

06 February 2019

Dear Members of Cabinet

Cabinet - 6 February 2019

I am now able to enclose, for consideration, the following report appendix for the above meeting that was unavailable when the agenda was printed.

**Item Item
No**

10 Business rate retail discount policy – Appendix 2 (Pages 1 - 4)

Report of Director of Service Delivery

Lead Cabinet member: Councillor Alan Shuttleworth

Yours sincerely

Committee Services

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Appendix 2 - Business Rate Retail Relief Support Consultation Summary – Eastbourne Borough Council and Lewes District Council

Dated: 06 February 2019

Background

The government recognises that the changing trend in consumer behaviour presents a significant challenge for retailers on the high street and as such announced in the autumn 2018 budget new measures to implement a new Business Rate relief to benefit those occupied high street retail properties that have a rateable value under £51,000. The introduction of the forthcoming new measures will help the high street to evolve and encourage further economic growth within our local retail sector.

Premises that will benefit are those occupied hereditaments, wholly or mainly used as shops, restaurants, cafes and drinking establishments. The relief will take effect from 01 April 2019 and be administered over the 2019-20 and 2020-21 financial years respectively.

The grant of the discount is discretionary and Local Authorities are expected to use their power introduced by The Localism Act (Under section 47 of The Local Government Finance Act 1988) to establish which hereditaments providing a service to the public through sale of goods or services will benefit from the newly introduced measures.

The value of the relief should be one third of the bill, and must be applied after mandatory reliefs and other discretionary reliefs

How we consulted

We carried out a public consultation from 02 January 2019 to 31 January 2019. We published the draft Business Rate Retail Relief policy on the Council's website which included the background, reasons for the proposals and the details of the proposed scheme design. Along with local ratepayers, the Council's consultation was extended to include The Chamber of Commerce, Eastbourne's local Hospitality sector and other organisations such as The Federation of Small Business.

We also provided an online survey which gave the public a chance to submit their views by asking a series of questions on the principles of the scheme design. Whilst we are unable as a Local Authority to apply any discretion to determine the length of time that the scheme may run for, nor the percentage payable, we can apply discretion over our target market within the retail sector. The majority of questions within the survey were predominately focused on this.

We published the consultation through local media by issuing a press release via Cobb PR. We contacted our consultation mailing list by issuing emails on the day that the consultation launched. The consultation was also promoted regularly on our Social Media channels to encourage further participation and engagement.






Key Findings

Responses were received from 62 ratepayers / individuals (45.65% Eastbourne based / 52.17% Lewes based) and are summarised below:

4. The policy proposes the following properties would qualify for retail business rate relief:

- **Sale of goods:** Shops (such as florists, bakers, greengrocers, butchers, greengrocers, jewellers, stationers, off licenses, chemists, newsagents, hardware stores, supermarkets etc.) Charity shops Opticians Post Offices Furnishing shops / display rooms (such as carpet shops, double glazing, garage doors) Car / caravan showrooms, Second hand car lots, Markets, Petrol stations, Garden centres, Art galleries (where art is for sale or hire)
- **Provision of services:** Hair and beauty services (such as hairdressers, nail bars, tanning shops, tattoo parlours and body-piercing services) Shoe repairs/key cutting, Travel agents, Ticket offices e.g. for theatre, Dry cleaners, Launderettes, Funeral directors, Photo processing, Tool hire Car hire
- **Sale of food and/or drink:** Restaurants, Takeaways, Sandwich shops, Coffee shops, Pubs and Bars.

How much do you agree or disagree with this proposal?

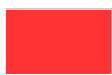




			Response Percent	Response Total
1	Strongly agree		46.77%	29
2	Agree		30.65%	19
3	Disagree		6.45%	4
4	Strongly disagree		11.29%	7
5	Don't know		4.84%	3

Nine respondents felt that providers of medical services, such as doctors should benefit from the relief. Whilst we would like to support medical services that are based on the high street, guidance from central government excludes medical services on the basis that they do not consider them to be of retail use.

6. The draft policy proposes that the following types of business do not qualify for retail business rate relief:

- **Financial services** (e.g. banks, building societies, cash points, bureaux de change, payday lenders, pawn brokers)
- **Gambling establishments** (e.g. betting shops and amusement arcades)
- **Other services** (e.g. estate agents, letting agents, employment agencies)
- **Medical services** (e.g. vets, dentists, doctors, osteopaths, chiropractors)
- **Professional services** (e.g. solicitors, accountants, insurance agents, financial advisers, tutors)
- 'Headshops' or those selling legal highs and similar paraphernalia
- Licensed sex shops
- Royal Mail sorting offices

How much do you agree or disagree with this proposal?

			Response Percent	Response Total
1	Strongly agree		25.81%	16
2	Agree		43.55%	27
3	Disagree		17.74%	11
4	Strongly disagree		11.29%	7
5	Don't know		1.61%	1

Four respondents felt that charity shops should not be eligible for the retail discount. Charity shops bring many benefits to our high street along with being included in the governments recommended criteria. Charities who are registered with the Charities Commission already receive 80% Charitable Mandatory Relief and in most cases are in receipt of additional 20% Discretionary Rate 'Top Up' Relief.

There was also feedback to request that retail outlets selling cheap alcohol should be excluded from the scheme. The exclusion of retail outlets who participate in the sale of alcohol would negatively impact local convenience stores whose core business is selling both food and drink. The government also recommends that pubs and bars are eligible for the relief so by excluding a small number of businesses on this basis would be in contravention of the core principles of the guidance.

The Chamber of Commerce highlighted the exclusion of Gyms and other Leisure facilities from the policy as it was felt that they play a key role in providing a diverse and missed offering to residents and visitors. MHCLG guidance considers hereditaments used for sport and recreation to be outside the scope of the discount.

Conclusion

Overall, based on the feedback received, the scheme proposal was supported with over 77% of the response being in favour of the qualifying business criteria and 69% being in favour of the proposed non-qualifying business criteria.

There were a small number of responses requesting that we extend the criteria to include all businesses. We recognise that there are certain business sectors that may fall within the rateable value threshold who will not qualify for the relief due to the nature of the business. Whilst we would like to extend the relief to be able to encompass all businesses within Eastbourne and The District of Lewes, the scheme is designed in such a way to benefit targeted retail sectors.