

Cllr Guy Nicholson
Cabinet Member for Planning, Business & Investment

Mayor's Office
Hackney Council
Town Hall
Mare Street
London
E8 1EA
020 8356 3270
guy.nicholson@hackney.gov.uk

Rt Hon Philip Hammond MP
Chancellor of the Exchequer
House of Commons
London
SW1A 0AA

6 November 2017

Dear Chancellor,

I write to express our support for the British Chambers of Commerce's call for you to halt the proposed 3.9% inflationary rise in Business Rates next April.

As a result of last year's revaluation of business premises, Hackney experienced an average rateable value increase of 46%, the largest in London and five times the England average. This has had a dramatic impact on thousands of businesses in the borough who now face Business Rates bills thousands of pounds higher this year than they paid in 2016/17. Many face even greater rises each year until 2021/22.

The three support schemes you announced in your Spring Budget – Supporting Small Business Relief, Discretionary Rate Relief and Pub Relief – were welcome, and have benefited businesses in Hackney. However, these are only short-term mitigations when set against the ongoing year-on-year rises many of our businesses face as they transition to their new valuations.

An extra 3.9% rise on top of what is already a very challenging environment for our local businesses, compounded by the uncertainty surrounding Brexit, would be extremely detrimental to one of London's most thriving and innovative boroughs for businesses. And, of course, a negative impact on local businesses hits the communities they serve in terms of lost services, jobs and opportunities.

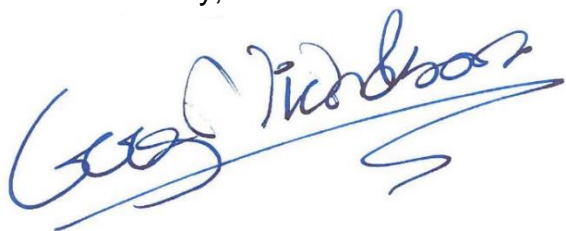
Hackney is home to Tech City and hosts clusters of creative and tech enterprises. It hosts a complex and successful business ecosystem which spans sectors from community services such as garages, pubs and restaurants, to a wide range of makers and manufactures, to innovative start-ups and expanding firms at the forefront of the fourth industrial revolution.

I urge you to rethink the hike of 3.9% and consider more the medium and long-term sustainability and growth of local businesses and economies. As the Prime Minister said last year, small and medium businesses are the backbone of our country, yet it is precisely these businesses which are bearing the brunt of these ongoing rises to Business Rates. Sadly, I know first-hand that many are already struggling to see a future for themselves.

I also request that you consider increasing the current £300m Discretionary Rate Relief Fund for regions experiencing significant rises such as London and the South East. As mentioned, the extra £4.15m Hackney received for 2017/18 was of meaningful benefit, but it rapidly tails off to £2m, £893,000 and £188,000 over the following three years. For many businesses which have seen huge and disproportionate hikes to their hypothetical rental values, these years will be the most punishing as their annual rises increase and compound on 2017/18. Likewise, the Pub Relief is of benefit to about 100 pubs in Hackney, but only for one year.

We hope you use your Autumn Budget to address the concerns of the business community and both halt the 3.9% inflation rise and offer more financial support. Please do not hesitate to contact me should you want more information on how the revaluations are affecting businesses on the ground in areas like Hackney.

Yours Sincerely,



Cllr Guy Nicholson

Cabinet Member for Planning, Business and Investment
London Borough of Hackney

cc: Marcus Jones MP, Minister for Local Government
Meg Hillier, MP for Hackney South and Shoreditch
Diane Abbott, MP for Hackney North and Stoke Newington
Philip Glanville, Mayor of Hackney
Adam Marshall, Director General of the British Chamber of Commerce