

Response to the Business Rates Review Consultation

Submitted by: Centa Business Services, on behalf of the Jewellery Industry Round Table (UK JSAC)

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1. Introduction

Who We Are

Centa Business Services is an Enterprise Agency with over 40 years of experience supporting micro and SME businesses in London. We manage a number of jewellery workshops on behalf of Camden Council to help fulfil their Section 106 obligations to the jewellery trade and the challenges facing small creative businesses in a high RV area.

The UK Jewellery, Silverware, and Allied Crafts (UKJSAC) is a council formed of key organisations and trade bodies created to support the UK jewellery industry and allied trades.

Purpose of this Response

This document **outlines our key concerns and recommendations** regarding the government's Business Rates Review. Our response is **informed by data** from the jewellery design, manufacturing, and independent retail sectors, regarding the **impact of business rates on manufacturers and small retailers**.

The evidence we provide in this submission is intended to **help the Government in its ambition of creating a fairer business rates system that protects the high street, supports investment, and is fit for the 21st Century**. The Labour Party's [general election manifesto](https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf)¹ also identifies that a new, reformed business rates system can **attain several other goals** such as **tackling empty properties and supporting entrepreneurship** and small businesses - **the lifeblood of communities** and high streets across the country.

¹ <https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf>

As currently drafted however, the proposed reformed system **does not go far enough in protecting the high street and removing barriers to investment.**

It also **discourages investment from certain types of creative businesses** like studios and workshops that will not be eligible for Retail, Hospitality & Leisure (RHL) Relief.

The proposed new system will also **not be able to adequately respond to dynamic economic conditions.** From not appreciating the **interdependencies of manufacturers, individual makers and workshops** in the RHL **supply chain and ecosystem**, the proposed system also fails the Government's test of being fit for the 21st Century.

In this week's [Spring Statement document](#)², we welcome the Government's **commitment to achieving growth**, including by looking across "all available levers to deliver change at the Budget this autumn and across the Parliament", and that they will **reform the tax system to strengthen its role in supporting growth.**

In line with the Treasury's [Transforming Business Rates discussion paper](#)³ last October, UKJSAC has consulted its membership and drafted this submission with the following objectives:

- 1) To work **constructively in partnership** with the Government to co-design a reformed business rates system that achieves **fairer, better outcomes for non-RHL eligible** studios, workshops and creative businesses in particular, but the **wider creative industries** more generally too.
- 2) To **contribute to the evidence base** that the Government's proposed reforms to the business rates system **will still disincentivise investment** (initially from the types of businesses mentioned here, and also down the line by hampering second order 'anchor investment' from other businesses who would otherwise be attracted to move their physical presence, and revenues to high streets and urban centres - and diversify, revitalise and tangibly increase the rateable value of these areas.

2 <https://www.gov.uk/government/publications/spring-statement-2025-document/spring-statement-2025-html>

3 https://assets.publishing.service.gov.uk/media/675197b95692dd4c0c8d1dac/Transforming_Business_Rates__2_.pdf

As the Treasury progresses to publishing its interim report on the new proposed system this summer and develops further policy detail at the Autumn Budget, **we welcome the opportunity to help achieve the outcomes outlined above.**

Our response aligns with four key areas of concern:

- **Ensuring that creative industries and supply-chain businesses are included in Retail, Hospitality & Leisure (RHL) Relief**
- **Processes for enabling Government to better understand interdependencies of small scale suppliers and the strength of retail and entertainment in the UK**
- **Addressing the barriers to expansion caused by Small Business Rate Relief (SBRR) thresholds**
- **Encouraging investment through extended Improvement Relief and a Fresh Start Scheme**

2. Protecting the High Street and Business Ecosystem

Recognition of Government Initiatives

We acknowledge the government's commitment to reducing the business rates burden on high street businesses through **permanent lower multipliers for RHL properties with rateable values (RVs) below £500,000 from 2026-27**. However, we urge further consideration in the following areas:

- **Broadening the RHL Definition:** The current RHL classification does not capture all businesses **critical to the high street ecosystem, particularly creative industries, jewellery workshops, and other high-street-adjacent manufacturers**. These businesses **contribute to retail vibrancy, supply chains, and place-based economic growth but currently do not qualify for targeted relief**. Expanding RHL Relief to Include Creative Industries makes economic sense as they contribute to high street vibrancy and consumer spending.
- **Expanding RHL Relief to Include Creative Industries:** Businesses that supply the high street, including jewellery manufacturers and designers, **play an integral role in sustaining the retail sector**. These businesses should be included in RHL relief as they contribute to high street vibrancy and consumer spending.

- **Prevention of exclusion of those businesses that cause an area to increase in value.**

*A notable example of creative businesses revitalizing an area only to face displacement due to rising costs is Brixton in South London. Historically known for its vibrant cultural diversity and artistic community, Brixton has seen significant changes since the 1990s. **Creative enterprises, including art galleries, pop-up restaurants, and vintage clothing stores, have been instrumental in rejuvenating the local economy and enhancing the area's appeal.** However, this influx of creative activity has contributed to increased property values and living costs, **leading to the displacement of long-standing residents and businesses**—a process often referred to as gentrification. In response, local residents and activists have organized protests, such as the "Reclaim Brixton" demonstration in 2015, to voice their concerns over these developments.*

- **Supporting creative businesses to retain their premises after they have contributed to an area's improvement is crucial for several reasons.** Firstly, these enterprises often serve as cultural anchors, maintaining the unique character and identity of a neighborhood. Their presence fosters community engagement and attracts visitors, which benefits the broader local economy. Secondly, creative businesses frequently operate on tight margins and are more vulnerable to rent increases and other cost pressures. Without support, they may be forced to relocate or close, **leading to a homogenization of the commercial landscape and a loss of cultural diversity.** Implementing measures such as rent controls, providing affordable workspaces, and offering financial assistance can help ensure that these businesses continue to thrive and contribute to the community's vibrancy.
- **Supporting Supply Chain Businesses: The business rates system should reflect the role of workshops, studios, and local manufacturers in the high street economy.** These businesses should not be overlooked in RHL support policies as they are a vital component to ensuring the high street maintains relevance in the competition with online marketplaces

Key Recommendation:

Expand the definition of RHL businesses to include creative industries and supply chain businesses that directly support high street retailers.

3. Evidence for the Economic Contribution of Creative Businesses to High Streets and Urban Centres

There is a **growing body of national and international evidence demonstrating the positive economic contribution of creative businesses** - particularly those **not currently eligible for RHL relief**, such as workshops, studios, and independent makers - to high streets and wider urban regeneration.

Public Sector Investment in Heritage and Creativity

Previous UK Governments have justified heritage-led investment in high streets based on research showing that "every £1 invested in heritage in England generates £1.60 in the wider area"⁴. This reflects the proven return on investment in creative and cultural assets when embedded within place-based strategies.

Creative Clusters as Engines of Local Growth

The RSA's *Creative Corridors* report **illustrates how creative industries enhance innovation, productivity, and economic performance in their localities**⁵. The Thames Estuary and Northern Creative Corridors demonstrate the role of creative clusters in regional economic regeneration. Institutions like The Hepworth Gallery in Wakefield **offer additional value** through public engagement programmes, such as family workshops, which support footfall and **inclusive participation**⁶.

Cultural Investment as a Pillar of Resilient Places

The Local Government Association (LGA) has compiled a **wide range of evidence** showing how public **investment in culture supports economic resilience and inclusive local growth**⁷ initiatives such as Historic England's *High Streets Heritage Action Zones* (HAZ) have brought new life to high streets in places including Plymouth, Kirklees, and Weston-super-Mare. Historic England's 2024 research highlights several key findings⁸:

- **A marginal increase in cultural heritage is associated with a 0.14% increase in GDP.**
- **Areas with higher densities of listed buildings produce more trademarks per capita, a measure of creative economic activity.**

⁴ UK Government (2023). [High streets to benefit from £62 million heritage boost](#)

⁵ RSA. [Creative Corridors: How innovation districts support inclusive growth](#)

⁶ Hepworth Wakefield. [New report evidences the positive impact of 10 years of the Hepworth Wakefield](#)

⁷ Local Government Association. [Why invest in local culture?](#)

⁸ Historic England (2024). [Heritage and the Economy](#)

- **Regions rich in both economic and artistic creative talent experience greater growth than those without.**

Creative Presence Drives Footfall and Economic Activity

The Arts Council's *High Street Renaissance* report (2021) notes that cultural presence on high streets defends against commercial decline by driving footfall and spending⁹. **Cultural districts contribute to urban revitalisation** by animating space, improving perceptions of safety, and raising property values - ultimately expanding the tax base. However, this does need **balancing with protection** to retain these cultural presences.

Anchor Institutions and Cluster Economies

RSA Chief Executive Andy Haldane (former Chief Economist of the Bank of England) has spoken extensively about the **catalytic effect of cultural anchor institutions in stimulating local economic activity**¹⁰. These hubs often attract clusters of creative and commercial enterprise, helping to retain local talent and support high street resilience.

International Perspectives on Cultural Districts

Research from the United States provides parallel findings. *Americans for the Arts* report¹¹ that cultural districts:

- **Attract residents and tourists, supporting nearby businesses**
- **Increase property values and expand local tax revenues**
- **Foster innovation by attracting educated, creative workforces**

The San Francisco Bay Area's SPUR think tank **similarly highlights how leveraging vacant urban space for local artists and community groups contributes to economic health** and downtown regeneration¹².

4. Making the System Fairer and More Responsive

Challenges with Business Rates Valuations

- **No considerations** are given to those **sectors who significantly contribute to the increase of an area's RV**; for example, **it is well**

⁹ Historic England. [The creative economy and cultural heritage](#)

¹⁰ Arts Council England. [A High Street Renaissance](#)

¹¹ Americans for the Arts. [Cultural Districts: The Arts as a Strategy for Revitalizing Our Cities](#)

¹² SPUR (2025). [Culture as Catalyst](#)

documented that the non-RHL creative industries significantly contribute to an area's rateable value (RV)

- Many small businesses **do not believe their RV accurately reflects their ability to pay.**
- ACS highlights that the Check, Challenge, Appeal (CCA) system for business rates disputes is slow and inefficient, with thousands of cases unresolved.
- **More understanding is needed by Government to explore the interdependencies of manufacturers, individual makers and workshops in the RHL chain.** Specifically areas in larger towns that are known for a particular industry, but are in areas whose value is increasing at a greater rate than the sectors can keep pace with - **such as the Jewellery Quarter in Birmingham**

Key Recommendations:

- Introduce **industry-specific discretion** in business rates valuations to ensure that **small-scale workshops, studios, and creative businesses are not taxed as retail operations.**
- Take into account the **substantive body of evidence on industry dependencies** and the **positive economic contribution** that **all creative businesses** (including non-RHL eligible workshops, studios etc) make to **revitalising high streets and urban centres**
- Reform the Check, Challenge, Appeal process to ensure **faster resolution of business rates disputes.**

5. Small Business Rate Relief (SBRR) and the Expansion Barrier

Challenges Identified

Both creative businesses and independent retailers are facing a barrier to expansion due to the loss of Small Business Rate Relief (SBRR).

Currently, expanding to a second unit leads to the **immediate loss of relief, increasing financial burdens significantly.**

Alignment with other industry body Concerns

Responses from other groups, such as the ACS, highlight that **SBRR thresholds should be indexed to prevent businesses from losing eligibility due to**

revaluation. Moreover, allowing businesses to retain relief across multiple premises within appropriate thresholds would encourage sustainable expansion.

Responses from a partner group survey has indicated that the '**cliff edge**' **removal of SBRR has resulted in businesses in the sector choosing not to expand** as it makes the operational costs of expansion (and increased employment) untenable.

Key Recommendation:

- Implement a **phased or tapered approach to SBRR instead of the current "cliff-edge" removal.** A gradual system would allow businesses to expand without facing immediate financial penalties.
 - Understanding the **interdependencies** of certain creative clusters' need to be in one location in order to **carry out business operations**, whilst the area RV increases around them
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6. Encouraging Investment & Addressing Barriers

Extending Improvement Relief

The government introduced **Improvement Relief in April 2024**, allowing a **12-month exemption on rate increases following property improvements.** However, **this timeframe does not align with typical business investment cycles.** Many businesses need a longer period to recoup costs before the increased rates take effect.

Key Recommendation:

- Extend Improvement Relief **from 12 months to 5 years** to support long-term investments in **energy efficiency**, store upgrades, and security improvements.

Introducing a Fresh Start Scheme

Proposal for a **Fresh Start Scheme similar to Scotland**, where businesses occupying long-term vacant properties receive **100% rate relief for their first year.** This measure would encourage high street revitalization by making it financially **viable for small businesses to occupy empty spaces.**

Key Recommendation:

Implement a Fresh Start Scheme in England, providing full rate relief for businesses moving into vacant high street properties.

7. Digitalisation of Business Rates

We acknowledge the **Digitalising Business Rates (DBR) project**, which will link business rates data with HMRC tax information by 2029. However, businesses need clarity now to plan effectively.

Key Recommendations:

- Provide **greater transparency on rate calculations** and allow businesses to access **real-time data** on their property valuation.
- Introduce an **online rate forecasting tool**, helping businesses plan for future liabilities.

8. Conclusion

We welcome the government's **commitment to a fairer and more sustainable business rates system**. However, **reforms must go further to ensure:**

- **Creative industries and supply-chain businesses receive the same support as high street retailers.**
- **Review of interdependencies of sectors, especially when it comes to how the creative industries are vital for the diversification and vitality of the high street**
- **Small businesses can expand without being penalized through abrupt rate relief loss.**
- **Investment incentives (such as Improvement Relief) match real business investment cycles.**
- **Business rates valuation and appeals processes are fair, transparent, and efficient.**

We urge the Treasury to consider these recommendations and consult further on expanding RHL Relief, improving rate fairness, and ensuring business growth is not hindered by outdated policies.

We look forward to further engagement on these critical issues.

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