

Runnymede Borough Council

**Film Studio Relief  
Guidelines**

## **Introduction**

At the Budget on 6 March, the Chancellor announced that eligible film studios in England will receive a 40% reduction on gross business rates bills until 2034. The relief once implemented will be backdated to 1 April 2024. This is a tax cut worth around £470 million over 10 years.

## **Eligibility principles – which properties will benefit from the relief**

Film studio rate relief is available for a chargeable day in the financial years 2024/25 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 (VO) as a studio falling within one of the following 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)
  - v. campus sites

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). VO descriptions in the rating list or the “Scat” code should not be used for this test. The VO will notify billing authorities whether they have a hereditament in their list which meets the conditions above.

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. As at early 2025, the government anticipated that about 40 hereditaments will qualify in about 25 billing authorities.

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.

## How much relief will be available?

For hereditaments eligible for the film studios business rates relief scheme, the **maximum** chargeable amount for each chargeable day is:

- a. 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%, or
- b) in respect of 2026/27 and defined hereditaments within the meaning of the transitional relief scheme, the chargeable amount which would be found by applying regulation 16 of the Non-Domestic Rating (Chargeable Amounts) (England) Regulations 2026 (the addition of the Transitional Relief Supplement in respect of 2026/27) multiplied by 60%.

For the avoidance of doubt, the chargeable amount found by applying paragraph 1 of Schedule 4ZA or regulation 16 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) (see [paragraph 10\(2\) of Schedule 4ZA Local Government Finance Act 1988](#)). The paragraph 1 or regulation 16 chargeable amount ignores other reliefs such as transitional relief, section 44A relief or any other mandatory or discretionary relief scheme.

Where the maximum chargeable amount is less than the actual chargeable amount for the day (after all other reliefs) then Runnymede Borough Council should 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. Example calculations are at [Annex A](#).

Where the rateable value on the subject hereditament changes, including retrospectively when due to Checks, Challenges or Appeals, Runnymede Borough Council should recalculate the relief with retrospective effect (but see the section below on clawback). Authorities should ensure their relief schemes allow for these recalculations, including the clawback provisions, in respect of prior years.

## Subsidy control

Film studios business rates relief awards are likely to amount to subsidies. In December 2024, the government referred an Assessment of Compliance of the proposed relief scheme to the Subsidy Advice Unit, as a Subsidy Scheme of Particular Interest. The [SAU's report](#) was published on 28 January 2025, providing their evaluation of the government's Assessment of Compliance with the requirements set out in the Subsidy Control Act 2022.

Under the Scheme, any business rates relief awards made in accordance with this guidance are judged to be consistent with the subsidy control principles. This means that when Runnymede Borough Council satisfies itself that an award complies with this guidance are not required to conduct their own assessment of the award against the subsidy control principles. It also means that a subsidy awarded under the scheme that complies with this guidance is insulated from legal challenge under the Subsidy Control Act. There is no cap to the value of a business rates relief award that can be made under the Scheme. For the avoidance of doubt, subsidies awarded under the Scheme do not constitute nor contribute to Minimum Financial Assistance.

Runnymede Borough Council will also have an obligation to report individual subsidies awarded under the scheme. Subsidies above £100,000 awarded under this scheme 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 and link that award to the Business Rates Relief for Film Studios subsidy scheme. 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@businessandtrade.gov.uk](mailto:subsidydatabase@businessandtrade.gov.uk).

## **Clawback of relief**

### **Clawback: general policy**

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:

The rateable values in the 2023 rating list will continue to reflect the outcome of the VO's January 2024 review of film studio rateable values ("the January 2024 review"), and

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 VO 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.

Therefore, the government intends that billing authorities 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**

The clawback provision will not be applied unless the VO have issued a clawback certificate. Therefore, in the absence of such a certificate, authorities may, in the event of alterations to rateable values retrospectively or otherwise, recalculate the relief in line with the rules in paragraphs 12 to 15 of this guidance without regard to this clawback provision.

However, where the VO 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 authorities should 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:

- a. 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 VO in a clawback certificate/s.

Where the VO 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 billing authority should recalculate the rates bill with retrospective effect and clawback relief as necessary.

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**

Following an amendment to the 2023 rating list or in compiling or altering later rating lists, the VO 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:

a. In respect of the 2023 rating list, at the conclusion of Film Studio review in January 2024, or

b. In respect of the 2026, 2029 or 2032 rating lists, at publication of the draft rating list.

In effect the VO will disregard any valuation evidence or wider valuation scheme amendments that have been received or occurred since January 2024 or publication of the draft 2026, 2029 or 2032 rating lists (irrespective of whether that evidence exerts an upward or downward pressure on the valuations). In most cases this will result in the £m2 adopted following the January 2024 review or the draft rating list being adopted for the purposes of certification. There may be instances, (for example where the VO has accepted that the overall quality or location is poorer than assumed at the conclusion of review/draft list or a post compilation permanent MCC has occurred) that may lead to an alternative £m2 to be adopted in the certificate. However, when certifying the VO would not consider any evidence received post review/draft list and any alternative £m2 should fall within the value range adopted within the review/draft for that type of studio.

The VO 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 VO 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 VO may amend or withdraw a certificate where, for example, the facts have changed, the VO has changed their opinion or they have issued the certificate in error.

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.

The VO are instructed by the Ministry of Housing, Communities and Local Government (under section 10(1), (b) & (c) of the Commissioners for Revenue and Customs Act 2005) to issue clawback certificates in line with these rules for the duration of the film studio relief scheme. Examples of how the clawback would operate are at [Annex A](#).

## Review of relief

The government may review the scheme and the level of relief if:

- a. There are significant changes in rateable values at future revaluations based upon the draft rating lists, or
- b. The outcome of the January 24 review or future draft lists in this sector come under successful widespread challenge or appeal in respect of the level of value per m2 in the review/draft list.

## Annex A: Example calculations

### Examples of the film studio relief calculation

**Example 1:** A film studio has seen its rateable value increase at the 2023 revaluation from £500,000 when it was valued as an industrial property to £2,000,000 and now valued as a film studio.

	<b>2023/24</b>	<b>2024/25</b>
Gross rates bill before reliefs	1,024,000	1,092,000
Improvement Relief	n/a	n/a
Transitional Relief	-£673,650	-£543,910
Rates bill before film studio relief	£350,350	£548,090
Film Studio Relief (see below)	n/a	n/a
Net rates bill	£350,350	£548,090

### Calculation of Film Studio Relief

	2023/24	2024/25
Paragraph 1 Sch 4ZA/4ZB amount	n/a	£1,092,000
Maximum Chargeable Amount	n/a	£655,200
Film Studio Relief	n/a	n/a

In example 1, the studio benefits from transitional relief in both 2023/24 and 2024/25 and the rates bill before film studio relief in 2024/25 is less than 60% of the bill before transitional relief. Therefore, no film studio relief is necessary.

**Example 2:** A film studio has seen its rateable value increase at the 2023 revaluation from £750,000 when it was valued as an industrial property to £2,000,000 and now valued as a film studio.

	2023/24	2024/25
Gross rates bill before reliefs	1,024,000	1,092,000
Improvement Relief	n/a	n/a
Transitional Relief	-£511,475	-£316,865
Rates bill before film studio relief	£512,525	£775,135
Film Studio Relief (see below)	n/a	-£119,935
Net rates bill	£512,525	£655,200

#### Calculation of Film Studio Relief

Paragraph 1 Sch 4ZA/4ZB amount	n/a	£1,092,000
Maximum Chargeable Amount	n/a	£655,200
Film Studio Relief	n/a	-£119,935

In example 2, the studio benefits from transitional relief in 2024/25 but the rates bill before film studio relief is more than 60% of the bill before transitional relief. Therefore, film studio relief is awarded to bring the bill down to the maximum chargeable amount.

**Example 3:** the studio in example 2 sees an increase in its rateable value to £2,500,000 from on 1 April 2024. That increase is eligible for improvement relief.

	2023/24	2024/25
Gross rates bill before reliefs	1,024,000	1,365,000
Improvement Relief	n/a	-£273,000
Transitional Relief	-£511,475	-£316,865
Rates bill before film studio relief	£512,525	£775,135
Film Studio Relief (see below)	n/a	-£119,935
Net rates bill	£512,525	£655,200

#### Calculation of Film Studio Relief

Paragraph 1 Sch 4ZA/4ZB amount	n/a	£1,092,000
Maximum Chargeable Amount	n/a	£655,200
Film Studio Relief	n/a	-£119,935

In example 3, the improvement relief removes from the rates bill the impact of the eligible improvements for 12 months leaving the remainder of the calculation and the rates bill unaffected from example 2. At the expiry of the 12 months the additional £500,000 of rateable value will flow through into the rates bill but attract film studio relief.

#### Examples of the claw-back mechanism.

**Example 4:** the studio in example 2 secures a reduction in their rateable value from 1 April 2023 from £2,000,000 to £1,900,000. This reduction arises from a reduction in the underlying £m2 adopted for the studio at January 24 review. The VO issued a claw-back certificate with a rateable value of £2,000,000.

The rates bill before the claw-back is as follows:

	<b>2023/24</b>	<b>2024/25</b>
Gross rates bill before reliefs	£972,800	£1,037,400
Improvement Relief	n/a	n/a
Transitional Relief	-£461,575	-£266,965
Rates bill before film studio relief	£511,225	£770,435
Film Studio Relief (see below)	n/a	-£147,995
Net rates bill	£511,225	£622,440

**Calculation of Film Studio Relief**

Paragraph 1 Sch 4ZA/4ZB amount	n/a	£1,037,400
Maximum Chargeable Amount	n/a	£622,440
Film Studio Relief	n/a	-£147,995

Obviously, the bill has fallen following the reduction in the rateable value. Given that the VO have issued a claw-back certificate at £2,000,000 rateable value, the Chargeable Amount Floor is, therefore, the bill which would have applied with that rateable value – i.e. the bill from example 2 of £655,200. Therefore, the rates bill after the claw-back is as follows:

	<b>2023/24</b>	<b>2024/25</b>
Gross rates bill before reliefs	£972,800	£1,037,400
Improvement Relief	n/a	n/a

	2023/24	2024/25
Transitional Relief	-£461,575	-£266,965
Rates bill before film studio relief	£511,225	£770,435
Film Studio Relief (see below)	n/a	-£115,235
Net rates bill	£511,225	£655,200

#### Calculation of Film Studio Relief & claw-back

Paragraph 1 Sch 4ZA/4ZB amount	n/a	£1,037,400
Maximum Chargeable Amount	n/a	£622,440
Film Studio Relief before clawback	n/a	-£147,995
Chargeable Amount Floor	n/a	£655,200
Film studio relief after claw-back	n/a	-£115,235

Therefore, the claw-back mechanism has reduced the film studio relief from £147,995 to £115,235. The bill is restored back to the level in example 2.

**Example 5:** the studio in example 2 secures a reduction in their rateable value from 1 April 2023 from £2,000,000 to £1,800,000. This reduction arises in part from a reduction in the underlying £m2 adopted for the studio at the January 24 review and in part from the correction of errors found in the survey. The VO issued a claw-back certificate with a rateable value of £1,900,000.

The rates bill before the claw-back is as follows:

	2023/24	2024/25
Gross rates bill before reliefs	£921,600	£982,800
Improvement Relief	n/a	n/a

	2023/24	2024/25
Transitional Relief	-£411,675	-£217,065
Rates bill before film studio relief	£509,925	£765,735
Film Studio Relief (see below)	n/a	-£176,055
Net rates bill	£509,925	£589,680

#### Calculation of Film Studio Relief

Paragraph 1 Sch 4ZA/4ZB amount	n/a	£982,800
Maximum Chargeable Amount	n/a	£589,680
Film Studio Relief	n/a	-£176,055

As before, the bill has fallen following the reduction in the rateable value. Given that the VO have issued a claw-back certificate at £1,900,000 rateable value, the Chargeable Amount Floor is, therefore, the bill which would have applied with that rateable value – i.e. the bill from example 4 before the claw-back - £622,440. Therefore, the rates bill after the claw-back is as follows:

	2023/24	2024/25
Gross rates bill before reliefs	£921,600	£982,800
Improvement Relief	n/a	n/a
Transitional Relief	-£411,675	-£217,065
Rates bill before film studio relief	£509,925	£765,735
Film Studio Relief (see below)	n/a	-£143,295

	2023/24	2024/25
Net rates bill	£509,925	£622,440

#### Calculation of Film Studio Relief & claw-back

Paragraph 1 Sch 4ZA/4ZB amount	n/a	£982,800
Maximum Chargeable Amount	n/a	£589,680
Film Studio Relief before clawback	n/a	-£176,055
Chargeable Amount Floor	n/a	£622,440
Film studio relief after claw-back	n/a	-£143,295

Therefore, the claw-back mechanism has reduced the film studio relief from £176,055 to £143,296. The bill has still seen some reduction from the level in example 2 reflecting the fact some of the reduction is as a result of corrections to the survey.

**Example 6:** the studio in example 2 secures a reduction in their rateable value from 1 April 2023 from £2,000,000 to £1,000,000. This reduction arises from a reduction in the underlying £m2 adopted for the studio at January 24 review. The VO issued a claw-back certificate with a rateable value of £2,000,000.

The rates bill before the claw-back is as follows:

	2023/24	2024/25
Gross rates bill before reliefs	£512,000	£546,000
Improvement Relief	n/a	n/a
Transitional Relief	-£12,475	n/a
Rates bill before film studio relief	£499,525	£546,000
Film Studio Relief (see below)	n/a	-£218,400

	2023/24	2024/25
Net rates bill	£499,525	£327,600

#### Calculation of Film Studio Relief

Paragraph 1 Sch 4ZA/4ZB amount	n/a	£546,000
Maximum Chargeable Amount	n/a	£327,600
Film Studio Relief	n/a	-£218,400

Obviously, the bill has fallen following the reduction in the rateable value. Given that the VO have issued a claw-back certificate at £2,000,000 rateable value, the Chargeable Amount Floor is, therefore, the bill which would have applied with that rateable value – i.e. the bill from example 2 of £655,200. This is more than the new chargeable amount ignoring the film studio relief (£546,000 in 2024/25). Therefore, the relief is clawed back in full – i.e. the film studio relief does not apply – and the rates bill after the claw-back is as follows:

	2023/24	2024/25
Gross rates bill before reliefs	£512,000	£546,000
Improvement Relief	n/a	n/a
Transitional Relief	-£12,475	n/a
Rates bill before film studio relief	£499,525	£546,000
Film Studio Relief (see below)	n/a	£0
Net rates bill	£499,525	£546,000

#### Calculation of Film Studio Relief & claw-back

	<b>2023/24</b>	<b>2024/25</b>
Paragraph 1 Sch 4ZA/4ZB amount	n/a	£546,000
Maximum Chargeable Amount	n/a	£327,600
Film Studio Relief before clawback	n/a	-£218,400
Chargeable Amount Floor	n/a	£655,200
Film Studio Relief after claw-back	n/a	£0

### **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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