



Appendix B

Consultation on the Local Discretionary Relief Scheme 2017 following the business rates revaluation

Summary of Responses

Summary of Responses

1. In total 72 responses were received from residents and businesses as shown in the table below:

Respondent Type	Number of Respondents	Proportion of Total
Business	66	91.67%
Greater London Authority	1	1.39%
Resident	5	6.94%
Total	72	100.00%

2. **Question 1.** Which reduction option do you think that the council should adopt?

Reduction Option	Number of Respondents	Percentage
Fixed amount	30	41.67%
Percentage of increase	42	58.33%
Total	72	100.00%

3. 58.33% of respondents agreed that a percentage increase would be fairer than a fixed amount.
4. **Question 2.** Both proposed options have different levels of support depending on the increase experienced by ratepayers. This ranges from supporting those who have experienced any increase over £100 to only those who have experienced an increase of 15% or more.

Level of Support	Number of Respondents	Percentage
over £100	18	28.57%
over 5%	25	34.72%
over 7.5%	4	5.56%
over 10%	11	15.28%
over 12.5%	4	5.56%
over 15%	10	13.89%
Total	72	100.00%

5. **Question 3 -** Do you support the proposal to exclude ratepayers that have three or more accounts both within and outside of the borough?

Exclude Ratepayers	Number of Respondents	Percentage
Strongly Agree	16	22.22%
Agree	15	20.83%
Disagree	9	12.50%
Strongly Disagree	12	16.67%
Unsure	20	27.78%
Total	72	100.00%

6. More than 43% of respondents agreed that ratepayers with more than three accounts should be excluded from receiving the relief, 29% were against and nearly 28% were unsure.
7. **Question 4** - Do you agree that the amounts are fixed for the four year period based on the actual increases identified as at 01 April 2017?

Four Year Reduction	Number of Respondents	Percentage
Strongly Agree	18	25%
Agree	23	31.94%
Disagree	7	9.72%
Strongly Disagree	3	4.17%
Unsure	21	29.17%
Total	72	100.00%

8. Nearly 57% agreed that the relief should be fixed for the whole period of the scheme.
9. **Question 5** - Do you support the proposal of excluding ratepayers where the increase experienced is £100.00 or less?

Exclude Under £100 Increase	Number of Respondents	Percentage
Strongly agree	19	26.39%
Agree	25	34.72%
Disagree	8	11.11%
Strongly disagree	8	11.11%
Unsure	12	16.67%
Total	72	100.00%

10. 61.11% agreed that any ratepayer that has an increase of £100 or less should be excluded from receiving relief.
11. **Question 6** - Do you support the proposal to exclude ratepayers that are in receipt of the new Supporting Small Business Relief (SSBR)?

Exclude SSBR	Number of respondents	Percentage
Strongly agree	18	25%
Agree	15	20.83%
Disagree	11	15.28%
Strongly disagree	15	20.83%
Unsure	13	18.06%
Total	72	100.00%

12. 45.83% agreed that those businesses that had already received SSBR should be excluded from receiving this relief, with 18.06% being unsure.

13. **Question 7** - Do you think that certain categories of business should be excluded from the scheme?

Category	Number selected
Payday Lenders	49
Betting Shops	52
Public Sector & Local Government Buildings	19
Housing Association Properties	15
Unoccupied Properties	52
Other	17
Total	204

14. All respondents were able to choose more than one category in this question and it seems that there is support to exclude the categories stated when applying the relief.
15. Respondents were also asked to suggest other categories that they felt ought to be excluded from receiving the relief which is shown in the table below:

Category	Number selected
Banks and Financial Organisations	4
Charities	5

16. Banks would be excluded under the scheme as having 3 or more properties and exceeding State Aid rules.
17. **Question 8** - Do you support the proposal of the council identifying eligible ratepayers and applying the relief without the need for them to complete an application form unless in exceptional circumstances?

Automatic Identification of Ratepayers	Number of respondents	Percentage
Strongly agree	30	41.67%
Agree	22	30.56%
Disagree	7	9.72%
Strongly disagree	2	2.78%
Unsure	11	15.28%
Grand Total	72	100.00%

18. More than 72% of respondents agreed that the Council should identify eligible ratepayers and make the award automatically.
19. **Question 9** - We would welcome your views or ideas on what you think should be included or excluded from the proposed scheme. The following is an exact extract from the suggestions put forward by respondents and none of the content has been altered or modified in any way. These will also be picked in in the quarterly meetings with ratepayers.

1st timers to have all supports and advise and any company's have more accounts to be excluded

As a small business we are in the borough all day , we have no rights why we provide income and jobs for all we get for our service is nothing

Business rates should come down all together or, at least, include services like waste collection, footway licence or other externally paid services that should be already covered by the business rates.

Business that have low income should be given more rate relief

Challenge national government on this absolutely insane redistribution of rates.

Community Centres that host community activities and child care should receive full rate relief (such as our centre - Lascar Wharf Community Centre, 21 Repton Street, E14 7FN)

Every one know how we are suffering

Extra rate bill is a burden on the businesses and may force them out at this volatile Brexit environment

Freeze or reduce the payable rate - actual amount for ever, indicating where they used and let those who receive fund from this rate to support themselves.

Give us more information. The rates are killing some small businesses or putting huge pressure on us.

I really want Councils and Government to think twice before applying any increase. We are already suffering due to Brexit and business is not good.

I think the council need to be realistic and the business rates should be reduced to a more manageable level across the board especially for small business.

I think the council should be supporting independent businesses but not large corporations

I would welcome the scheme being extended to charities in properties whose RVs (before mandatory 80% charitable relief) are above the cap. The cap should be applied in those cases based upon the 20% actually payable (which is, for a charity, to all intents and purposes the true measure of effective RV), not upon the un-relieved RV. Otherwise small charities are pushed out of action disproportionately compared to other businesses.

It seems that rates have gone up as a drawn out consequence of the 2007 crash. The Financial services industry can comfortably afford this increase in cost and therefore should shoulder the majority of this tax. i.e. they should be excluded from support from this government scheme.

It should be available to all regardless of their ability to fill out a form

LBTH is one of the cheapest boroughs in London and has some of the most deprived areas in London . This needs to change . This can only change with increased funding from ALL BUSINESSES

Our detailed comments are set out in a separate written response which has been submitted to the Council by email.

Please do not force people over the limit of Small Business Relief. Listen to their case and how much rent they are actually paying. Tower Hamlets is going to lose so many assets it is in theory proud of.

Price hike to business rates we are paying too high

Small businesses like my own need an immediate reduction in rateable value as imposed April 2017 government so they can continue to be eligible for small rates relief as they were before April 2017

Small businesses that benefit the local community and bring socially responsible services should be given the highest relief - these companies are benefiting the whole of society, not just themselves, and this needs to be reflected in relief of these extensive business rate increases.

The council street shall has giving some relief to street sellers during the week expect Sunday market which has help many seller to keep the street market going rather empty street. I think the same should apply to the shops in the same area.

There should be regular visits to the local businesses and first hand comments and suggestions noted. Businesses that are in need of relief should be able to have access to support. Big franchise stores like Tesco and Morrisons in the local communities are making it difficult for small convenience stores to compete with and there is no support or grants available for the smaller businesses.

Tower Hamlets has a unique set of problems on its plate: about a minute's walk from our shop, is a Versace store on Redchurch Street. Our and their respective demographics could scarcely be more different, and the fabric of the borough is not stitched by those that buy thousand pound handbags, and it would behoove the council to recognise this. When shops (businesses) like Versace arrive, rent rises sharply, and rates follow behind. Multi-million pound companies swallow these with barely a flicker on the bottom line. Independent businesses (at least those with small margins) struggle on, before selling up or moving on. In the recent revaluation, our rates rose from £8,000 to £18,000 a year by 2020. If that increase does come into effect, that will be the end of our shop. We already draw less than the minimum wage, and our customers could not absorb the sort of price hike which would allow us to pay those bills. I would suggest thinking very carefully about the long term implications of the decisions being made now. You should be fostering small independent businesses not driving us out.

Young and new businesses should have a rates holiday period. Businesses with less profit after tax and all other costs should only be levied a % of actual profits.

20. **Question 10** - The Council will be holding quarterly workshops for interested ratepayers in the borough which will deal with all aspects of business rates. These sessions are intended to be interactive and provide expert advice on all business rate matters and provide a platform for specific questions from ratepayers.

Attend Quarterly Workshops	Number of respondents
Yes	35
No	31
No answer provided	6
Total	72

21. There was sufficient interest in attending the proposed quarterly workshops so the council will make the necessary arrangements to deliver these. The dates and venues will be published on the Councils website and the respondents that expressed an interest will be contacted directly to invite them to attend.
22. The Council would like to thank all those that took the time to respond to the public consultation, this has helped to the Council to devise a fair and equitable scheme that has been welcomed by the GLA, residents and ratepayers in the borough and will help as many eligible businesses as possible.
23. Following evaluation of the consultation responses and consideration of the proposals offered the final scheme to be adopted will be Option 2, which is based on a percentage of the increase. The full scheme details are at Annex A.
24. After taking into account the responses and removing the properties identified under the categories to be excluded from receiving the relief, and those that have an overall increase of £100 or less, this has resulted in the identification of 2,616 ratepayers that will receive the relief in the first year.
25. £4,654,709.80 will be awarded meeting 80% of the increase in rates bills due to the Revaluation in cases with an rateable value of less than £200,000.

	Year 1	Year 2	Year 3	Year 4
Percentage of Relief	80%	39%	17%	3.2%
Number of Ratepayers	2,616	2,412	1,486	414
Total Spend	£4,654,709.80	£2,253,090.69	£913,773.58	£118,835.96
Tolerance	-£119,290.20	-£65,909.31	-£41,226.42	-£17,164.04