

Councillor Warren Morgan – Leader of the Council & Chair of the Policy, Resources & Growth Committee
Brighton & Hove City Council
Hove Town Hall

13 March 2016

RE: Business Rates

Dear Councillor Morgan,

The increase in business rates put forward in the Chancellor of the Exchequer's Spring budget is deeply worrying for Brighton and Hove. The impact of the re-evaluation will be felt the length and breadth of our city, which owes much of its unique character to the thousands of small businesses, social enterprises and retailers that contribute to our local economy and tourism. Brighton Pier faces a 17% rise, the World's End Pub 123%, some restaurants 100% and guest houses and hotels up to 400%. As online businesses and retailers are not affected by these changes, this tax disproportionately hits the many independent retailers and businesses that operate from shop premises, keeping the character of our city vibrant and contributing to the local growth of the economy. I am particularly concerned as to the effect this rate rise will have on independent businesses and social enterprises that add social, as well as economic value. Many of these businesses, such as laundrettes and charities, will not be able to pass on the costs of rate rises to their customers. The rate changes also affect many solar-installed properties, which will unfairly penalise schools in our city that chose to address climate change, such as St Luke's Primary.

I recognise that the Chancellor has offered a discretionary relief fund of £435m. However only £180m will be available this year and given this is to be split across all Councils, Brighton and Hove will be left with very little with which to truly support those who will be most severely affected by these rate hikes. Temporary relief also needs to apply to the broader range of buildings affected, such as pubs and schools as well as retailers. If there is no change in direction, there can be no doubt that these huge changes will force the closure of many of our local businesses and have a huge impact.

Given the profile of SMEs both in my own ward of Brunswick and Adelaide and across Brighton and Hove, I would like to ask the Chair to clarify what will be done to protect small businesses and other non-domestic properties; and to propose that the Council develops a plan for the city outlining how it intends to administer the reform to business rates. This plan should also take due consideration of the particular need to assist non-domestic properties that bring added social value, such as charities, schools and pubs, with new business rate changes. Further, I would also like to propose that the Chair write formally to the Treasury outlining the impact of these

changes on Brighton and Hove, requesting further support and higher rate reliefs, plus more detail on the frequency of re-evaluations so that our local businesses can build resilience and better plan for the period ahead. Rate relief needs to be taken further, but opposition also needs to be strong to protect public services, charities and small businesses.

Kind regards,

A handwritten signature in black ink, appearing to read 'Phélim Mac Cafferty', written in a cursive style.

Councillor Phélim Mac Cafferty
Convenor of the Green Group of Councillors