



NEW FOREST DISTRICT COUNCIL
NATIONAL NON-DOMESTIC RATES
PUBS RATE RELIEF POLICY

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1. Introduction

In a Written Ministerial Statement on 27 January 2020 the Government announced the reintroduction of a relief providing a £1,000 business rate discount for public houses with a rateable value of less than £100,000.

This document provides guidance concerning the operation and delivery of the policy.

2. Legislation

The Government is not changing the legislation. Instead the Government will, in line with the eligibility criteria for the Pubs Rate Relief Policy, reimburse billing authorities that use their discretionary relief powers, under Section 47 of the Local Government Finance Act 1988, as amended, to grant relief.

Central government will fully reimburse local authorities for the local share of the Pubs Rate Relief Scheme (using a grant under section 31 of the Local Government Act 2003).

In view of the fact that such expenditure will be reimbursed, the Government expects billing authorities to grant Pub Rate Relief to all qualifying ratepayers.

3. Who is eligible for the relief?

The Pubs Rate Relief will be available to eligible *occupied* properties with a rateable value of less than £100,000. Where pubs are part of a chain, relief will be available for each eligible property in the chain; subject to meeting State Aid requirements (see section 7).

There is no definitive description of a traditional pub or public house in law which could be readily used to determine eligibility. The Government's objective has been to adopt an approach that makes the design and eligibility of the scheme easy to implement in a clear and consistent way, is widely accepted by the industry and which is consistent with the Government's policy intention.

The Ministry of Housing, Communities and Local Government (MHCLG) issued guidance to local authorities to identify the types of hereditament they consider to be qualifying premises for the purposes of reimbursement to local authorities by Central Government via a grant under Section 31 of the Local Government Act 2003.

The MHCLG guidance is available to view at:

<https://www.gov.uk/government/publications/business-rates-pubs-discount-2020-to-2021-local-authority-guidance>

The Government's policy intention is that eligible pubs should:

1. be open to the general public
2. allow free entry other than when occasional entertainment is provided
3. allow drinking without requiring food to be consumed
4. permit drinks to be purchased at a bar.

For these purposes, it should exclude:

- restaurants
- cafes
- nightclubs
- hotels
- snack bars
- guesthouses
- boarding houses
- sporting venues
- music venues
- festival sites
- theatres
- museums
- exhibition halls
- cinemas
- concert halls
- casinos

This list is not exhaustive and decisions will be made on the particular circumstances of the premises in line with the 4 specific elements shown above and the stated intent of the Government's policy that it demonstrates the characteristics that would lead it to be classified as a pub, for example being owned and operated by a brewery.

4. How much relief will be available?

The relief available for 2020/21 under this scheme is up to £1,000 for each eligible property. There is no relief available for properties with a rateable value of £100,000 or more. The relief will be applied after mandatory and other discretionary reliefs, including the retail discount.

5. Award Period

The Government have indicated that the scheme only applies to the 2020/21 financial year, providing support for a maximum of 12 months. The Government may of course decide to extend the scope of the scheme at a later date.

Where there is a change of circumstances, such that the eligibility criteria shown above are no longer met e.g. the rateable value increases above the maximum threshold, the decision to award rate relief will be reviewed and where necessary the amount of relief will be recalculated and amended.

6. Applications for Pubs Rate Relief

The Revenues Team will interrogate our business rate system to identify previous and potential recipients and award rate relief where we are satisfied they meet the criteria. The scheme is likely to be publicised within the public house industry/professional press, so we would expect to receive individual enquiries.

We will write to those ratepayers and invite applications for the 2020/21 financial year. The application will include a declaration to be completed by the ratepayer relating to state aid compliance.

7. State Aid

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However this will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)².

The De Minimis Regulations allow an undertaking to receive up to €200,000 of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).

It is important to establish that the awarding of aid will not result in the undertaking having received more than €200,000 of *de minimis* aid. This is particularly applicable where the ratepayer is a brewery or pub chain. With this in mind the rate relief application will include a declaration to be completed by the ratepayer relating to state aid compliance.

Although the UK has left the EU, there is an Implementation Period, and the State Aid rules will continue to apply.

8. Decision Making

Initial decisions will be made by members of the Business Rate team, in conjunction with the Revenues Manager, in accordance with the eligibility criteria.

Applicants will be notified in writing the outcome of their application and if unsuccessful, will be given the opportunity to appeal the decision.

9. Appeals

An appeal against a decision not to award rate relief will be considered by the Service Manager Revenues and Benefits. The outcome of the appeal will be communicated in writing within 28 days of receipt.