

It's a taxing time being the publicans of a village pub

The current publicans of The Royal Oak Woodchester have been in the hospitality industry for a long time. Punch taverns sold the pub in the early 2000s to private developers who leased it a few times, but they found it difficult to make a living from the pub and the current publicans bought the freehold for £400,000 in 2016. They bought new gas and electrical appliances and renewed the wiring. The regulars are very supportive but they cannot support the pub on their own and the owners need other income to survive and so they have decided to extend the restaurant to attract more diners and to become a bigger destination pub. They have a five-star rating on Trip Advisor, and they argue that 'It's a hell of a lot better since we arrived'. Their busiest time of the week for food is Sunday lunch time and their main problem is that they must keep turning away customers because we don't have enough room for them. Although they are open to 6 on a Sunday, they argue that not many people like to eat later, especially the older generation, but they do not want to turn the main bar into a restaurant and irritate the regulars who come in for a drink. They want to keep the integrity of the pub as a pub. If their planned extension is approved this will enhance the value of the building and they will then have to decide whether to go ahead with the extension or to sell the pub. As has been made clear in many surveys and research that if a village loses a pub a great deal goes, much more than if one or two town pubs close. These owners have been all over the world and they know that British pub is the envy of many people but that many of them are being forced to close due to lack of general support.

A second factor that threatens their survival are business property rates. Any business rated above £15,000 or above cannot apply for small business rate relief. If the rateable value of your business is less than £12,000 you can claim 100% relief. If you live in a rural area you can claim rate relief if you are the only pub or garage in a community of fewer than 3000 residents with a rateable value of less than £12,000. In 1997 the business rateable value for this pub was £7,000 and by 2017 it had gone up to £18,000 and they have been unable to claim any rate relief at all. The owners believe that the council rated this pub at £18,000 because they looked at the postcode and saw that the village had valuable properties and so the property was given a high rateable value. They argue that many town pubs have lower rateable values and therefore get rate relief and that this discriminates against rural pubs in areas of high rateable value. (CAMRA holds that it is essential that current pub-specific business rate relief is both retained and extended to provide pubs with the relief that they require. This ought to be a £5,000 permanent business relief rate for pubs). It is possible to get £1000 off a business rate if you are a pub in England valued at less than £100,000, but this doesn't apply in this case as the property is worth four times that. Another tax that irritates them is the VAT on food as much of it is perishable and has to be thrown away but they still pay the VAT. Added to that they have to pay separately for all refuse services as a business as the local council does not collect business rubbish. A third tax irritant is the rate of duty on draught beer. Under current EU rules, it is not possible to apply a differential rate of duty on draught beer, however this could be looked at when the UK leaves the European Union. A lower rate of duty on draught beer could benefit rural community pubs by enabling them to compete on a more level playing field with supermarkets.

Their third related problem is their isolation as village pub does not have a local large footfall. They suggest that not only do town businesses get better rate relief but people, particularly in the local town, can walk easily to pubs restaurants and cafes from the bus and train. They give an example of an Italian restaurant, which is very popular, and they like it and eat there, but it has, from their

knowledge, total exemption for business rates. The restaurant has therefore found the capital easier to raise and increased their floor space with an extension but without any increase in rateable value.

They argue that you need a £400,000 turn over a year to make a living from a pub and at present it is difficult to achieve that in the Beech Tree. They feel that MPs only lip service to rural affairs and businesses, despite a House of Lords Sub Committee focusing on the rural economy taking place in 2019. A previous MP had visited their pub and eaten a meal and they were grateful that he gave them a fair answer to their problems but generally they don't feel they have any support from the local council or other political organisations including the Licensed Victuallers Association.

Looking to the future they feel that a good outcome would be the granting of planning permission for the extension and building it. At the same time some rate relief would be welcome. They like the industry, they like this pub, especially its age and they would like to know more about the history of it. They know that the regulars appreciate what they do that makes them work harder, despite both doing upwards of 80 hours a week behind the bar and doing most of the cooking. They are keen to support local charities with charity quiz nights and various other charity fundraising activities.

Village pubs need supporting by a wide range of organisations and individuals. It may be the case that there are people in the village who have expertise in taxation issues, are aware of the pub's history or have connections that would assist the survival of this village pub. It would be helpful if these villagers were able to assist the survival of the pub which would be sorely missed were it to close to the detriment of village life and culture. It is to be hoped that this older couple get that support soon before it all becomes too frustrating and taxing.