

Happy hour for pubs as government cuts business rates

- the cut is on top of previously announced plans to slash the bills of small shops by 50%
- the Government is committed to levelling up the UK by supporting high streets up and down the country

Pub owners will be pulling a celebratory pint today after the Chancellor announced he would be slashing their bills by £1,000.

In a fresh demonstration of the government's support for communities up and down the country, Sajid Javid confirmed the new Pubs Relief would be introduced in April, with £1,000 being taken off the business rates bills of small pubs who qualify.

As many as 18,000 pubs are expected to benefit from the discount.

The relief will come on top of an extended retail discount, which smaller pubs are also eligible for. Those eligible for both reliefs will get up to £13,500 off their annual bills.

The Pubs Relief is part of a package of measures that is being introduced by the government to support local high streets. From April this year:

- small shops and cafes will see their bills halved as the retail discount, currently a third off, is extended to 50%
- music venues and cinemas will become eligible for the retail discount
- a £1,500 discount for local newspapers office space will be extended for a further five years

Chancellor of the Exchequer Sajid Javid said:

Thousands of pubs will get £1,000 off their rates bills this April, thanks to the changes we're announcing today.

These will mean lower rates for the small independent shops, cafes and locals at the heart of our communities, as well as for the local papers that are a vital pillar in local democracy.

Community Pubs Minister Luke Hall said:

Pubs are front and centre of communities around the country, the key to thousands of jobs and providing a meeting point for local residents to get together and enjoy a pint.

Today's business rates cut continues our firm commitment to support pub owners, helping to keep the pints pouring and the locals happy.

The government is committed to launching a fundamental review of business rates. Further details will be announced in due course.

ONS stats released last week showed that the number of small pubs and bars rose last year.

The support for pubs comes following the announcement of more than £1m for community pubs. The funding will help an estimated 100 new groups to take ownership of and save their local, or support essential community services in pubs in rural and remote areas.

Further information

- the pubs relief will apply to pubs with a rateable value below £100,000 subject to eligibility. Pubs with a rateable value of below £51,000 already get a one-third reduction in their rates bill through the retail discount. The £1,000 discount is in addition and will apply after the retail discount
- in 2020-21, the Government will increase the existing business rates retail discount (which includes pubs) to 50 per cent, and include live music venues (up to a rateable value of £51,000)
- all reliefs are subject to State Aid limits, which limits the amount of support available to any business to €200,000 over a rolling three-year period
- estimated number of beneficiaries based on previous pubs relief, claimed by nearly 18,000 pubs in 2017
- £13,500 discount based on a pub with a rateable value of £50,000, generating an annual rates bill of around £25,000. Applying the 50% retail discount reduces the bill by £12,500
- the pub would then receive the £1,000 pubs relief on top of that