

# Cherwell District Council

## Executive

24 February 2020

### Business Rates Retail Pub Relief Policy

#### Report of Executive Director of Finance (Interim)

This report is public

#### Purpose of report

To provide members of Executive with an update on the forthcoming changes for Business Rates Relief and to recommend to Council approval for the proposed Pub Relief Scheme.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report.
- 1.2 To recommend to Council the adoption of proposed Business Rates Pub Relief Policy (Appendix 1).

#### 2.0 Introduction

- 2.1 The Government recognises the important role that pubs play in urban and rural communities across the country. In a Written Ministerial Statement on 27 January 2020, the Financial Secretary to the Treasury announced a £1,000 business rate discount for public houses with a rateable value of less than £100,000 for one year from 1 April 2020.
- 2.2 The Government expects local authorities to ensure these changes applied for the start of 2020/21, and to ensure eligible business receive the increased support in their rates bills at the start of the financial year.
- 2.3 The pub relief awarded by the Council will be fully reimbursed if paid in accordance with Government guidance.
- 2.4 The policy proposed fully reflects the guidance to award relief to occupied eligible properties.

### **3.0 Report Details**

- 3.1 The total amount of government-funded relief available in the year 2020/21 under this scheme is £1,000 per 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.
- 3.2 As this is a measure for 2020/21 only, the Government is not changing the legislation around the reliefs available to properties. Instead the Government will, in line with the eligibility criteria set out in its guidance and reimburse local authorities that use their discretionary relief powers, under section 47 of the Local Government Finance Act 1988 (as amended), to grant relief.
- 3.2 Central government will fully reimburse local authorities for the local share of the discretionary relief (using a grant under section 31 of the Local Government Act 2003).
- 3.3 Local authorities will be asked to provide an estimate of their likely total cost for providing the relief in a supplementary return for 2020/21. Central government will provide payments to authorities to cover the local share.
- 3.4 The Council currently makes awards in accordance with Section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. In order to adopt the “retail relief” scheme members will be required to adopt a local scheme and decide in each individual case when to grant “pub relief”.

#### **Discretionary Retail Rate Relief Policy for public houses**

- 3.5 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
- 3.6 There is no definitive description of a pub or public house in law which could be readily used by authorities to determine eligibility
- 3.7 The Government’s policy intention is that eligible pubs should
- 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 the bar
- 3.8 For these purposes it should exclude
- Restaurants
  - Cafes
  - Nightclubs
  - Hotels
  - Snack Bars
  - Guest Houses
  - Boarding Houses
  - Sporting Venues
  - Music Venues
  - Festival Sites

- Theatres
- Museums
- Exhibitions Halls
- Cinemas
- Concert Halls
- Casinos

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 Members are asked to note the contents of the report
- 4.2 Members are asked to recommend to Council the adoption of the Pub Relief Scheme Policy.

## **5.0 Consultation**

None

## **6.0 Alternative Options and Reasons for Rejection**

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Members could agree not to determine a Business Rates Pub Relief Policy, but this would mean the Council is not complying with Central Government guidance and would be to the detriment of ratepayers in the district.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 In awarding the “pub relief” in accordance with the guidance the Council will be able to be fully reimbursed through the NNDR claim process.

Comments checked by:

Dominic Oakeshott Assistant Director of Finance

0300 003 0110, [Dominic.oakeshott@cherwell-DC.gov.uk](mailto:Dominic.oakeshott@cherwell-DC.gov.uk)

### **Legal Implications**

- 7.2 The primary legal implications for the Council are outlined in the main body of the report. The guidance advises that Councillors should consider the awarding of relief in accordance with their powers for granting discretionary rate relief as provided for by Section 47 of the Local Government Finance Act 1988 (as amended). As the main body of the report makes clear, provided the Council follows that guidance then it will be able to recover the money from Government.

As the main body of the report mentions, there is a State Aid issue to contend with here. The Council will therefore require that any recipient of the “pub relief”

completes a declaration to confirm that they have not received any other assistance from another public body within the past 3 financial years, this will be particularly relevant in the case of chain pubs where the position will be more complicated than with independent premises.

Comments checked by:

Chris Mace Solicitor, 01295 221808, [Christopher.mace@cherwell-DC.gov.uk](mailto:Christopher.mace@cherwell-DC.gov.uk)

## 8.0 Decision Information

### Key Decision

**Financial Threshold Met:** Not applicable

**Community Impact Threshold Met:** Not applicable

### Wards Affected

All

### Links to Corporate Plan and Policy Framework

Corporate Priorities: Sound budgets and customer focused council

### Lead Councillor

Councillor Tony Illott, Lead Member for Financial Management and Governance

### Document Information

Appendix No	Title
1	Business Rates Pub Relief Policy
Background Papers	
None	
Report Author	Belinda Green Operations Director CSN Resources
Contact Information	<a href="mailto:Belinda.green@csnresources.co.uk">Belinda.green@csnresources.co.uk</a>