**PUB RATE RELIEF POLICY**

1. **Background**

1.1 The Government announced in the 2017 Spring Budget that it would provide 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.

1.2 As this is a temporary measure for the 2017/18 financial year only, the Government is not changing the rules on when a property becomes eligible for relief. Instead it is providing the relief by reimbursing local authorities that use their discretionary relief powers (under section 47 of the Local Government Finance Act 1988) to grant relief in prescribed circumstances.

1.3 In announcing the scheme the Government said that it recognised the important role that pubs play in urban and rural communities across the country.

1.4 On 5 September 2017 the Cabinet adopted the scheme for pub relief and delegated to the Chief Finance Officer, in consultation with the Portfolio Holder for Business Management, the detailed application of that scheme (Decision 101/2017).

1. **Properties to benefit from relief**

2.1 The scheme will be available to eligible occupied properties with a rateable value of less than £100,000. Most 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.

2.2 There is no definitive description of a traditional pub or public house in law but for the purposes of this policy and in line with Government intentions 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

2.3 The valuation list maintained by the Valuation Officer (HM Board of Revenue & Customs) has an analysis code of CL that is indicative of public houses and wine bars that would normally be eligible for rate relief subject to the rateable value limit.

2.4 Properties excluded from an award under this policy are:

restaurants

cafes

nightclubs

hotels

snack bars

guesthouses

boarding houses

sporting venues

music venues

festival sites

theatres

museums

exhibition halls

cinemas

concert halls

casinos

This list is not exhaustive. Medway Council will consider other licensed premises on their own merit, and take into consideration the planning classification of the premises together with information that can demonstrate the property has the characteristics of a local pub.

1. **Amount of relief to be paid**

3.1 The relief under this scheme is for 2017/18 only and up to a maximum of £1,000 for each eligible property.

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

1. **Process for awarding relief**

4.1 Medway Council will use information held on existing Business Rate records to identify qualifying properties and award relief to the value of the annual charge from 1 April 2017, up to the maximum of £1000.

4,2 Pubs that are part of a chain due will be asked to consider the State Aid De Minimis regulations and inform the Council should they be in breach or need any help in establishing their position in relation to those regulations.

4.3 Promotion on the Council’s website, in the local press and through the town centre managers will be used to help capture any properties that may get overlooked.

4.4 Where appropriate, all other reliefs will be awarded before any reduction under this scheme.

**5. State Aid relief**

5.1 State Aid is support from public bodies which has the potential to distort competition and effect trade between member states of the European Union.

* 1. Any form of discretionary rate relief may amount to State Aid.
	2. State Aid is generally prohibited, but there are exceptions and aid is allowed under the ‘de-minimis’ rules. For most businesses this currently means €200,000 over 3 years from ALL sources.
	3. The Council will require a recipient under the pub rate relief scheme to demonstrate their compliance with these legal requirements and any permitted exemptions. Each case will be considered based on the ratepayer’s individual circumstances in full consideration of the state aid rules.
1. **Appeals**
	1. Appeals against a refusal to grant relief will be dealt with as follows:
* Initial review by the Revenues and Benefits Service Manager
* Second stage review by the Chief Finance Officer