

Business rates discretionary rate discount

Pub Discount Scheme

The Government announced in a written ministerial statement on 27 January 2020 that it would provide relief of up to £1,000 to all occupied public houses with a rateable value of less than £100,000 for the financial year 2020/21.

The discount is to be known as Pub Discount Scheme and is payable in accordance with a local policy introduced by the council.

In law, there is no definitive description of a traditional pub or public house which can be readily used by local authorities to determine eligibility. The objective has been for central government to adopt an approach which makes eligibility clear and consistent.

The Government's advice, which the council has adopted in their policy, defines a pub as:

- Open to the general public
- Allows free entry other than when occasional entertainment is provided
- Allows drinking without requiring food to be consumed
- Permits drinks to be purchased at the bar
- A social club primarily used as a drinking establishment and where membership is not restricted

Premises excluded from the Pub Discount Scheme are:

- Restaurants and cafes
- Nightclubs
- Hotels
- Snack bars
- Guest houses and boarding houses
- Sporting venues
- Music venues
- Festival sites
- Theatres
- Museums
- Exhibition halls
- Cinemas
- Concert halls
- Casinos

State Aid

The award of Supporting Small Businesses with discounts will be State Aid compliant.

The issue of rate discounts and relief being considered as qualifying as state aid is now of some significance and is briefly explained in the Rate Relief for Charities and other Non-Profit Making Organisations guidance note issued by the Office of the Deputy Prime Minister in December 2002.

Broadly, any award of discretionary rate relief/ discounts is subject to State Aid limits, which allow a business to receive a maximum of €200,000 of aid in a three-year period (consisting of the current financial year and the two previous financial years).

For more information please speak to the business rates team on **01252 398 331** or email businessrates@rushmoor.gov.uk

Policy approved by a meeting of the Council's Cabinet on 3 March 2020