

Strictly Embargoed until 00.01 hrs – Monday 6 November 2023

35 BUSINESS BODIES UNITE TO CALL FOR RATES FREEZE

Friday 3 November 2023

Thirty-five leading business representative groups and industry bodies have jointly written to the Scottish Government's Deputy First Minister and Finance Secretary asking her to freeze the business rate in the coming financial year.

The thirty-five organisations represent a broad cross section of Scottish industry and commerce, including retailers, wholesalers, manufacturers, tourism, leisure, and commercial property.

The collective call comes ahead of the unveiling of the Scottish Government's Budget on 19 December, which is expected to set the business rate and associated reliefs and thresholds for the 2024-25 financial year.

Scotland's business rate is already at a 24-year high and a fifth higher than at the start of the previous decade. If increased in line with current CPI inflation this could see ratepayers across Scotland face an extra £205 million on their rates bills from next Spring. This would be at odds with the Scottish Government's recently stated aim to use business rates to "boost business".

The joint letter from the business representative and trade bodies was submitted to Shona Robison MSP, the Scottish Government's Finance Secretary, on 2 November. The text of the letter was:

Dear Deputy First Minister,

We are writing jointly ahead of the Scottish Budget to ask that you do not increase the poundage rate in the coming financial year.

We fully recognise that the Scottish Government, like business, is facing its own costs and inflationary pressures at the present time. The work to improve the administration of the rates system through the New Deal for Business is encouraging, as is the headway made in recent years on broader aspects of reform including more frequent revaluations, the retention of the uniform business rate, and the pledge to restore parity on the higher property rate with England which should benefit 11,650 commercial premises here in Scotland.

Yet, after three and a half turbulent years of the pandemic and costs crunch the fact is trading conditions remain challenging, the cost of doing business remains elevated, and the near-term economic outlook is weak. We therefore ask that Scottish Ministers prioritise a freeze in the headline business rate poundage – which is already at a 24-year high - in the coming financial year. This would aid firms with the costs crunch, help them keep down prices for customers, and support business investment and competitiveness.

Our organisations have a range of ideas on how Scotland's rates system could be improved. However, we collectively believe this practical measure to freeze the business rate requires to be taken in your upcoming Scottish Budget, which would be a positive step applicable to all commercial premises, help ease the burden at this difficult time, and support our shared objective of delivering more sustainable economic growth.

Yours sincerely,

David Lonsdale, Director, Scottish Retail Consortium

Alan Anthony, Scottish Chair, Revo

Fran Barnes, Chief Executive, The Horticultural Trades Association

Miles Beale, Chief Executive, The Wine & Spirit Trade Association

Sandy Begbie CBE FRSE, Chief Executive, Scottish Financial Enterprise

Tracy Black, Director, CBI Scotland

Clare Bottle, Chief Executive, UK Warehousing Association (UKWA)

Dr Liz Cameron CBE, Chief Executive, Scottish Chambers of Commerce

Dr Pete Cheema OBE, Chief Executive, Scottish Grocers' Federation

Phil Clapp, Chief Executive, UK Cinema Association

Marc Crothall MBE, Chief Executive, Scottish Tourism Alliance

Huw Edwards, Chief Executive, ukactive

Andrew Goodacre, Chief Executive, British Independent Retailers Association

Meryl Halls, Managing Director, Booksellers Association of the UK and Ireland

Malcolm Harrison, Chief Executive, Company Chemists' Association

Sarah-Jane Laing, Chief Executive, Scottish Land & Estates

Mark Kent, Chief Executive, Scotch Whisky Association

Hussan Lal, President, Federation of Independent Retailers Scotland

John McLellan, Director, News Brands Scotland

Andrew McRae, Policy Chair, FSB Scotland

Catherine McWilliam, Nations Director – Scotland, IoD Scotland

David Melhuish, Director, Scottish Property Federation

Gordon Nelson, Scotland Director, Federation of Master Builders

Garry Richmond, Director, Print Scotland

Howard Saycell, Chief Executive, Retra

Tavish Scott, Chief Executive, Salmon Scotland

Paul Sheerin, Chief Executive, Scottish Engineering

Anthony Short, Executive Director, Music Industries Association

Marion Sinclair, Chief Executive, Publishing Scotland

Colin Smith, Chief Executive, Scottish Wholesale Association

David Thomson, Chief Executive, Food & Drink Federation Scotland

Leon Thompson, Executive Director, UKHospitality Scotland

Paul Togneri, Senior Advisor, Scottish Beer & Pub Association

Colin Wilkinson, Managing Director, The Scottish Licensed Trade Association

Jane Wood, Chief Executive, Homes for Scotland

ENDS