

# ***FASTFRAME***

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20 August 2012

Councillor Lesley Hinds  
The City of Edinburgh Council  
City Chambers  
High Street  
Edinburgh  
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Dear Lesley

## **Edinburgh Trams – West End Construction Group Follow-Up to the 7<sup>th</sup> August Meeting**

I was one of the few business operators that attended the above meeting, which you chaired and at which Colin Smith reported on the outcome of his meeting with Assessor – Joan Hewton.

It was my understanding that the “offer” would be communicated to all the affected traders from the West End down to Haymarket with a view to getting feedback for the Business Promotion Meeting on 21<sup>st</sup> August 1012. To date nothing has been received however I thought I’d take the opportunity to give you my views on the subject.

### **The Facts**

The CEC decided to build the Tramway System and advised us (the Traders) that it would involve the closure of the street to all traffic other than pedestrians for two stages in the construction, namely:

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|---------|---|
| Phase 1 | Re-alignment of main utilities ie water; gas; electricity; etc.<br>This would take approx 6 months.   |
| Phase 2 | The laying of track, erection of overhead power lines and construction of a station / stop. No firm timescale given other than the system would be up and running by Spring 2011. |

High-street retailing depends on access, visibility and footfall, and the level at which each of these is achieved in any location is reflected in the rent and subsequent rateable value. This retailing “life blood” is greatly affected by the street closures to the point where traders are suffering and cannot be expected to bear the burden on their own.

Phase 1 (March thru’ Aug 2008) – CEC in co-operation with the Assessor pre-

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arranged a blanket 20% reduction in rateable value for the period. In our case, with our landlord granting a 50% reduction rent for the period, we felt the rate reduction inadequate and managed to get it increase to 30% on appeal. This allowed us to trade through the period – just.

Then came the impasse between CEC and the contactors and all the negative publicity, which, together with economic downturn, resulted in footfall not returning to the pre Phase 1 levels.

Phase 2 eventually got under way in January 2012. After all the experience of Phase 1, and bearing in mind this is going to last three times longer, there was no consultation with traders and nothing in place from day one to give any relief whatsoever. However CEC had decided on their own to provide a budget for marketing support with an objective to attracting footfall to the affected areas. Our view is that even with their best efforts this is going to have a very minimal effect. Now some eight months into Phase 2 we're getting an offer of a 20% (take it or leave it) rates reduction from the Assessor for the duration of the works. Bearing in mind the current closure takes in the crucial Christmas trading period this concession cannot in anyway be considered adequate.

**What help should we have?**

As independent traders we do not have the resources of national chains and any view that we will reap the rewards from the “tram effect” once the system is up and running is a myth – try that one to persuade the RBS to extend your overdraft! We will never recover the losses and if the tramway is a success, the beneficiaries will be landlords with enhanced property values and higher rents and the public purse from higher rateable values. Financial assistance to independent traders should be part of the construction cost and should be financed by CEC using the rateable value as the measure. I don't think that we should be paying any non-domestic rates for the period. However, a fair compromise would be to apply the “vacant property” relief – which would be the fall back position if businesses cease trading. This gives 3 months relief at 100% followed by 50% reduction. As it looks like the Scottish Government are picking up 20% the balance should come from the Trams System budget. Your Non-Domestic Rates department should be able to quickly cost this proposal and it would be helpful if this could be available for the next meeting.

Your views on this would be appreciated.

Yours sincerely

Thomas F Robertson