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**Consultation on business rates relief in Haringey – Revaluation Support**

Haringey Council wants to consult with residents, business and the Greater London Authority on developing a new business rates relief scheme for revaluation support.

This document:

* explains what business rates and business rates relief for revaluation support are
* explains why we want to develop a new relief scheme for revaluation support
* sets out options and proposals for the new scheme

We would like your views on these proposals. Please complete and return this consultation document by either:  
 **Email**

Email the completed form to [**luke.rigg@haringey.gov.uk**](mailto:luke.rigg@haringey.gov.uk)

**OR**

**By Post**

Post your completed consultation document to:

Policy and Strategy Team,  
5th Floor  
Haringey Council

River Park House

225 High Road

London   
N22 8HG

**OR   
  
By drop-in**You can pick up a hard-copy of the consultation document at Wood Green Library. There is a ‘drop-box’ at the library foryou to return completed copies to.

**The consultation period will run from: 13th April 2017 to 17th May 2017**

**Did you know?**If you are a resident you can now manage your council tax online through the **My Account website,** as well as be notified of all the latest news and information in Haringey. All you need to do is register online at: <http://www.haringey.gov.uk/contact/my-account>

**QUESTION 1**

Before you undertake this consultation please tell us a little about yourself:

Are you a:

* **Resident of Haringey**  
    
  If so please tell us the area of the borough you live in or postcode (optional)  
    
  ..............................................  
    
  OR
* **A company, business or organisation**

If so please tell us about the type of business activities and services that you provide (optional)  
  
..................................................................

* **A representative of the Greater London Authority**

**BACKGROUND SUMMARY**

**Please note: for the full background context please see Appendix 1 on page 9**  
  
Business rates (also known as non-domestic rates) are a tax on organisations and companies that are using a building or office space for business purposes.   
From 1st April 2017, all commercial buildings and offices in the borough have been given a new ‘rateable value’ used to calculate the amount of business rates a business occupying that space has to pay. This process is known as the **‘revaluation’** and is controlled by the Government.

Some organisations may receive a discount on their business rates. This is called **business rates relief** because it provides relief from the total amount of tax that would otherwise be payable.  
  
In this year’s Budget, the Government announced £300 million for local councils to finance business rates relief for **revaluation support.** The Government’s extra funding will only support relief schemes targeted at businesses facing an increase in their business rate bills following the 2017 revaluation.

The Government’s draft allocation of funding for Haringey is set out below[[1]](#footnote-1):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Amount of discretionary pot awarded (£000s)** | | | |  |
| **LA** | **2017-18** | **2018-19** | **2019-20** | **2020-21** | **Total** |
| LB Haringey | 1,213 | 589 | 243 | 35 | 2,080 |

This consultation is about options for Haringey Council to design a business rates relief scheme for‘revaluation support’ using the Government’s allocation of funding for the borough.   
  
By going out to consultation with residents and business this will help inform and shape options for the design of the new relief scheme for revaluation support locally.  
 **Proposal and options for consultation**  
  
Our proposal is to offer relief for revaluation support to those businesses and organisations that are facing a **sizeable increase in their business rate bills** following the April 2017 revaluation.   
  
Businesses whose bills have decreased or remain the same following the revaluation or after applying eligibility for other relief schemes would **not** be eligible for the extra relief for revaluation support.

We estimate that Haringey’s allocation of funding from the Government to provide extra relief for revaluation support could be used to offer eligible businesses **a 25% discount on the increase in their business rates bill**[[2]](#footnote-2).   
  
The table below illustrates how much extra relief businesses would receive under this proposal, depending on the amount by which their business rate bill has increased by between 2016-17 and 2017-18:

|  |  |
| --- | --- |
| **Increase in business rate bills following the revaluation, comparing 2016-17 bill to 2017-18 bill[[3]](#footnote-3)** | **Amount of extra relief they would receive for ‘revaluation support’ under the proposed scheme, set at 25% discount on their year on year business rate bill increase** |
| £20,000 bill increase | £4500 |
| £10,000 bill increase | £2500 |
| £5000 bill increase | £1250 |
| £2500 bill increase | £750 |
| £1000 bill increase | £250 |
| £500 bill increase | £125 |

We believe that this method would be the **fairest** way of distributing Haringey’s allocation of Government funding for extra business rates relief for ‘revaluation support’ because:

* It would ensure that the value of the extra relief given out is **proportional** to the amount that a businesses’ bill has increased by. Those local businesses facing the most significant increases in their bills following the revaluation, would receive the most support under the proposed scheme.
* It would ensure that the extra relief available **supports different types and sizes of business across the whole borough**, rather than just being concentrated on a very small number of businesses or any one particular high street or sector.
* It provides for a **consistent method** of calculating how much relief to award any one business, ensuring that the relief scheme is **transparent** and that businesses are treated fairly against a clear criteria

Using the proposed method, the extra relief could be **automatically applied** and deducted from future instalments of business rate bills for those businesses deemed eligible. This would avoid the need for businesses to complete and submit individual applications for the extra relief, helping to **reduce administrative burden and cost** for both local businesses and Haringey Council.

We propose that only businesses that have seen their business rate bills increase by **£500 or more** would be eligible for the relief scheme. This is because the value of any extra relief applied under this threshold would be negligible, and this needs to be balanced against the high administrative burden and cost for the Council to apply relief to every business with a minor bill increase.

**QUESTION 2 - Do you support the proposal, described above, to offer relief to businesses for revaluation support as a proportion of the increase in their business rate bills?**

[ ] Strongly agree  
[ ] Agree

[ ] Unsure

[ ] Disagree

[ ] Strongly disagree

|  |
| --- |
| Please tell us the reason for this |

**Additional Option - to prioritise giving relief to small and medium sized firms and independents over multinational and large national businesses**

We would like to hear your views on the option of targeting the extra relief for ‘revaluation support’ at small and medium sized firms and independents, giving preference to them over multinational and large national businesses.

The rationale behind this option is on the grounds that multinationals and large national businesses with high turnovers are more likely to be able to afford to pay higher business rate bills than small and medium sized firms and independents. Furthermore, following the 2017 revaluation most national and multinational based businesses will have seen their business rate bills decrease in property they occupy in other parts of the country.   
  
Through giving preference to small and medium sized firms and independents, this would enable us to target more of the extra relief for revaluation support at those businesses and organisations that may find it most difficult to adjust to paying higher business rate bills .

**QUESTION 3  
  
Do you support the option of giving preference to small and medium sized firms and independents over multinational and large national businesses when it comes to eligibility for extra business rates relief for ‘revaluation support’?**

[ ] Strongly agree

[ ] Agree

[ ] Unsure

[ ] Disagree

[ ] Strongly disagree

|  |
| --- |
| Please tell us the reason for this |

**Additional Option – to prioritise giving relief on public interest grounds**

We would like to hear your views on whether there are any circumstances when Haringey Council should not favour offering the extra relief for revaluation support’ because it would be against the local community’s or public interest to do so.

Public interest grounds could include for example concerns over the associated negative impact a particular type of business may have on the local environment, health and wellbeing or public order and anti-social behaviour concerns.

**QUESTION 4**

**Are there any circumstances when you believe that Haringey Council should not favour distributing extra business rates relief for ‘revaluation support’ because it would be against the local community or public’s interest?**

*Please tell us the reason for this*

**QUESTION 5**

**From the list below, please identify any types of business or sectors that you believe Haringey Council should not favour distributing extra business rates relief for revaluation support to:**

[ ] empty & vacant units

[ ] Fast food outlets  
[ ] Coffee shops  
[ ] Restaurants   
[ ] Pubs  
[ ] Vape lounge  
[ ] Bakeries  
[ ] Butchers  
[ ] Grocery stores  
[ ] Food delicatessen stores  
  
[ ] Estate and letting agents  
[ ] Betting and gambling premises  
[ ] Employment agencies  
  
[ ] Pharmacists, chemists and health remedy  
[ ] Opticians  
[ ] Osteopaths and chiropractors  
[ ] Doctors and GP surgeries  
  
[ ] Banks and building societies   
[ ]Accountants, insurance agents and financial advisors   
[ ]Foreign exchange   
[ ] Pawnbrokers and pay day lenders  
  
[ ] Hairdressers and barbers   
[ ] Beauticians and tanning salons  
[ ] Tattoo and piercing parlours  
  
[ ] Electronic, computing and phone shops/services  
[ ] Car and vehicle mechanics and repairs   
[ ] Car dealers  
[ ] Petrol stations and car wash  
[ ] Funeral services  
[ ] Photography services  
[ ] Dry cleaners  
[ ] Shoe repair  
[ ] Jewellers   
[ ] Travel agents  
[ ] Vets and pet grooming  
[ ] Solicitors and law agencies  
[ ] Taxi services

[ ] Cinema  
[ ] Gyms  
[ ] Leisure centres and activities

[ ] Hotels, hostels and B&Bs  
[ ] Post office and delivery sorting offices

[ ] Local convenience stores and newsagents   
[ ] Supermarkets and discount stores   
[ ] Household goods stores   
[ ] Furniture shops  
[ ] Book shops  
[ ] Charity shops   
[ ] Stationary, card and gift shops  
[ ] Clothes and shoe shops  
[ ] Florist and garden stores  
[ ] Antique and second hand shops

[ ] Office and workspace based firms   
[ ] Workshops   
[ ] Manufacturing sites and factories   
[ ] Storage and warehousing

[ ] Telecommunications network facilities

***OTHER TYPE OF BUSINESS –*** *Please specify:*

***Please tell us the reason for your selection***

**Question 6 - Do you have any other views and ideas?**

We welcome your ideas or suggestions to further shape the proposals for the distribution of the extra relief.

***Please tell us any other ideas:***

**About you**

Please tick all the categories that most accurately describe you. Please note that this section is optional to complete.

The information you provide in this section will be held in the strictest confidence, and only will be used by the council to help assess whether the various sections of our communities have responded to this consultation.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Age Please tick one box | | | | | |
|  |  | |  | |  |
| Under 16 | 25-44 | | 65+ | |  |
| 16 - 24 | 45-64 | | prefer not to say | |  |
|  |  | |  | |  |
| Disability Do you have a physical or mental disability that has lasted or expected to last for at least 12 months? | | | | | |
| Yes | | No | |  | |
| 1. **Ethnicity** *Please tick the box that best describes your ethnic group* | | | | | |
| **White** | | | **Black or Black British** | | |
| British | | | African | | |
| Irish | | | Caribbean | | |
| **White Other** | | | Other (please specify): | | |
| Greek/ Greek Cypriot | | |
| Turkish | | | **Asian or Asian British** | | |
| Turkish/Cypriot | | | Indian | | |
| Kurdish | | | Pakistani | | |
| Gypsy/Roma | | | Bangladeshi | | |
| Irish Traveller | | | East African Asian | | |
| Other (please specify below) | | | Other (please specify below): | | |
| **Mixed** | | | **Chinese or Other Ethnic Group** | | |
| White and Black African | | | Chinese | | |
| White and Black Caribbean | | | Any other ethnic background  (please specify): | | |
| White and Asian | | |  |
| Other (please specify): | | |  | | |
| Sex Please tick the box that best describes you | | | | | |
| Male | | | Female | | |

**APPENDIX 1 - BACKGROUND CONTEXT  
  
What are business rates?**Business rates (also known as non-domestic rates) are a tax on organisations and companies that are using a building or office space for business purposes. This includes shops, offices, warehouses, hotels, some community facilities and factories. Business rates are **not** charged on homes - these are subject to council tax instead.   
  
Local councils calculate and collect business rates in their area. All local councils must use the same method of working out the amount of business rates. This method is set by the Government and uses a value for the property given by the national Valuation Office Agency (a branch of Central Government).

The amount of business rates charged to each organisation is not the same and depends on:

* The size of the building or office space used
* A valuation based on the amount of rent that the building or office space would be let for on the open market

Both of these elements are used by the Valuation Office Agency to establish a ‘**rateable value’.** Every year a national ‘rate multiplier’ is set by the Government and the total amount of business rates due are calculated by multiplying the rateable value by the rate multiplier.  
  
Any relevant relief and discounts can then be applied by the council to determine the final amount due from a business or organisation liable to pay business rates.

**Revaluation 2017 and the impact on Haringey**The Valuation Office Agency have undertaken a **revaluation** of the rateable value of all buildings and office space subject to paying business rates. From 1st April 2017, all buildings and offices in the borough have been given a new rateable value, used to calculate the amount of business rates a business or organisation occupying that space has to pay. The last time there was a revaluation was in 2010.

The 2017 revaluation has resulted in the business rate bills charged on many businesses and companies in Haringey increasing significantly. Business rate bills have increased on average by 20-30% for most high street shops. Many pubs, industrial sites, offices and workshops will also see significant increases in their business rate bills, as will some schools, childcare providers, GP surgeries and local council owned sites.

|  |  |
| --- | --- |
| **Increase in business rate bills following the revaluation, comparing 2016-17 bill to 2017-18 bill[[4]](#footnote-4)** | **Number of buildings and offices in Haringey experiencing this level of increase in their business rate bills** |
| Over £20,000 increase | 45 |
| £10,000 - £19,999 increase | 80 |
| £5000 - £9999 | 118 |
| £2500 - £4999 | 277 |
| £1000 - £2499 | 593 |
| £500 - £999 | 598 |

Significant business rate bill increases are being experienced across the whole borough as a result of the revaluation; from businesses located in Tottenham, Wood Green and Green Lanes to Muswell Hill, Crouch End and Highgate.   
  
**What is business rates relief?**Some organisations may receive a discount on their business rates. This is called business rates relief because it provides relief from the total amount that would otherwise be payable. Organisations who receive relief on their business rates therefore pay a smaller amount of money than they would otherwise have to pay, and a smaller amount compared to other organisations that do not receive relief.

Some relief schemes are determined by the Government and have to be applied in the same way across all local councils in the country. Examples include small business rates relief, empty properties relief, transitionary relief and mandatory relief for registered charities. This consultation is not about these national business rates relief schemes.

Local councils can set out their own policy for giving relief on business rates in addition to those set by the Government. This is called ‘discretionary relief’. When designing a new discretionary business rates relief scheme, local councils can decide on:

* when relief would be considered
* the maximum amount of relief that could be given
* the length of time that relief could be granted for
* the types of organisation that can apply for relief

1. These figures are draft allocations for Haringey which were announced as part of a Government consultation on 9th March 2017: <https://www.gov.uk/government/consultations/discretionary-business-rates-relief-scheme> [↑](#footnote-ref-1)
2. The percentage level set (and hence the level of discount given) under this proposal would depend

   on the final allocation of funding Government decides to give to Haringey in any one year and how

   this would be spread across all those businesses deemed eligible for the scheme. [↑](#footnote-ref-2)
3. These figures are after all adjustments have been made to a businesses’ bill, including other relief schemes and discounts they may be eligible for [↑](#footnote-ref-3)
4. These figures are after all adjustments have been made to a businesses’ bill, including other relief schemes and discounts they may be eligible for [↑](#footnote-ref-4)