



HYNDBURN

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Non Domestic Rates Pubs Discount Scheme

February 2020

1. Introduction

- 1.1 In a Written Ministerial Statement on 27th January 2020, the Financial Secretary to the Treasury announced that eligible pubs with a rateable value of less than £100,000 may receive a discount on their business rates bill of up to £1000 for 2020/21.
- 1.2 For 2020/21, the Pubs Discount is applied after mandatory reliefs and other discretionary reliefs funded by grants under section 31 of the Local Government Act 2003 have been applied including the Retail Discount for 2020/21 if applicable. Other locally applied discounts under section 47 of the Local Government Finance Act 1988 must be applied after the Pub Discount.
- 1.3 The Pub Discount will be provided to eligible ratepayers in their 2020/21 bills at the beginning of that year.
- 1.4 Pub Discount awards are made under section 47 of the Local Government Finance Act 1988 as amended.

2. Eligibility

- 2.1 There is no definitive description of a traditional pub or public house in law which could be readily used to determine eligibility and this policy adopts an approach that is consistent with the Government's policy intention as set out in its statement.
- 2.2 Eligible pubs should:
 - be open to the general public; and
 - allow free entry other than when occasional entertainment is provided; and
 - allow drinking without requiring food to be consumed; and
 - permit drinks to be purchased at a bar.

2.3 For these purposes, the following types of undertaking should be excluded:

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

2.4 Where eligibility is unclear we will consider broader factors in our considerations – i.e., in meeting the stated intent of the policy that an undertaking demonstrates the characteristics that would lead it to be classified as a pub, for example being owned and operated by a brewery. Additionally, we may consider other methods of classification, such as the planning system and the use classes order to help us decide whether a property is a pub or not. However, permission for a particular use class will not necessarily mean that the property meets the definition of a pub.

2.5 Eligibility for the Pubs Discount Scheme is a test on use rather than occupation. Therefore, hereditaments which are unoccupied or which are occupied but not wholly or mainly used for the qualifying purposes will not qualify for this discount.

2.6 Hereditaments occupied for mixed use will be considered with qualification being determined by the main use of the property.

2.9 The relief will be applied on a daily basis. A new hereditament created as a result of a split or merger during the financial year, or where there is a change of use, will be considered afresh for relief on that day.

3. Amount and Duration of Relief

3.1 The total amount of government-funded discount available for each pub for 2020/21 under this scheme is £1000, or the remaining bill after other reliefs and discounts have been applied if the remaining bill is less than £1000. This discount is applied after mandatory reliefs and other discretionary reliefs funded by grants provided under section 31 of the Local Government Act 2003.

3.2 The Pubs Discount will be applied as a reduction to the overall business rates liability for 2020/21; no cash alternative is available.

3.3 There is no discount available under this scheme for pubs with a rateable value of £100,000 or more.

- 3.4 Any further reliefs awarded under the Council's discretionary powers under section 47 of the Local Government Finance Act 1988 and the Localism Act 2011 and not funded by the government will be applied after the Pubs Discount.
- 3.5 Any further reductions will be made at the discretion of Hyndburn Borough Council outside this scheme and in line with our National Non Domestic Rates Discretionary Rates Relief Scheme.
- 3.6 For 2020/21, the eligibility for the discount and the discount itself will be assessed and calculated on a daily basis in accordance with section 2 above.
- 3.8 Ratepayers who occupy more than one hereditament may be entitled to the Pubs Discount for each of their eligible hereditaments, subject to State Aid de minimis limits.

4. State Aid

- 4.1 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 the Pubs Discount Scheme will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013)¹
- 4.2 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). Small businesses are unlikely to be impacted by these rules, however larger or national chains face the potential that the cumulative impact of receiving a Pubs Discount for each of their pubs may exceed the de minimis. In these circumstances these businesses will need to decline the offer of rate relief. Appropriate explanations and forms will accompany the bills sent to premises to allow businesses to decline the relief if they assess they might transgress the State Aid rules.
- 4.3 Whilst the UK left the EU on 31 January 2020, the Withdrawal Agreement negotiated by the Government and the EU provides that during an implementation period State aid rules will continue to apply as now and will be subject to control by the EU Commission as at present. State aid rules will therefore apply, including De Minimis, to this relief during the implementation period.

6. Data Protection

- 6.1 Details of our data privacy policy can be found at www.hyndburnbc.gov.uk/privacy-notice

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:352:0001:0008:EN:PDF>

7. Equality and Diversity

- 7.1 The Council remains committed to its obligations under the Public Sector Equality Duty and a 'Customer First Analysis' has been provided with this scheme.

8. Appeals and complaints

- 8.1 As a discretionary power, appeals against decisions made under this Discount Scheme are by way of judicial review and all complaints made directly to the authority will be handled in line with the Council's complaints policy available at www.hyndburnbc.gov.uk/complaints