

**Report for: Cabinet 15th March 2016**

**Item number: 10**

**Title: New discretionary Business Rates relief policy**

**Report authorised by : Tracie Evans - Chief Operating Officer**

**Lead Officer: Neville Murton – Lead Finance Officer**

**Ward(s) affected: All**

**Report for Key/  
Non Key Decision: Key**

## **1. Describe the issue under consideration**

- 1.1 The Council's existing policy on discretionary business rates relief dates back to January 1990, and currently grants relief to particular types of voluntary and community sector organisations. Back in 1990, the legal framework only permitted local authorities to offer discretionary relief to charities and not for profit organisations.
- 1.2 There have been significant changes to the policy, legal and financial frameworks that govern business rates and these changes present an opportunity to consider how our discretionary business rates relief policy can better:
  - support the Council's strategic priorities including the growth of key economic sectors, new job creation, supporting economic regeneration programmes, and working to support those organisations whose activities are bringing most social value to our residents;
  - support the Council's Medium Term Financial Strategy in ensuring we can become a more financially self-sustaining organisation in the context of changes to national funding arrangements.
- 1.3 On 12th November 2015 the Cabinet Member for Resources and Culture approved the start of an eleven week consultation with voluntary and community organisations, local businesses, residents and Haringey taxpayers on proposals which would form the basis for a new discretionary business rates relief policy. A consultation report is attached in Appendix B.
- 1.4 A new discretionary business rates relief policy, attached in Appendix A, has been developed taking into account the responses from the consultation. If the proposal is approved it would come into effect on 1<sup>st</sup> April 2016.

## **2. Cabinet Member Introduction**

- 2.1 In the context of significant reductions to Government funding and recent proposals by the Chancellor of the Exchequer to create greater financial freedoms and responsibilities for local authorities, Haringey Council will in the future be much more reliant on locally generated sources of income.
- 2.2 The new policy reflects our ambitions for Haringey. We want to put the borough at the heart of London's growing economy and offer a modern business rates relief policy geared towards removing barriers to new businesses launching in Haringey.
- 2.3 The new policy will ensure that we're doing all we can to help our residents; support organisations that contribute to the community; support start-up firms, and make Haringey a place where new companies succeed – bringing job opportunities and boosting the local economy. Changing our business rates relief to support a growing economy in Haringey will also boost the council's income in the long-term by growing the borough's business base and ultimately giving us more money to invest in local services for residents.

### **3. Recommendations**

- 3.1 That the Cabinet approve the new Discretionary Business Rates Relief Policy, as appended to this report at Appendix A and described in more detail at section 6 of this report, which:-
  - a) Introduces new discretionary relief schemes for businesses:
    - i) to support occupancy of new and converted office and work space across the borough (B1 class usage)**
    - ii) that are temporarily using a space whilst a new development project is being completed (meanwhile initiatives)**
  - b) Updates and makes the following changes to our existing discretionary business rates relief scheme for Voluntary and Community Sector Organisations (VCOs):
    - i) VCOs applying for discretionary relief will be asked to outline how their services bring social value and local impact to our residents. This information would be used as a basis for ongoing discussion over opportunities for the Council and VCOs to work closer together to bring benefits for residents and the local area**
    - ii) Reduces the current offer of 100% relief to charity gift shops to 80%, but retains our offer of 100% relief to youth centres, counselling centres and voluntary aided schools**
    - iii) Shift from currently automatically offering 100% relief to all VCOs that are receiving funding from the Council (funding includes**

**grants, contracts and discounted rent), to making a case by case assessment in the future. During the case by case assessment, the Council would assess (i) how the VCO intends to use the additional relief to directly support the activities that the Council is funding (ii) social value, and (iii) the financial case for offering the additional relief.**

**iv) Updates the existing categories of VCO that can claim 80% discretionary relief under the policy to also include:**

- **employment and skills support services**
- **organisations that promote health and wellbeing for local residents and a clean local environment**
- **organisations that work with groups of residents who are vulnerable or have additional needs e.g. working with those with special educational needs and disabilities, isolated individuals and children whose welfare is at risk**
- **children's playgroups**

#### **4. Reasons for decision**

4.1 Haringey's discretionary business rates relief policy has not been updated since 1990.

4.2 There have been significant changes to the policy, legal and financial frameworks that govern business rates and these changes present an opportunity to consider how Haringey's discretionary business rates relief policy can better

- support the Council's strategic priorities – including the growth of key economic sectors, new job creation, supporting economic regeneration programmes, and support those organisations whose activities are bringing most social value to our residents
- support the Council's Medium Term Financial Strategy

#### **5. Alternative options considered**

5.1 To maintain the current policy. This option is not being considered because of changes to the local, national, legal and financial context outlined below:

##### **a) Local**

**i)** The Council's Corporate Plan 2015-18 marks a shift to a more outcome focused approach to policy development and service delivery. It sets out five priorities for the Council to deliver against: 1) enable every child and young person to have the best start in life, 2) empower all adults to live healthy, long and fulfilling lives, 3) a clean and safe borough where people are proud to live, 4) drive growth and employment from which everyone can benefit, and 5) create homes and communities where people choose to live and are able to thrive. Under each priority the

Corporate Plan lists objectives and outlines how it will measure success for each objective.

- ii) In this new local context, there is an opportunity for a new discretionary business rates relief policy to better support our corporate priorities and objectives.

### **National**

- i) The new policy has been developed at a time when a wider agenda is emerging nationally on devolving power down from Central Government to local authorities over business rates.
- ii) On 5<sup>th</sup> October 2015, the Chancellor announced that by the end of the Parliament, local authorities will be able to retain 100% of local business rates revenue. This was reiterated in the autumn statement in November 2015.
- iii) With significant cuts to Government funding for local authorities in the pipeline and the expected phasing out of Revenue Support Grant, the locally retained share of business rates will in the future become an increasingly important source of revenue for Haringey Council to use to fund local services for residents.
- iv) Having the power to decide locally how relief is given on business rates is a key part of the devolution agenda, particularly as relief can be used to support the medium to long term growth of business rates revenue (see d) below).

### **c) Legal**

- i) The Localism Act 2011 has given local authorities scope to offer a broader discretionary business rates relief policy, including its extension to profit making organisations.

### **d) Financial**

- i) In April 2013, the Government introduced the business rates retention scheme, aiming to provide a financial incentive for local authorities to stimulate the local growth of business rates revenue. In London, local authorities now retain a 'local share' of 30% of the total business rates collected within their area.
- ii) In the context of a challenging national financial environment, revenue generated from business rates is set to become an increasingly important source of income for local authorities. A discretionary business rates relief policy, directed at incentivising the supply and value of rateable commercial property, has the potential over the medium term to help grow the Council's revenue base from retained business rates.

- 5.2 Another option would have been to introduce a new discretionary relief scheme targeted at other economic sectors such as retail. This was not taken forward at this point in time because Haringey's current Economic Growth Strategy is primarily aimed at growing new economic sectors in the borough such as tech, high value manufacturing and creative industries, all of which occupy office and work space (B1 Usage Class). However, business rates levy and discount schemes targeted at strengthening High Streets could in the future be looked at as part of Business Improvement Districts, but these policy proposals still are only at an early stage of development and require the support of local businesses to implement. There are also a number of other business rates relief schemes already in place which other economic sectors, such as retail, can benefit from including small business rate relief, empty properties relief and transitional relief.
- 5.3 A further option was to consider applying relief for existing office space. This was not taken forward because of financial reasons as it would not deliver the additional growth of business rates to mitigate the cost to the Council in applying the discount. However, there are other business rates relief schemes that remain in place that occupiers of existing office space can benefit from, including small business rates relief, empty properties relief and transitional relief.

## **6. Background information**

### **Introduction to business rates and discretionary business rates relief**

- 6.1 Non-Domestic Rates, or business rates, are levied on all organisations which occupy commercial premises and are collected by local authorities.
- 6.2 Some occupiers of properties are eligible for relief (or a discount) on their business rates such as small business rates relief, empty properties relief and mandatory relief for registered charities
- 6.3 The Local Government Finance Act 1988 (the Act) requires local authorities to grant mandatory rate relief to the following:
- Registered charities.
  - Registered Community Amateur Sports Clubs (CASCs).
  - Village Post Offices, general stores, specialist food shops, public houses and petrol filling stations – where they are in a designated rural settlement.
- 6.4 Mandatory rate relief provides an 80% reduction in business rates. The Act also permits the Council to offer discretionary relief to top up this mandatory relief by a further 20%, offering up to 100% relief. Further, where an organisation is neither a registered charity nor falling within the above categories but is nevertheless within the voluntary sector, the Council can use its discretionary powers to offer up to 100% relief.
- 6.5 Local authorities have also been given powers by the Localism Act 2011 to use their discretion to offer up to 100% relief on business rates to

organisations when it is “satisfied that it would be reasonable to do so, having regards to the interests of persons liable to pay council tax set by it.” The use of these powers is at the local authority’s discretion, and the local authority has the flexibility to devise its own policy and criteria for when it will award such relief.

### **Haringey’s new discretionary business rates relief policy**

- 6.6 The rationale behind the policy is to use the Council’s discretionary power to offer business rates relief to better pursue social and economic outcomes which will bring wider benefits for local residents. This includes job opportunities from supporting the local growth of key economic sectors, and supporting the work of local voluntary and community organisations through providing relief on their business rates.
- 6.7 The new policy has been broadened to now include business rates relief for occupiers of new and converted general office and work space (B1 Class Usage), businesses that are temporarily using a space whilst a new development project is being completed (meanwhile initiatives) and updates the relief criteria for VCOs.

The rationale for introducing these specific changes is given below:

#### **i) new discretionary relief scheme to support occupancy of new and converted office and work space (B1 Class Usage)**

- 6.8 The new policy introduces a discretionary business rates relief scheme for companies who occupy new and converted general office space, research and creative studios, laboratories or work spaces – this is the B1 usage class as defined by the Town and County Planning Act. Under the scheme, eligible occupiers of new and converted office and work space would receive 30% relief on their business rates, time-limited to 3 consecutive financial years – after this the occupiers of the new office and work space would be subject to full business rates.
- 6.9 The types of businesses who occupy this form of office and work space include technology and ICT companies, creative industries, high value manufacturing and light industry, start-ups and research companies.
- 6.10 The rationale for targeting the B1 sector is threefold:
- Creating new jobs and supporting employment opportunities. Technology, ICT, creative industries, high value manufacturing, start ups and research companies have been identified as having the potential to generate local employment growth in Haringey. General office and work spaces provide more jobs per square metre than warehouses or factories.
  - Supporting economic regeneration goals. The development of new work and office space will be an important part of both the Tottenham and Wood Green regeneration programmes. A business rates relief scheme which

strengthens market demand for new office and work space would lend support to our ambition to make Haringey a place where businesses want to start-up and invest in.

- Supporting a financially sustainable business rates revenue base for the local authority over the medium to long term. New office and work space in the borough, once occupied, will bring in an increased amount of business rates revenue for Haringey Council to use on local services. A business rates relief scheme which strengthens market demand for this new office and work space will therefore support the growth and financial sustainability of business rates revenue in the medium to long term. It is envisaged that no additional administrative resources will be needed to be invested by the Council to administer the proposed scheme.

6.11 For this new scheme to be effective at attracting inward investment in new and converted office and work space, we recognise that the Council will have to be proactive in raising awareness over the relief offer among commercial developers, businesses and financial investors interested in locating and investing in Haringey. The Council will aim to identify in advance key strategic sites and areas that are likely to match the eligibility criteria for this relief scheme should they become commercially developed and occupied in the future, and communicate these to potential investors.

**ii) Support temporary initiatives which help generate interest and ‘kick start’ new regeneration projects and developments (e.g. meanwhile initiatives and pop-ups).**

6.12 When a regeneration development project is getting underway, there may be opportunities to launch specific initiatives which help generate new activities in and around the site. These initiatives will usually only be temporary or ‘meanwhile’, and aim to help create interest in the regeneration project through providing a good reason for people to visit the area whilst development or construction is underway.

6.13 A recent example is a plan by Transport for London to redevelop Tottenham Hale station. Whilst this development is underway, Transport for London intends to work with local start-up and creative companies to put in place temporary ‘pop-up’ retail units on the location of the future development. This will help create activity and a positive environment in and around the area, whilst construction works take place.

6.14 To help the initiative, Haringey Council in August 2015 agreed to offer relief on business rates to the companies who will be operating the retail ‘pop-ups,’ who otherwise would financially not be able to run a viable business on the site. Because the area under development is not currently subject to any business rate charges, there is no loss of existing business rates revenue for the Council when applying this type of relief. The relief on business rates on the site will end once the new site has been developed

### **iii) Updates our discretionary relief criteria for Voluntary and Community Sector Organisations (VCOs)**

6.15 The new policy introduces the following changes for VCOs:

#### **i) Captures information on the output or social value which the organisation receiving the relief produces**

The Council's new Voluntary and Community Sector Commissioning Framework places greater emphasis on VCOs demonstrating their social outcomes. The new policy requires VCOs to provide information on their social value as part of the future application process for discretionary business rates relief. The information would provide:

- VCOs with an opportunity to inform the Council about their good work and help highlight success stories.
- a stronger link for residents as to the social reasons why the Council should be offering business rates relief to particular VCOs.
- the Council with a deeper level of insight into the contribution of VCOs across the borough that does not currently exist.

In order to reduce the administrative burden on VCOs, if they have already submitted social value information as part of another process then VCOs will have the option to reattach this social value assessment as part of the discretionary relief application process.

#### **ii) reduces the relief offered to charity gift shops from 100% to 80%**

By reducing the relief offered to charity gift shops from 100% to 80% Haringey will be in line with other local authorities.

Charity gift shops will therefore be the group most affected by the changes to Haringey's discretionary relief policy. However, they will still be able to claim 80% relief on business rates, which is in line with nearly all other local authority areas, and treats charity gift shops similarly to most other types of VCOs when it comes to rates relief.

The Council will maintain the full 100% relief for VCOs that operate youth centres, voluntary aided schools and counseling centres. This is because the Council believes these types of organisations are providing essential services to local council taxpayers and residents.

#### **iii) shift from currently automatically offering 100% relief to all VCOs that are receiving funding from the Council to making a case by case assessment in the future**

The Council intends to keep a criterion that enables it to offer 100% relief on business rates to VCOs that it funds. Funding includes grants, contracts



(including instances when the Council is jointly commissioning a service with another public agency), and those organisations that are receiving a discounted rent through a community building model lease.

This is because there are instances when offering additional relief on business rates is of mutual interest for both the Council and the VCO, to directly support the financial viability of the activities and initiatives that the VCO is funded by the Council to deliver.

However, changing to a case by case assessment for this type of instance is a better way to consider the impact of the additional relief, and whether the cost is justified in the interests of residents and the local community.

Under the new policy the Council will ask VCOs that are funded by the Council to provide information on:

1. Their funding arrangement with Haringey Council, including the date when the funding arrangement will come to an end
2. To outline how the additional discretionary relief applied for would directly support and be reinvested in the activities or initiative that Haringey Council is funding the organisation to undertake
3. Their social value for local residents and the community (this last point is the same information captured as for all VCOs applying for discretionary relief – see above 6.15 i)

This information will be used to guide our case by case decision on whether to award the full 100% relief to a VCO funded by the Council or not. It should be noted those funded VCOs that are not awarded 100% relief, will still be assessed as per normal against the other criteria in the discretionary relief policy that award either 80% or 100% based on the type of activity that the organisation delivers.

As a transitional measure, so long as they can provide the above information, all organisations that are currently funded by the Council and benefiting from the 100% relief will continue to do so up until the point when their existing funding arrangement with the Council expires. After this, they would have to reapply for discretionary relief as per normal.

#### **iv) updates the categories of VCO that can claim 80% discretionary relief**

This is to ensure that the policy reflects changes to the types of VCO operating in the area since the policy was last reviewed in 1990. In addition to the existing categories- charity HQ/offices; ethnic and community centres; religious organisations; schools (private); sports clubs and associations and theatre and arts groups – the new policy adds eligibility for the 80% relief to the following categories of VCOs

- **employment and skills support services**

- **organisations that promote health and wellbeing for local residents and a clean local environment**
- **organisations that work with groups of residents who are vulnerable or have additional needs e.g. working with those with special educational needs and disabilities, isolated individuals and children whose welfare is at risk**
- **children's playgroups**

## **Consultation**

6.16 On 12<sup>th</sup> November 2015 the Council launched an 11 week consultation with residents, businesses and the voluntary and community sector on proposed changes to its discretionary business rates relief policy. The consultation closed on 28<sup>th</sup> January 2016.

6.17 The following engagement activity was undertaken with key stakeholder groups:

### **a) Residents, Council taxpayers and the general public**

- a press release was circulated to communicate the existence of the consultation to residents, council tax payers and the general public
- consultation documents were published online on the Council's website, and hard copies distributed to all libraries, the Council's customer service centre and Haringey Civic Centre
- an article was published in the December edition of Haringey People and publicised using Twitter

### **b) VCOs**

- a letter notifying over the launch of the consultation was sent to all VCOs currently receiving discretionary business rates relief under our existing scheme
- an open roundtable for VCOs was held on 11th January 2016 which was attended by 8 VCOs

### **c) Private companies**

- an open roundtable for businesses and commercial developers was held on 13th January 2016 and was attended by 10 organisations
- the consultation proposals were discussed at the Tottenham Landowners and Major Businesses Group on the 16<sup>th</sup> December 2015 and at the Wood Green Business Forum on the 12<sup>th</sup> January 2016

- 6.18 In total, the consultation questionnaire was completed by 28 respondents -16 VCOs, 7 business representatives and 5 residents.
- 6.19 17 different organisations were represented at the two consultation roundtable discussions with a further 2 organisations meeting separately with Council officers to share their views on the proposals.
- 6.20 A majority of respondents agreed with each of the proposals set out in the consultation.

Having considered the consultation responses and feedback, the following changes have been made:

- a) Relief scheme to support inward investment and occupancy of new and converted office and workspace (B1 Use Class)
- In response to the idea put forward by consultees of connecting this new relief scheme to wider social priorities and targets for the borough, built into the new policy is an expectation that an occupier receiving relief would engage and work positively with Haringey Council to help bring value and benefit for residents. Before the offer of relief, an initial meeting will be set up between the applicant and Council officers to discuss ways that both parties can work together (this conversation will have a jobs creation, economic development and regeneration focus).
  - In response to the idea put forward by consultees to adopt some form of zoning policy to accompany the new relief scheme, we agree that any such scheme would be most effective at attracting inward investment if there is greater certainty and communication over which areas/sites will become eligible. The Council will therefore aim to identify in advance key strategic sites and areas that are likely to match the eligibility criteria for this relief scheme should they become commercially developed and occupied in the future. We will communicate and raise awareness over these sites and their relief eligibility, drawing the attention of commercial developers and potential occupiers that may be interested in investing in Haringey.
- b) Relief for businesses that are temporarily using space that will become part of a new development project/site (meanwhile initiatives)
- The Council agrees with consultees that meanwhile initiatives could provide good opportunities for smaller, independent traders, community organisations or start-ups, and this is something we would want to encourage. Therefore the Council proposes to add an extra guiding principle for officers to consider when making the case by case decision on offering relief, to assess whether the initiative promotes opportunities for these groups.
  - To help raise awareness of opportunities to set up meanwhile initiatives among businesses and community organisations, the Council's intention is to work with local traders forums and developers to identify in advance key sites

and areas where temporary meanwhile initiatives could bring benefits. The Council will communicate and raise awareness over these sites.

c) Relief for voluntary and community sector organisations

- In response to the suggestions from consultees to incorporate organisations that work with isolated people, the Council now proposes to rephrase one of the 80% categories under the relief scheme to “organisations that work with groups of residents that are vulnerable or have additional needs, e.g. working with those with special educational needs and disabilities, isolated individuals and children whose welfare is at risk.”
- In response to the suggestion from consultees to incorporate organisations that promote environmental wellbeing in the borough, the Council now proposes to rephrase one of the 80% categories under the relief scheme to “organisations that promote health and wellbeing for local residents and a clean local environment.”
- In response to the suggestion from consultees to incorporate organisations that promote cultural and historical heritage, the Council now proposes to rephrase one of the 80% categories under the relief scheme to “theatre, arts and cultural groups.”
- The Council will take forward the idea put forward by consultees that if an applicant has previously carried out a social value assessment as part of another process (for example when applying for funding from Haringey council or another public body) they may choose to submit a copy of this assessment as part of the application for discretionary relief. This would avoid unnecessary duplication.

6.21 Further details can be found in the consultation feedback report in Appendix B.

## **7. Contribution to strategic outcomes**

7.1 The proposal contributes to achieving the priorities set out in the Corporate Plan in particular Priority 4 – ‘Drive growth and employment from which everyone can benefit’ and the cross cutting theme ‘Working together with our Communities’. It also helps support the medium-term sustainability of the Council’s financial business model.

## **8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**

### **Comments of the Chief Finance Officer and financial implications**

8.1 These measures are designed to stimulate additional demand for activities that will generate growth in employment and over time add to the Council’s taxbase.

They are also designed to improve the Council's understanding of how businesses in receipt of certain reliefs contribute to the Council's objectives and seek to maximise those benefits.

- 8.2 The extension of relief, at up to 80%, to additional categories of Voluntary and Community Organisations may result in a reduction of income from business rates but this is not considered to represent a significant loss and is more than offset by the expected gains from the other measures set out in this report.
- 8.3 Under the current arrangements for business rate retention, and to the extent that these measure result in changes to the Council's business rate income, the Council will only see 30% of the impact (whether positive or negative). As proposals for changes to the business rate retention scheme are developed the effectiveness of the Council's policy will need to be kept under review to ensure that it continues to deliver the intended outcomes.

### **Comments of the Assistant Director of Corporate Governance and legal implications**

- 8.4 The Assistant Director of Corporate Governance has been consulted on this report. Section 47 of the Local Government Finance Act 1988, as amended by section 69 of the Localism Act 2011, gives local authorities a wide power to grant discretionary business rate relief, subject to the condition that the local authority may only grant the relief if it is satisfied that it would be reasonable to do so having regard to the interests of council tax payers in its area.
- 8.5 The Council has undertaken an 11 week consultation with its council tax payers and also with local groups and businesses, and the outcome of that consultation is reproduced in summary and including the Council's response to the consultation at Appendix B. As a result of the consultation some changes have been made to the scheme and these are set out in paragraph 6.20 above.
- 8.6 An equality impact assessment has been prepared in relation to the proposed revision to the policy.

### **Equalities and Community Cohesion Comments**

- 8.7 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:
- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
  - advance equality of opportunity between people who share those protected characteristics and people who do not;

- foster good relations between people who share those characteristics and people who do not

8.8 An Equality Impact Assessment accompanies the final Cabinet report and finds that:

- The proposals to introduce a new discretionary relief scheme targetted at attracting investment in new and converted commercial build for B1 Class usage, should help create new job opportunities and stronger links between Haringey based education and skills institutions to the economic sectors that the new relief policy is targetted at (including technology, creative industries and high value light manufacturing). This has the potential to benefit younger people who are being educated and trained in the borough in particular, and groups where there are known inequalities or imbalances in access to certain career pathways (can include women, BME, those with special educational needs and disabilities).

To reinforce this, there will be a clear expectation that an occupier receiving discretionary relief on their business rates would engage with Haringey Council on helping to support social value and corporate priorities.

- Using relief on business rates to support the establishment of meanwhile initiatives should help make areas in the borough more vibrant for residents.

There is an expectation built into the policy's guidance for offering relief to meanwhile initiatives, that they are public facing, support wider economic regeneration goals, provide opportunities for local traders, and ensure that they comply with planning and maintenance standards. This includes ensuring that the meanwhile initiative is accessible and open to all groups of residents to enjoy, plus does not impact negatively on groups living in the immediate vicinity of the initiative.

- Through asking VCOs to outline social value as part of the new application process for rates relief, this is intended to act as a basis for ongoing discussion over opportunities to for VCOs and the Council to work together in the future. A process has been put in place to ensure providing information on social value is not an onerous or excessive task for VCOs applying for rates relief under the new policy. The guidance on social value that accompanies the relief application form explicitly includes 'equity and social inclusion' as well as 'building strong communities' as criteria – it has a strong emphasis on VCOs outlining how they are tackling inequality, creating opportunities for different groups of residents and fostering good community relations.

The updates to the categories of VCO that can apply for 80% discretionary relief also should lead to a policy that is more inclusive of VCOs that are working with different groups of Haringey residents, now formally capturing children's playgroups, organisations that promote health, wellbeing and a clean local environment, employment and skills support organisations, and organisations that work with groups that are vulnerable and have additional

needs.

- The shift to a case by case assessment over offering 100% relief to VCOs that are funded by the Council will mean that in the future not all funded VCOs may receive the full 100% relief. They will instead be assessed on social value and whether they intend to use the additional relief to directly support the activity or initiative that the Council is funding them to deliver.

There are 35 organisations that currently benefit from the criterion of automatically offering 100% relief to VCOs funded by the Council, and this includes VCOs that provide services targeted specifically at those with protected characteristics such as those with disabilities, women, ethnic groups (Turkish, Irish, Chinese, Greek Cypriot, Turkish Cypriot), young people and children. We have introduced a transitional measure to ensure that these 35 organisations can continue to receive 100% relief up until the point that their current funding expires, so long as they can demonstrate social value and outline how the additional relief directly supports the activity or initiative that the Council is funding them to deliver.

### **Head of Procurement Comments**

There are no procurement comments

## **9. Use of Appendices**

Appendix A: Discretionary Business Rates Relief Policy  
Appendix B: Consultation report  
Appendix C: EQIA

## **10. Local Government (Access to Information) Act 1985**

-<http://www.haringey.gov.uk/housing-and-planning/planning/planning-policy/local-development-framework-ldf/local-plan-evidence-base>

-Department of Business, Innovation & Skills, Paper no2 (December 2013), 'SMEs: the key enablers of business success and the economic rationale of Government intervention.'

-Consultation paper on proposed changes to business rates relief in Haringey (November 2015) <http://www.haringey.gov.uk/council-tax-and-benefits/business-rates/business-rates-relief-policy-consultation>