

Discretionary Business Rate Relief Policy Consultation

September – October 2020

Report November 2020

Insight Team BCP Council

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1. Executive Summary

Below is a summary of the key findings from this survey:

- There were 26 responses to the survey
- Most respondents supported the proposals across all sections of the draft Policy
- The proposals with the highest levels of agreement were:
 - Notifying beneficiaries of an award
 - o Administering the Discretionary Business Rates Relief Scheme
 - Eligibility criteria for awarding up to 100% of the rate liability
- The main reasons respondents gave for disagreeing with proposals were:
 - To protect charitable organisations and their work in the local community
 - Proposed criteria could discriminate against certain businesses/organisations
 - o Proposed criteria is too ambiguous
 - The decision-making role of the Portfolio Holder is inadequate and unclear

2. Introduction

BCP Council is required to operate a single discretionary rate relief policy. The Bournemouth, Dorset and Poole (Structural Changes) Order 2018 stipulates that such a policy must be in place and operational from 1 April 2021 at the latest. The proposed Policy has been developed having regard to the legislation, existing schemes and government guidance.

The earliest this Policy can now be implemented, due to the requirements of the Local Government Finance Act 1988 to give a full financial year's notice of any potential change, is 1 April 2021.

The three existing schemes that currently operate within the BCP area have not altered for many years and do not reflect the current business rates landscape.

The existing Discretionary Business Relief Rates Policies can be viewed below:

- Bournemouth
- Christchurch
- Poole

The proposed policy aims to target support for those organisations which make a maximum contribution towards the community. It is anticipated that the majority of existing recipients would continue to receive discretionary rate relief. However, it is recognised that some existing recipients may no longer qualify for support from 1 April 2021 or have the level of award reduced.

The consultation ran between 7th September and 23rd October 2020 and asked for respondents' views on the proposed policy and the potential impact it could have on businesses and the local community.

3. Methodology

The survey was hosted on the BCP Council Consultation Tracker page and was promoted through various channels including:

- Social media posts (Facebook, Twitter, LinkedIn) see more details in the <u>Communications Report</u> below
- Emails to key stakeholders including businesses and the general public
- BCP Email Me Newsletters
- BCP Business e-Newsletter

An online survey was produced asking for respondents' views on the proposed changes. It was made available at https://www.bcpcouncil.gov.uk/Draft-Discretionary-Business-Relief-Rates-Policy-Consultation.aspx along with a brief description of the project. The survey was also made available at a dedicated webpage for the consultation: http://www.bcpcouncil.gov.uk/businessratesreliefpolicy.

The survey was designed in Snap (survey design software). The online responses were downloaded into Snap for analysis. The data was checked and verified in preparation for analysis and held in the Insight Team's secure area.

Quantitative analysis was carried out using Snap to identify the frequencies for each question. Demographic analysis was carried out to identify any differences in views by characteristics such as postcode, ethnicity and age.

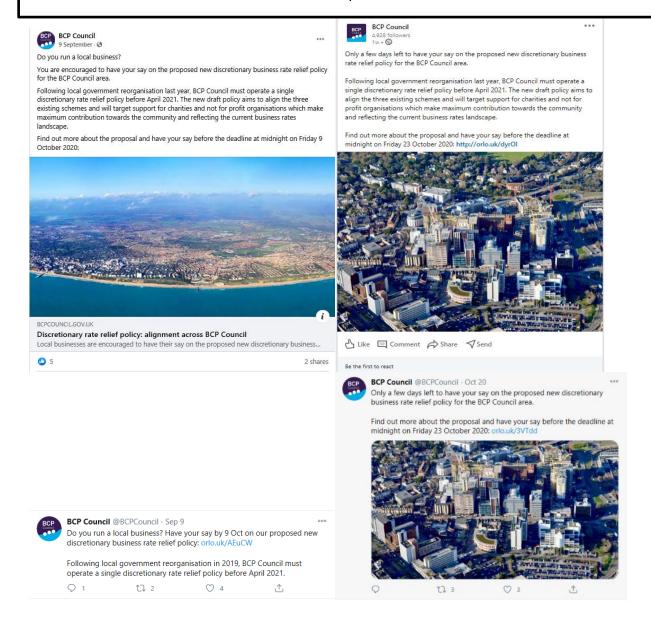
Where sample sizes allowed, cross tabulations were run in order to identify valid associations between variables.

The write in (qualitative) responses were exported into Excel and coded into categories. Qualitative research does not seek to quantify data, instead, its purpose is to provide deeper insights into reasoning and impact and many researchers therefore believe that numbers should not be included in reporting. The numbers of people mentioning the most prevalent codes are provided in this report to give an indication of the magnitude of response. Importantly, however, given the nature of the data, this does not provide an indication of significance or salience in relation to the question asked.

4. Communications Report

Social Media

Posted on - LinkedIn, Facebook, Twitter - 9 total posts









BCP Council Website

Web feature: bcpcouncil.gov.uk/businessratesreliefpolicy

Dedicated page:

The consultation page provided an explanation of the proposal, along with links to the previous policies for Bournemouth, Christchurch and Poole. The links to the draft policy, information document and survey were also provided.



Discretionary rate relief policy: alignment across BCP Council

Posted on Tuesday 8 September 2020

Local businesses are encouraged to have their say on the proposed new discretionary business rate relief policy for the BCP Council area. The policy aims to align the three existing schemes, targeting support for charities and not for profit organisations which make maximum contribution towards the community and reflecting the current business rates landscape.

Clir Vikio Slade, Leader of the Council said, "It's really important that we understand what's important to local businesses as we align our discretionary rate relief policy. I'd encourage all those with an interest to take part during the consultation period."

Find out more about the proposal and have your say before the deadline at midnight on Friday 9 October 2020.



Draft Discretionary Business Relief Rates Policy Consultation

Monday 7th September (13:00) - Friday 23rd October 2020 (23:59)

BCP Council is required to operate a single discretionary rate relief policy. The Bournemouth, Dorset and Poole (Structural Changes) Order 2018 stipulates that such a policy must be in place and operational from 1 April 2021 at the latest. The proposed Policy has been developed having regard to the legislation, existing schemes and government guidance.

The earliest this Policy can now be implemented, due to the requirements of the Local Government Finance Act 1988 to give a full financial year's notice of any potential change, is 1 April 2021.

The three existing schemes that currently operate within the BCP area have not altered for many years and do not reflect the current business rates landscape

The existing Discretionary Business Relief Rates Policies can be viewed below:

- Bournemouth
 Christchurch
 Poole

The proposed policy looks to target support for those organisations which make a maximum contribution towards the community. It is anticipated that the majority of existing recipients would continue to receive discretionary rate relief. However, it is recognised that some existing recipients may no longer qualify for support from 1 April 2021 or have the level of award reduced.

Have your say on the Draft Discretionary Business Relief Rates Policy

Your views are important to us and we want to hear from all those who live, work or visit the BCP area who could be affected by the proposed Discretionary Business Relief Rates Policy.

Please read the consultation <u>Information Document</u> and proposed <u>draft Policy</u> before responding to the <u>survey</u>.

The deadline for responses is midnight on the 23rd October 2020.

If you have any questions about the consultation or need the documents in a different format, please email Mark.chadbourne@bcpcouncil.gov.uk

E-Newsletters

The Discretionary Business Rates Relief Consultation Survey was included in 2 Business newsletters:

- 1. Friday 11 September to 7803 recipients
- 2. Friday 2 October to 7817 recipients

Discretionary rate relief policy alignment

Businesses are encouraged to have their say on the proposed new discretionary business rate relief policy for the BCP Council area. It aims to harmonise the three pre-existing policies, which do not reflect the current business rates landscape, into a single one for Bournemouth, Christchurch, and Poole.

The proposed policy looks to target support for those organisations which make a maximum contribution towards the community and will continue to support the vast majority of current recipients. However there will also be a discretionary clause to allow the council to provide relief to other organisations suffering adverse effects.

The findings of the consultation will be presented to Cabinet in time for a single policy to be agreed before October 2021. The deadline for feedback is Friday 9 October 2020.

Find out more and have your say

Discretionary rate relief policy

Local businesses are encouraged to have their say on the proposed new discretionary business rate relief policy for the BCP Council area. The policy aims to align the three existing schemes, targeting support for charities and not for profit organisations which make the maximum contribution towards the community, and to reflect the current business rates landscape. The proposed scheme will continue to support the vast majority of current recipients, however there will be a discretionary clause to allow the council to provide relief to any organisation adversely affected.

<u>Find out more</u> and have your say by **Friday 23 October 2020**. A full report will then be presented to Cabinet to ensure a single policy is agreed before October 2021.

Have your say

Outcomes:

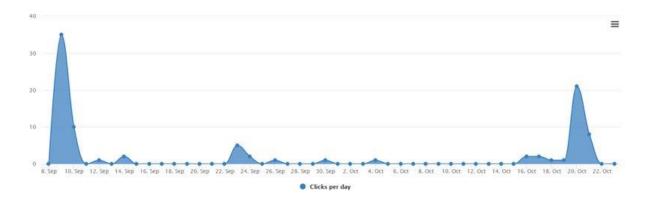
Social Media

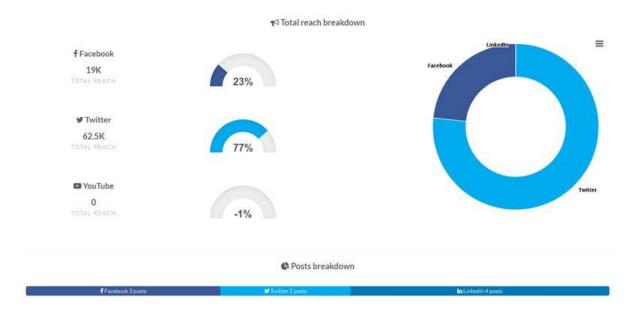
The survey was promoted **nine times on** corporate channels between 9 September and 20 October.

The posts received **93 clicks**, had **18 retweets** and **20 likes**. The campaign **reached 81,433 people** through Facebook and Twitter alone. (Our campaign analytics do not pull through LinkedIn data.)



From social media, **93 people clicked** through to the survey from posts on Facebook, Twitter and LinkedIn. Graph below shows the clicks per day:



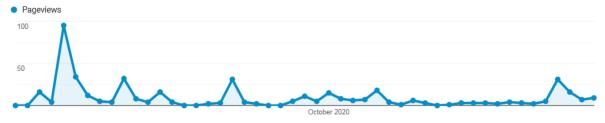


BCP Council News Feature

Our communications directed people to the bcpcouncil.gov.uk/businessratesreliefpolicy news feature.

The webpage received **454 views** (individuals who viewed multiple times) and **291** unique page views.

Page visitors spent an average of **00:03:07** minutes on the page. **59.94%** exited the main Towns Fund landing page to visit this webpage.



E-Newsletter

Sent in the Business Newsletter on Friday 11 September to 7803 recipients, with 34% open rate, 25 clicks of their link but only 7 of them were unique users.

Sent in the Business Newsletter on Friday 2 October to 7817 recipients with 35.4% open rate, 13 clicks of their link with 9 of them unique users.

5. Findings

A total of 26 responses were received to the online survey.

Figures in this report are presented as numbers of people who answered the question excluding 'don't know', 'not applicable' and 'no reply', unless otherwise stated. Please note, percentages have not been used due to the low number of responses, as this can be misleading when interpreting the findings.

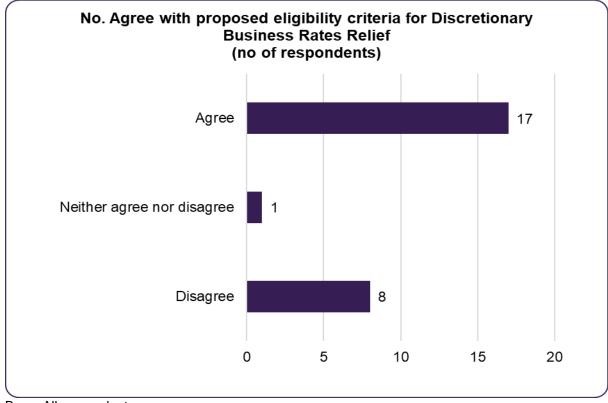
Please note that where numbers have been provided for the most prevalent codes to open-ended questions, this is to give an indication of the magnitude of response rather than an indication of significance or salience in relation to the question asked.

5.1. Eligibility Criteria

In this section, we asked respondents to tell us how supportive they were of the proposed criteria for determining whether a business is eligible for Discretionary Business Rates Relief.

Q1. To what extent do you agree or disagree with the proposed eligibility criteria for Discretionary Business Rates Relief?

Almost two-thirds of respondents (n=17) said they agreed with the proposed eligibility criteria for Discretionary Business Rates Relief, while a third (n=8) disagreed.



Base: All respondents

Q2. If you disagree or strongly disagree with this proposal, please tell us why below.

Respondents who disagreed or strongly disagreed with with the proposed eligibility criteria for Discretionary Business Rates Relief were asked to explain why. 8 respondents provided comments which have been coded into themes to make the them easier to interpret.

For the purposes of this report, we will focus on the most prevalent theme: 'Charities'.

Charities (6 comments)

Respondents gave different reasons for disagreeing with the proposed criteria for determining whether a business is eligible for Discretionary Business Rates Relief with most relating to charities:

"Sick and tired of **pretend charities scamming poor people** out of money and lowering the tone of the town."

"There are many organisations and charities that occupy shops that still have a positive effect on the community and residents of BCP. To exclude these is an oversight and is too broad-a-brush."

"By favouring the charity shops and not for profit organisations you will end up with a high street full of these businesses and very little else as the rates paid by commercial businesses in the High Street are prohibitively high in order to support charity shops, etc."

"A business being 'for profit' should not necessarily or automatically preclude it from support."

"I strongly disagree, charities are the ones that need help and I would strongly oppose that they get such relief at all without proper verification of trustees and other key staff charities. Such staff should work for little wages as after all it is a charity! Letting them hav[e] high salaries means the tax payer is paying for their income!"

"I disagree that charity shops for local charities should not be eligible. Local charities provide a direct, clear benefit to local BCP residents and the Council should be supporting them to do this rather than effectively putting barriers up to their work. Every pound that is spent on Business Rates is a pound that could have been spent directly on helping local people in the way that the donor of the goods (also a BCP resident) intended."

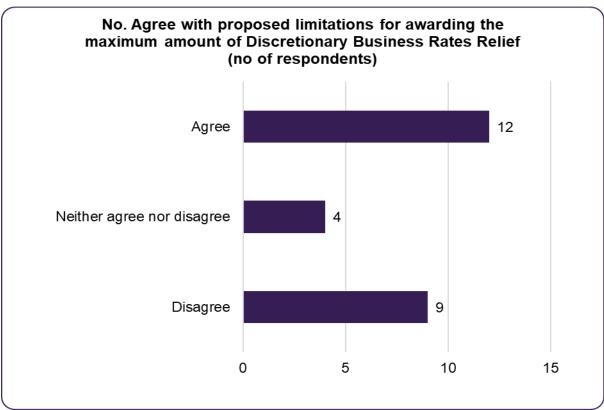
"Charities are under a huge amount of financial pressure at the moment and **it's wrong for more of the donated goods sales to be spent on rates** rather than to
the charity they have been donated to."

5.2. Amount of Relief

In this section, we asked respondents to tell us how supportive they were of the proposed criteria for determining the amount of relief a business is eligible for.

Q3. To what extent do you agree or disagree with the proposed limitations for awarding the maximum amount of Discretionary Business Rates Relief?

Almost half of respondents (n=12) said they agreed with the proposed limitations for awarding the maximum amount of Discretionary Business Rates Relief, while over a third (n=9) disagreed.



Base: 25 respondents

Q4. If you disagree or strongly disagree with this proposal, please tell us why below.

Respondents who disagreed or strongly disagreed with the proposed limitations for awarding the maximum amount of Discretionary Business Rates Relief were asked to explain why. 7 respondents provided comments which have been coded into themes to make the them easier to interpret: 'Charities' and 'Proposed Limit'.

Charities (5 comments)

As with the previous section, respondents gave different reasons for disagreeing with the proposed limitations for awarding the maximum amount of Discretionary Business Rates Relief, with most relating to charities: "There should be a limit to the number of charity shops/not for profit businesses and bona fide businesses should pay a realistic amount that enables them to functions and make a profit. Customers can only spend their money once and if they are overwhelmed with choice of charity shops and very little else, normal businesses will never be able to succeed."

"Some charities simply won't be able to afford to rent a premises if the level of Discretionary Business Rates Relief is capped at £4,000, even if the premises is being offered rent free. This risks a number of charities having to reduce their activities which is very likely to have a detrimental effect on their ability to support the growing number of residents facing disadvantage or hardship in BCP."

"This should solely be aimed at struggling businesses **NOT charities**."

"We could not continue to support over 500 local children in need if we did not get 89% rate reduction on both our units."

"As per previous answer, **charities should be supported by BCP** to encourage local communities to support themselves."

Proposed Limit (2 comments)

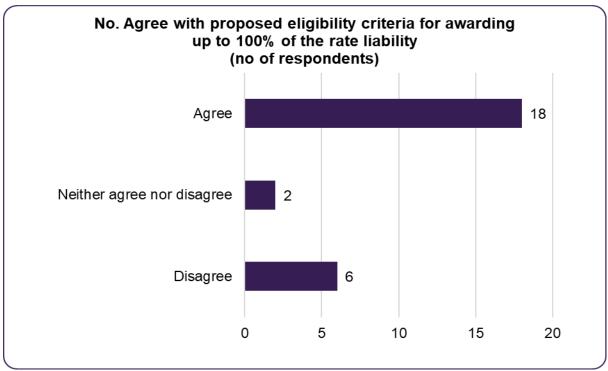
These respondents disagreed with the proposed limitations for awarding the maximum amount of Discretionary Business Rates Relief because they felt it was not fit for purpose in its proposed form:

"The £4000 limit is an arbitrary amount and takes no account of larger charities/organisations who deliver services at scale. It may also dissuade organisations from growing and providing more services for the local community."

"Clearly, if you're going to have a clause (3.2) that overrides the limit (3.1) **you may**as well just have it as discretionary up to 100%."

Q5. To what extent do you agree or disagree with the following proposed eligibility criteria for awarding up to 100% of the rate liability?

Over two-thirds of respondents (n=18) said they agreed with proposed eligibility criteria for awarding up to 100% of the rate liability, while less than a quarter (n=6) said they disagreed.



Base: All respondents

Q6. If you disagree or strongly disagree with this proposal, please tell us why below.

Respondents who disagreed or strongly disagreed with the proposed eligibility criteria for awarding up to 100% of the rate liability were asked to explain why. 5 respondents provided comments which have been coded into themes: 'Criteria', 'Support' and 'Criticism'.

Criteria (3 comments)

Respondents gave different reasons for disagreeing with the proposed eligibility criteria for awarding up to 100% of the rate liability, with most relating to the eligibility criteria itself:

"If the "business" in question is providing a service that is necessary then surely the fact that it is so popular will generate enough cash to pay something towards the rates. Also, why does it have to be situated in what is considered prime retail location? Why not situate it elsewhere and fill the high street units with full business rate paying businesses?"

"The criteria is flawed as it should look at various factors not just uniqueness; all local businesses contribute to the local economy and community. Help those small businesses by putting in a more diverse selection criteria."

"As per my previous comment our concern is that organisations that are doing valuable work to a more specific group of people within the population may well lose out as these criteria seem to favour organisations that have a broad focus."

These respondents disagreed with the proposed limitations for awarding the maximum amount of Discretionary Business Rates Relief because they felt there should be greater support for organisations and shops were being unfairly targeted by the proposals:

Support (1 comment)

"As per previous response **BCP should find ways to support local communities,** charities and their charity shops."

Criticism (1 comment)

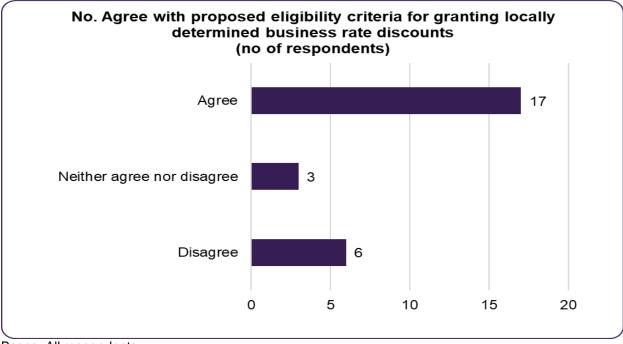
"Again to single out shops as a fundraising venture is ridiculous."

5.3. Local Business Rate Discount - Locally funded

In this section, we asked respondents to tell us how supportive they were of how the council proposes to grant locally determined business rate discounts (in addition to the already available discretionary rate reliefs).

Q7. To what extent do you agree or disagree with the proposed eligibility criteria for granting locally determined business rate discounts?

Two-thirds of respondents (n=17) said they agreed with the proposed eligibility criteria for granting locally determined business rate discounts, while less than a quarter (n=6) disagreed.



Q8. If you disagree or strongly disagree with this proposal, please tell us why below.

Respondents who disagreed or strongly disagreed with the proposed eligibility criteria for granting locally determined business rate discounts were asked to explain why. 5 respondents provided comments which have been coded into themes: 'Charities' and 'Criteria'. 1 comment was not relevant to the question and therefore not coded.

Respondents gave different reasons for disagreeing with the proposed eligibility criteria for granting locally determined business rate discounts, with most relating to the impact charities and the criteria itself:

Charities (2 comments)

"Where rates are levied on a charity which in normal trading circumstances that property would qualify for SBRR, the charity should also automatically qualify for the same 100% discount. Charities should not be put at a disadvantage by being a charity."

"Plenty of charity shops provide employment and opportunities for cp and volunteers which our staff supervise and train at no cost."

Criteria (2 comments)

"The wording is to open to interpretation, some services could arguably be 'anticompetitive' due to their nature (Museums, theatres etc.) as there is insufficient demand to replicate the existing service and so the market can not be tested."

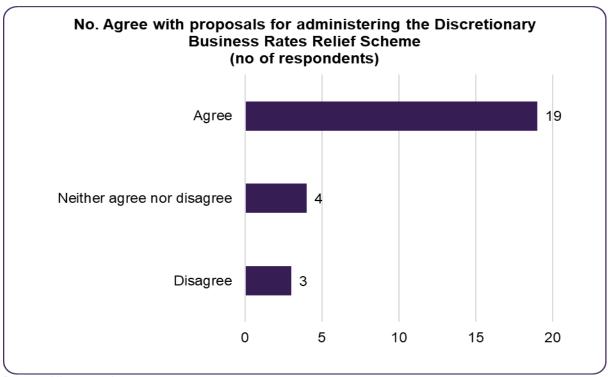
"Charities can often work effectively in partnership with one another and may provide similar services in different parts of BCP council area. The danger with this criteria is that some organisations with strong local links could be denied the rate relief in favour of other organisations providing a similar service in other geographical areas of BCP. Care would need to be taken to ensure the criteria were applied to avoid this."

5.4. Administering the Scheme

In this section, we asked respondents to tell us how supportive they were of how the council proposes to administer the Discretionary Business Rates Relief Policy.

Q9. To what extent do you agree or disagree with the proposals for administering the Discretionary Business Rates Relief Scheme?

Almost three quarters of respondents (n=19) said they agreed with the proposals for administering the Discretionary Business Rates Relief Scheme, while over a tenth (n=3) disagreed.



Bases: All respondents

Q10. If you disagree or strongly disagree with this proposal, please tell us why below.

Respondents who disagreed or strongly disagreed with the proposals for administering the Discretionary Business Rates Relief Scheme were asked to explain why. 2 respondents provided comments relating to the application process and the level of support organisations receive:

"The policy requires an annual full re-application and decision notice, **could this not**be reconsidered and a more efficient process put in place?"

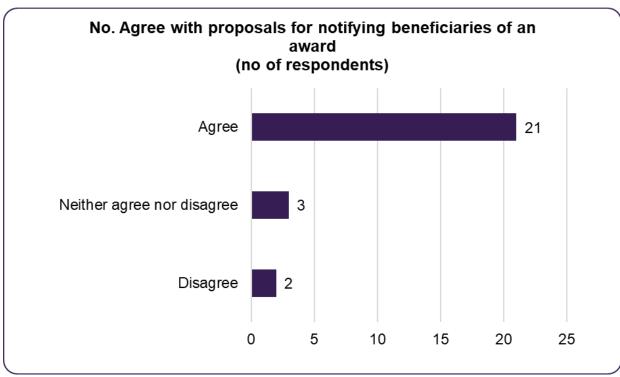
"As per previous answers. **BCP must be supporting and enabling local charities and their revenue streams**. Local residents give their goods to support local charities. BCP have the opportunity to support local charities & communities through choosing to provide Rate support."

5.5. Notification and Duration of Award

In this section, we asked respondents to tell us how supportive they were of how the council proposes to notify beneficiaries when they are awarded Discretionary Business Rates Relief and how long this will last for.

Q11. To what extent do you agree or disagree with the proposals for notifying beneficiaries of an award?

Four-fifths of respondents (n=21) said they agreed with the proposals for notifying beneficiaries of an award, while less than a tenth (n=2) disagreed.



Base: All respondents

Q12. If you disagree or strongly disagree with this proposal, please tell us why below.

Respondents who disagreed or strongly disagreed with the proposals for notifying beneficiaries of an award were asked to explain why. 1 respondent provided a comment with suggestions to amend the proposal:

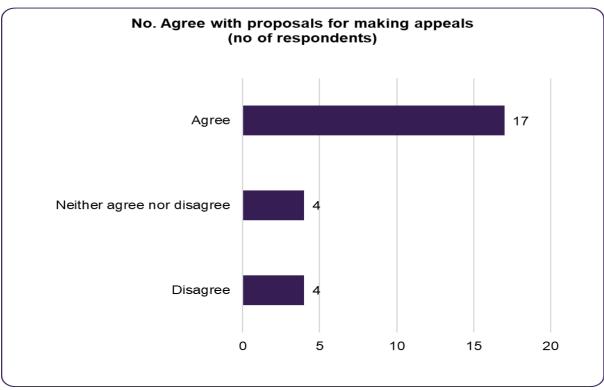
"'Or within a reasonable period thereafter' is too ambiguous. The council should commit to adhere to the 21 day period stated."

5.6. Appeals

In this section, we asked respondents to tell us how supportive they were of how how businesses will be able to make appeals and how these appeals will be administered.

Q13. To what extent do you agree or disagree with the proposals for making appeals?

Over two-thirds of respondents (n=17) said they agreed with the proposals for making appeals, while less than a fifth (n=4) disagreed.



Base: 25 respondents

Q14. If you disagree or strongly disagree with this proposal, please tell us why below.

Respondents who disagreed or strongly disagreed with the proposals for making appeals were asked to explain why. 3 respondents provided comments which all related to the role of the Portfolio Holder in the decision making process:

"Decisions should not be made by an individual (the portfolio holder). An appeals committee should be convened whose membership does not include anyone who was involved in making the initial decision."

"What is a Portfolio Holder and **why would one's decision be final** given that said decision will affect a business's livelihood for ONE year?"

"Clarification is required of who is the Portfolio Holder, (e.g. BCP or another body/organisation)."

5.7. Further Comments

In this section, we asked respondents if they had any further comments on the proposals. 15 respondents provided comments which have been coded into the themes to make them easier to interpret.

For the purposes of this report we will focus on the most prevalent theme 'Prioritisation'.

Prioritisation (6 comments)

"Emphasis seems to have been given to not-for-profit and charitable organisations but there are other organisations that enhance the lives of residents that are profit-making but that are likely to find it hard to survive unless they are able to apply for discretionary relief. By the council limiting applications to non-profit and charitable organisations and excluding businesses, they will not get to weigh up those worthwhile organisations and businesses that were originally profit making but are no longer profit making but are seeking to survive for the sake of providing a service to residents - business or organisations who need help and who may disappear without some form of discretionary relief."

"It may be for consideration that certain organisations that are registered charities could be considered for 3-year awards rather than 1-year to allow for a degree of longer term planning when the circumstances for consideration for the award are clearly going to be the same for the full period to save unnecessary administrative time particularly for those organisations using volunteers to manage community facilities in co-operation with the BCP colleagues."

"Small and micro businesses should be the priority of the Council at the moment and helping those business develop is what will generate most income in the long run for the business NOT charities."

"Community centres especially should continue to receive maximum help they play a huge role in the community and rely on funding to stay open especially now rate relief is important when income is low due to restrictions - could make the difference between staying open or having to close."

"The rate relief makes an enormous difference in allowing us to work for the benefit of the local community as our work locally generates little income. This includes working with partners like Faithworks and others to support their work with disadvantaged groups within the area."

"As a charity in Poole, currently receiving 100% discretionary relief for our Research Centre, providing educational and research services, which has been closed since March due to Covid, this would not be a good time to cease receiving this relief."

Full details of other themes to emerge from these responses and/or a full list of all the comments is available on request from the Insight Team.

6. Appendix 1 – Respondent Profile

Group	Breakdown	Number of respondents
	Male	17
Gender	Female	7
	Prefer not to say	1
	Under 25 years	0
	25 - 34 years	0
Ago	35 - 44 years	1
Age	45 - 54 years	10
	55+ years	13
	Prefer not to say	2
	Yes	4
Disability	No	19
	Prefer not to say	2
	White British	21
	White Other	1
Ethnicity	BME	0
	Other ethnic group	0
	Prefer not to say	3
	No religion	8
Religion	Christian	11
	Prefer not to say	5
	Heterosexual	15
Sexual Orientation	All other sexual orientations	2
	Prefer not to say	7
	Yes	0
Transgender	No	20
	Prefer not to say	4
	A BCP resident	0
Respondent Type	Someone who works in the BCP area	0
Respondent Type	Business or organisation	17
	Other	1