

Scottish Chambers of Commerce welcome business rates cap

SCOTTISH GOVERNMENT RATES MOVES WILL SAVE BUSINESSES MILLIONS BUT CASE FOR FUNDAMENTAL REVIEW GROWS STRONGER

Scottish Chambers of Commerce has welcomed the confirmation from the Scottish Government that next year's increase in Business Rates in Scotland, like those in England, will be capped at 2%. The move follows the announcement on rates bills south of the border contained in last week's Chancellor's Autumn Statement. The Scottish Government has also increased the threshold for the Small Business Bonus Scheme for businesses with multiple properties.

Liz Cameron, Chief Executive of Scottish Chambers of Commerce, said: "The Scottish Government has honoured an important manifesto commitment in matching the UK Government's 2% cap on next year's Business Rates increase and in doing so it will save Scottish businesses millions of pounds next year. This is a welcome mitigation of the original plan to raise Business Rates by 3.2% next year. Equally welcome is the extension of the threshold of the Small Business Bonus Scheme for businesses with multiple properties, which will assist an additional 4,000 businesses across Scotland.

"Nevertheless, the Scottish Government has already seen its annual revenue from Business Rates increase by over £360 million – almost 18% – since the last revaluation in 2010 during a period when Scotland's economic recovery has been fragile. Business Rates is a cost burden for businesses that has increased year on year and which takes little account of economic circumstances. Indeed, current rateable values are

based on notional rents on 1 April 2008 – the peak of the market prior to the recession.

“Many businesses are concerned that there is a deep lack of fairness and transparency at the heart of the system of business rates, not just in Scotland but throughout the UK. The Scottish Government consulted on the rating system earlier this year and some positives have come out of that review but more fundamental reform may now be required to ensure that Business Rates are fair and seen to be so by businesses.