

# Pub Relief Guidance

## Introduction

The Government recognises the important role that pubs play in urban and rural communities across the country. At the Spring Budget 2017, the Chancellor announced up to a £1,000 business rate discount for public houses with a rateable value of up to £100,000 for one year from 1 April 2017. This was part of a wider £435m package to support businesses – including pubs - facing significant increases in rate bills following the business rates revaluation.

## Eligibility criteria - which properties should benefit

The scheme will be available to eligible occupied properties with a rateable value of less than £100,000. The majority of pubs are independently owned or managed and will not be part of chains. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to meeting State Aid requirements (see notes on State Aid in this guidance).

There is no definitive description of a traditional pub or public house in law which could be readily used by local authorities to determine eligibility. The objective has been to adopt an approach that makes the design and eligibility of the scheme easy to implement by local authorities in a clear and consistent way, is widely accepted by the industry and which is consistent with the Government's policy intention as set out in this section.

The Government's policy intention is that eligible pubs should:

- be open to the general public
- allow free entry other than when occasional entertainment is provided
- allow drinking without requiring food to be consumed
- permit drinks to be purchased at a bar.

For these purposes, it should exclude:

- restaurants
- cafes
- nightclubs
- hotels
- snack bars
- guesthouses
- boarding houses
- sporting venues
- music venues
- festival sites
- theatres
- museums
- exhibition halls

- cinemas
- concert halls
- casinos

The proposed exclusions in the list are not intended to be exhaustive and it will be for the local authority to determine those cases where eligibility is unclear.

### **How much relief will be available?**

The total amount of Government-funded relief available for 2017/18 only under this scheme is up to £1,000 for each eligible property. There is no relief available under this scheme for properties with a rateable value of £100,000 or more.

Eligibility for the relief and the relief itself will be assessed and calculated on a daily basis.

In addition to the pub scheme set out in this guidance, further relief is available to assist ratepayers losing small business rates relief or rural rate relief as a result of revaluation. On top of this, the Government is also making available a separate £300 million discretionary relief fund over the next four years to enable local authorities to help individual businesses that are facing increased rates bills. Both of these schemes may also be available to pubs.

### **State Aid**

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. However the support for ratepayers will be State Aid compliant where it is provided in accordance with the de minimis regulations (EC 1407/2013)<sup>14</sup>.

The de minimis regulations allow an undertaking to receive up to €200,000 of 'de minimis' aid over a rolling three year period (consisting of the current financial year and the two previous financial years). Ratepayers will need to sign a declaration stating that they are within the de minimis State Aid levels.

### **Entitlement to Relief**

The Council have identified those ratepayers who it believes are eligible for the scheme and have automatically applied relief subject to confirmation that relief granted is within EU State Aid limits. **Please contact the Business Rates Team on 01670 624885** if you are not in receipt of the relief but feel you meet the eligibility criteria.