

# DONCASTER METROPOLITAN BOROUGH COUNCIL

## PUBS RELIEF SCHEME 2017/18

### Background

1. National Non-Domestic Rates (NNDR), also known as Business Rates is a tax on non-domestic properties. The level of the charge for Business Rates is based on the rateable value of the property multiplied by the Government multiplier, and the amount payable may then be subject to a number of reliefs and exemptions.
2. Local Authorities have the power to grant Discretionary Rate Relief to Ratepayers that meet certain criteria. The amount of relief granted is used to reduce the amount the Ratepayer owes in Business Rates.
3. At the Spring Budget, the Government announced a new relief scheme for occupied pubs that have a rateable value of below £100,000. Under the scheme, eligible pubs will receive a £1000 discount on their bill. The relief will have effect for 2017/18.
4. The Government is not intending to change the legislation. Instead it has provided eligibility criteria and guidance from the Department of Communities and Local Government (DCLG) on 20<sup>th</sup> June 2017.

### Legislation

5. S47 of the Local Government Finance Act 1988, as amended by the Localism Act 2011, states the Authority may only grant relief if it would be reasonable to do so having regard to the interests of Council Tax payers in its area. It also requires a local authority to have regard to any relevant guidance issued by the Secretary of State when deciding whether to grant relief.
6. Providing discretionary relief to ratepayers is likely to amount to State Aid. However Pubs Relief will be State Aid compliant where it is provided in accordance with the De Minimis Regulations (1407/2013).
7. The De Minimis Regulations allow an undertaking to receive up to €200,000, around £173,000, of De Minimis aid in a three year period (consisting of the current financial year and the two previous financial years).
8. To administer De Minimis aid it is necessary for the local authority to establish that the award of aid will not result in the undertaking having received more than €200,000, around £173,000 of De Minimis aid. Exchange rates will be calculated using the currency converter shown on the link below.

[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/infoeuro/infoeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/infoeuro/infoeuro_en.cfm)

### Who pays for the relief granted?

9. Central Government will fully reimburse local authorities for the local share of the Pubs Relief (using a grant under section 31 of the Local Government Act 2003). As the relief will be fully funded it is the interests of local taxpayers due to potential job retention and the wider local economic benefits.

## **Purpose**

10. The purpose of this scheme is to specify how the Council will operate its discretionary powers and to indicate the factors we will consider when deciding if this relief can be awarded.
11. The Council will consider awarding relief to all ratepayers who meet the qualifying criteria. We will share information with other public bodies and grant funders to prevent and detect fraud and duplication of assistance in respect of Business Rates.

## **Consultation**

12. This scheme has been approved by Council Members. No other consultation has taken place on the proposed scheme as it is in line with the Government guidance and eligibility criteria and therefore fully funded by Central Government.

## **How we will decide whether to award Pubs Relief**

13. 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.
14. 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.
15. 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 list is not intended to be exhaustive, if a use is broadly similar to those above, it will not be considered eligible for relief.

### **Claiming Pubs Relief**

16. The Council will identify all eligible ratepayers and award relief automatically where it is clear that State Aid requirements are met. Where pubs are part of a chain, relief will be available for each eligible property in the chain, subject to meeting State Aid requirements and this will need to be clarified before any relief is awarded.

17. We may request any reasonable evidence to determine eligibility.

### **Period of Award**

18. The start date of the relief will be the 1<sup>st</sup> April 2017.

19. For applications where the qualifying criteria are not met until after this date, the start date of the relief will be the date that the qualifying conditions are met up to and including 31<sup>st</sup> March 2018 (which is the last date that relief will be awarded based on the current information from Government).

20. The minimum period of relief that can be awarded is one day.

21. Entitlement to relief will cease on the 31<sup>st</sup> March 2018, or from such date that one or all of the qualifying criteria are no longer met if sooner.

### **How much will we award?**

22. The total amount of Government-funded relief available for 2017/18 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.

23. Pubs Relief will be awarded after taking into consideration other reliefs, including relief awarded under the Supporting Small Businesses Relief Scheme and excluding relief awarded under the Local Discretionary Relief Scheme. The amount awarded will be no more than the net rate liability if this is less than £1,000.

24. Ratepayers that occupy more than one property will be entitled to Pubs Relief on each of their eligible properties subject to EU State Aid De Minimis limits.

25. A new hereditament created because of a split or merger during the financial year or a change of use will be considered afresh for the relief from that date.

## **How payments will be made**

26. All relief awarded will be credited to the ratepayer's Business Rates account.

## **Notifications**

27. Where the application is successful, the ratepayer will be notified and the notification will include the following information:-

- The period of the award.
- The amount of relief to be awarded for the period.

## **Overpayments**

28. The Council will recover all overpayments of Pubs Relief through the ratepayer's Business Rates account.

## **Right of Appeal**

29. As this is a discretionary scheme there is no formal right of appeal, however, if a ratepayer is aggrieved by a decision made under this scheme, they must write and tell us why they think the decision is wrong, e.g. whether the published criteria has been properly applied.

30. The case will then be considered by someone who has not been involved in the original determination.

31. They will thoroughly check all the information held about the property along with the details in the relief application and any further information provided by the ratepayer. They will decide whether or not the criteria have been properly applied. They could then: -

- Decide not to change the decision;
- Change the decision and award Pubs Relief.

32. They will write to tell the ratepayer what has happened, normally within 21 days of reconsidering the decision.

## **Fraud**

33. The Council is committed to the fight against fraud in all its forms. A ratepayer who tries to fraudulently apply for Pubs Relief by falsely declaring their circumstances or providing a false statement or evidence in support of their application, may have committed an offence under the Theft Act 1968. Where we suspect that such a fraud may have occurred, the matter will be investigated in line with the Council's Anti-Fraud Strategy. This may lead to criminal proceedings being instigated.

## **Publicity and Information**

34. The Council will include information about Pubs Relief in the Business Rates Section of the Council's website and other appropriate places.