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SAVE ST ALBANS PUBS

PRESS RELEASE

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Save St Albans Pubs are meeting at Robert Jenrick (Exchequer Secretary to the Treasury) at Parliament this Monday 14th January – meeting arranged by Anne Main MP. This is a result of Anne Main MP visiting St Albans to see a Save St Albans Pubs Campaign.

Anne wrote to Chancellor Philip Hammond in December 2018 inviting him to meet with some of St Albans hardest hit landlords and as a result of her letter we are meeting with MP Robert Jenrick who is the Minister responsible for the policy area around Beer Duty and Business Rates. Accompanying us will be Alan Oliver of the Six Bells.

We will be presenting the collective views of the impact of business rate reform on St Albans independent landlords/pub operators. We ask for the government to act urgently to provide:

- **An amendment to the budget so that the proposed rate relief for small businesses with rateable values of £51,000 or less will apply to all pubs for the first £51,000 in rateable values whatever their rateable value.**
- **An immediate freeze in the next budget on current business rate levels (payable 2018/2019) such that there is no further increases to rates until 2022.**
- **A review of the business rate tax formula, in consultation with Save St Albans Pubs and other landlords nationally in order to develop a transparent business rate formula that:**
 - **Considers the various pub ownership models whilst reviewing a new business rates system for pubs (tied, free of tie, freehold etc.)**
 - **Does not penalise the pubs which operate more efficiently nor subsidise the pubs which operate less efficiently**
 - **Lowers taxes/multiplier used to calculate business rates**
- **A fair/transparent business rates system with a streamlined, timely appeals process where valuations are reviewed on a more frequent basis rather than every 5 years.**



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The current 2017 business rates formula for pubs uses a methodology for setting the rateable value based upon 'fair maintainable trade'. The rateable value is primarily driven by turnover (less VAT). The rateable value calculation also takes into account property valuations in the area such that a small pub (in size/square footage and in number of employees) may have a high rateable value in part because the neighbourhood it is in has high property values. The formula does not appear to take into account the various models of pub ownership (freehold, tied, leased, managed etc.), it is arbitrary, it's not transparent, it penalises the small business operators who operate over and above a reasonably efficient manner and the appeals process is extremely difficult and untimely (up to 3 years). Also, the current tax rate/multiplier is too high for a small business pub operator to sustainably pay, while maintaining a fair/sustainable wage/dividend.

Save St Albans Pubs will be providing case studies and financial information from our independent pub operators/landlords at our meeting on Monday and for the debate on Tuesday to support the above view. More than 30 of St Albans 50 pubs have had rate increases, in some cases 70%-200%. Our pubs will collectively need to sell approximately 180,000 pints per year to cover the incremental business rate taxes. The impact of the freeze on beer duty announced by the government such that the price of a pint will be 2p lower in 2019 on 180,000 pints is approximately £3600.00, which has zero impact on the business rate increase on St Albans pubs.

Save St Albans Pubs is pleased and excited that Anne Main has been able to get this opportunity to put St Albans landlords case in front of the Treasury. This is a direct result following on from Anne's visit to St Albans where she was able to see firsthand the impact of the 2017 business rate reform on our pubs.

You can hear Anne's comments on how depressing she found the 2017 business rate reform impact to be for our small independent pub landlords on this video.

<https://www.youtube.com/watch?v=dmlv-kQmObw>

We will provide an updated press release following our Monday meeting and the House of Commons Budget debate on Tuesday.

Kind Regards

Save St Albans Pubs

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