

**REPORT of
DIRECTOR OF FINANCE**

to
STRATEGY AND RESOURCES COMMITTEE
29 JANUARY 2026

ADDENDUM

AGENDA ITEM 9. BUSINESS RATES AND COUNCIL TAX DISCRETIONARY REDUCTIONS

On Tuesday 27 January 2026 The Ministry of Housing, Communities and Local Government announced that in 2026-27, eligible pubs and live music venues will benefit from a 15% business rates relief on top of the support announced at Budget 2025¹.

This relief will be administered using existing discretionary rate provisions and in light of that, the Policy for the granting of Discretionary Non-Domestic Rate Relief being considered at **APPENDIX 1** (to the main report) will require further updating which, subject to, currently unavailable guidance being provided, will broadly be limited to:

- the insertion of a row to the table at 4.4

Appendix	Relief Type	Granted after 1 st April 2026
	Public and Live Music Relief	
H	Pubs and Live Music Relief (from 1 April 2026 if conditions are met)	Section 31 Grant

- an appendix setting out a general explanation, how the relief will be provided etc., in line with the other policy appendices and the currently unavailable final Government Guidance, based on the following Government scoping information.

Scope

2. The government's policy intention is that pubs and live music venues should be eligible for the relief. The relief should apply to occupied properties only.

Pubs

3. Relief should only be awarded to pubs which meet all of the following characteristics:
 - a. is open to the general public
 - b. allows free entry other than when occasional entertainment is provided
 - c. allows drinking without requiring food to be consumed
 - d. permit drinks to be purchased at a bar
4. For these purposes, the meaning of pub does not include:
 - a. restaurants, cafes, nightclubs, snack bars
 - b. hotels, guesthouses, boarding houses
 - c. sporting venues
 - d. festival sites, theatres, cinemas
 - e. museums, exhibition halls
 - f. casinos

¹ [1/2026: Pubs and live music venues relief 2026 to 2027 - GOV.UK](https://www.gov.uk/government/news/1-2026-pubs-and-live-music-venues-relief-2026-to-2027)

5. The proposed exclusions in the list in the paragraph above is not intended to be exhaustive and it will be for the local authority to determine those cases where eligibility is unclear. We believe that billing authorities will already have a good understanding of the pubs in their areas and will be able to readily form a view on eligibility in the majority of cases.
6. Where eligibility is unclear authorities should also consider broader factors in their considerations – i.e., in meeting the stated intent of policy that it demonstrates the characteristics that would lead it to be classified as a pub by the natural meaning of the word. For example, being owned and operated by a brewery.

Live music venues

7. Live music venues are properties that are:
 - a. wholly or mainly used for the performance of live music for the purpose of entertaining an audience
 - b. can be used for other activities but only if those other activities are:
 - i. ancillary or incidental to the performance of live music (e.g. the sale of food or drink to audience members)
 - ii. Do not affect the primary use of the premises for the performance of live music (e.g. because the activities are infrequent such as use of the venue as a polling station or fortnightly community event)
8. Properties are not a live music venue for the purpose of this relief if the property is wholly or mainly used as a nightclub or a theatre, for the purposes of the Town and Country Planning (Use Classes) Order 1987 (as amended).
9. There may be circumstances where it is difficult to tell whether an activity is a performance of live music or, instead, the playing of recorded music. Although we would expect this to be clear in most circumstances, guidance on this may be found in [Chapter 16 of the statutory guidance](#) issued in April 2018 under section 182 of the Licensing Act 2003.

How much relief will be available?

10. The eligibility for the relief and the relief itself will be assessed and calculated on a daily basis. The following formula should be used to determine the amount of relief to be granted for a chargeable day for a particular hereditament in the financial year 2026-27:
 - a. Amount of relief to be granted = $V \times 0.15$ (i.e. 15% relief) where:
 - i. V is the daily charge for the hereditament for the chargeable day after the application of any mandatory relief and certain other discretionary reliefs in line with the guidance in paragraph 12 below.
11. This should be calculated ignoring any prior year adjustments in liabilities which fall to be liable on the day. The relief is not subject to any cap.
12. The relief should be applied after mandatory reliefs and other discretionary reliefs funded by section 31 grants have been applied, but before those where local authorities have used their wider discretionary relief powers introduced by the Localism Act 2011, which are not funded by section 31 grants.

However, as required in the National Non-Domestic Rates guidance notes, the former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable/CASC and not for profit) should be applied first in the sequence of discretionary reliefs and, therefore, before pubs and live music venues relief. Authorities may use their discretionary powers to, at cost to themselves, offer further relief outside this scheme or additional relief to hereditaments within the scheme. However, where an authority applies a locally funded relief under section 47, this should be applied after the pubs and live music venues relief. The ordering should be applied in following sequence:

- a. Improvement Relief
- b. Transitional Relief
- c. Other mandatory Reliefs (as determined in legislation)
- d. Section 47 Discretionary Relief in the following order:
 - i. 2026 Supporting Small Business (SSB)
 - ii. Former categories of discretionary relief available prior to the Localism Act 2011 (i.e. charitable, CASC, not for profit) should be applied first in the sequence of discretionary reliefs, after SSB
 - iii. Other discretionary (centrally funded) including Freeport relief
 - iv. 2026-27 pubs and live music venues relief scheme
 - v. Other locally funded scheme

REPORT RECOMMENDATIONS

It is proposed that the recommendations set out in the report are replaced with the following:

To the Council:

- (i) That **subject to incorporation of the provisional amendments (set out above),** amendments to the Policy for the granting of Discretionary Non-Domestic Rate Relief at **APPENDIX 1**, to reflect updated Government guidance and legislation be approved;
- (ii) **that the Director of Finance (S151 officer), in consultation with the Chairperson of this Committee, is granted delegated powers to consider and make minor technical amendments to the Policy for the granting of Discretionary Non-Domestic Rate Relief, in line with final Government guidance, as soon as reasonably practicable, to enable the award of this relief to eligible businesses;**
- (iii) that minor amendments to the Empty Homes and Second Homes Premium Policy 2025 / 26 document at **APPENDIX 2** be noted;
- (iv) that minor amendments to the Council Tax S13A (1) (C) Local Government Act 1992 Policy document at **APPENDIX 3** be noted.