



## ***Business Rates***

# ***Rate Relief Scheme for Pubs 2020/21***

## **1) Introduction**

The Government recognises the important role that pubs play in urban and rural communities across the country. As part of the 2019 Winter Budget, the Chancellor re-announced a £1,000 business rate discount for one year from 1 April 2020 for public houses with a rateable value of less than £100,000.

## **2) Legislative framework**

The award of any relief is at the discretion of Leicester City Council and is made under Section 47 of the Local Government Finance Act 1988 as amended by the Localism Act 2011.

## **3) Scheme statement**

It is the intention of Leicester City Council to exercise its powers under the above Act to award business rates relief for pubs to all 'qualifying' ratepayers.

## **4) Duration of the relief**

The relief is only applicable for the financial year 2020/21 (1 April 2020 to 31 March 2021).

## **5) Granting of relief**

As the granting of the relief is discretionary, Leicester City Council may choose not to grant the relief if we consider that appropriate; for example where granting the relief would go against the authority's wider objectives for the local area.

## **6) Eligibility criteria**

This scheme will be available to eligible occupied properties with a rateable value of less than £100,000. The majority of such pubs are independently owned or managed and not part of a chain. Where pubs are part of a chain, relief will only be available for each eligible property in the chain, subject to State Aid requirements (see section 11 of this policy)

The policy will operate in line with Government intention in that eligible pubs should:

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

For the purpose of this policy it will exclude:

- restaurants
- cafes
- nightclubs
- hotels
- snack bars
- guesthouses

- boarding houses
- sporting venues
- music venues
- festival sites
- theatres
- museums
- exhibition halls
- cinemas
- concert halls
- casinos

The above exclusions list is not exhaustive and in general broader factors may be considered where there is any doubt over the eligibility for the relief. Such factors may include whether a pub is owned/or operated by a brewery and the planning system and use classes order.

## **7) Amount of relief available**

The total amount of this Government funded relief for 2020/21 under the scheme is up to £1,000 for each eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more.

Eligibility for the relief and the relief itself is assessed and calculated on a daily basis.

## **8) Other reliefs**

Where appropriate, all other reliefs will be awarded before any reduction under this scheme.

## **9) Appeals**

An appeal process will be open to all business rate payers who feel that they meet the eligibility criteria of this policy but have not received the relief.

An appeal may only be made on the following grounds:

- (a) The premises is of a type specifically stated as being eligible for relief, and the council has by error omitted to grant relief; or
- (b) The premises is not of a type specifically stated as being eligible for relief, but its use is analogous to another property which is listed as eligible.

All appeals must be made in writing by contacting the business rates team through the contact details on the Council's website.

Appeals will be judged in line with the policy and decided at the sole discretion of the Director of Finance in consultation with the Revenues & Benefits Manager. All appeals will be reviewed within 4 weeks of submission of all required information. All decisions taken on appeals are final and the outcome will be recorded and delivered to the business in writing. If an appeal is successful rate relief will be backdated for the full eligible period within that financial year. Appeals can only be made for the current financial year (2020/21).

If an appeal is unsuccessful the only further recourse available to applicants is a judicial review. A judicial review is the means by which the decisions of billing authorities under discretionary rating powers may be questioned.

## **10) Applying for the pubs rate relief scheme**

The council will automatically apply the relief to those rating assessments that meet the criteria.

For any further enquiries the ratepayer should contact the council at:  
[business.rates@leicester.gov.uk](mailto:business.rates@leicester.gov.uk)

## **11) State aid**

The award of such discounts is considered likely to amount to state aid. However it will be state aid compliant where it is provided in accordance with the De Minimis Regulations EC 1407/2013. The De Minimis Regulations allow an undertaking to receive up to €200,000 'de minimis' aid over a rolling three year period. If you are receiving, or have received, any 'de minimis' aid granted during the current or two previous financial years from any source, you should inform us with details of the aid received.

Pubs are within the scope of State Aid law, as companies within the hospitality sector can and do set up business in other Member States as they trade on a market. Linked enterprises are considered as one single undertaking for the application of the 'de minimis' rule and therefore can receive €200,000 'de minimis' aid (including that outside of business rates relief) over three years.

## **12) Policy review**

The policy is to be applied in line with Government guidance and will be reviewed following any other changes announced by the Ministry of Housing, Communities & Local Government.

## Annex A: Calculation examples for 2020/21

The retail discount (one third) is always calculated after mandatory relief and other discretionary reliefs funded by section 31 grant.

**Example 1: An occupied pub with a rateable value of £40,000**

Gross rates (before any reliefs) = £40,000 x 0.499 = £19,960

Retail discount (50%):= -£9,980

Pubs discount (-£1,000):= -£1,000

Rates due (after retail discount and pub discount): = £8,980

**Example 2: An occupied pub with a rateable value of £70,000**

Gross rates (before any reliefs) = £70,000 x 0.512= £35,840

Pub discount (-£1,000):= -£1,000

Rates due (after pub discount):= £34,840