effect and clawback relief as necessary.

- 7.6 For the avoidance of doubt, the clawback cannot operate so as to give a chargeable amount for the day which is more than the chargeable amount absent the relief scheme. (The provisions for discretionary relief under section 47 of the 1988 Act do not allow authorities to increase the rates bill above the level which would have applied absent the relief.) If, exceptionally, the rateable value is reduced to such a degree that the chargeable amount floor calculated using the clawback certificate is more than the chargeable amount for the day ignoring the film studio relief then no film studio relief should apply for the day (i.e. in effect all of the relief is clawed back).

The clawback certificate

- 7.7 Following an amendment to the 2023 rating list or in compiling or altering later rating lists, the VOA shall certify what the rateable value would have been entered into the list for a chargeable day or days, adopting the matters listed in paragraph 2(7) of Schedule 6 to the 1988 Act as they existed at the material day for the list alteration (or for compiled lists the first day of the list) but adopting the £m2 values that would have been applied:
- (i) In respect of the 2023 rating list, at the conclusion of Film Studio review in January 2024; or
 - (ii) In respect of the 2026, 2029 or 2032 rating lists, at publication of the draft rating list.
- 7.8 The VOA is not required to issue a certificate if, in respect of the chargeable day, the certified value is the same as the rateable value in the list. The certificate should show the day the certified value commences. The certified value shall cease to have effect from either the day it is superseded by a later certified value (including if the certified value becomes the same as the value in the rating list) or the last day of the rating list. The VOA may need to certify several values over the course of a list where the rateable value changes (such as for material changes in circumstances) and may include those certified values on a single certificate. The VOA may amend or withdraw a certificate where, for example, the facts have changed, the VOA has changed their opinion, or they have issued the certificate in error.
- 7.9 Where the effective date of an alteration has been limited to the date the list was altered, then the claw-back certificate shall also take effect from the date of list alteration.

8.0 Film Studio Relief – the Council’s policy for granting discretionary relief.

- 8.1 The Council has decided to grant relief strictly in accordance with Central Government guidelines.

9.0 Effect on the Council's Finances

- 9.1 As this is a government led initiative, grants for the full amount awarded will be available through section 31 of the Local Government Act 2003.

10.0 Administration of Discretionary Relief

- 10.1 **The Council will provide this service and provide guidance free of charge. Ratepayers are encouraged to approach the Council direct and NOT pay for such services through third parties.**

11.0 Scheme of Delegation

- 11.1 All powers in relation to reliefs are given under the Local Government Finance Act 1988, the Local Government and Rating Act 1997, the Local Government Act 2003, and the Localism Act 2011. However section 223 of the Local Government Act 1992 allows for delegation of decisions by the Council to Cabinet, Committees, Sub-Committees or Officers.
- 11.2 For the purposes of this policy, the Revenues and Benefits Service Manager will be able to award, revise or revoke any award of Film Studio relief.

12.0 Reviews

- 12.1 Where the Council receives an appeal from the ratepayer regarding the granting, non-granting or the amount of any relief, the case will be reviewed by the Revenues and Benefits Service Manager. Where a decision is revised, then the ratepayer shall be informed, likewise if the original decision is upheld.
- 12.2 Where the ratepayer wishes to appeal the decision, the case will be considered by the Council's Section 151 Officer whose decision on behalf of the Council will be final.
- 12.3 Ultimately the formal appeal process for the ratepayer is Judicial Review although the Council will endeavour to explain any decision fully and openly with the ratepayer.

13.0 Reporting changes in circumstances

- 13.1 Where any award is granted to a ratepayer, the Council will require any changes in circumstances which may affect the relief, to be reported as soon as possible or in any event within 21 days of the change. This will be important where the change would result in the amount of the award being reduced or cancelled.

13.2 Where a change of circumstances is reported, the relief will, if appropriate, be revised or cancelled as appropriate. Where any award is to be reduced, the Council will look to recover the amount from the date the change of circumstances occurred.

14.0 Fraud

14.1 Where a ratepayer falsely applies for any relief, or where the ratepayer provides false information, makes false representation, or deliberately withholds information in order to gain relief, prosecutions will be considered under the Fraud Act 2006.