



AGENDA

for the Quarterly Meeting of the Association to be held on
Friday 19th July 2019 at 10.30am
at The Civic Halls Connah's Quay

1. Homeless Issues of Wales

To receive a presentation regarding the above from Welsh Government.

2. Record of attendance

To record attendance and any apologies for absence.

3. Minutes of the last Meeting

To consider and approve the minutes of the last quarterly meeting as at appendix 1 (see page 4).

4. Declarations of interest

To record any declarations of interest.

5. Actions from the last meeting

To consider a report on actions to be taken forward from the last meeting:

No	Heading	Action
1	Homeless	Arrange for a speaker for the July 2019 quarterly meeting.
2	Welsh Language Policy	Prepare a draft policy which reflects the current position of the Association.
3	Audit Office Welsh Government	A letter to be sent seeking a 'softer approach' by the external auditor.
4	Climate Change	To implement the Climate Change Policy.
5	Business Rates	A letter to be sent regarding both a change in business rates and a relief for Town and Community Councils.
6	Hospital Letters	A letter to be sent to the NHS on letter information about headings.
7	Bank Mandates	Information on bank mandates to be passed to the secretary for circulation if members are willing.

**6. Financial Report**

To consider an update on the finances of the Association.

7. Executive Meeting Minutes

To consider the minutes of the Executive Meeting as set out at appendix 2 (see page 22).

8. Future of Local Councils

To consider an update on the Ministers Statement regarding the future of Local Councils.

The next subject for discussion is:

Item for discussion	Notes
Consider how desirable, possible and how it work to appoint clerks from a national list including wider work implications.	The idea is that there would be a list of Clerks registered at the Society of Local Council Clerks. Councils would be required to select a Clerk from that list. There may be a requirement for the larger Councils to have a Qualified Clerk from that approved list.
Consider if Councillor training should be mandatory.	The idea is that training would be mandatory, maybe via County Councils, maybe via One Voice Wales or maybe via the Local Councils own resources. Such training would be required to be to a set standard.
Explore what can be done to facilitate relationships between the two tiers of Councils and if there needs to be a statutory relationship.	There were a lot of Local Councils that complained about the relationship between themselves and their County Council – it was almost universal. There were various reasons given. The Welsh Government wants to know how Local Councils would like to resolve this issue.



9. Welsh Language Policy

To consider the following Welsh Language Policy:

The Association will carry out the following actions to recognise the importance of the Welsh Language in North and Mid Wales:

- i) The web site home page shall be in both Welsh and English.*
- ii) The headed paper of the Association shall be bi-lingual.*
- iii) The Association will offer all material in Welsh upon request.*
- iv) The Association will respond to all correspondence received in Welsh using the Welsh Language.*
- v) The Association will issue all papers to members in English, it will be the responsibility of each Council to arrange their own translations if required.*

10. Any other business

To consider any other business relevant to the Association.

11. Dates of future meetings

To note the dates for future meetings as agreed at the Annual Meeting held on the same day.

Quarterly Meetings

25th October 2019

17th January 2020

24th April 2020

17th July 2020

Connah's Quay Civic Halls

Executive Meetings

20th September 2019

13th December 2019

13th March 2020

12th June 2020

All Executive Meetings are held at Rhyl Town Council Offices.

All meetings commence at 10.30am



APPENDIX 1

MINUTES

of a meeting of the Association held on
Friday 12th April 2019 at 10.30am
at The Colwyn Bay Cricket Club

1. The Mayor of Bay of Colwyn Town Council

The meeting received a welcome from Cllr Stephen Williams.

2. Record of attendance

No	Representing	Present were	Apologies received
1	Officers	Cllr B Roberts Chair Cllr J Butterfield President R A Robinson Secretary	Cllr H Meredith Vice Chair
2	Abergele Town Council	Cllr S Jones-Roberts Cllr R Waters	
3	Argoed Town Council		
4	Bangor City Council	Cllr J Martin Ian Jones Town Clerk	Cllr D Hainge
5	Bagillt Community Council	Cllr C R Williams	
6	Bay of Colwyn Town Council	Cllr S Williams Cllr B Barton Tina Early Town Clerk	
7	Broughton and Bretton Community Council		
8	Buckley Town Council	Cllr A Woolley	
9	Caerswys Town Council	Cllr L Edwards	
10	Caia Park Community Council		
11	Connah's Quay Town Council	Cllr P Attridge Cllr E Faulkner Cllr P Davies Cllr G Faulkner	
12	Conwy Town Council		
13	Denbigh Town Council	Cllr R Tickle	Cllr D Berry
14	Flint Town Council	Cllr S License	
15	Hawarden Community Council		
16	Holywell Town Council	Cllr P Johnson Cllr P York Cllr J Baker	
17	Llanfair Caereinion Town Council		Cllr V Griffiths
18	Llandudno Town Council	Cllr B Bertola Cllr Lyon	
19	Llanasa Town Council		
20	Llanfairfechan Town Council		
21	Llandrinio and Arddleen Community Council		Carol Davies Clerk
22	Llandysilio Community Council		Cllr F Buckingham



23	Meinai Bridge Town Council		
24	Penmaenmawr Town Council	Cllr M Baines Cllr M Hanks	
25	Prestatyn Town Council		
26	Rhuddlan Town Council		Apologies – no one available
27	Rhyl Town Council	Cllr G Chaimberlain-Jones G Nickels Town Clerk	
28	Ruthin Town Council	Cllr S Beach Cllr K Allsop-Robson	
29	Shotton Town Council		
30	St Asaph City Council	Cllr P Morton	
31	Towyn and Kinmell Bay Town Council	Cllr B McLoughlin	Cllr M Jones
32	Welshpool Town Council	Cllr J Arnold Cllr C Robinson Cllr F Veenstra	

3. Minutes of the last Quarterly Meeting

The meeting considered and approved the minutes of the last meeting.

4. Declarations of interest

There were no recorded any declarations of interest.

5. Actions from the last meeting

The meeting considered a report on actions to be taken forward from the last meeting as follows (not covered elsewhere in these minutes):

No	Item	Action
1	Investigate and publish the results regarding the tax situation with Councillors	The Inland Revenue have confirmed that the £150 will not be taxed as expenses but that all other allowances will be treated as income for tax purposes. The Secretary is to circulate any letters on this subject and to post them on the web site.
2	Post the 'Future of Councils' paper on the web site	Completed.
4	Investigate if there is any common ground with One Voice Wales over working together without membership conditions.	A meeting has been held with Lyn Cadwallader. Although very pleasant there was no suggested working relationship by One Voice Wales. The impression given was that their membership is growing and that they do not need to work with the Association. The meeting AGREED to continue as at present and to take no further action.



6. Financial Report

6.1 Management Accounts

The meeting considered an update on the finances of the Association. Current balances at the date of the meeting are £6,679.30p.

6.2 Public Liability Insurances

The meeting considered the case and the need for public liability insurance to cover the Associations meetings and when members are on Association approved activities. This would be to cover those accidents which could be attributed to actions taken by the Association, its Officers or Members.

The approx. cost is £275 pa.

The meeting **AGREED** that a formal quote be gained with details of what it would cover for approval at the Annual Meeting in Connah's Quay on 19th July 2019.

7. Executive Meeting Minutes

The meeting considered and received the minutes of the Executive Meeting held on Friday 8th March 2019.

8. School Meals Provision

The meeting considered an update on school meals provision and the payment for such meals as follows:

- i) The publicity including the BBC coverage appears to have brought forward some positive results.
- ii) Denbighshire County Council – Rhyl – arrangements have now been put in place to ensure no young person goes without a meal.
- iii) Welshpool High School new arrangements – Powys – arrangements have now been put in place to ensure no young person goes without a meal.

9. Homeless

The meeting considered an update on the Secretaries investigations into homeless provision and rules which may help Town and Community Councils to be able to help. The meeting held a lively debate with much discussed. The main points of discussion were:

- a) The meeting recognised the range of reasons that may find a person homeless.



Continued....

- b) There were varying degrees of the level of homeless in each of the Members area.
- c) There still appears to be a difference in understanding of what is the procedure between Welsh Government and the County Councils.
- d) The issues of Pension Credit were raised with many waiting some time to gain their allowances.
- e) The issue of rent deposits and first month's rent for the homeless was raised.
- f) It was recognised that there were agencies which can help such as the Salvation Army.
- g) Cllr S Williams outlined his exercise to meet with the homeless in his area overnight. His experience was shared with the meeting.
- h) The issue of mental health was also brought to the attention of the meeting.
- i) The issue of vulnerability was raised.

The meeting **AGREED** that due to the continued level of interest a speaker from an appropriate agency or Government Department be invited to speak at the July 2019 Quarterly Meeting of the Association.

10. Welsh Language Policy

The meeting considered a request to adopt a Welsh Language Policy for the Association. The meeting **AGREED** that a draft Policy setting out the current arrangements is to be presented to the Association at the AGM.

11. Future of Local Councils

The meeting received an update on the Ministers Statement regarding the future of Local Councils and noted the following items will be taken forward over the next 12 months:

Ministers Statement – Matters to be taken forward immediately
Undergo a campaign to confirm the role of Local Councils.
Local Councils to consider what services they should deliver at local level.
Encourage Local Councils to form where there are none.
Using existing powers ensure reviews of boundaries area carried out regularly by the County Councils.
Establish a better understanding of the use of social media.
Undertake a campaign to get more people to stand for election.
Provide access to the General Power of Competence to qualifying councils.
Local Councils to prepare for the General Power of Competence.



Support the establishment of joint service delivery arrangements.
Provide and share good practise on service delivery models.
Raise awareness of existing sources of funding.
Identify core training and introduce a programme for Councillors.
Continue to provide a bursary scheme for smaller Councils.
Encourage an increase in the number of qualified clerks.
Facilitate work to strengthen key relationships between Local and Principal Councils.
Add a representative from Community and Town Councils in the list required by Public Service Boards.
Require all Town and Community Councils to issue an annual report.
Encourage Local Councils to follow the principles of engage, plan, undertake and report.
Explore how digital mechanisms to engage and share information are used and could be used more extensively by the sector.

12. Brexit and Town/Community Councils

The meeting considered the Welsh Government information on the possible effects of Brexit on Town and Community Councils.

In summary the effects on Town and Community Councils depends upon what activities they undertake, however the following should be noted:

- i) Councils with investments need to evaluate what they should do to protect them.
- ii) Allowance should be made for a small drop in commercial income, particularly where tourism is involved.
- iii) Allowance should be made for short term inflationary pressures.

The meeting noted the advice.

13. Annual External Audit

The meeting considered an update on the External Audit report by Welsh Government. The meeting noted the relevant matters as follows:

- a) The amount of money managed by local councils in Wales continues to increase. However, the current standard of financial management and governance remains disappointing that too many councils as evidenced by a doubling of the number of qualified audit opinions
- b) A significant number of councils fail to comply with their statutory responsibilities for preparing accounts and ensuring that proper arrangements are made for the statutory audit, including making arrangements for inspection of the accounts by their electors.



- c) The meeting noted that the number of qualified audit opinions has doubled in 2017-18 to 340 councils, with auditors highlighting on-going failings in financial management and governance
- d) Auditor's issue 'qualified' audit opinions when councils fail to comply with their statutory responsibilities or where auditors conclude that the information reported in the annual return is mis-stated.
- e) Over 340 individual councils received a qualified audit opinion for 2017-18 compared with 170 in 2016-17. This increase is mainly due to a failure to adhere to the statutory timetable for the accounts and audit.
- f) Auditors identified issues that require attention by the council, but which did not result in an audit qualification, at 522 councils compared with 424 in 2016-17.
- g) Auditors have again highlighted a need to develop the internal audit function and this is supported by the findings of my national study on internal audit in the sector.
- h) Financial Management and Governance – Town and Community Councils 2017-18 In 2018, due to significant deficiencies identified during the audit, I exercised my statutory powers to issue reports in the public interest or to make written recommendations to eight councils in Wales
- j) Town and community councils in Wales can learn lessons from the reports in the public interest issued at seven councils during 2018. I am also considering similar reports on several other councils.
- k) Councils can also learn lessons from written recommendations issued under section 25 of the Public Audit (Wales) Act 2004. In 2018 I made such recommendations to one council. The 2018-19 and 2019-20 town and community council audits will continue to focus on areas where auditors identify scope for improvement in council's arrangements and during this period, I will review the adequacy and effectiveness of the current audit arrangements to ensure they are fit for purpose
- l) My audit programme for 2018-19 to 2020-21 will continue to focus on areas where there is scope for local councils to improve their financial management and governance.
- m) In 2019, I will review the current audit arrangements to determine if they remain fit for purpose with any resulting changes to the arrangements expected to be introduced for the 2020-21 audit of accounts.



The meeting noted the firm timetable for display of audit information for the public.

The meeting did express concern at the 'aggressive nature' of the audit which is not what Town and Community Councils should expect.

The meeting **AGREED** that the secretary should take this up with the Welsh Government Audit Department.

The meeting also noted the changes in VAT going digital from 1st April 2020 (approaches will be made on 1st October this year).

14. Consultations – 'Future of councils programme of consultation'

The Executive agreed that due to the extent of the consultations likely from Welsh Government during the year that subjects in advance should be discussed to aid dealing with the main consultation when it is presented.

This meeting considered the ELECTIONS section the following:

(i) Age for voting

The proposal which is to come forward for consideration is to reduce the age for voting and being a Local Councillor in Wales to 16.

After discussion the meeting voted as follows:

Proposal: To support the lowering of the voting age for voting to 16.

Vote: 20 votes for and 10 votes against.

Result: The Association will support 16 year olds gaining the vote.

Proposal: To support the age for being a candidate for local elections as 16.

Vote: 11 votes for and 19 votes against.

Result: The Association will not support 16 year olds gaining the Right to stand for local elections.

(ii) Co-options

The proposal is to put Co-options as a 'last resort' and to rule that no person can be co-opted for two consecutive terms but must stand for election at the earliest opportunity.

The meeting agreed to support the following:

'Co-option should be a last resort and Councils should be required to make an active effort to seek election candidates. However the Association accepts that there may be exceptional circumstances where co-option might be desirable.' **The vote was unanimous.**



‘The Association does not support those who are co-opted serving a second term as a co-opted Councillor.’ **The vote was unanimous.**

(iii) Single nominated person for election

The proposal being considered is for a single candidate would still stand for elections with a ‘yes or no’ vote option.

The Association expressed the view that this was ‘unworkable and not supported’. **The vote was unanimous.**

(iv) Dual role Councillors

Consideration is being given to whether Councillors should be allowed to be a Community Councillor at the same time as being a County Councillor.

There were a range of views in support and against dual role Councillors. The main issue raised was that if dual roles were removed that it would be unfair to hold the elections on the same day. The Association saw merit in this concern.

The discussion was adjourned until the debate on the size of Town Councils into the future.

15. Independent Review Panel for Wales

The meeting considered the actions required by Town and Community Councils as outlined in the Annual Report (now approved). See appendix A to these minutes.

16. Climate Change Policy

The meeting considered the following:

- a) Declaring recognition that there is a Climate Change Emergency.
- b) To consider adopting a formal action plan to support the statements.

This Climate Change Emergency has been promoted on the basis of the World having just 12 years to turn around the carbon omissions issue before the damage cannot be reversed.

The Association **SUPPORTS** the **CLIMATE CHANGE EMERGENCY** and adopted the Action Policy at appendix B to these minutes.

17. Business Rates

The meeting considered supporting another approach to the Welsh Government and Parliament regarding the issue of business rates. See appendix C to these minutes.

The meeting **AGREED** the following actions:



'To seek the immediate review of Business Rates and to replace them with A Turnover Tax relating to ability to pay'.

'To seek to convince the Welsh Government to remove business rates liability on buildings owned by Town and Community Councils.'

The Association supported the above with a **unanimous vote**.

The Association does not accept that Business Rates is a Tax and not a contribution towards local services (which is the Welsh Governments viewpoint).

18. Other matters considered

18.1 Hospital letters

The meeting was asked to support the change of wording on hospital notices issued by the Betsi Cadwallader Trust (NHS) regarding cancelled appointments which perhaps should be ready postponed.

The secretary is to approach the NHS on the subject.

18.2 Bank mandates

The subject of the difficulty of bank mandates was raised.

Most Councils use 'business accounts' and have had no difficulties.

Members are asked (if they are willing) to pass any information on their bank mandate experiences to the secretary for circulation.

19. Dates of future meetings

To note the dates for future meetings as follows:

Quarterly Meetings

Friday 19th July 2019 – Connah's Quay Town Council

The Annual Meeting will start at 10.30am with the normal Quarterly Meeting started at the end of that meeting.

Executive Meetings

Friday 8th June 2019 All Executive

This meeting is to be held at 10.30am in the Offices of Rhyl Town Council

**20. Actions to be taken forward**

The following actions are to be taken forward:

No	Heading	Action
1	Homeless	Arrange for a speaker for the July 2019 quarterly meeting.
2	Welsh Language Policy	Prepare a draft policy which reflects the current position of the Association.
3	Audit Office Welsh Government	A letter to be sent seeking a 'softer approach' by the external auditor.
4	Climate Change	To implement the Climate Change Policy.
5	Business Rates	A letter to be sent regarding both a change in business rates and a relief for Town and Community Councils.
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APPENDIX A

IRP DETERMINATION FOR 2019-2020	APPROVAL BY COUNCIL REQUIRED
D40-All community and town councils must make available a payment to each of their members of £150 per year as a contribution to costs and expenses.	No -the payment of £150 is mandated for every member unless they advise the appropriate officer that they do not want to take it in writing.
D41-Community and town councils in Group A must make available an annual payment of £500 each to a minimum of 1 and a maximum of 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.	Yes –a council must decide how many payments of £500 it will make –to between 1 and 5 members unless they advise the appropriate officer in writing that they do not want to take it.
D42-Community and town councils in Groups B or C can make an annual payment of £500 each to up to 5 members in recognition of specific responsibilities. This is in addition to the £150 payment for costs and expenses.	Yes –the payment of £500 is optional for up to 5 members
D43-Community and town councils can make payments to each of their members in respect of travel costs for Authorise duties.	Yes –the payment of travel costs is optional attending approved duties.
D44-If a community or town council resolves that a particular duty requires an overnight stay, it can authorise reimbursement of subsistence expenses to its members.	Yes –the payment of overnight subsistence expenses are optional.
D45-Community and town councils can pay financial loss compensation to each of their members, where such loss has actually occurred, for attending approved duties.	Yes –the payment of financial loss allowance is optional.
D46-All community and town councils must provide for the reimbursement of necessary costs for the care of dependent children and adults (provided by informal or formal carers) and for personal assistance needs up to a maximum of £403 per month.	No -the payment is mandated for every member if they are eligible to claim, and wish to do so.
D47-Community and town councils can provide a Civic Head payment to the mayor/chair of the council up to a maximum of £1,500.	Yes –the payment to a Civic Head is optional.
D48-Community and town councils can provide a Deputy Civic Head payment to the deputy mayor/deputy chair of the council up to a maximum amount of £500.	Yes –the payment to a Deputy Civic Head is optional.



APPROVED DUTIES

(as determined by the IRP)

It is the spirit of the Panel's determination is that if taxis are the most appropriate / only method of transport then the Panel considers they should be paid. This will be clarified in the next annual report for 2020.

The list of duties classed as approved duties attending council and council standing committee meetings so members are able to claim for this. Paragraph 39 on page 84 (Annex 2, the Panel regulations) of the annual report states :

“Approved Duty” under this Part means

- 1) Attendance at a meeting of the council or of any committee or sub-committee of the council or of any other body to which the council makes appointments or nominations or of any committee or sub-committee of such a body.
- ii) Attendance at any other meeting the holding of which is authorised by the council or a committee or sub-committee of the council, or a joint committee of the council and one or more councils, or a sub-committee of such a joint committee provided that at least two members of the council have been invited and where the council is divided into political groupings at least two such groups have been invited.
- iii) Attendance at a meeting of any association of councils of which the council is a member.
- iv) Attendance at any training or development event approved by the council.
- V) Any other duty approved by the council or duty of a class approved by the council for the discharge of its functions or any of its committees or sub-committees.



APPENDIX B

Climate Emergency – taken from Campaign against Climate Change



The Need

Extreme weather events this last two years have presented severe challenges to transport, agriculture and other services, though what we have experienced in the Welshpool area is almost insignificant compared to many parts of the world.

Unless we act on climate, we collectively face the greatest threat to our local and global environment. According to October's Intergovernmental Panel on Climate Change 1.5C report, humanity has 12 years to deliver the major actions needed to turn this around, so we can avoid reaching tipping points where we no longer have the ability to avoid extreme weather events. It is clear to many of us that we must act locally and globally.

Business as usual is clearly no longer an option. We need local wisdom and action to increase our resilience and to prepare for the changes already in the system. Welshpool can play its role in preventing dangerous and extreme weather events.

Our inspiration:

A motion calling on Bristol City Council to declare a climate emergency was passed on Tuesday 13 November 2018, with support from councilors of all parties. The motion was inspired by the recent IPCC report. Bristol Council unanimously CARRIED this motion showing a commitment to play its part in avoiding catastrophic climate breakdown. Machynlleth and Welshpool Town Councils also recently passed a motion declaring a climate emergency and committing themselves to taking action to counter this.



The Association has adopted the following:

1. Declared a 'Climate Emergency';
2. Take action to improve the Associations own practices to reduce our own contribution to Climate Change.
3. Take action to;
 - * help move towards The Association being a net-zero carbon producer as soon as possible – see short action list at appendix E.
 - * increase local resilience to climate impacts;
 - * Support actions that provide local benefits in other sectors such as health, agriculture, transport and the economy;
4. Call on Wales and UK Government to provide the support and resources to make this possible;
5. Work with other organisations, such as Renew Wales, other Community Councils and Local businesses to help counter climate change;

Background Information

Humans have already caused irreversible climate change, the impacts of which are being felt around the world. Global temperatures have already increased by 1 degree Celsius from pre-industrial levels. Atmospheric CO2 levels are above 400 parts per million (ppm). This far exceeds the 350 ppm deemed to be a safe level for humanity.

The IPCC's Special Report on Global Warming of 1.5°C, published in October, describes the enormous harm that a 2°C rise is likely to cause compared to a 1.5°C rise, and told us that limiting Global Warming to 1.5°C may still be possible with ambitious action from national and sub-national authorities, civil society, the private sector and local communities.

Councils around the world are responding by declaring a 'Climate Emergency' and committing resources to address this emergency.



No	Activity	Actions	Current rating
1	Drive less Walk, bike, car-pool or take mass transit more often. You'll save one pound of carbon dioxide for every mile you don't drive! Use vehicles less.	Members to car share where ever it is practical.	BLUE .
2	Recycle more You can save 2,400 pounds of carbon dioxide per year by recycling just half of your household waste.	Secretary to ensure that paperwork is printed on recyclable paper.	BLUE .
3	Avoid products with a lot of packaging You can save 1,200 pounds of carbon dioxide if you reduce your garbage by 10 percent.	When purchases are made on behalf of the Association the secretary is to seek items with the least packaging.	YELLOW
4	Plant a tree A single tree will absorb one ton of carbon dioxide over its lifetime.	The Association to fund the planting of 6 trees per annum in Mid and North Wales.	BLUE .
5	Renewable Energy Support renewable energy schemes.	Support renewable energy policies put forward by Government.	BLUE
6	Publicity Make the public aware of the Council's actions and consider how to promote the global warming issues.	Put on public record the Associations policy.	BLUE .
7	Review Review progress every 3 months with a chart showing progress towards completing actions.	Review progress every other quarterly meeting.	BLUE .

KEY: **Red Not achievable** **Yellow**
Could do better – reviews and report
Blue Reasonable but with more actions to be completed **Green**
Completion of all that can be done



APPENDIX C

BUSINESS RATES (Retail High Streets in particular)

“The governments just haven’t got it. They need to take some responsibility for the high street’s decline.”

The Entertainer’s chief executive Gary Grant is far from the only prominent figure to blame business rates for the worryingly extensive roster of retailers facing insolvency or administration.

Recently, books retailer Foyles largely blamed their £88,791 loss on the rise in business rates, while fresh research from real estate advisory group Altus suggests that business rates rises were a key factor in House of Fraser’s recently announced CVA.

Last year, Argos chief executive John Rogers said it was “it is no surprise the profit warnings tended to be from those companies that predominantly have a high street presence, because they are paying a cost to their business that’s not borne by most of their online competition,” joining MPs from the influential Treasury Select Committee in his criticism.

The list of the tax’s critics is almost as long as the list of retailers large and small who are struggling to make ends meet in the current retail climate.

But just how much of the blame for the high street’s current woes can be pinned on this controversial tax?

“The fundamental issue is persisting with the link between rates liability and property value”

“Unsecured borrowing was the least since November 2012 chiming with the recent drop in consumer confidence and rise in saving intentions,” Altus Group’s head of UK business rates Robert Hayton told the *Retail Gazette*.

“Add to the mix the already lethal cocktail of increased operating costs for the national living wage and apprenticeship levy against a backdrop of rates bills having rose by more than a fifth before the revaluation creates the perfect storm for 2018 being the year of the CVA.

“Business rates are rarely the sole driver for insolvencies but certainly a contributory factor being one of the least negotiable taxes and the hardest to defer.”



Placing the sole blame for a very complex and multifaceted issue on a single piece of legislation is always going to be reductionist, and could cause more problems than it solves.

That said, unlike wider economic burdens that cannot be controlled, such as customers' exodus away from physical retail or the fall in the value of the pound, business rates stands out as a seemingly unnecessary weight on retailers' shoulders.

This is largely due to the fact it is based on an outdated framework for retail, failing to account for the lightning-fast, but never unexpected rise of online players.

As Richard Roberts, head of retail at independent legal practice Brabners, points out, traditional retailers are hindered by their reliance on high footfall properties.

“High-street vendors have far less choice about where they locate their stores than ecommerce businesses who enjoy the geographical freedom to base themselves in more remote locations, which benefit from far lower rateable values,” he said.

“The fundamental issue is persisting with the link between rates liability and property value, meaning high-street retailers are punished because they need to have a physical presence in high-footfall, high-value locations.

“Unless the link between property value and business rates is severed, we will see increasing numbers of outlets forced out of urban centres leading to more boarded-up units and high streets with little variety beyond charity shops, £1 retailers and pop-up traders.”

Since the initial rates rise came into effect last year, both the Chancellor Philip Hammond and newly-appointed Home Secretary Sajid Javid have promised change.

The most concrete effort to alleviate pressure was announced in the Autumn Budget last year. Hammond announced that the inflation measure used to calculate the rates would move from the Retail Prices Index (RPI), to the lower Consumer Price Index (CPI).

Though the move was largely welcomed, Roberts described it as “the government re-arranging the deck chairs on the Titanic”.

Hayton added that despite the headline £2.3 billion reprieve the industry would enjoy as a consequence of this change, it is but a drop in the ocean of the overall costs of the tax.



“Even with business rates rises limited for this financial year to last September’s CPI rate of three per cent, that still drove business rates bills from April for 2018/19 up for the embattled retail sector by £226 million,” he said.

With a further 55,000 retail businesses having to deal with yet more rises this year, it’s no stretch of the imagination to assume the current “re



APPENDIX 2