

Consultation on proposed changes to business rates relief in Haringey – summary of findings and responses

Local authorities have the discretionary power to offer relief on business rates when it would be “reasonable to do so in the interests of council taxpayers.” Haringey’s policy on discretionary business rates relief sets out a criteria and the circumstances for when the Council considers it reasonable to offer discretionary relief to a local business rates-payer, and the amount of relief that would be given.

Consultation activities

On the 12th November 2015, Haringey Council launched a public consultation on a number of proposed changes to its discretionary business rates relief policy. The consultation lasted 11 weeks and closed on the 28th January 2016.

A [press release](#) accompanied the launch of the consultation, which was promoted on Haringey Council’s website and Twitter. There was also coverage in the Haringey Independent local newspaper.

The consultation has been targetted at residents, businesses and voluntary and community sector organisations.

A consultation booklet was produced, that asked consultees to respond to 18 questions relating to proposals set out over three sections:

- Section 1: business rates relief for new and converted general office and work space
- Section 2: business rates relief for businesses that are temporarily using a space whilst a new development project is being completed
- Section 3: business rates relief for voluntary and community sector organisations

The booklet was publically available on Haringey Council’s website, where consultees had the option of completing the questions via an online survey or downloading and emailing back a completed Microsoft Word version of the booklet.

Hard copies of the consultation booklet were also available and distributed at all 9 of Haringey’s public libraries, as well as the Council’s customer service centre, Haringey Civic Centre, at the 639 Enterprise Centre on Tottenham High Road, and the Hornsey Vale Community Centre. Consultees could also request a hard copy of the booklet to be sent to them in the post.

The December edition of Haringey People, circulated in the post to all Haringey residents, included an article on the consultation, including how residents could participate and complete the consultation online.

The consultation notification and booklet was also circulated electronically via the North London Chambers of Commerce, Federation of Small Business, Tech UK and the Haringey Association of Voluntary and Community Organisations (HAVCO)

On the 12th November 2015, a letter notifying over the launch of the consultation was sent in the post to each voluntary and community sector organisation currently receiving relief under Haringey's existing discretionary relief policy (around 140 letters). The letter explained how to complete the consultation.

The Council organised two consultation roundtable events in Wood Green Library for lead officers and Cabinet Members to discuss the proposals with key stakeholders and rates-payers:

- Roundtable for voluntary and community sector representatives on the 11th January 2016 – organisations that contributed to the roundtable included the Bridge Renewal Trust, Jacksons Lane, Age UK Haringey, Hornsey Historical Society, Afro International, the Selby Trust and Hornsey Vale Community Association.

The roundtable was open to any voluntary and community sector organisation that wanted to attend, and was promoted both through the Haringey Association of Voluntary and Community Organisations (HAVCO) and Haringey's Voluntary and Community Sector Forum, as well as the Council's website.

- Roundtable for business and commercial developer representatives on the 13th January 2016 – organisations that contributed to the roundtable included the Fashion Technology Academy, Lee Valley Estates, Tottenham Traders Association, Green Lanes Traders Association, the Haringey Business Alliance, the Federation of Small Business, Argent, Sandler Seating and the Ten 87 Studios

In addition, officers met separately with representatives from Metro Bank and the Mill Co Project, both of whom were not able to attend the roundtable on the 13th January but wanted to discuss and share their views on the proposals in more detail.

The views and ideas that were put forward by participants at both of the roundtable consultations were captured and a written report on each has been shared with those who attended, inviting opportunity for further comments or corrections.

Presentations by officers on the consultation proposals were also given at the Tottenham Landowners and Major Businesses Group on the 16th December 2015 and at the Wood Green Business Forum on the 12th January 2016. Those attending these groups were invited to engage with the consultation, and there was a short discussion following the presentation at each.

Officers also promoted the consultation at Small Business Saturday event in Wood Green High Street and the Tottenham Winter Festival at Tottenham Green, both on the 5th December 2015.

Consultation responses

Volume:

In total, the consultation questionnaire was completed by 28 respondents. This included 5 who identified themselves as residents, 7 who identified themselves as business representatives, and 16 who identified themselves as a representative of a voluntary and community sector organisation (VCO).

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 (see consultation activities above for full breakdown).

Main themes emerging from the responses:

Below summarises the main themes and suggestions that the Council has received back from residents, businesses and voluntary and community organisations throughout the consultation period – both through the online survey and through feedback from the roundtables and wider activities.

The findings are presented below are structured under the 3 sections and 18 questions that were outlined in the consultation booklet.

Whilst the online consultation response from residents (as opposed to businesses and VCOs) was small with only 5 respondents, 80% were in support of the proposals to introduce rates relief for new and converted office and work space and meanwhile initiatives. Those residents that did respond to the online survey also were broadly supportive of the proposed changes to the discretionary relief policy for VCOs, particularly around asking VCOs in the future to provide information on their social value.

Section 1 – business rates relief for new and converted general office and work spaces

Consultation Proposal:

The consultation proposes to introduce up to 30% relief on business rates, for three consecutive years, for occupiers of new and converted office and work space (B1 commercial usage under the Town and County Planning Act).

The consultation states that the rationale behind the proposal is:

- To support the growth of economic sectors that occupy this type of commercial build, such as tech, ICT, creative and light industries, and to increase the density and diversity of job opportunities in the area
- To support economic regeneration goals through providing a financial incentive for developers and businesses to invest in new commercial space that is becoming available in regeneration areas.

- To support the growth of retained business rates revenue for the Council in the medium to long term through increasing demand to occupy new and converted commercial premises in the borough

Question 2 – Do you support the proposal to introduce a new business rates relief scheme for new and converted office and work space?

Online Survey results:

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total answered	No answer
13	3	7	0	1	24	4
54%	13%	29%	0%	4%	100%	

- Many of the consultees were supportive of the idea of linking Haringey's business rates relief policy as a way to strategically target the growth of particular types of business and industry in the borough.
- Most consultees thought that a targeted relief scheme would act as a strong incentive to attract certain businesses into the area, and that this in turn would create a greater range of job opportunities and enhance the local business environment. Many of the consultees said that a reduction in a rates relief scheme would also help businesses when expanding their footprint and to take on more square footage of commercial space.
- Some consultees also drew the link between the challenges facing local government finances and finding ways to incentivise the growth of business rates revenue through adopting policies that stimulate investment in new and higher value commercial property build.
- Consultees have highlighted the high scrutiny of risk when investing in new or converted commercial office and work space. Investors need to be convinced that the surrounding area will change over time into a business friendly environment, and that there will be significant demand for the new office/work space once the new build or conversion has taken place.

Many of the consultees agreed that a business rates relief policy that supports occupancy could contribute to the investment case in developing new or converted office/work space. However, this should be part of a broader/holistic package that will help convince investors that the business environment will change – includes transport and skills infrastructure, housing mix, the local high street offer and planning certainty around the area.

Some consultees have suggested that the Council should consider a zoning policy linked to commercial property development and growth (and rates relief). Through zoning the Council would make it clear what strategic sites or areas it sees as having the highest potential to turn

into new office/work-space, and then pulls together a supportive policy environment and package of support to facilitate this – the proposed business rates relief scheme could be a key part of the package. Zoning would provide a more focused and managed approach, increasing certainty and clarity for potential investors, developers and occupiers.

Zoning could also support the growth of economic sectors in area based clusters, mutually strengthening business and support networks.

- Some consultees have highlighted the need to ensure that regeneration projects and supporting policy initiatives (such as rates relief) delivers opportunities for existing residents, local businesses and local start-ups, and not just focus on attracting larger businesses from outside the borough into the newly regenerated areas.

Linked to this was a concern raised by some consultees that the new/converted office and workspace infrastructure, that the proposed relief scheme aims to support, could be unaffordable or unsuitable for smaller start-ups and seeds. These consultees suggested that both the regeneration plans and rates-relief initiative need to have a “balanced view of the types of industry” that the borough hopes to develop and grow, that is inclusive of affordable space suitable for local start-ups and local businesses looking to expand.

- Some consultees also differentiated between the merits of offering relief to smaller firms and start-ups to help them expand, and offering the relief to big multi-national companies that are already established and can afford to pay full business rates. Some consultees suggested that the best relief offered should be reserved for innovative, creative workspaces.

However, other consultees argued that attracting a large multi-national company in a key economic growth field would help with branding Haringey as a new place for business, and support clusters of smaller businesses develop locally.

- Some consultees were concerned that offering relief could create a false situation that businesses become financially reliant upon. When the relief period expires these businesses may not be in a position to continue without receiving further relief on business rates. This presents risks to local tax-revenue collection.
- Some consultees raised a concern that the financial benefits of a reduction in business rates will be captured by landlords, who could decide to increase the market rent for their premises to reflect that occupiers will pay reduced business rates.
- Some consultees suggested that this relief initiative could be connected to reinforce other priorities and targets for the borough, for example supporting business practices that contribute to healthier environments.

Haringey Council's Response

We recognise the need to develop a broad package of measures or an 'offer' that provides a convincing business case and facilitative environment for developers and businesses to consider investing and locating in Haringey. Our intention is for this relief scheme to form one part of Haringey's economic growth offer, alongside a supportive planning environment, ambitious regeneration plans for Tottenham and Wood Green, and significant investment in local infrastructure including better transport links and quality local skills providers.

- The relief scheme would directly support the priorities set out in the Council's [Economic Development and Growth Strategy](#). This includes encouraging the growth of economic sectors including creative industries, high value and light manufacturing, and new technology companies, where we believe Haringey could be an attractive base.

Our intention is for the borough to develop a good range of commercial spaces that would facilitate the strategic growth of these types of industries. Critically, this does include new workspace intended to be suitable and affordable for start-ups to grow out from, as well as new office and workspace suitable for larger more established firms. Getting the right mixture of start-ups and more established firms will be vital to developing local clusters and networks to support the growth of key economic sectors in Haringey.

- In response to the idea of connecting this relief scheme to wider social priorities and targets for the borough, we intend to build into the policy 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 to adopt some form of zoning policy to accompany the 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. Our intention therefore is 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.

We do however intend for the relief scheme to be applicable borough wide and not restricted to focusing on limited areas. Therefore the process of identifying and communicating potential sites and areas will not act as a precondition for applying for relief under the scheme, and there may be some sites that become eligible and are not identified in advance.

Question 3 – If you support the proposal, do you agree that offering a 30% discount is the right level?

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total answered	No answer
8	7	6	2	1	24	4
33%	29%	25%	8%	4%	100%	

- Many of the consultees thought that a 30% relief is just enough to make a meaningful impact on the finances of businesses, particularly those in their earlier stages of development. However, some consultees said that anything less than 30% would not have a significant enough drive to influence market behaviours.

Some consultees said that the balance with the immediate cost of offering the relief from loss of business rates revenue seemed about right at the 30% level.

- Some consultees thought that the Council should be bolder in the amount of relief given in the proposed initiative. One consultee suggested that a 50% discount should be considered as this would be an exceptional stimulus for commercial developers, and also would be an incentive for larger multi-national companies to consider Haringey.
- Some consultees suggested that the amount of relief given could be differentiated on a case by case basis, to reflect the size of the project, the financial means of the occupier, and the value to the community.

Haringey Council response

There was a good level of support for setting the amount of relief at 30% for the scheme, and therefore we will continue to propose to set the level at 30%.

If the Council were to set the level any higher than 30%, then the Council would risk losing existing business rates revenue whilst the relief is applied. This is because the projected increase in business rates value from converting a warehouse into office or work space is around 35%.

In response to the idea of a differentiation of relief on a case by case basis we do not propose to take this forward. As well as the financial constraints outlined above of offering relief any higher than 30%, a case by case basis would be difficult to administer and could lead to a scheme that is not transparent and inconsistent.

Question 4 – If you support the proposal, do you agree that the discount given should be for a period of 3 years?

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total answered	No answer
9	7	5	2	1	24	4
38%	29%	21%	8%	4%	100%	

- Many of the consultees thought that a 3 year discount period is a reasonable amount of time to support a business in establishing itself in an area and moving to a financially sustainable period. However, some consultees said that anything less than 3 years would reduce the significance of the relief and be unlikely to drive market behaviours.
- Some consultees suggested that the Council may wish to phase out the relief over a longer period of time (e.g. 5 years), with the risk being that a sudden stop of relief after 3 years could be too much of a transition for some businesses.

These consultees have put forward the idea of a 2/3 year taper, so that the full relief is offered for the first 3 years as per the proposal, but then this relief is gradually staged down on the 4th and 5th year that the business is occupying the premise with the aim of moving to complete financial sustainability without any rates relief by year 6.

Haringey Council response

There was a good level of support for setting the relief period for the scheme at three consecutive financial years. Three years is a reasonable amount of time to support a business establishing itself in the area, and a 30% discount on business rates over this period should prove an attractive investment proposition for new and converted office and work space as it becomes available.

We will not be taking forward the idea of a taper to gradually stage down the relief period after three years. This is because the relief scheme is predominately aimed at generating inward investment in the supply and occupancy of new or converted office and work space. Introducing a taper at the end of the relief period is unlikely to significantly add to the inwards investment case for building or occupying new office and work space, and would have the effect of delaying the growth of new business rates revenue for the Council. It also would be more complicated to administer. Companies should be able to adjust from 30% relief back to paying full business rates, particularly as they would have three years to build this adjustment into their financial planning.

Question 5 – In light of the financial implications outlined in the consultation paper, are there any circumstances when you believe it would be justified for the Council to consider offering relief on business rates for existing office and work space?

- Many of the consultees agreed that in the challenging financial climate, the Council needed to make sure that its business rates relief policy support a longer term financial growth strategy for business rates revenue. Offering relief to existing occupiers of commercial premises would have a permanent cost to the Council from loss of existing business rates revenue.
- Yet there were suggestions put forward by consultees that relief for existing office and work space should be considered on a case by case basis in the following instances:
 - Many consultees suggested that rates relief should apply to occupiers of existing premises if they are delivering social value locally, with many of the consultees giving examples from the voluntary and community sector or social enterprises.
 - Some consultees suggested that rates relief for occupiers of existing premises should be considered if they are a start-up and can show that they have an achievable growth plan, and will be looking to expand and create jobs.
 - Some consultees suggested that rates relief for occupiers of existing premises should be considered if they are well established in the area and they find that suddenly their market rent for occupying the same premises is set to significantly increase.
- Some consultees highlighted a risk that existing office and work premises may in the future face reduced demand for occupancy, particularly when the new and converted commercial build becomes available and market demand being focused there. In these instances, extending relief to include these older offices could become necessary to prevent them becoming empty

Haringey Council's response

Offering relief to occupiers of existing office and workspace would result in a loss of business rates income, which would endanger the Council's future finances. For this reason we do not propose any extension of the new scheme to existing office and workspace.

However, in many of the circumstances that consultees highlighted, there are already relief schemes in place that may cover occupiers of existing premises:

- Our scheme for voluntary and community sector organisations covers those using existing premises to deliver social value locally
- Small business relief will support the growth of start-ups that are occupying smaller spaces
- Transitional relief arrangements are usually put in place following a revaluation of business rates due on existing premises, and there is local hardship relief for exceptional circumstances

Section 2 – business rates relief for businesses that are temporarily using a space whilst a new development project is being completed

Consultation Proposal

To offer relief for businesses that are temporarily using a space whilst a new development project is being completed- these meanwhile activities could include pop-up market stalls, street food, creative exhibitions, events etc. The Council would make decisions on whether to give the relief, the amount of relief given, and the length of time the relief is to be applied for on a case-by-case basis, guided by a broad set of principles defined in the discretionary relief policy.

The consultation states that the rationale behind the proposal is to support meanwhile activities to encourage people to continue to visit the area whilst construction works are underway, and to support the maximum use of space at all times rather than it lying vacant.

Question 6 – Do you agree with the proposal to use business rates relief to support businesses that temporarily use space whilst a new development project is being completed?

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total answered	No answer
9	11	4	-	-	24	4
38%	46%	17%	0%	0%	100%	

- Consultees have highlighted the opportunities for smaller, independent traders or start-ups (e.g. Fashion Tech Academy graduates) to lead meanwhile activities. This could have a local connection, and support entrepreneurs and businesses to grow their presence in Haringey. Business rates relief would support their financial viability.

Some consultees said that the temporary use of space, with reduced business rates, can encourage individuals/enterprises to try out new ideas with lower risks (than a full commercial leased premises).

- Consultees also highlighted opportunities for meanwhile activities to increase footfall around under-used areas/sites surrounding high-streets. This could support the high street offer and vibrancy, and bring new people and customers into the area – a place shaping agenda

Consultees commented that meanwhile activities can help keep the surrounding area alive while major construction work is underway, and to avoid areas going derelict.

- Some of the consultees said that they had enjoyed visiting pop-up sites such as street food markets in other parts of London where major developments are underway, and that they would

like to see something similar in local areas.

- Some of the consultees suggested that alongside the relief scheme, the Council should also increase information and clarity on space that could be used for meanwhile activities or is currently unused, and promote opportunities among local businesses.

Haringey Council's response

Temporary meanwhile initiatives are expected to play an important supporting role in the regeneration plans, making areas more vibrant for residents and ensuring that there is maximum use of space whilst areas are being developed. Offering relief on business rates can be one way to support getting these temporary initiatives off the ground, but because every site and initiative will have different circumstances we are proposing that decisions over relief are made on a case by case basis.

We agree 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 we propose to add an extra guiding principle for officers to consider when making the case by case decision, 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, our 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. We will communicate and raise awareness over these sites. The process of identifying and communicating potential sites and areas will not act as a precondition for applying for relief under the scheme, and there may be some sites that become eligible and are not identified in advance.

Question 7 – Do you agree with the broad principles set out in the consultation paper to assist the Council in determining whether or not to offer relief to a business that temporarily uses space whilst a new development project is being completed?

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total answered	No answer
7	10	4	1	0	22	6
32%	45%	18%	5%	0%	100%	

Question 8 – Are there any other principles or criteria that you think the Council should take into account?

- Most consultees agreed that a case by case assessment would need to factor in the pros and cons for each site and meanwhile activity.

- Having a measurable local connection and benefit was highlighted by many of the consultees as the principle or criteria they felt most important for offering this type of relief
- Some consultees have highlighted that meanwhile activities would not be appropriate for all developments and decision makers need to be aware of this – the effect on the environment and maintenance (e.g. litter) needs to be carefully considered before giving the go ahead, particularly around housing areas.
- If the meanwhile activity is on private occupied land, some consultees highlighted that there needs to be an awareness that costs associated with meanwhile sites could be passed on by the landowner to leaseholders through increased service charges.
- Some consultees thought that relief for meanwhile activities should only be granted to new start ups and community social enterprises, and not for profit voluntary organisations.

Haringey Council's response

We agree that meanwhile initiatives would not be appropriate for all developments, and that the impact on the environment and maintenance needs and associated costs should be carefully considered, especially around housing developments. Therefore we intend to incorporate these considerations into the guiding principles that will inform officers when making case by case decisions over offering relief.

Section 3: business rates relief for voluntary and community sector organisations (VCOs)

There were four proposals outlined in Section 3 of the consultation paper relating to amending parts of our discretionary relief policy for voluntary and community sector organisations:

Proposal 1 – Reduce the 100% relief the Council currently offers to charity gift shops to 80%, but keep the 100% level of relief for youth centres, voluntary aided school and counselling centres

The Council's existing discretionary relief policy offers 100% relief to organisations that are (i) charity gift shops, (ii) youth centres (iii) voluntary aided schools, and (iv) counselling centres. The consultation paper proposes reducing the 100% relief for charity gift shops down to 80%, whilst keeping the other three categories at 100%.

The consultation states that the rationale behind the proposal would be:

- Offering the full 100% relief to charity gift shops (as opposed to 80%) currently costs around £88,000 a year through reduced business rates revenue.
- Most other local authority areas do not offer discretionary relief to charity gift shops, so changing relief to 80% would bring Haringey in line with neighbouring areas.
- The three other categories (voluntary aided schools, youth centres and counselling centres) could be argued to be more deserving of the full 100% as they are essential services for residents.

Question 9 – Do you think the Council should change the discount currently offered to charity gift shops on their business rates from 100% to 80%?

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total answered	No answer
9	7	5	1	4	26	2
35%	27%	19%	4%	15%	100%	

- Many of the consultees agreed that the full 100% relief for charity gift shops is somewhat of an anomaly compared to other boroughs, which should be reviewed as the Council renews its discretionary relief policy.

Some consultees made the point that most of the charity shops in Haringey tend to be part of larger charities with sizeable incomes and that they can afford to pay part or all of their business rates. This would increase local tax revenue.

- Traders who have responded to the consultation have said that the existing 100% relief policy for charity gift shops is an unfair competitive advantage in overhead cost that is leading to a proliferation of charity shops on the high street compared to other retail and service outlets that have to pay full business rates. Some traders thought that charity shops are taking business

away from independents.

- However, there were also some consultation responses in strong support of maintaining the full 100% relief for charity gift shops. These consultees argued that the profits from charity gift shops are going to worthwhile causes, and applying business rates could affect their financial viability.

Some made a distinction between larger, national charities who could afford to pay part of their business rates, and charity shops that are run by smaller, locally focused charities that were argued to be more deserving of the full relief.

Haringey Council response

There was broad agreement with the Council's rationale for proposing to change relief from 100% to 80% for charity gift shops. This will bring the area into line with other local authority areas.

We propose to change the category to 'charity shops and outlets that are reinvesting their profits into local social causes.' Those organisations that fall into this category in the future will be able to apply for 80% discretionary relief (if they are registered charities they will already be entitled to 80% mandatory relief)

Question 10 – Do you think the Council should keep the 100% relief that it currently offers to youth centres, voluntary aided schools and counselling centres?

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total answered	No answer
16	7	4	1	0	28	0
57%	25%	14%	4%	0%	100%	

- Many of the consultees agreed with keeping the full 100% relief for these types of service, believing that they are vital for local communities. Many of the consultees highlighted that without this full relief, the financial viability of these types of services may be put at risk.

Some consultees said that the only condition should be that these organisations demonstrated that they operate in a fully transparent manner and that their services are freely available to all sections of the community without any pre-conditions.

- Some consultees suggested that rather than keeping the full 100% relief for all voluntary aided schools, youth centres and counselling centres as proposed in the consultation, that these too should be put on a level playing field with most other types of VCO activity – i.e. a baseline of 80% relief with a case by case assessment of offering the additional 20% for those funded by the Council, in part based on the social value of their activity

Haringey Council response

There is strong support for keeping youth centres, voluntary aided schools and counselling centres as categories of organisation where we use our discretion to offer 100% relief, and we will keep this part of the criteria unchanged.

We would expect any organisation applying for discretionary relief under this criterion to offer services or facilities that are open and accessible for all groups of residents in the community.

Proposal 2 –Offer 20% extra relief to organisations that are funded by the Council on a case by case basis

The Council's existing policy is to offer the full 100% relief automatically to any voluntary and community organisation that receives funding from the Council and applies for discretionary relief. Currently there are 35 organisations that receive the additional 20% relief under this criterion, and the cost through loss of business rates revenue is around £170,000 every year.

The consultation proposal is to change this to as case by case assessment for future cases. A transitional measure would mean that any organisation that currently receives 100% relief under this criterion would continue to do so up until the point that their Council funding arrangement expires, when they would switch to a case by case assessment.

The consultation states that the rationale behind the proposal would be to allow the Council to consider the impact of the extra 20% relief and whether it is justified in the interests of residents and the local community balanced against the cost of loss of business rates revenue.

Question 11 – Do you agree that the Council should in the future make a case by case assessment over whether to offer the extra 20% on business rates to voluntary and community organisations (VCOs) that are also receiving funding from the Council?

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total answered	No answer
9	7	6	1	2	25	3
36%	28%	24%	4%	8%	100%	

- Most consultees agreed that some form of case by case assessment would be justified, as voluntary and community organisations all differ in their services and level of funding.
- However, there were some concerns that a case by case assessment system would be non-transparent, and that this could decrease financial certainty for VCOs to plan their business model around.

One consultee was worried that the offer of the additional relief on a case by case basis would in

effect result in only those groups who comply with the Council's wishes getting the full relief, posing a risk for the independence of the voluntary sector.

- Some consultees argued that if the Council is already giving an organisation funding, it would not be fair for them to effectively receive further support through additional relief off rates.
- Some consultees have suggested that as well as the contracted services that the Council directly commissions from VCO providers, that this criterion could also cover instances where other public sector agencies are contracting VCOs to deliver services for Haringey residents – for instance those VCOs commissioned by the Better Care Fund.
- Some consultees have highlighted issues around the administrative practicalities of making a 'case by case assessment' under this criterion, and potential administrative costs and time for both the Council and VCOs.

Some consultees suggested case by cases assessments on rates relief should not take place every year, and should instead be for a set period of time, in order to reduce administrative burden plus to support medium-long term financial planning.

Question 12 – Do you agree with the broad principles set out in the paper to assist the Council in determining whether or not to offer the extra 20% relief?

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total answered	No answer
10	9	3	3	2	100	1
37%	33%	11%	11%	7%	100%	

Question 13 – Are there any other principles or criteria that you think the Council should take into account in determining whether or not to offer the extra 20% relief?

- Many of the consultees thought that social value and the tangible benefits of the VCO's activity should be considered as part of the case by case assessment under this criterion
- Some of the consultees argued that the additional relief should be directly linked to supporting the VCO gain financial strength. Any VCO receiving the additional relief should be working towards a financially sustainable model in the longer term, which means after the relief is reduced they should be able to continue to deliver the services.

Haringey Council's response

We intend to keep a criterion that enables the Council to offer 100% relief on business rates to VCOs that it funds. 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, we believe that 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. There was overall support from consultees for making this change.

Under the new policy we 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 page 20 below). Many of the consultees suggested in their response to question 13 that social value forms part of the case by case assessment here.

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 criterions 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, it is our intention that 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.

Funding is to include 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.

Proposal 3 – update the categories of VCO that can claim 80% discretionary relief under the policy

Under our existing policy the Council offers 80% relief to organisations that are carrying out the following activities: (i) charity HQ/offices (ii) ethnic and community centres, (iii) religious organisations, (iv) schools (private), (v) sports clubs and associations, and (vi) theatre and arts groups. This 80% relief is offered to organisations carrying out these activities even if they are not legally structured as a registered charity or community amateur sports club (for whom it is mandatory for all local authorities to offer 80% relief).

The proposal in the consultation is to add the following categories to this: (i) employment support and advice, (ii) health and wellbeing organisations (iii) special educational needs and disabilities services and (iv) children’s playgroups.

The consultation states that the rationale over adding these categories of VCO was to bring the policy more up to date, as there have been changes to the types of VCO operating in the local area since the policy was last reviewed in 1990.

14. Do you agree that the Council should update the following categories of VCO that receive up to 80% relief: (a) children’s playgroups, (b) employment and skills support services (c) health and wellbeing organisations and (d) special educational needs and disabilities services.

	Yes	No	Unsure	No answer
Children’s playgroups	61%	12%	27%	2
Employment and skills support services	63%	11%	26%	1
Health and wellbeing organisations	66%	17%	17%	2
Special educational needs and disabilities services	81%	7%	12%	2

15. Are there any other categories of VCO that should be added to Haringey Council’s business rates relief policy?

- Some consultees have suggested that we should re-phrase the existing ‘theatre and arts group’ category so that it would clearly capture VCOs that are promoting cultural heritage of the borough
- Many consultees suggested that we should add a category of VCOs that work with vulnerable elderly people in the borough (e.g. isolation, low incomes)
- Some consultees suggested that we should add a category of VCOs that promote environmental wellbeing in the borough (air quality, energy needs etc)
- Consultees were broadly supportive of the principle of offering 80% relief based on the activity that VCOs carry out, rather than purely their legal structure. However, many consultees thought it important to close any loopholes and ensure that the broad categories defined in the policy are not open to speculative applications by large profit-making companies who can afford to pay

full business rates.

Some consultees suggested to add a term into the policy that an organisation applying for relief under the VCO categories should be legally structured to re-invest its profit into social causes.

Haringey Council response

In response to the suggestions from consultees to incorporate organisations that work with isolated people, we now propose to rephrase one of the 80% categories 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, we now propose to rephrase one of the 80% categories 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, we now propose to rephrase one of the 80% categories to “theatre, arts and cultural groups.”

Proposal 4 – All VCOs applying for discretionary relief should be asked to outline how their services bring social value and local impact to our residents

Under our existing policy, the Council does not ask the applicant to outline their activities, outreach or local impact, and offering discretionary relief is based purely on what type of VCO they are categorised as or whether they are funded by the Council.

The consultation proposes to ask all VCOs to outline their social value when applying for discretionary business rates relief, using guidance based on the six broad categories defined through the Social Value Act. These are the same social value categories as being integrated into the Council’s commissioning practice and community building model leases.

The consultation document states that the rationale behind this proposal was to support a new strategic emphasis on social value in our policy and practices. The aim would be for the information supplied on social value to form the basis of an ongoing dialogue with the Council on working together to deliver social value for residents. Providing business rates relief is part of the Council’s support to VCOs.

Question 16 – do you support the Council’s proposal to ask organisations to outline how their services and activities add social value to the local community and residents when applying for discretionary business rates relief?

Strongly agree	Agree	Unsure	Disagree	Strongly disagree	Total	No reply
15	9	2	0	1	27	1
56%	33%	7%	0%	4%	100%	

- The majority of consultees were supportive of the concept over the Council supporting those VCOs that offer the most social value locally, and agreed that this lent itself to offering relief on business rates.
- Consultees have highlighted that the main challenge over social value assessments would be the potential administrative burden, both for the Council and VCOs.

Some consultees have suggested that if VCOs have already undertaken a social value assessment as part of another process (e.g. during commissioning for a contract or applying for a community building model lease), then the social value information submitted previously could be used for applying for discretionary business rates relief – this would avoid unnecessary duplication and ensure the assessment on social value is joined-up.

Question 17 – if your answer to the above was ‘do not support,’ what else could VCOs applying for business rates relief be asked to do to demonstrate their social value and local impact for residents?

Question 18 – this asked for feedback on the draft application form for discretionary business rates relief, including the social value guidance:

- Some consultees have suggested the inclusion of a simple box on the application form for business rates relief that asks whether the organisation has previously undertaken a social value assessment, in what circumstances and when – if an applicant ticks this box, they would not have to complete the section on the business rates relief form on social value and the Council internally would instead look at the previous social value assessment under this criterion of the rates relief application.

Haringey Council’s response

Our intention is to use the information supplied on social value by applicants as a source of intelligence to help inform discussions over future opportunities for the Council and VCOs to work more closely together for the benefit of residents. We do not intend to make completing the new social value section of the relief application form an onerous task for the applicant.

Therefore we will take forward the idea 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.