

## Guidance

# Business rates: Pubs and live music venues relief - local authority guidance

This guidance is to support local authorities in administering the pubs and live music venues business rates relief.

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From: Ministry of Housing, Communities and Local Government  
(</government/organisations/ministry-of-housing-communities-local-government>)

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**Applies to England**

## Contents

- About this guidance
- Introduction
- How the relief will be provided
- Eligibility criteria – which properties will benefit from the relief
- How much relief will be available?
- Subsidy control
- Sequence of reliefs

## About this guidance

1. This guidance is intended to support local authorities in administering the pubs and live music venues business rates relief, announced on 27 January

2026. This guidance applies to England only.

2. This guidance sets out the criteria for the pubs and live music venues business rates relief scheme. The guidance does not replace existing legislation.

3. Enquiries on this measure should be addressed to:  
[ndr@communities.gov.uk](mailto:ndr@communities.gov.uk).

## Introduction

4. On 27 January 2026, the government announced that eligible pubs and live music venues in England will receive a 15% reduction on their business rates bills for the 2026/27 financial year.

5. On 27 January 2026, the government also announced that eligible pubs and live music venues' business rates bills would be frozen in real terms in 2027/28 and 2028/29. Separate guidance will be provided for the delivery of that measure ahead of the relevant financial years.

6. This document provides guidance to local authorities about the operation and delivery of the policy to provide a 15% relief in the 2026/27 financial year.

## How the relief will be provided

7. The government will, in line with the eligibility criteria set out in this guidance, reimburse local authorities that use their discretionary relief powers under section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. It will be for individual local billing authorities to adopt a local scheme and determine in each individual case when, having regard to this guidance, to grant relief under section 47.

8. The government will fully reimburse billing authorities and major precepting authorities for their loss of income under the rates retention scheme as a result of awarding the relief that falls within the definitions in this guidance, using a grant under section 31 of the Local Government Act 2003.

## Eligibility criteria – which properties will benefit from the relief

9. Hereditaments that meet the eligibility criteria for pubs and live music venues relief will be occupied hereditaments which meet all of the following conditions for the chargeable day:

a. They are wholly or mainly being used:

- as a pub
- as a live music venue

## **Pubs**

10. We consider a pub to mean a hereditament where all of the following criteria apply. A hereditament that:

- 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. permits drinks to be purchased at a bar

11. For these purposes, the meaning of a 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

12. 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 local 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.

13. Where eligibility is unclear local authorities should also consider broader factors in their assessment – i.e. in meeting the stated intent of the 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; establishments that are open to wide sections of local communities and practically operate as a pub for that local community e.g. working men's club.

## **Live music venues**

14. We consider a live music venue to mean a hereditament that:

- a. Is 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 ancillary or incidental to the performance of live music (e.g. the sale of food or drink to audience members)
  - 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)

15. 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).

16. 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 \(https://www.gov.uk/government/publications/explanatory-memorandum-revised-guidance-issued-under-s-182-of-licensing-act-2003\)](https://www.gov.uk/government/publications/explanatory-memorandum-revised-guidance-issued-under-s-182-of-licensing-act-2003) issued in April 2018 under section 182 of the Licensing Act 2003.

## How much relief will be available?

17. 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 2026/27 financial year:

a. Amount of relief to be granted =  $V \times 0.15$  (i.e. 15% relief) where:

- $V$  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 paragraphs 22 and 23 below.

18. 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 or the Minimal Financial Assistance limit in Subsidy Control,

## Subsidy control

19. The pubs and live music venues relief awards are likely to amount to subsidies. The government will therefore take appropriate steps to comply with the Subsidy Control Act 2022 and international subsidy control rules.

20. The government considers that any business rates relief awards made in accordance with this guidance are consistent with the subsidy control principles. As the relief forms part of a wider subsidy scheme, local authorities that satisfy themselves that an award complies with this guidance are not required to conduct their own assessment of the award against subsidy control principles. It also means that an individual relief awarded under this subsidy scheme that complies with this guidance is insulated from legal challenge under the Subsidy Control Act. There is no cap on the value of a business rates relief award that can be made under the Scheme. For the avoidance of doubt, subsidies awarded under the scheme do not constitute nor contribute to Minimal Financial Assistance.

21. Local authorities will also have an obligation to report individual reliefs worth over £100,000. This is not cumulated per beneficiary but applies per subsidy award (i.e. the relief applied to each hereditament). It is also not cumulated with the subsidy awarded in the form of the lower Retail, Hospitality and Leisure multipliers. This means that for every individual subsidy provided of more than £100,000, the local authority needs to include details of the subsidy on the subsidy control database and link that award to the subsidy scheme under which it is given. To do so, local authorities will need to create an account to use the [Manage UK Subsidies Portal](https://searchforuksubsidies.beis.gov.uk/) (<https://searchforuksubsidies.beis.gov.uk/>). To gain access, users must email [subsidydatabase@businessandtrade.gov.uk](mailto:subsidydatabase@businessandtrade.gov.uk).

## Sequence of reliefs

22. 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 NNDR 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.

23. Authorities may use their discretionary powers to, at cost to themselves, offer further relief outside this scheme or additional relief to hereditaments within this 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 the 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:

- 2026 Supporting Small Business (SSB)
- 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
- other discretionary reliefs (centrally funded) including Freeport relief
- 2026/27 pubs and live music venues relief scheme
- other locally funded scheme

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