

# The impact of Discretionary Business Rates Relief in Bristol

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**GOP**  
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# 1. Executive summary

Discretionary business rates relief (DBRR) is a scheme that allows local authorities, if they wish, to provide additional rates relief to charities, community amateur sports clubs and not-for-profit organisations provided certain criteria are met. DBRR is currently awarded to 298 properties in Bristol, though some organisations own more than one of these.

A wide variety of groups in Bristol benefit from DBRR, ranging from scout groups to community centres, sports clubs to arts organisations. Collectively, they make a significant contribution to Bristol's life. Many of those consulted for this report regard them (and DBRR) as one of the factors which has helped establish Bristol's image as a creative, bohemian city. Their re-use of empty spaces and buildings has helped the regeneration of neighbourhoods like Stokes Croft, and in the current tough economic climate, when Bristol City Council itself is having to cut back, many of the organisations are making notable contributions to the social and community life of Bristol, often in imaginative and cost-effective ways.

Bristol's corporate priorities recognise the role of arts and creativity. Among the recipient organisations, those that work in the arts sector often offer indirect support to their tenants through reduced rents for workspace. Because DBRR is tied to a property rather than a particular project, it is a unique and unusually flexible type of public support. DBRR's role in raising the profile of arts and cultural activity has been one strand in a series of investments Bristol has made in arts and culture over the last two decades which have helped to regenerate the city and give it this creative, unorthodox image.

These impacts are also feeding through into Bristol's wider economy: creative industries and tourism, both of which draw on this cultural

richness, have become two of the most important contributors to the city's economic prosperity.

This report examines the social, cultural and economic impacts of the discretionary business rates relief policy on Bristol.

## Social impacts

Organisations in receipt of DBRR have a range of social impacts on the city. A majority of them reported that they were providing community services or increasing accessibility to arts or sports. As a group they work with a large number of volunteers, and almost half said they were providing a route to work for volunteers. A significant number felt they were contributing to the regeneration of their area or were maintaining buildings which might otherwise be derelict.

Many DBRR organisations felt that they were providing social and community benefits to Bristol at a time when Bristol City Council's own budgets are under considerable strain. Several felt they were already picking up the slack where existing services have been stretched too thin, and it was believed that this need was likely to remain for the foreseeable future. Recipients' use of volunteers means that are generally cost-effective: they make their money go a long way. That said, some recipients have seen their funding cut as other streams of support have been reduced, and were very worried that cuts to DBRR would seriously hamper their ability to play this socially beneficial role in future.

The evidence from the survey also suggests that many DBRR organisations are effective at reaching priority communities, including BME, LGBT, disabled and young people.

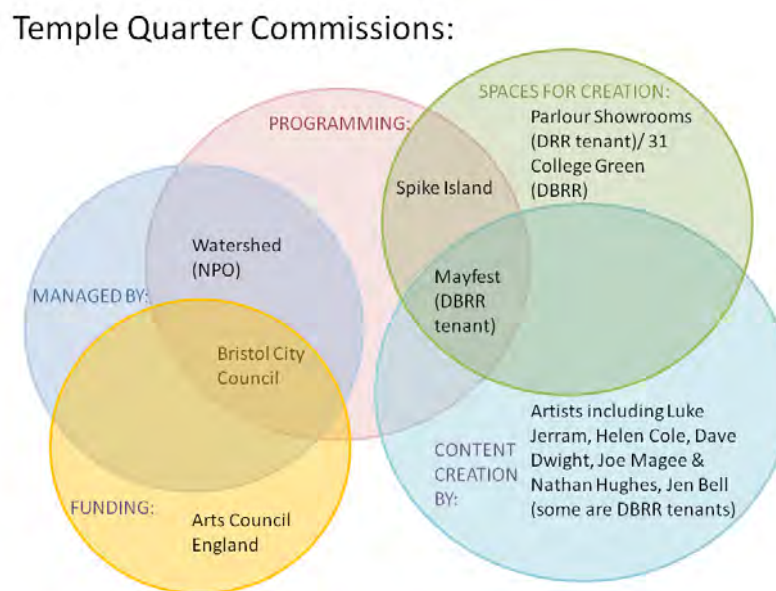
## Cultural impacts

The most striking arguments were made in favour of the cultural impacts of DBRR-supported activity. While this is hard to quantify, it was voiced in a number of quarters: the focus groups, the interviews with 'place-making' experts, and the case studies. There was a belief that rates relief has encouraged a distinctive cultural scene in Bristol, one that is lively, unorthodox, risk-taking and innovative. The city is attracting attention nationally (and indeed internationally) for this vibrant scene, which is

drawing artists to the city and boosting the city’s visitor economy. DBRR funded bodies are especially prominent in some of the poorer parts of the city, such as Stokes Croft and Easton, where they have contributed to the revitalisation of such places. Given that George Ferguson, Bristol’s mayor, is keen to further boost the city’s reputation for culture and creative industries, DBRR would seem to be serving the city’s broader agendas in this respect too. The West of England Local Enterprise Partnership (LEP) has identified creative industries as one of its key sectors, especially in the new Temple Quarter Enterprise Zone being created around Temple Meads railway station. DBRR-supported organisations help provide the talent pool on which such schemes draw, as the following example shows.

Many DBRR recipients interact and collaborate with Bristol’s larger arts organisations, such as Watershed and Spike Island, as well as with the City Council. As the recent public art commissions in the Temple Quarter show, there is considerable overlap between them. The interdependence between the different types of organisations even in just this one project shows something of the complexity of the cultural scene in the city.

Figure 1 Evolution of Temple Quarter public art commissions<sup>1</sup>



Source: BOP Consulting (2013)

## Economic impacts

Most of the recipients of DBRR are charities or not-for-profit organisations of one kind or another. As a result, many do not see themselves as businesses in the conventional sense, having organisational objectives focused on social benefits such as audience participation or skills development.

However, the recipients still generate an economic impact. The services and products of the recipients of DBRR were found to be reaching a large audience: approximately **248,000 people** in total. The services provided were ‘consumed’ primarily by residents of Bristol itself.

<sup>1</sup> NPO=National Portfolio Organisation of the Arts Council

## Spending

While respondents were asked to estimate their revenue, spend on suppliers and spend on wages, not every organisation that took part in the survey did so. In order to get a sense of the true scale of this activity BOP therefore needed a way to account for non-responses. The first stage in this process is to look at the averages of the responses of those who did answer these questions. This gives the following figures:

- Average revenue of DBRR recipient: **£92,857**
- Average spend on suppliers: **£35,120**
- Average spend on wages: **£41,810**

If we assume that these averages are typical of the sample as a whole (i.e. of those who answered these specific questions and of those who did not) we can calculate an estimate for the full sample. Similar calculations can be made for the share of spending in Bristol.

However, a sizeable number of DBRR recipients, representing a third of the total DBRR paid between them, did not take part in the survey at all. If a further adjustment is made to allow for this the following totals are suggested:<sup>2</sup>

- Business revenues are estimated to total **£16,575,000**
- Spend on suppliers is estimated to total: **£6,269,000**, of which **£5,109,000** was spent in Bristol
- Spend on wages is estimated to total: **£7,463,000**, of which **£6,651,000** was spent in Bristol

There is also a widely accepted principle in economics that the effects of such spending are multiplied as it circulates in the economy – someone who works for one of these organisations will spend a proportion of their wages in Bristol shops; those shops in turn will spend some of that money on new stock, and so on. Measuring these multipliers is not

straightforward, and we have not made any adjustment for such effects in these calculations, but a recent piece of research conducted for the Arts Council<sup>3</sup> suggested that the arts sector's spending nationally had a multiplier of 2.43 – in other words, every £1,000 spent by an arts organisation generates £2,430 in the wider economy. This implies that the spending of DBRR recipients is also likely to be amplified in this manner.

## Employment and volunteering

The organisations also accounted for some significant levels of paid employment and voluntary work: some **6,800 volunteers** (both full-time and part-time) and **860 PAYE staff** (again, both full-time and part-time).<sup>4</sup>

## Additional funding

Many recipients use their DBRR as a way to lever in additional funding. Coexist, which runs Hamilton House in Stokes Croft, has been particularly successful at this, but a number of recipients have attracted significant further funding. Research by BCC for this report, for instance, has identified external funding totalling **£1.79m** (grants, sponsorship and donations) to three buildings in receipt of DBRR and ten of their tenants, although this figure is likely to represent only a small proportion of the funds levered as a result of the DBRR investment.

## Tenants of DBRR organisations

DBRR also has indirect economic effects, by subsidising the activity of tenants of the buildings in receipt of rates relief. These can be substantial. The 192 tenants who responded to the survey suggested that they employed **52 paid staff (part-time and full-time)**, used more than **700 freelancers** and had over **800 volunteers**.

The tenants who participated in the survey also spent significant amounts in the city: **£374,000** of their spending on suppliers and **£737,000** of their spending on wages went to the city of Bristol.<sup>5</sup>

<sup>3</sup> CEBR (2013) The contribution of the arts and culture to the national economy, Arts Council England, London

<sup>4</sup> These are counts from the survey. Because the characteristics of organisations vary so much in terms of their responses to this question, no attempt has been made to 'scale up' these answers to adjust for non-respondents.

<sup>5</sup> Again, this is likely to be only part of the total spend, but as the total number of tenants is unknown we are not able to 'scale up' these figures to account for non-respondents.

<sup>2</sup> It should be stressed that these are estimates based on these assumptions, rather than actual counts from the survey. Were different assumptions to be made, different estimates would be produced. We have made what we believe are reasonable (and conservative) choices. A fuller discussion of the calculations can be found in section 3.1

Tenant respondents reported that the work they produced was seen by almost **two million** people – a number of tenants produce large-scale public art works and events.

## The future for DBRR

Bristol's DBRR budget is currently overspent, and will have to be reduced. There was an acceptance among those spoken to for this research that that would happen, and also an acknowledgment that any new process for deciding discretionary rates relief would need to be more systematic and transparent. Nevertheless, reductions may well have a significant effect. Those charities who received it say that they would be severely affected by the loss of their discretionary rates relief. Among non-charities, possible reductions of 20%, 25% and 50% all resulted in large majorities saying either that they would be severely affected by such cuts or that their project would cease.

## Recommendations

What approach, then, might Bristol adopt? BOP's detailed recommendations are set out in chapter 6, but are summarised here.

BOP believes that Bristol City Council should see revisions to DBRR as an opportunity – despite the fact that the DBRR scheme is changing as a result of budget overspend and despite the fact that there is likely to be less money available in future. The Council has the opportunity to:

- 1. Reposition DBRR as an investment programme** that helps deliver the city's corporate priorities (rather than as a quirk of the rates system, with little connection to other Council work or investment).
- 2. Raise the profile of DBRR** as an important contributor to Bristol's culture-led regeneration and strong voluntary and community sector.
- 3. Refine the management of DBRR** scheme to ensure it is run as efficiently and effectively as possible in future.

We recommend that the Council uses its corporate priorities as an overarching framework. This makes a firm statement about the importance of DBRR, and ensures the revised scheme can be easily related to other Council work and investments.

In BOP's view, the Council can harmonise DBRR allocation across the four Council teams by using a consistent set of criteria, based on the corporate priorities. However the Council could allow DBRR applicants to choose which criteria they deliver against. This arrangement recognises that many organisations that currently receive DBRR provide multiple benefits, for example supporting Bristol's creative economy as well as supporting its local communities and neighbourhoods.

The Council could add two further types of criteria to the list:

- Criteria that fall outside the corporate priorities but are important to the DBRR scheme
- Criteria to test an organisation's stability and financial sustainability

BOP does not recommend capping the amount of rates relief available. Instead the Council could require larger organisations to deliver further outcomes, in terms of:

- Playing a developmental role for smaller organisations and individuals
- Where possible, working towards a more diverse income base
- Where possible, moving beyond DBRR as a support mechanism, to free up DBRR investment for other organisations. The amount of DBRR received could taper as other income sources kick in.

We recognise, however, that there are organisations that serve ongoing needs and for which there is no obvious way to develop their operations further or to secure new income sources – for example, community centres.

Finally, BOP has some thoughts on ways in which the scheme can be successfully implemented. Again, the detail is in chapter 6 but the recommendations focus on four areas: strategic positioning, awareness, resourcing, and monitoring and evaluation.



### Strategic positioning

- The changes to DBRR present an opportunity to start a discussion with other Council teams about how DBRR relates to their policies and programmes. There is an obvious relevance to Planning and Asset Management (of council-owned buildings) and to explore the possibilities of encouraging ‘meanwhile’ use.<sup>6</sup> Linking DBRR to the Council’s Corporate Priorities will facilitate dialogue between teams.
- There is a particular opportunity to look at the London Borough of Brent’s innovative Meanwhile Foundation model – an independent charity set up to take on projects on behalf of the Council, reducing risk and automatically qualifying for mandatory 80% rates relief.

### Awareness

- Raise awareness across all relevant Council departments, in particular of the impact of DBRR and how it helps deliver the corporate priorities
- Raise awareness among Bristol organisations to celebrate the impacts of DBRR, to get buy-in to the revised scheme, to combat any myths and to ensure that DBRR is no longer just for ‘those in the know’
- Raise awareness of Bristol’s approach among other Councils looking at rate relief and relevant national bodies e.g. Arts Council England

### Resourcing

- Assess the added Council team time / budget to administer the revised scheme, recognising the desire of existing recipients for more ‘face time’ and advice/support from Council officers
- Consider how DBRR aligns with any other BCC policies, resources or decision-making structures, for instance around ‘meanwhile’ uses
- Consider how to work with external providers e.g. VOSCUR to signpost available advice/support/resources

### Monitoring and evaluation

- Design ‘light touch’ monitoring into the scheme in future, checking how individual recipients are delivering their outputs, and collating data on the overall outputs and impacts of the scheme
- Consider a fuller evaluation by external evaluators every 3-5 years
- Use the evidence to inform further improvements to the scheme and to continue to advocate for Council resources to support the scheme.

“The standard of musicianship, creativity and original performance in Bristol is unique outside London, and in many ways is better, in that it is far more accessible to ordinary people here whereas one needs money to attend even mediocre jam sessions in the capital. Artistic creativity is greatly encouraged by the community and synergy of strength in numbers that exists in buildings such as the Epstein building in Easton and Hamilton House in Stokes Croft. Online survey respondent



Day of the Dead festival, courtesy of Parlour Showrooms

<sup>6</sup> ‘Meanwhile’ is the temporary use of vacant buildings or land for a socially beneficial purpose until a time that they can be brought back into commercial use

## James May, Bristol Hawks Gymnastics Club

### **History:**

Hawks Gymnastics Club was founded in 1979 by James' parents, as part of a motel business they ran. Their three children all became international gymnasts, with James himself becoming a British and Commonwealth champion. In 1987 the family moved to Bristol to concentrate exclusively on gymnastics. After searching for a long time to find the right building, and after the disruption caused by a major fire, the Gym Club opened in 1992.



### **Activity:**

The gym offers artistic gymnastics training for the whole age spectrum – from toddlers to adults. They also run Chinese martial arts courses. The building has two gyms, on the first and second floors. Bristol Hawks has eight full-time staff and six or seven part-timers or volunteers.

### **Effects on the city:**

Although they are located in a relatively deprived part of Bristol, they attract people from across the city. A thousand children come through the doors every week, from all communities in the city. The club is deeply rooted in its community – they work with local

schools and nurseries. James is passionate about children and children's sports.

**'We try and give every single child the opportunity to get what they can out of gymnastics. Get all the basics and core agility and balance which set them up for what they do later on'.**

He adds 'Some parents can't even afford to pay for their kids to come to after-school classes, but they can come to drop-in classes. We do that specifically so that anyone in the local community can get access.' The club is close to capacity in what it does in the building.

The club is committed to high standards. James feels that if you do things well, you will find an audience for what you do. The club produces top gymnasts, such as Rhian Pugh, the first British woman to win a gold medal at the European Junior Championships.

If they had to leave or close, it would have significant knock-on effects. There is a big building. James thinks that if it was empty it would be vandalised, or squatters would return (before they started the conversion it was squatted). It might be converted into flats, but that wouldn't provide the opportunities for the wider community that the gym club does; it would be a big loss.

### **DBRR:**

DBRR is very important to what they do. It amounts to three times what they spend on equipment each year. Without rates relief they just wouldn't be able to do it: 'we would seriously have to consider what we were doing and where we are located. We all have to live as well and we can't afford to pay the gym coaches very much. We would really struggle without rates relief.' It's not about making money from gymnastics – there are other places where it would be easier to do that.

# 2. Introduction

## 2.1 DBRR recipients in Bristol

### Discretionary business rates relief

Discretionary business rates relief is a scheme that allows local authorities, if they wish, to provide additional rates relief to charities, community amateur sports clubs and not-for-profit organisations.

Charities and community amateur sports clubs are entitled to mandatory rates relief of 80% on their premises. Under the Local Government Finance Act of 1988 local authorities can also grant discretionary rates relief on some or all of the remaining 20%. The cost of meeting this additional relief is shared between the local authority and central government.

Local authorities may also grant discretionary rates relief to not-for-profit organisations, if the organisation meets certain criteria set down in the Local Government Finance Act. The criteria ask if the organisation's objects are "charitable or otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts" or if the premises are used for recreation. If the organisation meets any of these criteria, the authority is able to grant up to 100% rates relief (if it chooses to do so). Once again, the cost of providing this relief is shared between the local authority and central government. Further details can be found in Appendix 3.

Recipients of discretionary business rates relief in Bristol are spread across a variety of activities, from affordable workspace to scout groups, sports clubs to mental health organisations. Such groups have often been established for many years, but have come to rely on rates relief as an important source of support. As not-for-profit organisations, many of them have fairly hand-to-mouth existences, and even relatively small

sums of support can make a big difference. Such bodies are often able to lever this support to attract other forms of funding.

These organisations contribute much to the cultural and community life of the city. In the current tough economic climate many of these bodies are stepping in to fill in some of the gaps left by cutbacks in the council's budget. Rates relief allows them to provide many of these services at low or no cost to their visitors or customers.

Those organisations in the arts sector that receive rates relief play a particular role in the city's life, and have helped to shape its image. Bristol has become known for having perhaps the most vibrant arts scene in England outside London. The presence of artists in areas such as Stokes Croft has contributed considerably to culture-led regeneration in such areas, while also adding to their particular character. The tenants of these previously empty properties benefit from the reduced rents such places are able to offer. Artists often exist on the margins of economic viability, so the indirect benefits from the rates relief their landlords are receiving are very useful. Many tenants are conducting volunteer-led, public-facing projects often in the artistic field, primarily targeted at and 'consumed' by Bristol residents.

These effects of discretionary rates relief may not have been foreseen, but they have helped shape the distinctive character of the city. As a result, the council needs to think carefully about where it should make any reductions to rates relief support.

That said, those interviewed for this research acknowledged that the system of rates relief had grown in a rather haphazard fashion, and that a more systematic approach might ensure that relief was targeted more effectively. The DBRR budget is currently overspent: in Bristol the cost of this scheme to the City Council was just under £324,000 in 2011/12, and is forecast to be just under £458,000 in 2013-14. (Central government changed the arrangements under which DBRR is calculated in April of this year.)

In the light of this, the report goes on to consider criteria by which future applications for DBRR can be assessed, drawing on the experience of other authorities.

This report reviews the social, cultural and economic impact of the discretionary business rates relief (DBRR) policy in Bristol. This analysis is primarily based on two surveys, a paper survey conducted by Bristol City Council in 2012, and an online survey run by BOP Consulting in 2013. (These relate to the financial year 2011-12.) This has been supplemented by evidence gathered from focus groups and interviews with key stakeholders, and a short review of background material.

Before going on to examine this analysis, however, the introduction puts the DBRR programme in the context of Bristol's wider economy and culture.

## 2.2 Context: Bristol

Bristol is the largest city in the South West of England, with a population of 428,000 in 2011. Its economic activity rate is 76.6%, very close to the British average. It is also one of the eight Core Cities, the largest cities in England outside London. It is thus an important regional economic hub. Bristol has strong skills base, with 42.6% of its adults having an NVQ4-level qualification (or better) in 2012, compared with the British average of 34.4%.<sup>7</sup> Gross weekly earnings by workplace in Bristol were £507.80 in 2012. This was almost identical to the British average of £507.60, and above the South West average of £476.00. Job density (in other words, the number of jobs compared with the number of residents) is also higher in Bristol than in the South West or Great Britain as a whole. However, the percentage of adults claiming Job Seekers Allowance (JSA) is a little higher in Bristol, at 4.0%, than nationally (3.7%).

Bristol also sits at the heart of the West of England Local Enterprise Partnership. One of the key developments of the LEP is the Bristol Temple Quarter Enterprise Zone. This area is a 70 hectare site surrounding Bristol Temple Meads railway station. It includes over 240,000 sq. m. of new or refurbished space featuring offices, research and development floor space and retail as part of a wider mixed use development.

It is hoped the Zone will lead to the creation of almost 17,000 new jobs over a 25 year period. There will be a particular focus on attracting creative industries and technology, Very high speed, pervasive digital connectivity will be a central feature of the Zone.

The LEP's business plan identifies certain key sectors in which it intends to support growth:

- Creative and media (national lead)
- Advanced engineering, aerospace and defence (national lead)
- Micro-electronics and silicon design
- Environmental technologies and marine renewables
- Tourism

## 2.3 Bristol's creative industries

Bristol and its hinterland play an important role in the UK's creative economy. A 2009/10 study found that Bristol has the highest share of creative industries jobs as a percentage of its total employment of any of the eight English core cities.<sup>8</sup> The report indicated that the creative industries in Bristol employ just over 12,000 people in all, more than five per cent of the total workforce in the local authority area.

<sup>7</sup> Labour force statistics sourced from Nomisweb labour market profile for the City of Bristol LA

<sup>8</sup> BOP Consulting (2010) *Why the Creative Industries Matter to Birmingham*, Creative Birmingham Partnership Board, Birmingham



**Figure 2 Creative industries employees within the English Core Cities, 2008**

Core city (local authority)	Creative Industries employees	Total employees	% of total
Bristol	12,070	227,020	5.3%
Manchester	15,090	309,440	4.9%
Leeds	19,840	407,190	4.9%
Newcastle	7,520	174,900	4.3%
Birmingham	18,720	479,820	3.9%
Sheffield	8,810	248,430	3.5%
Liverpool	7,930	226,430	3.5%
Nottingham	6,330	184,720	3.4%

Source: Annual Business Inquiry, BOP Consulting (2011)

A report for NESTA<sup>9</sup> implicitly supported this work, suggesting that Bristol was one of ten creative hotspots within the UK. Its strengths were identified as:

- Video, film and photography
- Music, visual and the performing arts
- Radio and TV

Several creative industries are particularly strong in the Bristol city-region. Aardman Animation has achieved global success, and helps to support a lively animation sector in the city. Music has long been strong in the city, particularly since the 1990s emergence of ‘trip-hop’. Wildlife filmmaking has arguably achieved the greatest international recognition, building on the achievements of the BBC Natural History Unit in Bristol. The Unit was responsible for David Attenborough’s landmark 1979

series, *Life on Earth*, and many subsequent successes. The Unit has spawned many of the firms which make up the industry in the city today.

In 2007 BOP Consulting carried out research into the creative industries in the West of England – the four local authorities which used to make up the county of Avon. The city of Bristol is one of these. That work used a slightly different methodology to the Core Cities report mentioned earlier, but reached similar conclusions. It found that:

- There were 12,300 people employed in creative industries in Bristol in 2005, in 2,100 businesses
- The city of Bristol accounted for 46% of the creative industry jobs and 42% of creative businesses in the West of England
- Creative industries made up 12% of all businesses and 5% of all jobs in the city.

New research from Bristol City Council itself appears to confirm the relative strength of the city’s creative industries is being sustained. Using the definition of the creative industries that the West of England LEP has adopted (which is narrower than the ones used in the research cited earlier) BCC found that in 2011 Bristol had an employment quotient of 1.24, well above the average for England of 1.00. Bristol had the highest share of any of the English Core Cities, well ahead of Manchester, the second-best performer. If the number of businesses was considered, Bristol had 40% more proportionately than the England average; again, the best among the Core Cities.

<sup>9</sup> Chapain, C. *et al*(2010) *Creative clusters and innovation*, NESTA, London.

## 2.4 Bristol city centre

Bristol City Centre has changed significantly over the last twenty years. The City Docks closed in the early 1970s and the area was largely derelict until regeneration began with the opening of the Arnolfini gallery (which had moved to the area from Clifton) and then the opening of the Watershed media centre in 1982 along the Harbourside. These were followed by a wave of investment in the 1990s and 2000s that helped to upgrade the quality of the physical environment significantly. Funding came from a wide range of sources, including the National Lottery, the Heritage Lottery Fund, the Millennium Commission, the South West Regional Development Agency, Bristol City Council and private and commercial investors.

Warehouses were converted into bars and restaurants; the ss Great Britain was restored and expanded its activities; Queen Square was cleaned up and revived after the Inner Circuit Road that ran through it was rerouted; the Arnolfini gallery was refurbished and new attractions such as @Bristol, Millennium Square and the MShed were created. The net impact has been to make the Harbourside more attractive and thereby increase its appeal to both visitors and residents.

### Retail and tourism

Retail and tourism are also important to Bristol. The city centre retail offer was improved at about the same time the Harbourside began to change. The area around Broadmead had been redeveloped after the war, and became Bristol's main shopping district. In the early 1990s, the Galleries shopping centre was built in the area. A major new shopping centre, Cabot Circus, opened on the other side of the central ring road from Broadmead in 2008.

VisitEngland data suggests Bristol was the fourth most visited city in England for UK residents in 2011, with just over 1.8m trips (a rise of 24% from the previous year). It ranked behind only London, Manchester and Birmingham, and ahead of the likes of Leeds, York, Newcastle and Brighton. The city also ranked fourth in England for business trips (514,000 trips).

“ Room 8 and the Island as a whole have contributed greatly to the improvement of Nelson Street. The recent creation of an artistic hub in this area of Bristol City Centre attracts tourists and is a great asset to the city as a whole. The Island relies heavily on rates relief and needs it to continue.

Online survey respondent

## 2.5 Temporary or ‘meanwhile’ uses

One area in which DBRR can be helpful is in supporting the temporary use of empty properties by artist or creative groups. A recent review<sup>10</sup> notes that while artists have often used temporary spaces out of economic necessity, ‘Government guidance and developers are increasingly identifying interim uses as a solution to economic stagnation and the changing nature of urban development and land use’. Artists and creative organisations are increasingly seen as actors in the cultural regeneration of city neighbourhoods. They are often willing to spend weeks or months getting empty or semi-derelict properties back into a usable condition, in return for the prospect of cheap rent.

The report notes that DBRR varies widely across authorities, with implications for artists’ use of temporary spaces. In Bristol, organisations supporting the arts have been eligible for up to 100% DBRR, which has helped ‘to sustain a growing array of formal and more informal arts spaces around the city to create a thriving scene of creative temporary arts spaces and DIY artist activism’. This is in effect a public subsidy to the arts.

The report goes on to suggest that ‘temporary use flourishes better where local governance processes and gatekeepers are flexible, open-minded and proactive around supporting processes that often do not fit neatly into existing roles and policy. ... A corporate strategic approach ensures essential cross-departmental working, ensuring that the local authority helps maximise opportunities for using vacant spaces.’ The

<sup>10</sup> Ball, S. and Essex, R. (2013) *A hidden economy: a critical review of Meanwhile Use*, Ixia

research implies that a more systematic approach by the council could result in even greater social, cultural and economic benefits than are currently being achieved.



*Misfits theatre*, courtesy of Coexist

## Tom Beales, Coexist

### *History:*

Coexist was established in 2008 to help run a large 1970s office block, Hamilton House, in the Stokes Croft area of Bristol. Around two-thirds of the 55,000 sq. ft space is sublet to artists, small community projects and social enterprises, and small local businesses. (Coexist has around 250 tenants, with a further 130 using hotdesks and other facilities.) The remaining third is public-facing, including a conference centre, meeting rooms, an event/performance space, and a kitchen space.



Hamilton House had been semi-derelict for a decade, and plans to convert it into residential units fell victim to the credit crunch. The landlord gave the keys of the building to a group of friends who became the nucleus of Coexist, who refurbished the block themselves. They now have 23 members of staff, as well as around 30 volunteers, 15 of whom are regulars.

### *Activity:*

The aim of Hamilton House is to offer 'something for everyone', from hot-desking facilities for local freelancers to music classes targeted at the Afro-Caribbean population in nearby St Paul's. It is a very well-used space because 'it's sociable and it has its own momentum'.

Tom is perhaps most proud of the community kitchen. This was also a refurbishment – it had been the staff canteen when Hamilton House was home to a bank – which is now used by small start-ups, organisations and individuals to cater events, run workshops or develop their food businesses. Coexist is now looking to turn this into a teaching kitchen, working with apprentices.

They have also helped to instigate many 'green' projects and to

support environmental organisations; for instance, Coexist operates a nationally recognised Eco-Open Homes event in Bristol. Initiatives like these have fed into Bristol's recent successful bid to be the European Green Capital for 2015.

### *DBRR:*

Coexist received DBRR from the very beginning. It's absolutely crucial for them; they would not survive without it. Rates relief was the primary in-kind support that they got to enable them to open in this area of Bristol.

### *Effects on the city:*

Hamilton House has had a huge impact. Since they opened to the public, the police have told them there has been an 80% decrease in street crime in the area. The neighbourhood used to be known for drug users and street drinkers; now new shops are opening in the area and there is a busy night-life with bars and clubs. A lot of independent cafes are springing up in the area too. While Coexist is not solely responsible for these changes they are one of those who have made a huge difference.

It would be impossible for them to relocate, as they are so grounded in the local community in Stokes Croft. Bristol is known for its art, so it would be a real loss to the community if Coexist had to close (if rates relief were scrapped) – it's a major support to the city's artistic and creative community.

Hamilton House's tenants include:

- Shambala** – runs an international performing arts festival
- Misfits theatre** – theatre for people with learning disabilities
- MicroFinance Transparency** – consumer protection NGO
- Hidden Picture Productions** – documentary film-makers
- Temwa** - international development charity
- DMAC** – Community dance, music and movement
- freeDvisuals** – 3D Architectural Visualisation
- Drawn In Bristol** – Support and profile raising for Bristol illustrators



# 3. Findings of survey

The majority of the evidence gathered for this research came from the findings of a survey of recipients of DBRR and their tenants. The survey took two forms. In 2012 Bristol City Council conducted a paper-based survey of the recipients of DBRR.<sup>11</sup>

As part of the current research in 2013, BOP Consulting created an online version of the survey. While it repeats the questions found in the paper survey it also adds further ones to extend the analysis further and give more detail. This approach allows us to use the findings of the paper survey while catching some of those recipients who did not fill in the first paper survey. Please note if a recipient completed both a paper and online survey, the answers to the online survey have been used, as the data is more recent.

The online survey, unlike the paper survey, was also sent to tenants of organisations in receipt of DBRR. As the analysis later in this chapter shows, these tenants also have a significant impact, and in many cases would not be doing so were they not benefiting from the reduced rents that DBRR recipients are able to charge.

The results of the surveys were sub-divided by whether the respondent was a direct recipient of rates relief or is a tenant of a direct recipient. This first section of the analysis looks at the direct recipients of rates relief. It combines responses from the paper survey with those from the online survey. In all, there were 119 responses.

<sup>11</sup> Ruth Essex, Vanessa Bellaar Spruijt and Jason Thorne carried out much of the initial work on the survey.

## 3.1 Findings of the survey for direct recipients

The respondents operate across a wide range of activities. Bristol City Council has a classification system for direct recipients of rates relief. The survey respondents fell into the following categories.

**Figure 3 Activity type**

Category	Percentage
Arts	24%
Community	30%
Sports	20%
Youth	15%
Others/BCS	11%

Source: BOP Consulting/Bristol City Council (2013)

It should be noted that many organisations cross these boundaries. Arts organisations, for example, often let local community groups use their spaces for meetings or group activities.

Respondents were asked about their organisational status. While not all of them answered this question, the replies show that recipients are by no means all registered charities; many were community interest companies or voluntary groups.

**Figure 4 Organisational status**

Organisational status	Number
Registered charity	27
Voluntary group	11
Community Interest company	25
Social enterprise	3
Other	9

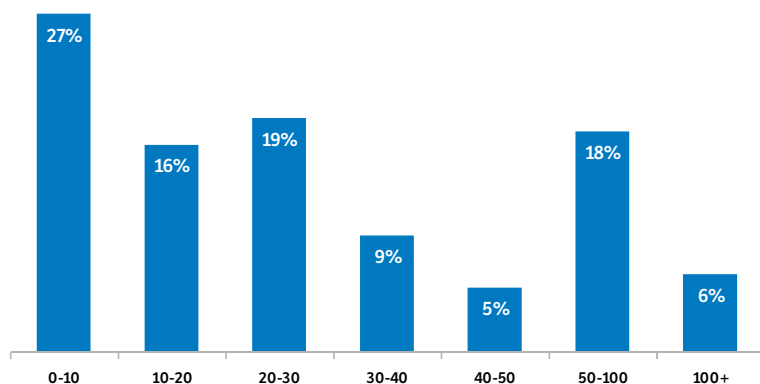
Source: BOP Consulting/Bristol City Council (2013)

## Length of occupation of premises

Most of the respondents had been in existence and occupying their current building for some time. The average length of time amounted to 31.6 years, though this is skewed by a number of very long-term occupiers (over 100 years in some cases).

When recipients' responses are broken down it suggests that 27% have been in their current property for fewer than ten years.

Figure 5 Length of time in property (years)

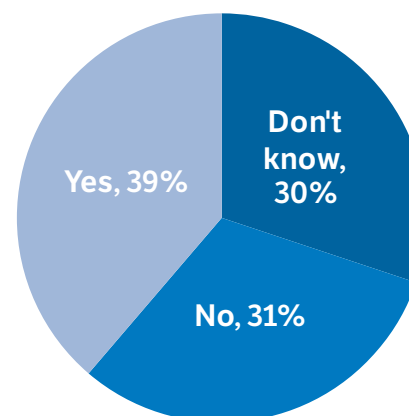


Source: BOP Consulting/Bristol City Council (2013)

## Role of DBRR

Next, people were asked about the role that discretionary business rates relief played in the establishment of their organisation. Clearly, the age of some of these organisations means that they were founded well before DBRR was introduced, helping to explain the proportion responding 'no' or 'don't know' to this question. For 39%, however, rates relief was a determining factor.

Figure 6 Was receiving DBRR a determining factor for setting up in the first place?



Source: BOP Consulting/Bristol City Council (2013)

## Revenue, spending and employment

Recipients of DBRR are either charities or not-for-profits of one kind or another, and in many cases do not regard themselves as conventional businesses. Nevertheless, collectively they do have an economic impact on the city.

Recipients who answered estimated their combined revenues at **£6.41m**.

Respondents spent £1.83m on the supply of goods and services. The large majority of this was spent in Bristol: **£1.41m**. The wages recipients paid also largely stay in Bristol. Of their £1.30m total wages bill, **£1.15m** stayed in Bristol. However, not all organisations answered every question, and not all of them took part in the survey, which skews these findings. In the box below BOP has therefore tried to estimate the true scale of activity.

### Average and total spend by DBRR recipients

While respondents were asked to estimate their revenue, spend on suppliers and spend on wages, not every organisation that took part in the survey did so. In order to get a sense of the true scale of this activity BOP therefore needed a way to account for non-responses. The first stage in this process is to look at the averages of the responses of those who did answer these questions. This gives the following figures:

- Average revenue of DBRR recipient: **£92,857**
- Average spend on suppliers: **£35,120**
- Average spend on wages: **£41,810**

If we assume that these averages are typical of the sample as a whole (i.e. of those who answered these specific questions and of those who didn't) we can multiply these answers by 119 (the number of DBRR recipient organisations who took part in the survey) to provide estimates for all the respondents. Doing this gives figures of £11,050,000 for revenues; £4,179,000 for spend on suppliers; and £4,975,000 for spend on wages (rounded to the nearest thousand). Similar calculations can be made for the share of spending in Bristol.

However, a sizeable number of DBRR recipients, representing a third of the total DBRR paid between them, did not take part in the

survey at all. If a further adjustment is made to allow for this (by multiplying by 3/2) the following totals are suggested:<sup>12</sup>

- Business revenues are estimated to total **£16,575,000**
- Spend on suppliers is estimated to total: **£6,269,000**, of which **£5,109,000** was spent in Bristol
- Spend on wages is estimated to total: **£7,463,000**, of which **£6,651,000** was spent in Bristol

The responses suggest they have over 6,500 volunteers and 600 paid staff (both part-time and full-time), as well as large numbers of freelancers and contacted staff.

**Figure 7 How many volunteers and full-time staff employed in total**

Category of staff/volunteer	Number
Part-time Volunteers	4,420
Part-time Employees (PAYE)	392
Part-time Contracted Staff	653
Part-time freelancers (non regular payments)	794
Full-time Volunteers	2,377
Full-time Employees (PAYE)	208
Full-time Contracted Staff	64
Full-time Freelancers (non regular payments)	222

Source: BOP Consulting/Bristol City Council (2013)

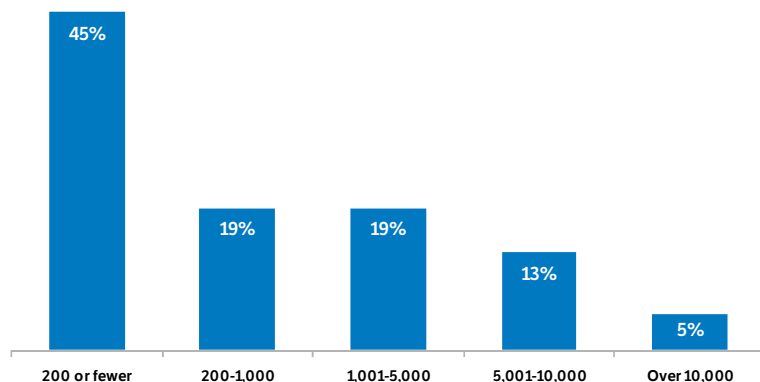
<sup>12</sup> It should be stressed that these are estimates based on these assumptions, rather than actual counts from the survey. Were different assumptions to be made, different estimates would be produced. We have made what we believe are reasonable (and conservative) choices.

## Audience

The services and products of the recipients of DBRR were reaching a large audience. In total, the respondents estimated that they reached **248,000 people**. They did this through a mix of public events – respondents estimated they provided 1,178 public events during the year – and by producing new products or services. The number of these products or services was estimated at 10,298 (though more than half of these were reported by just one recipient, Botany Artists Studios).<sup>13</sup>

As figure 8 shows, organisations differed significantly in the number of people their work reached. For 45% of them, their work reached 200 or fewer people, reflecting either their small size or in some cases their lack of public-facing activity. At the other end of the scale, 5% reported reaching at least 10,000 people a year.

**Figure 8 Number of people in receipt of your services**



Source: BOP Consulting/Bristol City Council (2013)

These services were delivered primarily in the city of Bristol itself, though a minority of respondents were working further afield.

<sup>13</sup> A studio group in St Werberghs with a mix of artists and makers.

**Figure 9 Where do you deliver services? (multiple responses allowed)**

Location	Number
City of Bristol	90
In SW outside Bristol	39
UK more widely	25
International	17

Source: BOP Consulting/Bristol City Council (2013)

Most of the people who used the services/products also came from the Bristol area, although again some organisations were reaching audiences from wider afield.

**Figure 10 Location of consumers of products or services**

Location	Percentage
Bristol	86%
In SW outside Bristol	7%
UK more widely	6%
International	1%

Source: BOP Consulting/Bristol City Council (2013)

The survey also asked questions about the type of people who were attending DBRR organisations. The figures shown here are unweighted averages from those who reported figures.<sup>14</sup>

The ratios are averages across the whole set of responses. The ‘minority’ groups, whether BME, LGBT or disabled people tend to be concentrated in certain organisations rather than being spread evenly across the full sample. It should also be noted that the nature of some organisations means that they may find it hard to collect data on such demographics.

<sup>14</sup> A significant minority of respondents left parts of this particular question blank, while of those who did reply, some failed to make their breakdown (by e.g. ethnicity) total to 100%. In these cases adjustments were made to make the figures reconcile.



That said, the responses do suggest that the DBRR organisations taken as a whole are reaching a broad spectrum of Bristol's people.

- Women: **49%** Men: **51%**
- Black and Minority Ethnic: **17%**
- White British: **76%**
- Other White: **7%**
- LGBT people: **11%** (though only 20 respondents were able to make an estimate here)
- Disabled people: **15%**
- Young people: **46%** (based on 61 responses)

Many recipients use their DBRR as a way to lever in additional funding. Coexist, which runs Hamilton House in Stokes Croft, has been particularly successful at this, but a number of recipients have attracted significant further funding. Research by BCC for this report, for instance, has identified external funding totalling **£1.79m** (grants, sponsorship and donations) to three buildings in receipt of DBRR and ten of their tenants, although this figure is likely to represent only a small proportion of the funds levered as a result of the DBRR investment.

### Social benefits

The majority of DBRR recipients thought they were bringing social benefits to their communities and the city more generally. These included providing community services, helping regeneration, getting volunteers on the path to paid work and reviving derelict or historic buildings.

**Figure 11 What benefits does your project bring to local community or to Bristol as a whole? (Multiple responses allowed)**

Benefits	Number
Route to employment for volunteers	48
Providing community services	74
Increasing accessibility to the arts/sports	63
Maintaining buildings of historical interest	24
Maintaining buildings which would otherwise suffer from dereliction	38
Regeneration of the local area	41
We are unique in what we offer	53
Other(s)	23

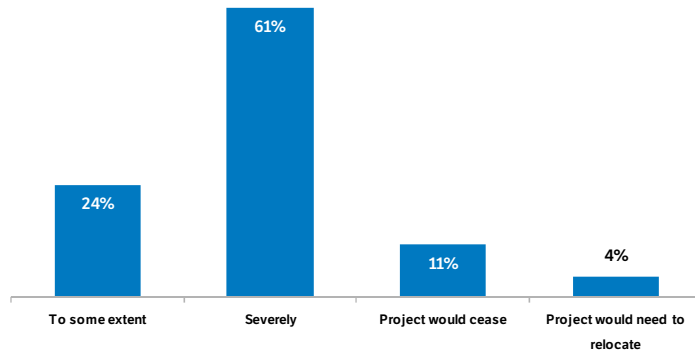
Source: BOP Consulting/Bristol City Council (2013)

### Impact of DBRR changes

Finally, recipients were asked to assess the impact of a range of possible restrictions on the level of DBRR. There was broad agreement that the effects of any of the proposals would be severe.

More than half (61%) of registered charities, which can receive 20% discretionary rates relief (on top of the 80% mandatory relief they are entitled to), felt that the loss of that 20% would severely affect their project.

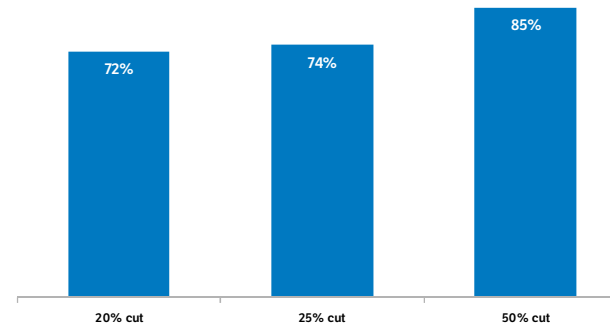
**Figure 12** If registered charity, how do you think your organisation/project would be affected if you no longer received 20% discretionary rates relief?



Source: BOP Consulting/Bristol City Council (2013)

When the not-for-profit organisations' views on this matter were explored, they were given three options to consider: cuts of 20%, 25% or 50%. As figure 13 shows, all of these options were thought likely to have damaging effects, with a majority saying they would either be seriously affected or have to cease operations. If the cut to DBRR were to be as great as 50% then 85% of respondents said their project would be severely affected or have to close.

**Figure 13** How do you think your organisation/project would be affected if discretionary rates relief was reduced by 20%/25%/50%?



Source: BOP Consulting/Bristol City Council (2013)

## Doug Francis, Artspace Lifespace/Invisible Circus

### *History:*

Artspace Lifespace began in London in 1992, when a group of artists took over a derelict building from a housing association. This provided a base for Doug's other organisation, Invisible Circus, which develops site-specific circus events. In the years that followed the Circus travelled widely in this country and Europe. In the course of his travels he met many performers and circus people from Bristol, and in 2005 Invisible Circus moved there.



### *Activity:*

Doug soon became aware that there was a broader community of artists and performers looking for space in the city. Artspace Lifespace thus began to work with developers to take over derelict buildings to repair for temporary use as cultural and community spaces. Volunteers were often given studio space at reduced rents in return for their work on the restoration of the building.

There have been a number of such projects, including the former City of Bristol College in Knowle West (owned by the HCA), but perhaps the most notable is the Island, the former Bridewell Fire Station in the centre of the city. Its owners, the developers Urban Splash, invited Artspace to take over the space, initially for 18 months. Being in that space enabled Invisible Circus to develop its very successful Carnyville show, which 'put Invisible Circus [and the Island] on the map'.

The Island now hosts a wide range of facilities including circus and

dance rehearsal space, artists and music studios, a gallery and making space. It is home to a range of individuals and organisations, from artists to community groups. There are financial risks in hosting small, community events (say for under 200 people) – the Island is able to bear those in ways that a commercial organisation would not. Artspace is also increasingly acting as a mentor to younger organisations, sharing its experience.

### *Effect on the city:*

Artspace Lifespace has made a real difference to the city. Stokes Croft was run-down, the city centre 'didn't really jump out at you as a creative hub, everything was a bit hidden'. Doug knows of many people who moved to Bristol because of Carnyville or were inspired to do something similar in their city.

**'The Island has helped change Nelson St dramatically from a bleak concrete 'forgotten mile' between the Harbourside and the retail district into a thriving creative hub.'**

Doug believes that the creativity funded in part by DBRR has helped Bristol through the recession. As the property market revives, though, this will become harder - the College has closed in effect, and the Island might be sold. Artspace Lifespace has already spawned a legacy of other organisations, but the loss of the Island would still damage the eclectic mix of the city's culture.

## 3.2 The arts sector

Several of those people spoken to as part of this research argued that discretionary rates relief has played a part in shaping the distinctive character of Bristol's cultural life, especially through its support of affordable artists' studios. This next section therefore looks at those direct recipients classed as arts organisations. (There were 29 of these, representing 24% of the survey respondents.)

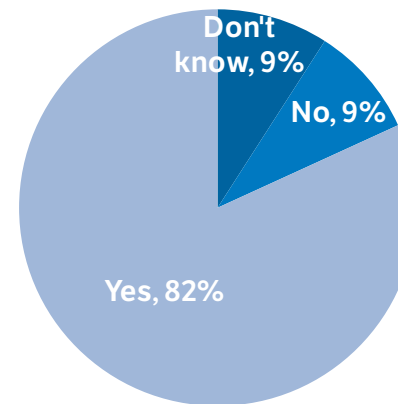
It should be noted that many of these organisations act as landlords to dozens of artists each (and hundreds in total), offering them affordable rents that enable them to carry out their artistic work. This aspect of DBRR is explored further in section 3.3.

“Fundamentally, our organisation exists to provide space for artists at as low a cost to them as possible ... The freedom to let art occur in an environment unconstrained by prohibitive financial concerns is central to our project's ethos and continued success.”  
Online survey respondent

Arts organisations are generally younger than the average for the recipients as a whole, having occupied their current property for an average of 14.8 years. Even this average is affected by some long-established organisations, notably Bristol Savages.<sup>15</sup> Almost half the arts organisations who answered (48%) had been at their current premises for five years or less.

Perhaps reflecting this relative youth, discretionary rates relief was a determining factor for the large majority of them in the decision to establish themselves in the first place.

Figure 14 Was DBRR a determining factor in your decision to set up in the first place?



Source: BOP Consulting (2013)

There were **112,500** people in receipt of the services of these organisations.

<sup>15</sup> Founded in 1904, Bristol Savages is a society concerned with the pursuit of the fine arts, based at Red Lodge on Park Row in Clifton



## Revenue, spending and employment

The arts organisations surveyed spent £478,000 on suppliers, of which **£407,000** was estimated to have been spent in Bristol itself. For wages, the total spend was £319,000, of which **£309,000** was thought to go to Bristol residents. The total revenue for the arts bodies was **£1.5m**.

Again, though, these questions were not answered by all those who participated in the survey. If we apply the same methodology as before, and look at the averages of those who answered specific questions, we get:

- Average revenue for arts organisations: **£66,151**
- Average spend on suppliers for arts organisations: **£29,856**
- Average spend on wages for arts organisations: **£26,859**

These figures are lower than those for the sample of respondents as a whole, perhaps reflecting the relative youth of many of the arts organisations.

Scaling these figures up across the 29 arts organisations in the survey, and then adding a further adjustment to take account of the third of DBRR recipients outside the survey altogether gives the following figures:

- Revenue of arts organisations: **£2,878,000<sup>16</sup>**
- Total spend on suppliers by arts organisations: **£1,299,000**, of which **£1,105,000** was spent in Bristol
- Total spend on wages by arts organisations: **£1,157,000**, of which **£1,112,000** was spent in Bristol

The arts sector recipients were also responsible for around two-thirds of the voluntary activity generated by DBRR recipients, as well as a significant slice of paid employment.

**Figure 15 Numbers employed in arts sector**

Category of staff/volunteer	Number
Part-time Volunteers	2,805
Part-time Employees (PAYE)	51
Part-time Contracted Staff	604
Part-time freelancers	486
Full-time Volunteers	2,304
Full-time Employees (PAYE)	46
Full-time Contracted Staff	51
Full-time Freelancers	220

Source: Bristol City Council/BOP Consulting (2013)

<sup>16</sup> One high outlier was excluded as it would have distorted the estimate upward. The sample size for this arts analysis is quite small, so the estimates should be treated with a degree of caution.

## Social benefits

The arts organisations were also contributing to a range of socially desirable goals for Bristol.

**Figure 16 Respondents saying they contribute to following goals (multiple responses allowed):**

Benefits	Number
Route to employment for volunteers	15
Providing community services	18
Increasing accessibility to the arts/sports	24
Maintaining buildings of historical interest	15
Maintaining buildings which would otherwise suffer from dereliction	16
Regeneration of the local area	16
We are unique in what we offer	19
Other(s)	8

Source: Bristol City Council/BOP Consulting (2013)

## Interaction with other arts bodies in the city

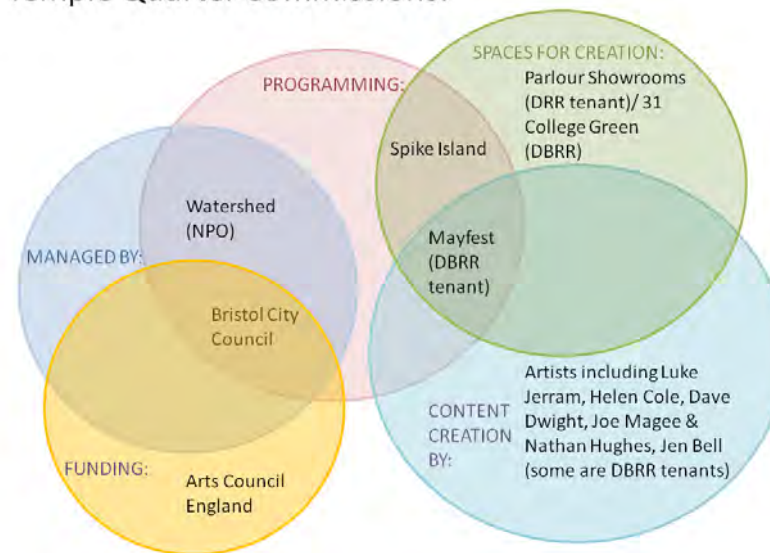
It is worth noting that the distinctive cultural scene in Bristol includes small-scale grassroots activity happening in neighbourhoods as well as city-wide flagship projects. Many of the DBRR recipients in the arts sector interact and collaborate with Bristol's larger arts organisations, such as Watershed and Spike Island, and the City Council. An example of this can be seen by looking at the evolution of the Temple Quarter public art commissions.

The figure below shows that the four elements that came together to realise this project – programming, management, content creation and spaces for that content creation to happen – were provided by a range of organisations in the city, with several contributing to two (or more) of them. The interdependence between the different types of organisations even in just this one project shows something of the complexity of the

cultural scene in the city, and the integral nature of DBRR to high profile cultural activity.

**Figure 17 Evolution of Temple Quarter commissions**

Temple Quarter Commissions:



Source: BOP Consulting (2013)

## Summary

The arts organisations which receive rates relief are different from the wider group of recipients. They have been in their premises for shorter periods of time, are more likely to say that discretionary relief was a determining factor in them setting up in the first place, and account for almost two-thirds of the volunteers who work for DBRR recipients. This suggests that the 'ecology' of arts bodies that receive relief is different.

One key aspect of this difference is that many of the arts organisations that receive rates relief sub-let their property to other artist and organisations, often by offering them studio or workshop space at discounted rates. In so doing they act as parent or umbrella

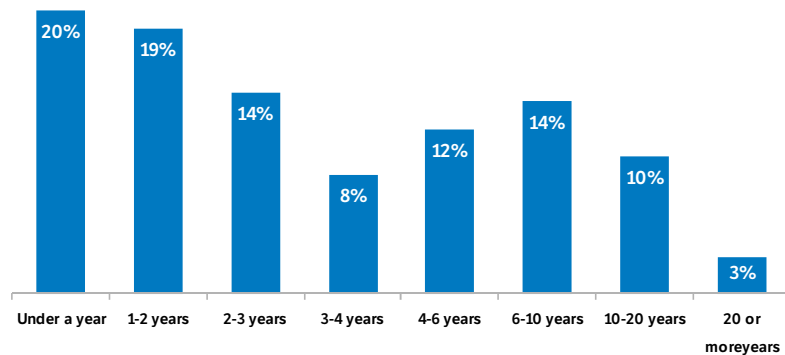
organisations to smaller enterprises, allowing them to thrive in a supportive and affordable environment.

### 3.3 Tenants of organisations receiving rates relief

This section explores the effect of this indirect support from DBRR. More than 70% of the tenants who responded described themselves as being in the arts sector.

The average length of occupancy of tenants at their current address was 4.4 years. This is only an average, though, and there was a wide range of responses. More than a third (39%) of those who responded had been there less than two years, while just 3% had been there more than 20.

**Figure 18 Length of time renting at property (years)**

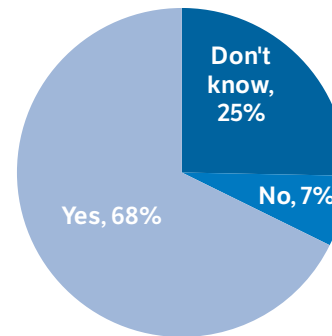


Source: BOP Consulting (2013)

“The community which has established itself in Mivart St studios<sup>17</sup> is a strong, multi-disciplined and multi-faceted collective of visual and craft artists who depend on the community aspect of the space and the surrounding area to summon the collective energy to continue to grow and progress with our practices. Online survey respondent

When asked whether the decision to grant discretionary rates relief to the landlord/host organisation had contributed to their decision to locate at those premises, 68% said yes, and only 7% said no.

**Figure 19 Was the DBRR received by your landlord a determining factor in your decision to set up in your present location?**



Source: BOP Consulting (2013)

<sup>17</sup> Mivart St Studios is located in a former Victorian factory in Easton. It is home to over 40 artists and creative organisations, including Cirque Bijou and Jim Barr Music Studios.

## Revenue, spending and employment

The tenants who responded to the survey employed over 800 volunteers alongside a smaller number of permanent staff (part-time and full-time).

**Figure 20 Numbers employed by respondents**

Type of staff/volunteer	Number
Part-time volunteers	738
Part-time PAYE	27
Part-time contracted	23
Part-time freelancers	605
Full-time volunteers	75
Full-time PAYE	25
Full-time contracted	3
Fulltime freelancers	66

Source: BOP Consulting (2013)

The spend on suppliers by tenants was significant. In all, respondents estimated they spent £841,000, of which **£374,000** was spent in the Bristol local authority area.

The tenants also spent money on wages. Spend on wages totalled £950,000, of which **£737,000** was spent in the Bristol local authority area.

## Audience

The tenants claimed to reach **1.96m** people through their work, often through public art projects. The public art and outdoor theatre organisation, Desperate Men,<sup>18</sup> for example estimated its work reached 530,000 people.

As figures 21 and 22 show, most of those who responded delivered their services or artistic activities in the City of Bristol though a sizeable minority did so nationally and internationally as well.

**Figure 21 Area in which services are delivered (Multiple responses allowed)**

Location	Number of responses
Bristol City Council area	105
SW outside Bristol	62
Rest of UK	75
Internationally	51

Source: BOP Consulting (2013)

The majority of people who used these services also came from the city of Bristol.

**Figure 22 Proportion of service users by location**

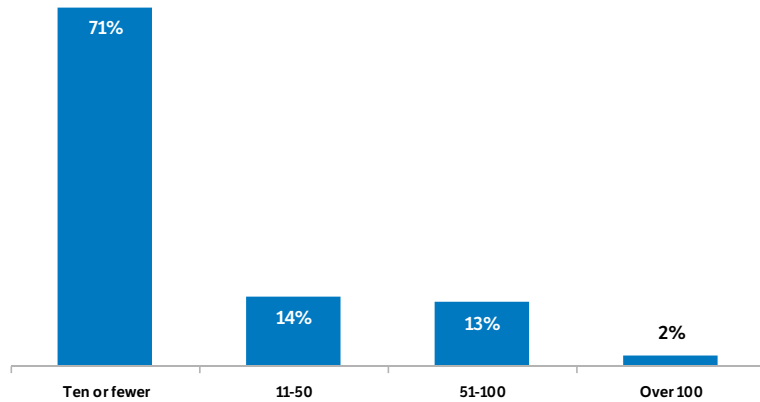
Location	Percentage
Bristol City Council area	57%
SW outside Bristol	16%
Rest of UK	19%
Internationally	8%

Source: BOP Consulting (2013)

Tenants were asked how many public events they put on during the year. The 94 tenants who responded to the question arranged 2,030 such events, an average of 21.5 public events each. Once again, though, the average conceals variations: almost three-quarters (73%) produced ten or fewer.

<sup>18</sup> Desperate Men are producers and creators of outdoor arts and theatre working in the UK and internationally. Based at Mivart Street Studios in Bristol.

Figure 23 Number of public events put on by respondent



Source: BOP Consulting (2013)

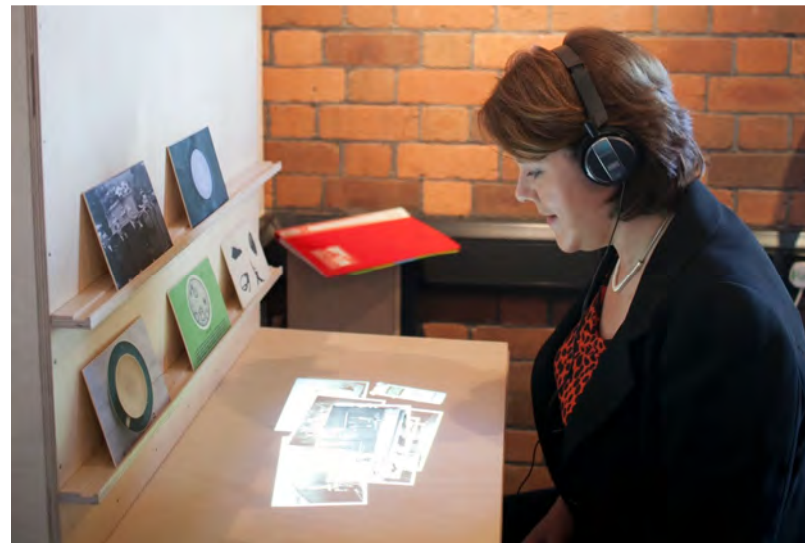
## Summary

Tenants too contribute to the economic and social impacts of the DBRR policy, particularly in its public 'outreach'. Indeed, in the arts sector it is often the tenants rather than the owners/managers of the buildings who have the higher profiles with the public.

“ I am an emerging artist, just starting out on my professional career after graduating from an MA course in Fine Art. My studio space is vital to the continuation of my practice - it is a place to experiment, make work and run my fledging practice. ... Without this base, in which I can run workshops, invite clients, and physically make work I would not be able to work as a sculptor.  
Online survey respondent

The impact of Discretionary Business Rates Relief in Bristol

[www.bop.co.uk](http://www.bop.co.uk)



*Theatre Jukebox*, courtesy of Stand + Stare



## Lucy Duggan, Lightbox

### **History:**

Lightbox was initially established as a one-month pilot in 2009 in an empty shop in Union Street before eventually moving into an empty shop unit in The Galleries in Broadmead. In 2011 Lightbox received funding from the Big Lottery Fund for the Happiness Project, which has been running ever since. They now have three permanent staff, and around 20 volunteers. The volunteers help with a wide range of activity, from marketing, blogging and promotion to arranging meetings with mental health professionals and helping set up and 'greet' at workshops.



### **Activity:**

Lightbox uses arts and cultural activity to boost the wellbeing of people with a wide range of mental health problems, from students with exam stress to prisoners being released after many years. It was founded by artists with personal experience of mental illness.

Lightbox organises a mix of programmes across three 10-week terms a year. During the terms they run three workshops a week and two half-day signposting sessions a week. These are open to anyone who wishes to attend – you don't have to be referred by a medical professional (though sometimes people are). They also run longer six-week courses each term; currently one for female offenders and one for vulnerable people with chaotic lifestyles. They also do outreach work with other voluntary or charitable groups, delivering courses on other sites such as psychiatric hospitals. They received a 'highly commended' award from Arts and Health South West last year, and have been nominated for a

Royal Society for Public Health award.

Arts and creativity are central to all these programmes. Lightbox makes a difference to how happy people are.

**'Lightbox reminds people of their creative power and how that can boost their wellbeing. It works alongside counselling and medication – it is another pathway to happiness.'**

People with serious mental health issues often suffer from very low self-confidence and social isolation. The positive connections they are able to make at Lightbox and the contact with other people it brings help them break out of the notion of 'being ill'. The feedback from participants in the programme is that it makes them less depressed.

There is strong demand for Lightbox's courses – they never have a problem filling up the seats at workshops, and sometimes have to turn people away, especially in the second half of terms. Lucy estimates they serve at least 600 people a year, though it may well be more.

### **DBRR:**

Lightbox receives 100% DBRR on its project. The rates relief is vital to them. It's their biggest asset alongside the Big Lottery Grant. Lucy feels that they wouldn't have got the lottery grant without rates relief as the relief provided an in-kind equivalent of match funding that the Big Lottery was looking for. Lightbox would not exist in its present form without the rates relief.

# 4. Focus group and interview findings

## 4.1 Focus groups with beneficiaries

BOP ran two focus groups with organisations in receipt of rates relief to explore in more depth the programme's impacts and to explore how current beneficiaries feel rates relief might be allocated in future. Participants in the first group predominantly represented arts and creative organisations, while the second group represented community and voluntary groups. A list of participants is included in Appendix 1. The analysis below combines insights gained from both groups.

### Direct benefits of discretionary rates relief

Participants reported that rates relief is extremely useful. Indeed, sometimes it's invaluable: without it, their organisations either wouldn't have come about in the first place, or would struggle to survive. Many of these organisations have only small income streams. Rates relief makes a significant difference to their overall viability.

Organisations use rates relief for supporting a wide range of activities – one of the benefits of this kind of support is that it is not tied to particular projects or schemes. Avonmouth Community Centre manager's post is made possible through the rates relief the Centre receives, but he in turn is able to fundraise on behalf of the Centre to bring in further income.

Participants report that rates relief also supports activity that provides significant social benefits. Examples include the Avonmouth Community Centre – in a deprived area of the city close to the docks – and the Coach House<sup>19</sup> in St Paul's, a multicultural and historically troubled area close to the city centre. The work these institutions do helps bring people

together in those neighbourhoods, developing a greater sense of social cohesion, as well as tackling problems around skills, training and unemployment. Soft skills are particularly important: building people's confidence can be an important step on the way to employment.

### Indirect benefits of discretionary rates relief

Participants reported that by supporting the activities of such organisations rates relief has wider benefits too. For instance:

“ [Rates relief-supported] activity has had a social and economic impact – the change in Stokes Croft in recent years is a good example. Culture has helped regenerate certain deprived areas. In the city centre the Island project has had a powerful impact. The Old Market area is trying to reinvent itself – attracting visitors from further afield. Culture can make places destinations. Focus group participant

Places supported by rates relief have often been in existence for many years. This stability arguably allows such organisations to achieve more: 'Temporary spaces are less economically viable and people expend more energy supporting them'. This in turn is starting to pay off in terms of changing Bristol's image, reinforcing the sense of Bristol as a creative, 'green' city.

There are also significant knock-on benefits for other organisations which are not direct recipients of rates relief themselves. Some become tenants in buildings such as Hamilton House, which because of rates relief do not have to charge commercial rents. Other organisations are able to access facilities that are supported by rates relief – one focus group participant pointed out that scout huts (supported by rates relief) are used by the likes of after-school clubs as well.

<sup>19</sup> The Coach House is a community and business hub based in St Pauls

## Bristol: the 'unorthodox' city

One participant mentioned a survey in which participants had been asked to identify a word that encapsulates a city. Bristol's word was 'unorthodox'.

“ People are starting to move here because it's a vibrant scene, not just because it's a nice place to live. Focus group participant

Rates relief allows for a degree of innovation and risk-taking. This is especially true for arts and culture organisations and projects. Rates relief is not like applying for a specific grant to fund an individual project; it is related to the property, allowing for some flexibility in the development of the project itself. One example is Lightbox, which could not have piloted its original concept without rates relief, but has built on the success of that pilot to expand its operations to provide services for many more Bristolians.

“ Students graduating [in Bristol] now see Bristol as a place where they could be an artist. Focus group participant

Rates-relief supported organisations contribute to the regeneration of particular areas of the city. They often take on buildings or properties that would otherwise be derelict. Hamilton House in Stokes Croft in a case in point. Artists in particular tend to gravitate towards poorer areas of the city, where property is cheaper, so helping such areas revive. Artspace Lifespace takes on 'really big, semi-derelict spaces'.

“ The Coach House has made a real difference to enterprise in St Paul's – the area is transformed. Focus group participant

Participants noted that Bristol City Council owns a lot of land in Bristol – it thus benefits from neighbourhoods reviving (and land values rising) thanks to rates-relief supported bodies. Participants argued that the groups which have helped create this bohemian, attractive image for the city should be supported and rewarded.

“ Rates relief was effectively a gift, Bristol City Council recognising the nature of the city. Focus group participant

## Rates relief – how should it operate?

While focus group participants valued the rates relief scheme highly, they did nonetheless feel improvements could be made. There was a general belief that Council officers should become more involved in the process, to screen out those who are not making an economic, social or cultural contribution to the city, and to support those who are. Some groups have been in receipt of rates relief for many years, and may have become moribund. Participants also noted that:

- Knowledge about rates relief is patchy, and is often spread by word-of-mouth.
- Many small community organisations are managed by volunteers who may lack the expertise to navigate the application process.
- If means testing is to be introduced for rates relief it needs to be done intelligently. For example, one participant had ten buildings but each is in effect a separate and very small organisation in its own right. Any new system needs to be sensitive to such subtleties.
- Rates relief application process must not become too burdensome. Doing that would favour bigger organisations, rather than the start-ups and the artists who are giving Bristol its distinctive character.

One participant suggested that scrapping the rates relief scheme would lead to a return to squatting of buildings.

## Consequences for Bristol of cutting back rates relief

Participants noted that the organisations and activities supported by rates relief are often aligned with the Council's ambitions for the city. Some organisations have already lost income due to cuts in other parts of the Council's budget. There are therefore under considerable pressure – losing rates relief would only compound this.

Participants warned that the Council needs to beware false economies. Many of the organisations are thought to provide very cost-effective services – partly because of their extensive use of volunteers. Were they to close the Council might well have to pick up some of the cost of providing such services to its residents.

“ Charities such as ours are helping the council to meet its statutory obligations ... We are contributing to social cohesion at a time when strategic bodies are not meeting their remit. Focus group participant

Bristol City Council should not assume, however, that all-volunteer run groups will pick up the slack if rates relief is cut back. There are limits to what volunteers can achieve on their own – paid staff are essential to hold organisations together and co-ordinate: 'Volunteers are fantastic but take a lot of managing'.

## 4.2 Interviews with strategic stakeholders

BOP interviewed four prominent Bristolians who have a good awareness of the strategic opportunities and issues facing Bristol, to get their perspectives on the impacts of rates relief. The four were:

- Sam Thompson, Associate Head of Dept of Creative Industries, University of the West of England
- Dick Penny, Managing Director, Watershed
- Wendy Stephenson, Chief Executive, VOSCUR

- Eva Stuetzenberger, Retail Sector Development Manager, Destination Bristol.

We asked these stakeholders:

1. What's your awareness of the rate relief scheme / specific projects?
2. What do you think rate relief has contributed to Bristol's economy?
3. What do you think rate relief has contributed to Bristol communities?
4. Has there been a different kind of effect in the city centre and in neighbourhoods?
5. How would you sum up the impacts of rate relief for Bristol?
6. Do you know of any other rate relief or related schemes that Bristol can learn from?
7. What should be the priority for rate relief in Bristol in future?

All four had a good awareness of the rates relief scheme. They strongly believe that it makes a significant contribution to Bristol. They were not aware of how rates relief schemes are run in any other cities.

Each stakeholder had a slightly different perspective on what has been the most important contribution of the rates relief scheme, reflecting their personal area of expertise. The impacts cited include:

- For Bristol's creative practitioners, providing access to affordable space with the opportunity to be part of a larger creative community or facility that has the critical mass to generate publicity and reach audiences. There is evidence that these opportunities help to develop the local creative workforce and that some practitioners move into Bristol's large commercial creative/technology businesses.
- For the retail sector, adding fresh attractions to Bristol's high streets and driving up footfall and offsetting the negative effects of the weak retail market. In some cases rates relief-enabled projects have transformed down-at-heel neighbourhoods into lively destinations (exemplified by Hamilton House's role in Stokes Croft)
- For the voluntary and community sector, providing another form of non-grant support that helps make facilities and services viable.

Two common themes cut across these different accounts of the impacts of rates relief. First, that rates relief supports community uses of ‘difficult’ buildings that might be vacant or derelict, or might be redeveloped in a way that does not benefit the community.

Second, that rates relief supports Bristol’s unique selling point (USP) as a city with a strong, visible and alternative cultural and community life – ‘the San Francisco of Europe’. The majority of stakeholders see this USP being increasingly linked to Bristol’s future prosperity, as the city targets creative industries growth via the Temple Quarter Enterprise Zone.

“ Pop-up culture fuels the sense that the city is alive to new opportunities and ideas.

Dick Penny, Watershed

All four stakeholders point out that the organic way that the rates relief scheme has developed was beneficial at first, because it allowed flexibility and unexpected activities to flourish. But they agree an organic, undirected approach is no longer tenable given the size of the scheme and the budgetary pressure on the Council. They feel that in future there must be strong criteria allied to a transparent and meritocratic assessment process which ensures that the most deserving organisations benefit. This new approach should be accompanied with more effective monitoring to continue to uncover the longer term benefits of the scheme and thus to communicate its value.

Stakeholders did not have detailed views on how Bristol City Council should administer the scheme, but more than one acknowledged that the Council has a difficult balance to strike between robustness and bureaucracy.

“ There was a beauty in the serendipity of rates relief, particularly for creative organisations.

Dick Penny, Watershed

Stakeholders differed in terms of what they see as the most important priority for rates relief in future. Perhaps the most powerful plea was for Bristol City Council to re-launch rates relief as an investment scheme designed to help projects that offer economic and social benefits to get on their feet. Awardees might receive rates relief and be signposted to other support (fundraising, venue management etc.) for a limited time while they develop a viable operating model. They would then move off the scheme to allow other up and coming projects to take their place.

This shift towards being an investment scheme was likened to the shift that Spike Island<sup>20</sup> underwent when it was repositioned as a development agency, rather than a straightforward provider of artist studios.

“ A quarter of million pounds isn’t much to secure Bristol’s long term economic future ... How will we get new creative jobs if we don’t have the skills? HE and FE alone aren’t the answer. Sam Thompson, UWE

While largely agreeing with the idea of seeing rates relief as an investment to help projects get on their feet, another stakeholder pointed out that community centres and other community organisations deliver against ongoing social needs that are not going to go away quickly. These organisations should be allowed to receive rates relief on an ongoing basis, as long as their performance and outputs merit it.

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<sup>20</sup> Spike Island is an international centre for the development of contemporary art and design.

### Lucy Heywood, Stand + Stare

Lucy and Barney Heywood make up Stand + Stare, an artists' collective. They work with a wide range of collaborators, from technologists to University of Bristol researchers, to use technology in innovative ways to create immersive theatre and interactive design.

#### *History:*

Stand + Stare was founded in 2009 to produce a large site-specific show of the same name. That original project, held in a disused building in Gloucestershire, brought them into contact with Mayfest in Bristol. The resulting project, SS Arcadia, introduced them to the Bristol cultural scene and led to them moving to 31 College Green. They now sublet to a number of other creatives, including Mayfest, Interval (an artists' collective) and the Parlour Showrooms.



#### *Activity:*

Their Theatre Jukebox project created an arcade-style cabinet that used RFID tags to make photos 'come to life' to tell stories. Such jukeboxes have been produced for various locations in Bristol, as well as for the RSC and the Oxford Museum. Their work is publicly accessible to all ages. To create content for it, they often use participatory workshops, such as a week-long workshop with older, less technology-literate people held at Watershed.

#### *Effects on the city:*

Bristol has an artistic ecology that is supportive of artists. The environment is very generous with ideas – there is cross-over between worlds. The Bristol arts scene is less transitory than London's, 'you bump into people all the time'.

Stand + Stare felt very welcomed by Bristol City Council when they moved to Bristol. That support was a reason for moving there. They feel they give something back to the city of Bristol – they enhance the perception of Bristol as a creative city. Bristol seemed to them (from their original London base) to be an attractive city to move to for culture.

#### *DBRR:*

They have had DBRR at 100% since they moved in to 31 College Green full-time. Rates relief makes a huge difference to them and to the other tenants of the building.

**'[Rates relief] lets them [our tenants] do what they do. All of them are sort of scraping along. It's just about sustainable, but it's a struggle – it's a lot of work.'**



# 5. Other councils' approaches to DBRR

BOP researched how eight different Councils define, manage and allocate DBRR. The Councils were the City Councils of Cambridge, Manchester, Sunderland and Newcastle, and the London Boroughs of Camden, Southwark, Islington and Brent.

Figure 24 summarises the key features of each scheme. The detailed findings are in Appendix 2 of this report.

## 5.1 Similarities and differences

As they are part of a national programme working within set legal criteria, DBRR schemes across the Councils have many similarities. However, the discretionary element of the programme means that there are also some notable differences. BOP's analysis is:

- Councils tend not to have stated and explicit aims for DBRR
- There is a lack of knowledge about impact, as little research or monitoring is undertaken by any of the Councils
- There is often no specified budget for the programme or (with a couple of exceptions) specific caps on the level of relief available
- The application process tends to be straightforward, with application forms and guidelines available on the Councils' websites
- Decision-making arrangements vary, although they all involve senior figures. Final decisions on the awarding of relief are typically made by a special Committee (including elected members) or the Council's Head of Service or Finance.
- Although budget figures are not available for all Councils, it seems that Bristol's budget for DBRR considerably outweighs that of Camden, Islington or Cambridge. Newcastle seems to have a substantial programme of DBRR, but it pays out less than Bristol.

Despite the fact that many Councils – like Bristol – do not have a very structured approach to DBRR, this analysis does suggest a number of areas in which Bristol can better define and control its own DBRR scheme in future. These are profiled in turn later on in this chapter:

- Aims and criteria
- Exclude certain organisations
- Prioritise certain organisations
- Capping spending
- Restrict relief.

Figure 24 DBRR schemes across councils – key findings

Local authority	Focus	Scale	Selection process	Impact
Camden	Economic inclusion and equality; access to work and training; childcare services	Relief capped at £2,000; £50,000 total budget	Officers review, moderation panel meets regularly to decide	Outcomes agreed with awardees
Southwark	Provision of amenities for local residents	No amount specified. Relief granted up to 100% (either a 'top-up' of up to 20%, or varying relief);	Officers review, Head of Finance decides	No research conducted
Islington	Provision of community services to poor or deprived communities. Linked to Council grant schemes.	100% relief granted up to £6,000; can reduce after	Applications reviewed by The Partnership; Voluntary and Community Sector Committee decides	No research conducted
Brent	Charities, sports, amateur clubs and other non-profit organisations	No specific cap; amount varies depending on each organisation. DBRR budget isn't publicised.	The Meanwhile Foundation applies on behalf of the candidates, setting themes and outputs for each organisation	Partnership with Meanwhile Foundation helped identified impact, i.e. temp. use of vacant property for cultural/creative purposes.
Cambridge	Linked to Council grant scheme for community development, arts and recreation	No specific budget or cap. £34,802 spent in DBRR in 2013-14 (£22, 594 to 12 arts/recreation organisations, £12,208 to 10 community development organisations; £32,207 in 2012-2013)	Officers review, Community Services Scrutiny Committee decides	Organisations report on uptake, social and economic outcomes
Manchester	Organisations with accessible membership, contributing to local area	No specific cap or budget; varies depending on each organisation (council's discretion).	Applications reviewed by the Business Rates Team; final decisions by the Treasury	Some organisations get reviewed
Sunderland	Arts, science, educational organisations and others supporting local community	No cap for DBRR (varies across organisations); no specific budget	Business Rates Relief team receives all applications; Head of Service (revenue department) decides	No formal monitoring
Newcastle	Charities, non-profit making organisations and community amateur sports clubs	DBRR scheme currently under review	DBRR scheme currently under review	No research conducted

Source: BOP Consulting (2013)

## 5.2 Aims and criteria

An obvious start is to prepare a set of explicit and stated aims for what the Council wants to achieve through DBRR. These would form the basis of criteria to judge which organisations should receive DBRR.

For instance Camden has three ‘service themes’ to guide DBRR allocation. The three are: economic inclusion and equality; access to work and training; and Childcare services related to the above.

## 5.3 Exclude certain organisations

Some authorities exclude certain categories of organisation from receiving discretionary rates relief. Examples of organisation that are excluded (by at least two authorities) are:

- Charity shops
- Premises used mainly for religious worship
- Private nurseries, schools, colleges and other educational establishments
- Housing association offices

## 5.4 Prioritise certain organisations

Another option is to express a strong preference for certain types of activity or organisation. Islington, for example, declares that priority will be given to ‘efficient and well managed organisations’ that:

- primarily benefit Islington residents
- demonstrate a link with council priorities and promote a fairer Islington
- relieve the council of providing certain facilities or services
- serve the needs of poorer and excluded sections of the local community
- provide services for and in the borough’s most deprived neighbourhoods

- maximise the use of their premises for community benefit
- serve equalities groups protected under the Equality Act 2010

## 5.5 Cap spending

Some places have restrictions of the level of DBRR that can be received. Camden has a £2,000 limit on the amount of DBRR it will award, while Islington tapers the award once the total exceeds £6,000.

It is worth noting that in Bristol’s case a significant proportion of the total DBRR goes to a handful of organisations that operate within sizeable properties.

## 5.6 Reduce relief sometimes

Finally, some places such as Sunderland set out a list of factors which will lead to relief being reduced, though not stopped altogether.

In Sunderland’s case these include having a bar or gaming machine on the premises, having income from a ‘commercial’ venture, such as a shop, or having restrictive membership.

## Alice Tatton-Brown, Parlour Showrooms/Showroom Projects

### *History:*

The Parlour Showrooms is a thriving artist-run space at 31 College Green consisting of two empty shop units rentable at a low cost to artists and community groups, together with low cost creative office and rehearsal space on the upper floors.



### *Activity:*

Showroom Projects came together in 2012 specifically to run the rooms. The Small Room is used as a test space for emerging artists; the Big Room is for more established artists. They have three-month seasons, with a new exhibition every week. They aim to have three socially engaged projects and one 'political' one each season. The rest of the shows are by emerging artists: 40% of exhibitions are of young graduates' work. The rooms are open seven days a week all year round.

The 'political' exhibitions aim to engage citizens in debates about the city's future. The politics tend to be more implicit than explicit: one example was a show curated by the charity Shelter looking at the subject of rogue landlords. The Showrooms 'create a frame for political conversations to take place' in the city, though sometimes people are surprised to see those conversations in an arts context.

In the Parlour Showrooms artists curate and invigilate their own exhibitions. They get to 'witness the conversations about their art', which can be very useful and instructive for them. 'Most find it an invaluable experience, one they've not had before.' Artists often find it 'hugely heartening'.

### *Effects on the city:*

Showroom Projects makes a unique contribution to Bristol's arts scene. They are not a niche organisation, they cover the full spectrum of arts activity (emerging, established artists and charities needing a public space for exhibitions). They are also centrally located; most other artists' studios in the city are in 'edge' areas, where rents are low. The Showrooms offer a key platform for artists at an early stage in their career, and encourages some of them to stay in Bristol. It helps support 'an emerging artist ecology in Bristol' – this in turn can attract further investment in the city.

Because the Showrooms are on College Green they get a mix of tourists, commuters (an important target audience for them) and shoppers, as well as the regular Bristol arts audience. It creates a feeling of there being a neighbourhood in the vicinity, rather than just a row of shops. It's a free, open space, accessible even to passers-by.

### *DBRR:*

Showroom Projects is not a registered charity. It gets 100% DBRR. This is 'absolutely instrumental' in its financial survival. Rates relief amounts to about half of their total 'income' – the rest comes from the rental charges for the showrooms.

Discretionary rates relief has given Showroom Projects the opportunity to take quite big risks with its business model. Rates relief more generally is hugely valuable for Bristol. It creates a dynamism at grass roots level that feeds through the city's art scene. It empowers arts organisations to take risks. In Bristol 8 out of 10 of these come off, Alice reckons – a high strike rate.

# 6. Recommendations for DBRR in Bristol

## 6.1 Revisions to DBRR

The DBRR budget in Bristol is currently overspent, and changes to central government introduced in 2013/14 have reduced the level of support available to the scheme.

In response to this financial pressure, Bristol City Council has – so far – announced a freeze on new applicants, and agreed that in future the groups in receipt of relief will be classed into four categories:

- Economic and cultural regeneration (including Arts)
- Sports (though not BCC facilities)
- Youth
- Community

Each Council department or team covering these areas will be ‘given a percentage of the DBRR budget to award to those groups its sees fit to award under set criteria, using a matrix style award, created by each team but following certain objectives and themes’.

BOP believes that Bristol City Council should see revisions to DBRR as an opportunity – despite the fact that the DBRR scheme is changing as a result of budget overspend and despite the fact that there is likely to be less money available in future. The Council has the opportunity to:

- 1. Reposition DBRR as an investment programme** that helps deliver the city’s corporate priorities (rather than as a quirk of the rates system, with little connection to other Council work or investment).
- 2. Raise the profile of DBRR** as an important contributor to Bristol’s culture-led regeneration and strong voluntary and community sector.

- 3. Refine the management of DBRR** scheme to ensure it is run as efficiently and effectively as possible in future.

The following sections provide BOP’s recommendations for how the Council can achieve this. We hope these are helpful.

## 6.2 Criteria for allocating DBRR

The Council is generating fresh criteria to guide the revised DBRR scheme. The existing beneficiaries and other stakeholders that BOP spoke to favour simplicity and transparency. We agree with this.

We recommend that the Council uses its Corporate Priorities as an overarching framework. This makes a firm statement about the importance of DBRR, and will ensure the revised scheme can be easily related to other Council work and investments.

The Council will need to derive detailed criteria from the Corporate Priorities, to tailor them for the DBRR application process. For example:

### Corporate Priority

Economy theme, priority 1

*We encourage business creation and sustainable growth and prosperity, building on the city’s strengths of creative and green industries, engineering and specialist manufacturing to attract new investment*



### Criteria for assessment

How does your project contribute to:

- Creating or safeguarding jobs in any of these sectors: creative and media; advanced engineering, aerospace and defence; micro-electronics and silicon design; environmental technologies and marine renewable?
- Preparing local residents for employment in any of these subsectors?
- Raising the profile of Bristol as an attractive business location for any of these sectors?

In BOP's view, the Council can harmonise DBRR allocation across the Economic and cultural regeneration, Sports, Youth and Community teams by using a single set of criteria. However the Council could allow applicants to choose which criteria they deliver against. For example, applicants might be required to contribute to at least one of the five Priorities (and all detailed criteria under that Priority).

This arrangement recognises that many organisations that receive DBRR provide multiple benefits, for example supporting Bristol's creative economy as well as its local communities and neighbourhoods.

The Council might want to add two further types of criteria:

- Criteria that fall outside the corporate priorities but are important to the DBRR scheme. For example:
  - Is the property you are applying for rates relief for, empty or likely to be empty for a significant period of time?
  - Is the property in an area of deprivation and/or priority growth area (as measured by the Index of Multiple Deprivation)?
- Criteria to test an organisation's stability and financial sustainability. For example:
  - What is the financial status of your organisation?
  - How do you plan to grow and diversify your income?

### 6.3 DBRR scheme administration

Applicants will be required to complete an application form for assessment by the Council. BOP recommends basing the form on the strategic framework and criteria above.

From BOP's consultations with present recipients, and to follow through the recommendations above:

- The form should be concise and simple to understand, but require organisations to demonstrate how they deliver the priorities for Bristol
- The four Council teams will have to work together to take decisions, particularly on organisations applying across multiple criteria/themes

- Current recipients are keen that Council officers put in 'face time' to help applicants fill in the form accurately, and to verify the claims that applicants make
- This is an opportunity to signpost other support available to help organisations operate sustainably and safely (e.g. advice from Council departments e.g. on Health & Safety, as well as from external providers/partners)
- The right of appeal against the Council's initial decision should be retained as at present.

### 6.4 Distribution of funding

Beyond setting new criteria, Bristol City Council has a range of other mechanisms it can build into the revised DBRR scheme.

Many other Councils cap the amount of rate relief that is granted to any organisation or premises (see chapter 5 of this report). However this is a blunt tool. The larger Bristol arts organisations being supported at present – for example Lightbox, Coexist and Artspace Lifespace – deliver substantial outcomes and often pass on the benefits to multiple tenants, partner organisations or practitioners.

BOP does not recommend capping the amount of rate relief available. Instead the Council could require larger organisations to deliver further outcomes, in terms of:

- Playing a developmental role for smaller organisations and individuals
- Where possible, working towards a more diverse income base
- Where possible, moving beyond DBRR as a support mechanism, to free up DBRR investment for other organisations. The amount of DBRR received could taper as other income sources kick in.

We recognise there are organisations that serve ongoing needs and for which there is no obvious ways to develop their operations further or to secure new income sources – for example community centres.



We recommend the Council continues to award the majority of DBRR at the start of the financial year, while retaining a small amount for new or short-term projects that come up during the year.

## 6.5 Successfully implementing changes

BOP has several other recommendations for how the Council can successfully implement the revised scheme.

### 6.5.1 Strategic positioning

- The changes to DBRR present an opportunity to start a discussion with other Council teams about how DBRR relates to their policies and programmes. There is an obvious relevance to Planning and Asset Management (of council-owned buildings). Linking DBRR to the Council's Corporate Priorities will facilitate dialogue between teams.
- There is a particular opportunity to look at the London Borough of Brent's innovative Meanwhile Foundation model – an independent charity set up to take on projects on behalf of the Council, reducing risk and automatically qualifying for mandatory 80% rates relief.

#### Meanwhile Foundation

Recently founded by Brent Council (Regeneration and Major Projects) and Locality, the Meanwhile Foundation is an independent charity that promotes the temporary use of vacant property and land for community based projects and start ups. Through the promotion of “meanwhile” uses, the number of vacant premises is reduced, and this can in turn lead to further business investment in the area, generating positive impacts on high streets. Successful meanwhile projects have already been developed in South Kilburn, Wembley and Willesden Green.

Having charitable status, the Foundation can take on the leases and the running of buildings, benefiting from the 80% rates relief (the Council can choose to cover the remaining 20%). The scheme

effectively relieves both the Council from the responsibility to manage sub-tenancies and landlords from paying the maintenance costs of redundant properties.

See section 8.4 for more detail.

### 6.5.2 Awareness

- Raise awareness across all relevant Council departments, in particular of the impact of DBRR and how it helps deliver the corporate priorities
- Raise awareness among Bristol organisations to celebrate the impacts of DBRR, to get buy-in to the revised scheme, to combat any myths and to ensure that DBRR is no longer just for ‘those in the know’
- Raise awareness of Bristol's approach among other Councils looking at rate relief and relevant national bodies e.g. Arts Council England

### 6.5.3 Resourcing

- Assess the added Council team time / budget to administer the revised scheme, recognising the desire of existing recipients for more ‘face time’ and advice/support from Council officers
- Consider how DBRR aligns with any other BCC policies, resources or decision-making structures, for instance around meanwhile uses
- Consider how to work with external providers e.g. VOSCUR to signpost available advice/support/resources

### 6.5.4 Monitoring and evaluation

- Design ‘light touch’ monitoring into the scheme in future, checking how individual recipients are delivering their outputs, and collating data on the overall outputs and impacts of the scheme
- Consider a fuller evaluation by external evaluators every 3-5 years
- Use the evidence to inform further improvements to the scheme and to continue to advocate for Council resources to support the scheme.

# 7. Appendix 1: contributors to this research

## 7.1 Survey participants

There were responses from 119 direct recipients and 192 from tenants of such organisations to the paper survey (run by Bristol City Council) and the online survey (run by BOP Consulting).

## 7.2 Focus group participants

### 6<sup>th</sup> June 2013 focus group

- Anne Deeming, Mivart St Studios
- Sarah Warden, Residence
- Jo Barnes, Residence
- Anthony Garratt, Jamaica St Studios
- Liz Sands, BRAVE Enterprise Agency
- Alv Hirst, Avonmouth Community Centre
- Doug Francis, Artspace / Lifespace, Invisible Circus

### 9<sup>th</sup> July 2013 focus group

- Matt Ashton, Cabot District Scouts
- Jo Goldsworthy, Bristol CAB
- Jamie Pike, Coexist
- Matthew Tucker, Bristol Wood Recycling Project

- Lucy Duggan, Lightbox
- Steve Smith, Young Bristol
- Lyn Porter, St Werberghs Community Centre

## 7.3 Strategic interviewees

- Eva Stuetzenberger, Retail Sector Development Manager, Destination Bristol
- Sam Thompson, Associate Head of Dept of Creative Industries, University of the West of England
- Dick Penny, Managing Director, Watershed
- Wendy Stephenson, Chief Executive, VOSCUR

## 7.4 Case study organisations and interviewees

- Alice Tatton-Brown, The Parlour Showrooms/Showroom Projects
- Lucy Heywood, Stand + Stare
- Tom Beales, Coexist
- James May, Bristol Hawks Gymnastics Club
- Lucy Duggan, Lightbox
- Doug Francis, Artspace Lifespace/Invisible Circus

## 7.5 Bristol City Council steering group

- Liz Peddle, Assets Manager, CYPS, Education Strategy
- Joe Hunt, Business Rates Group Leader
- Kevin Smith, Business Rates Group Leader
- John Bos, Community Assets Manager
- Annabelle Armstrong-Walker, Equalities Team Manager

- Jason Thorne, Economy, Enterprise and Inclusion Coordinator
- Jonathon Amphlett, Health Development Manager
- Julia James, Service Director, Integrated Customer Services
- Peter Holt, Service Director, Communication & Marketing
- Rosa Bladon, Festivals, Community Arts and Film Manager
- Tana Holmes, Arts Development Officer
- Lerato Dunn, Arts Development Officer

## **7.6 Other contributors**

- Ruth Essex, formerly Neighbourhood Arts Officer, Bristol City Council
- Alex Hearn, Meanwhile Foundation
- Vanessa Bellaar Spruijt, independent producer

# 8. Appendix 2: research on other councils' approaches

The following statements set out the criteria used by a number of local authorities to determine eligibility for their discretionary rates relief programmes. The descriptions are taken from the official guidance issues by each council. Figure 25 summarises the key features of how eight different Councils define, manage and allocate DBRR.

As they are part of a national programme working within set legal criteria, DBRR schemes across the authorities have many similarities. However, the discretionary element of the programme means that there are also some notable differences. The characteristics of these schemes include:

- Schemes are generally not tightly focused on particular goals
- There is a lack of knowledge about its impact (little research or monitoring is undertaken)
- There is often no specified budget for the programme or (with a couple of exceptions) specific caps on the level of relief available
- Application process tends to be straightforward, with application forms and guidelines available on the Councils' websites

- DBRR decision-making varies across schemes, although they all seem to be taken at a senior level. Final decisions on the awarding of relief are typically made by a special Committee (including elected members), a specific charitable organisation, or the Council's Head of Service or Finance.
- Although budget figures are not available for all Councils, it seems that Bristol's budget for DBRR considerably outweighs that of Camden, Islington or Cambridge. Newcastle seems to have a substantial programme of DBRR, but it pays out less than Bristol

Figure 25 DBRR schemes across councils – key findings

Local authority	Focus	Scale	Selection process	Impact
Camden	Economic inclusion and equality; access to work and training; childcare services	Relief capped at £2,000; £50,000 total budget	Officers review, moderation panel meets regularly to decide	Outcomes agreed with awardees
Southwark	Provision of amenities for local residents	No amount specified. Relief granted up to 100% (either a 'top-up' of up to 20%, or varying relief);	Officers review, Head of Finance decides	No research conducted
Islington	Provision of community services to poor or deprived communities. Linked to Council grant schemes.	100% relief granted up to £6,000; can reduce after	Applications reviewed by The Partnership; Voluntary and Community Sector Committee decides	No research conducted
Brent	Charities, sports, amateur clubs and other non-profit organisations	No specific cap; amount varies depending on each organisation. DBRR budget isn't publicised.	The Meanwhile Foundation applies on behalf of the candidates, setting themes and outputs for each organisation	Partnership with Meanwhile Foundation helped identified impact, i.e. temp. use of vacant property for cultural/creative purposes.
Cambridge	Linked to Council grant scheme for community development, arts and recreation	No specific budget or cap. £34,802 spent in DBRR in 2013-14 (£22, 594 to 12 arts/recreation organisations, £12,208 to 10 community development organisations; £32,207 in 2012-2013)	Officers review, Community Services Scrutiny Committee decides	Organisations report on uptake, social and economic outcomes
Manchester	Organisations with accessible membership, contributing to local area	No specific cap or budget; varies depending on each organisation (council's discretion).	Applications reviewed by the Business Rates Team; final decisions by the Treasury	Some organisations get reviewed
Sunderland	Arts, science, educational organisations and others supporting local community	No cap for DBRR (varies across organisations); no specific budget	Business Rates Relief team receives all applications; Head of Service (revenue department) decides	No formal monitoring
Newcastle	Charities, non-profit making organisations and community amateur sports clubs	DBRR scheme currently under review	DBRR scheme currently under review	No research conducted

Source: BOP Consulting (2013)

## 8.1 London Borough of Camden

### Programme vision

DBRR provides a mechanism for Camden Council to reduce the business rates liability for charities and non-profit making organisations that are providing valuable facilities and services to communities within Camden'. One major aim of DBRR policy is to support organisations which don't receive funding from other support schemes.

### Eligibility criteria

Discretionary Business Rates Relief (DBRR) can be applied for by any voluntary, charity or not-for-profit organisation which operates within the London Borough of Camden and is liable for business rates, and which provides services which meet the eligibility criteria.

There are three main criteria:

1. Applicants will need to demonstrate that the services provided from the premises on which business rates are being paid directly benefit Camden residents.
2. Organisations will also need to describe in detail on the application how their current activities meet the service themes set out below. Applicants must provide details of their activities within the relevant themes and the level of this service provision that directly benefits Camden residents so that we can fully consider requests for DBRR.
3. The maximum amount of any Discretionary Rate Relief award will be £2,000. If an applicant organisation delivers services from more than one building and DBRR is awarded, the maximum will be £2,000 for each location where business rates are due.

#### *Not eligible for discretionary rates relief*

The council does not usually award DBRR to the types of organisations listed below:

- Charity shops and shops operated by trading arms of charities
- Premises used mainly for religious worship

- Overseas Aid organisations
- Administration offices for national charities
- Social Clubs
- Private nurseries, schools, colleges and other educational establishments
- Bodies operating a restrictive membership policy
- Organisations that already receive funding from, or are commissioned by, Camden Council

### Application and selection process

Organisations need to apply for DBRR through a form available on the Council's website. They need to demonstrate how their activities meet one or more of the following service themes:

1. Economic inclusion and equality – services that seek to overcome the barriers that prevent people from participating fully in the workplace.
2. Access to work and training – providing services to people in most need of support to access work and training.
3. Childcare services related to the above themes – which deliver the free entitlement for 3 and 4 year olds; target low income families; work in areas of disadvantage; and demonstrate inclusive practice.

After receiving the forms, a team checks them against the eligibility criteria and recommendations are made to a small moderation panel, which meets on a rolling basis and takes the final decisions.

### Impact

Given that DBRR represents a very small amount of financial support (budget is about £50,000 per year), the Council focuses on the larger funds and assesses the DBRR impact as a whole; that is, as part of the wider funding programme. Outcomes and reporting patterns are agreed with individual organisations at the beginning of an award; the Council



requests details about how the organisations will capture evaluation information. The organisations then submit update forms on their progress. Examples of outcomes reported by organisations include: an increase in the levels of adult participation in education, an improvement of language skills, new skills gained through volunteering, social integration of young people through music and other forms of popular culture.

## Other support

The Council offers support through three main funds concerning: 1) equality and opportunity, 2) volunteering and social change, and 3) innovation development.

## 8.2 London Borough of Southwark

### Programme vision

The main aim of the programme is to benefit local residents by offering business rates relief.

### Eligibility criteria

The following areas are considered when assessing application forms for discretionary rate relief.

1. Access
  - Is membership open to all sections of the community, or fulfilling a special need with the community?
  - Are particular groups (e.g. people with disabilities, old age groups, young people under 16, women, minority groups) within the community actively encouraged to join or participate with the organisation?
  - Do membership fees preclude open access (discounted rates for particular groups in the community)?
  - Are facilities made available to people other than members, such as schools or community groups?

### 2. Provision of facilities

- Is there a measurable contribution to the amenities in the area (loss would affect the area's residents).
- Is education or training provided to members and non members?
- Are facilities provided that supplement or replace our services?
- If there is a licensed bar, is it incidental to the main purpose of the group?
- Is it part funded by Southwark Council?

### 3. Local services

- Is membership represented mainly by residents within Southwark?
- The number of residents, within Southwark, directly benefiting from services provided or main objectives of the organisation.

### 4. Financial implications

- Finances of the organisation, payment of rates would affect provision of its objectives.

### 5. The cost to the council

- What financial cost the council will incur by awarding relief.

### *Not eligible for discretionary rates relief*

The Council does not award discretionary rates relief to any of the organisations listed below:

- Profit making organisations
- Housing association / estate management offices
- All empty properties
- Private schools, colleges or nurseries
- Charity gift shops
- National charity headquarters

## Application and selection process

To apply organisations need to fill in a rate relief claim form and send it off to the Council. After receiving all applications, the Business Rates Relief team submit them for consideration to the Manager. Applications are reviewed and then submitted to the Head of Finance, who makes final decisions taking into account specific details on each case.

## Impact

The Council has no information regarding the impact of the scheme on local residents and has never conducted any research about this.

## Other support

The Council also offers small business rates relief, 3-month exemptions for empty properties, and charitable rates relief (80% reduction) to charities and amateur community sports clubs.

## 8.3 London Borough of Islington

### Programme vision

The Council runs a Discretionary Rates Relief Fund that supports a range of local charities and voluntary organisations. The programme aims to provide assistance to well managed organisations, which are delivering valuable community services in the borough, particularly to poor and vulnerable residents.

### Eligibility criteria

Each case is considered on its own merits with priority given to efficient and well managed organisations that:

- primarily benefit Islington residents
- demonstrate a link with council priorities and promote a fairer Islington
- relieve the council of providing certain facilities or services

- serve the needs of poorer and excluded sections of the local community
- provide services for and in the borough's most deprived neighbourhoods
- maximise the use of their premises for community benefit
- serve equalities groups protected under the Equality Act 2010

Priority is given to:

- local organisations that are funded by the Council through grant-aid or service contract
- local organisations that have a governing body whose membership mainly consists of people who live and/or work in Islington or have a strong connection with the borough
- organisations reliant on volunteers to carry out their activities
- self help groups with few sources of funding to carry out their activities

Other considerations

- the financial cost to the council incurred in awarding relief
- the organisation's ability to pay its rates
- the amount of central government funding levered-in by a discretionary rate relief award to deliver statutory or other council services

*Not eligible for discretionary rates relief*

Islington Council will not normally award discretionary rates relief to:

- Profit making organisations
- Empty properties
- Charity shops
- Private schools, colleges, nurseries or schools that are not within the Islington family of schools
- National charity headquarters

- Housing Associations (other than for community centres)
- Car parking spaces
- Buildings exclusively used for worship

National and regional organizations based in the borough do not normally qualify.

#### Award Limits

The following limits to awards will apply (cost to the council of discretionary rates relief):

Up to £6,000	Organisations will normally be awarded 100% discretionary rate relief
Over £6,000	Awards will be proportionate to the level of local benefit which may be less than 100% discretionary rates relief

#### Conditions

All organisations will be expected on request to:

- make available annual accounts or financial statements
- provide evidence of activity over the past year
- demonstrate plans for services and activities over the coming year

### Application and selection process

Given the large number of applications from voluntary organisations and the limited budget, the Council only funds a few new applications each year. To apply organisations need to fill out a form and submit a letter. Applications are accepted and then evaluated by the Partnership. Awards are agreed by the Council's Voluntary and Community Sector Committee in January 2014 and, if approved, discretionary rates relief will be for one year (1 April 2014 to 31 March 2015).

### Impact

The Council has no information about the impact of the scheme; they do not monitor or evaluate the programme beyond awarding organisations business rates relief. They believe it is a successful programme which has been running for over twenty years and the number of applications received has been steady over these years.

### Other support

The Council provides a wide range of support for local residents and organisations. Mandatory rates relief (80% reduction) is given automatically to registered charities. Targeted support is offered to specific groups, such as young people, victims of violence and older residents, promoting such things as employment prospects and skills, community safety services and lunch clubs. The Council also runs a Voluntary and Community Sector Grants Fund which supports community organisations which are well-managed and provide valuable services to residents across the borough.

## 8.4 London Borough of Brent

### Programme vision

The Council provides discretionary relief for charities, sports amateur clubs and other non-profit organisations. Normally discretionary relief is awarded for the whole of the financial year.

### Eligibility criteria

Discretionary relief is awarded at the Council's discretion to charities and non-profit making organisations. The relief can reduce bills by up to 100% of the charge (a 'top-up' of up to 20% for organisations that have already been awarded the 80% charity relief, or varying relief for non-profit making organisations). Organisations need to meet one of the two criteria to qualify for the discretionary relief: 1) be a charity or not-for-profit organisation, or 2) have main objectives which are charitable, philanthropic or religious, or are concerned with education, social welfare, science, literature or the fine arts.

### *Not eligible for discretionary rates relief*

No details are provided.

## Application and selection process

To apply candidates need to complete a form, available on the website. The Meanwhile Foundation applies on behalf of the candidates, setting broad themes and outputs for each organisation.

## Impact

While the Council finds it difficult to capture the impact of the scheme, establishing a partnership with the Meanwhile Foundation has contributed to identifying how small organisations are benefiting from the DBRR scheme. The Foundation is a pilot, nationwide vehicle that supports the work of small businesses as part of wider regeneration programmes. Outputs stem from the temporary use of vacant property across the city for cultural and creative purposes,

## Other support

The Council also provides rates relief for small businesses, mandatory relief for charities and other non-for-profit organisations (80% reduction), 3-6 month exemptions for empty and partly occupied properties, and exemptions for businesses which provide services for the local community and are experiencing hardship.

## Meanwhile Foundation

Recently founded by Brent Council (Regeneration and Major Projects) and Locality, the Meanwhile Foundation is an independent charity that promotes the temporary use of vacant property and land for community based projects and start ups. Through the promotion of “meanwhile” uses, the number of vacant premises is reduced, and this can in turn lead to further business investment in the area, generating positive impacts on high streets. Successful meanwhile projects have already been developed in South Kilburn, Wembley and Willesden Green.

Having charitable status, the Foundation can take on the leases and the running of buildings, benefiting from the 80% rates relief (the Council can choose to cover the remaining 20%). The scheme effectively relieves both the Council from the responsibility to manage sub-tenancies, and landlords from paying the maintenance costs of redundant properties.

Brent Council’s vision for DBRR is defined by the Foundation’s aims. The Brent Meanwhile Partnership was established as a governance vehicle to assist with the delivery of regeneration outcomes. It also seeks to strengthen the council’s ability to set up and maintain meanwhile projects by reducing tenancy risks, granting business rates relief to small organisations, and ensuring quality of outcomes and sustainability of projects. It is expected that it will contribute to the Meanwhile Foundation £10,000 per annum for five years. It operates at local authority and neighbourhood levels, seeking to enable the use of physical assets to deliver social, economic and urban interventions in priority areas. Local authorities and other organisations can apply to establish a partnership with the Foundation.

## 8.5 Cambridge City Council

### Programme vision

The Discretionary Rates Relief scheme aims to support organisation activities which contribute to the Community Development or Arts and Recreation Grants Priorities. There is no specific budget or cap for DBRR, as the Council funds a percentage not a figure; the amount received by each organisation depends on their rateable value.

Within the Community Development there are five priorities. The first includes activities which support specific social groups, such as children, young people, BME and LGBT groups, women, people with disabilities, community cohesion, and older people. The second priority is concerned with tackling social and economic deprivation, by supporting activities which improve access to legal advice services for disadvantage residents and promote economic inclusion. The third priority seeks to support various aspects of voluntary sector infrastructure; the fourth is concerned with the Growing City, that is, community development on fringe sites; and the fifth is the promotion of social enterprise.

Arts and Recreation priorities are: improving access to leisure activities for city residents and enhancing the City's cultural offer for city residents.

### Eligibility criteria

The Council has very detailed criteria to award discretionary rates relief. In order to be eligible, organisations must:

- Be independently set up for charitable, benevolent or philanthropic purposes and not operate for private or personal profit
- Have a constitution or set of rules defining aims and procedures
- Decide policy and overall management practice through a committee of elected, unpaid volunteers
- Have systems and structures in place so that they can manage their affairs efficiently and effectively (hold regular meetings to plan and

monitor activities, keep minutes and circulate information to group members etc)

- Comply with all statutory and legal responsibilities applicable to the organisation and its regulatory body (e.g: The Charity Commission; Companies House; The Regulator of Community Interest Companies) and hold adequate insurance cover.
- Involve members and users in policy-making and in management, where appropriate
- Recruit and support volunteers, where appropriate
- Demonstrate good financial management and financial sustainability. Prepare budgets, keep relevant financial records and documents, monitor income and expenditure at least quarterly and prepare proper accounts. (Grants will only be made to groups which have submitted satisfactory accounts for the previous two years, unless the group is recently formed)
- Need financial help. Have a reserves policy detailing the amount of free reserves, how this is calculated and should be used (Accumulating unrestricted reserves and fundraising capacity will be considered when grant levels are decided. Groups with accumulated reserves must have an appropriate policy for the purpose of these funds based on the Charity Commission Guidelines available from their website: [www.charity-commission.gov.uk/publications](http://www.charity-commission.gov.uk/publications))
- Meet the legal responsibilities of an employer and adopt, implement, and monitor good employment practices and procedures, and hold all appropriate insurances (The Council will not fund staff costs for conditions of employment which exceed those agreed for its own employees)
- Adopt, implement, monitor and review:
  - a policy to protect the environment and be able to demonstrate how they are routinely making an effort to decrease their carbon footprint, ensure greater energy efficiency, reduce waste, and increase levels of recycling where appropriate
  - equal opportunities policies and procedures

- child and vulnerable adult protection policies and procedures
- health and safety policies and procedures
- Charge users, if this is appropriate, at a reasonable level and offer concessionary rates to low-income residents
- Apply to all relevant statutory agencies for funding and undertake their own fundraising.
- Provide any information required to support their application
- Research and meet the needs of local people and be able to demonstrate why this activity or service is required

The Council will only fund activities for people who live in the Cambridge City boundary (not South Cambridgeshire, which includes Histon, Milton, Girton etc). If an activity is for City residents and also those from outside the City boundary, we will only consider funding for a proportion of the funding. We want to know how many people activities are targeting, where they live, their age range and if they meet our priority groups.

#### *Not eligible for discretionary rates relief*

Statutory bodies or those which were set up by a statutory organisation

- Organisations managed wholly or partly by statutory organisations
- Organisations which operate for private or personal gain
- Organisations with no governing document, constitution or set of rules defining its aims and procedures
- Organisations which promote any political parties, are involved in party politics, or which promote political views
- Organisations with free reserves but no adopted reserves policy on their management or purpose
- Organisations which have previously received a City Council grant but who have failed to return monitoring and evaluation or other information requested in connection with the grant

- Organisations which more closely fit the objectives of a different City Council grant funding programme (e.g. Safer City or Area Committee Grants)

## Application and selection process

Detailed guidelines about discretionary rates relief are available online. There is a limited budget available. Applications are considered by the Community Services Scrutiny Committee in January 2013 and, where appropriate, relief is granted in April 2013.

## Impact

Since last year the Council has requested all recipients of discretionary rates relief – which normally are small charities – to provide information about how the funding has been used. Organisations need to submit a monitoring fund form and provide details about how members have benefited; particularly: how many people participated in the charity activities, age groups of the beneficiaries, whether groups are from disadvantaged sectors (children, young people, BME groups, disabled people, the LGBT community), average attendance to the activities, and how many people have benefited from the funding, including both residents and non-local members. For this purpose, organisations need to conduct their own monitoring of activities and provide information about the outcomes they have achieved. Outcomes are usually of a social and economic nature. A community wellbeing charity helping residents improve social interaction, for instance, has developed a range of activities to help them engage with each other through meetings and seminars. At the end of the activities, participants stated they felt better empowered, more confident, less isolated and ready to socialise. Another example is a sexual health charity which has organised information sharing activities in which members exchanged knowledge and received advice relating to HIV and other issues.

## Other support

The Council offers several types of support: small business rates relief, charity and amateur community sports clubs mandatory rates relief (80%), and empty and partly-occupied properties relief. Support is also



available for small organisations which help unemployed people with disabilities and people from BME groups by providing them with work-related training.

## 8.6 Manchester City Council

### Programme vision

The Council has discretion to grant relief of up to 100% of the rates on properties occupied by certain non-profit making bodies, or in the case of registered charities that are entitled to 80% mandatory relief, to top up the relief to 100%. The range of bodies qualifying for relief is varied, but all are non-profit making.

There are no specific aims or underpinning themes for the DBRR scheme.

### Eligibility criteria

In deciding whether to grant discretionary relief, the Council will look at the contribution that the organisation makes to the area. Other criteria that are assessed are:

Access and membership:

The level of the joining or membership fee and restrictions placed on membership:

- an excessive membership fee will be seen as restrictive
- membership should be open to everybody
- 75% of members must be Manchester residents

The level of effort made by the organisation to encourage membership from groups such as young people, disabled persons, ethnic minorities, unemployed people:

- membership should consist of at least 25% of people from such groups
- the facilities should be made available to people other than members
- differential fee structures for such groups

- schemes of education or training for such groups

The Council will take into account whether the building is accessible to disabled people or if attempts are being made to make it accessible.

*Not eligible for discretionary rates relief*

No specific details are provided.

### Application and selection process

Organisations need to complete a discretionary relief claim form providing details about membership, activities and beneficiaries. Sports clubs should contact the HM Revenue & Customs (HMRC) for an application form. All applications are sent to the treasurer who then makes the final decisions. Applications for relief that meet the criteria are considered on their merits in relation to the Council's overall financial position.

### Impact

The Council carries out regular reviews of those organisations in receipt of relief on a random basis, yet no monitoring or evaluation take place. There is no information available about the impact of the DBRR scheme.

### Other support

Rates relief is offered to registered charities and sports clubs (mandatory rate), small businesses, part-occupied properties, and ratepayers experiencing hardship. In the case of unoccupied non-domestic premises, rates exemption can be granted for up to 6 months.

## 8.7 Sunderland City Council

### Programme vision

Discretionary rates relief is given at the discretion of the council and relates to organisations which are not established or conducted for profit. This relief can extend up to 100% of the business rates calculated.

To assist in determining entitlement to DBRR, Sunderland City Council has a general scheme.

## Eligibility criteria

Type of organisation that can receive relief:

- Philanthropic organisations that are community based and in particular support one-off projects that provide relief from distress.
- Religious organisations that promote an understanding of religion that leads to a greater tolerance of religious differences within the community.
- Educational organisations that promote community based projects that provide educational support or training.
- Social Welfare organisations such as community associations, etc.
- Scientific organisations that support community based projects that promote an awareness of science, etc.
- Literature e.g. community based projects that promote an awareness of Literature which includes spoken word, theatre, etc particularly of works of an acknowledged critical merit.
- Fine Arts e.g. community based projects that promote an awareness of Fine Arts which includes Artists Studios, Music Practice Rooms etc.
- Recreational community based clubs or societies e.g. youth clubs, boy scouts, girl guides, amateur sports clubs, etc.

This amount may be adjusted in the following cases:

Reason for reduction in Discretionary Relief Value

- Have a bar on the premises
- Have a gaming machine on the premises
- Have income from a 'commercial' venture e.g. shop.
- Have restrictive fees
- Have restrictive membership

Reasons for increasing the amount of relief

- Active encouragement of certain groups
- Affiliated to local or national organisations
- More than 50% drawn locally
- Organisations which provide a service that would otherwise be provided by the council on a mandatory basis e.g. voluntary aided schools, National Trust etc.
- Organisations which provide a service that would otherwise be provided by the council on a discretionary basis.

*Not eligible for discretionary rates relief*

No specific details are provided.

## Application and selection process

Explanatory notes and an application form can be found on the Council's website. Organisations need to submit also a copy of their constitution (memorandum of association) and two years audited accounts so the council can consider this. In the case of charitable organisations Mandatory/Charitable Rates Relief can also be claimed. Every application for discretionary rates relief is considered on an individual basis. The business rates relief team receives all applications and final decisions are made by the Head of Service. Any relief awarded will be reviewed annually.

## Impact

While the Council receives no feedback from the beneficiaries, they believe the DBRR scheme is very straightforward and the impact is positive for all the organisations.

## Other support

Rate relief is also given to small businesses (up to 100% on your bill), partly-occupied business property, charities and community amateur sports clubs (80%), voluntary organisations with charitable objectives (up to 100%), and businesses suffering hardship.

## 8.8 Newcastle City Council

### Programme vision

In order to promote Newcastle as an enterprising and prosperous city, the Council seeks to encourage, support and provide advice to businesses. DBRR constitutes one element of this wider strategy. If the property is occupied by a charity and used for a charitable purpose a mandatory relief is given at 80% of the business rates bill. In the case of the property being occupied by any organisation that is not established or conducted for profit, discretion applies. There are cases in which the Council provides DBRR of up to 100%.

### Eligibility and criteria

Charities, non-profit making organisations, and community amateur sports clubs may be entitled to relief from business rates on non-domestic property. Some properties in rural areas (i.e. post offices, petrol stations, general stores) can also apply for help with their business rates; non-domestic property with a rateable value of less than £16,500 that is used for a community purpose can receive up to 100% relief. Properties which are partly occupied for a short time are also eligible for the relief. Businesses suffering hardship due to exceptional circumstances and small businesses that meet specific criteria can also apply for discretionary relief up to 100%.

*Not eligible for discretionary rates relief*

No specific details are provided.

### Application and selection process

Charities need to apply for this relief by completing a form available on the Council's website about the activities and objectives of the organisation, the goods/services provided in the premises, location of the operations, and whether training education or employment are provided to local residents. Community amateur sports clubs can receive 80% relief from business rates, providing that they submit evidence of their registration by the Inland Revenue.

All applications for DBRR are considered by a panel of elected members at the Regulatory and Appeals Sub-Committee (Local Tax and Revenues). The members are briefed using the DBRR guidelines contained within the Local Government Finance Act (1988) as amended.

### Impact

The council conducts no research about the impact of this scheme.

### Other support

Registered community amateur sports clubs are entitled to receive 80% relief from business rates. Small businesses and partly-occupied properties are eligible to apply for rates relief. Certain properties are exempt from business rates, such as agricultural buildings, places of religious worship and parks. Businesses suffering hardship due to exceptional circumstances can be granted up to 100% relief.

# 9. Appendix 3: Legal criteria for determining DBRR

Discretionary business rates relief is a national scheme, funded jointly by local authorities and central government. It operates under established legal criteria. The provision of rates relief for charities and not-for-profit organisations is determined by a mixture of these statutory rules and local authority discretion. The main principles of rate relief for charities, community amateur sports clubs (CASCs) and other organisations, as well as explaining how the relief is funded.

The solicitors Bates Wells and Braithwaite<sup>21</sup> have set out the legal situation under which rates relief is awarded. The following section quotes from advice they issued:

Section 43(6) of the Local Government Finance Act 1988 (LGFA) provides that:

- Charities must receive 80% relief on the rates for premises which are wholly or mainly used for charitable purposes; and
- CASCs must receive 80% relief on the rates for premises which are wholly or mainly used for the purposes of the club itself, or for the purposes of the club and other CASCs.

## Discretionary relief

A local authority may grant further 'top-up' relief at its discretion to a charity or CASC under Section 47 of the LGFA if the premises are either:

(a) occupied for charitable purposes; or

(b) used wholly or mainly for the purposes of recreation and all or part of the premises are occupied for the purposes of a charity or club.

If a local authority chooses to provide discretionary relief of 20%, a charity or CASC will receive total relief of 100%.

The combined effect of the mandatory and discretionary relief provisions is that a charity or CASC will never pay more than 20% of the rates for premises which they occupy for qualifying purposes, and will frequently pay less than 20% or nothing.

## Other not-for-profit organisations

Not-for-profit organisations which are neither charities nor CASCs are not eligible to receive mandatory relief, but they are eligible to receive discretionary rate relief if they satisfy the conditions set out in Section 47(5B) of the LGFA. The conditions are that either:

(a) All or part of the premises are occupied for the purposes of one or more organisations which are not-for-profit, and whose objects are "charitable or otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts"; or

(b) The premises are wholly or mainly used for the purposes of recreation, and all or part of the premises are occupied for the purposes of a not-for-profit organisation.

If an organisation's occupation of premises comes within either (a) or (b), then a local authority can grant them up to 100% relief from rates.

## Discretionary rate relief:

In England 'top-up' relief of up to 20% for charities and CASCs: 25% is funded centrally by the Treasury, and 75% by the local authority.

Relief of up to 100% for other not-for-profit organisations: 75% of the relief is funded by the Treasury, and 25% by the local authority.

[Note that this second ratio has been changed to 50% Treasury, 50% local authority since Bates Wells and Braithwaite set out this guidance.]

<sup>21</sup> Guidance from Bates Wells and Braithwaite solicitors: [http://www.socialenterprise.org.uk/uploads/files/2012/07/noteonratere relief\\_july\\_2012.pdf](http://www.socialenterprise.org.uk/uploads/files/2012/07/noteonratere relief_july_2012.pdf)

# 10. Appendix 4: BOP suggested DBRR application form

*BOP prepared this dummy application form at Bristol City Council's request, to help the Council consider how it might allocate DBRR in future. This form was prepared at the start of the public consultation process, before BOP had gathered all the evidence on the existing scheme or completed the other research. Bristol City Council took this form into account but made substantial changes before launching the public consultation.*

## A) Strategic context

The council's vision for Bristol is of a vibrant, welcoming, prosperous city.

The Bristol Partnership has set out four key objectives to help it realise its 2020 plan to make Bristol one of the top twenty European cities. They are:

1. Making our prosperity sustainable
2. Raising the aspirations of our children, young people and families
3. Reducing health and wealth inequalities
4. Creating strong and safe communities

The discretionary business rates relief scheme will help to achieve these objectives by supporting the work of charities and non-profit organisations that work with Bristol residents.

## B) Criteria for rates relief

Applicants for rates relief will be expected to contribute to at least one of the four key objectives for Bristol in their proposals. Each objective could be developed into more specific criteria, for instance:

1. Making our prosperity sustainable
  - a. Boosting economic activity in any of the LEP's priority sectors: creative and media; advanced engineering, aerospace and defence; micro-electronics and silicon design; environmental technologies and marine renewables
  - b. Raising the profile or 'brand' of Bristol
  - c. Boosting entrepreneurship
  - d. Improving people's employability e.g. by delivering skills training
2. Raising the aspirations of our children, young people and families
  - a. Offering out-of-school education opportunities
  - b. Engaging hard-to-reach young people (e.g. NEETs) in community activity
3. Reducing health and wealth inequalities
  - a. Encouraging greater physical activity among residents
  - b. Enhancing the mental health and/or well-being of residents
  - c. Working in disadvantaged or deprived neighbourhoods in Bristol
4. Creating strong and safe communities
  - a. Engaging minority or hard-to-reach groups in community activity
  - b. Increasing community cohesion

c. Reducing crime levels

Bristol City Council would have the choice of either:

- Requiring applicants to choose a single objective and demonstrate how they meet some or all of that objective's criteria (for example, under objective 3, criteria 3a + 3b + 3c); or
- Allowing applicants to choose several criteria under more than one objective (for example, objectives 1a + 3c + 4a).

The right of appeal against the Council's initial decision would be retained as at present.

### **C) The application process**

An application form would be filled in for assessment by the Council. The form will be concise but will require organisations to evidence how they will contribute to the objectives for Bristol.

Examples of the questions that applicants might be asked are:

*Please tell us how you meet the following criteria to be considered for discretionary rates relief:*

1. *What is the financial status of your organisation?*
2. *Is the property in an area with a high level of vacancies in the city, town, district or local centres as defined by the Bristol Development Framework?*
3. *Is the property empty or likely to be empty for a significant period of time?*
4. *Is the property in an area of deprivation and/or priority growth area (as measured by the Index of Multiple Deprivation)?*
5. *How will the project lead to or help create paid employment opportunities?*
6. *How will the project support start-up businesses?*
7. *Does the project support people's skills development?*
8. *How will the project support a sense of community and encourage participation and collaboration?*

9. *Does the project provide a space for people to learn and to try out new things?*

10. *Does the project enhance the Bristol's cultural offer locally, nationally or internationally?*

11. *How do you plan to become less dependent on discretionary rates relief in the future?*