

<b>Report to:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>11 March 2020</b>
<b>Subject:</b>	<b>Business Rates – Pub Discount 2020-21</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance and Resources</b>		
<b>Wards Affected:</b>	<b>All</b>		
<b>Key Decision:</b>	<b>Yes</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>1. Business Rates – Pubs Discount 2020-21 Policy</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 In a written ministerial statement on 27 January 2020 the Government announced a £1,000 business rate discount for public houses with a rateable value of less than £100,000 for one year from 01 April 2020.

This report proposes a discount scheme commensurate with the written ministerial statement for business rate discount on public houses.

### 2.0 Recommendations

- 2.1 Cabinet is asked to **RESOLVE** that the Business Rates Pub Discount Policy (attached as appendix) be the approved scheme for Gloucester City for 2020/21.

### 3.0 Background and Key Issues

- 3.1 The Government recognises the important role that pubs play in urban and rural communities across the country.

- 3.2 In a ministerial statement of 27 January 2020, the Government announced a £1,000 business rate discount for public houses with a rateable value of less than £100,000 for one year from 01 April 2020.

As this is a measure for 2020-21 only, the Government is not changing the legislation around the reliefs available to properties, but will instead reimburse the local authority for using their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended).

- 3.3 Cabinet is being asked to approve a local scheme for business rates pubs discount as detailed in the appendix.

- 3.4 It is anticipated that approximately 45 pubs will be eligible for this discount

## **4.0 PROGRESS**

- 4.1 The Business Rates Pubs Discount scheme proposes discounts of £1,000 for qualifying public houses with a rateable value of less than £100,000.
- 4.2 The scheme will provide a £1,000 discount from a business rate bill in the 2020-21 year only
- 4.3 Some businesses will already have their business rates bill reduced. Pub discount will be applied after mandatory reliefs and Section 31 funded discretionary reliefs have been applied
- 4.4 The full eligibility criteria and arrangements for administering the scheme are detailed in appendix.
- 4.5 Gloucester City Council will delegate authority to Civica Revenues and Benefits to administer the pub discount. A report will be run to identify qualifying public houses – as outlined in the appendix. Where there is a clear eligibility to pub discount, it will be applied to the eligible pub's rates bill. A letter will be enclosed with the annual business rates bill to explain the pub discount and state aid declaration letter. Any pubs over which there may be uncertainty about account eligibility will be issued with an application form to apply for the business rates pub discount
- 4.6 Should there be any dispute over eligibility then an appeal can be made, and considered by the Section 151 Officer

## **5.0 Reasons for Recommendations**

- 5.1 Business Rates pub discount is a one year scheme; backed and financed by Central Government to support those smaller public houses which have business rate bills of less than £100,000 a year.

## **6.0 Future Work and Conclusions**

- 6.1 The impact of these changes will be monitored

## **7.0 Financial Implications**

- 7.1 The full cost of granting Business Rates Pub Discount will be met by Central Government and will be reclaimed by the local authority via the usual standard process.

## **8.0 Legal Implications**

- 8.1 Section 47 of the Local Government Finance Act 1988 (as amended by the Localism Act 2011) gives discretionary powers to Local Authorities to grant relief to reduce business rates bills.
- 8.2 The cost of relief to the Local Authority can be recovered from the Government by way of grant under section 31 of the Local Government Act 2003.

- 8.3 To access the funding, the Local Authority is required to establish a discretionary scheme for administering the relief under Section 47.
- 8.4 Providing discretionary relief is likely to amount to State Aid and as such any decision is subject to the European Union rules on State Aid. The relief should be awarded in accordance with the De Minimis Regulations, which would allow public houses to receive a maximum of €200,000 De Minimis aid in a three year period. The UK left the European Union on 31 January 2020 however the rules relating to State Aid still apply in the transition period which is relevant to this policy.

## **9.0 Risk & Opportunity Management Implications**

- 9.1 There are no risks associated as the scheme has full backing and funding from Central Government  
There are many positive impacts from the introduction of the scheme. The government has recognised the important role that pubs play in both urban and rural communities across the country. Qualifying pubs will benefit from the scheme by seeing an immediate reduction of £1,000 from their business rates bills.

## **10.0 People Impact Assessment (PIA):**

- 10.1 None

## **11.0 Other Corporate Implications**

- 11.1 Not applicable.

Sustainability

- 11.2 Not applicable

Staffing & Trade Union

- 11.3 Not applicable

## **Background Documents:**

Business Rates Pubs Discount 2020-21 LA Guidance

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

Section 47 – Local Government Finance Act 1988

<https://www.legislation.gov.uk/ukpga/1988/41/section/47>

Section 31 – Local Government Act 2003

<http://www.legislation.gov.uk/ukpga/2003/26/section/31>