

BCC: Tackle broken business rates system, Chancellor

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Ahead of the Budget on November 22, the British Chambers of Commerce is urging the Chancellor to provide respite for businesses in every corner of the country by freezing business rates for the next two years.

The UK's leading business group, which represents almost 75,000 companies employing almost six million people in every region and nation of the UK, calls on the Chancellor to take real action now to boost business confidence and investment by scrapping the near 4% rise of this iniquitous tax, due in April 2018.

The rise is a kick in the teeth for manufacturers, retailers, and office tenants alike – the people the Chancellor is depending upon to boost capital investment and drive productivity growth – especially after this year's revaluations saw many firms' rates bills spiral.

The BCC proposes offsetting this by pausing further cuts in Corporation Tax from the current rate of 19% until after we leave the European Union, using the resulting headroom to help pay for an up-front business rates cut.

Mike Spicer, Director of Research and Economics at the BCC, said:

“As a share of national income, the UK has the highest commercial property taxes of any major economy, which drains firms of the cash flow needed to invest in the talent, tools and technology of the future. Higher and higher rates mean British businesses are less likely to improve their plant and premises for fear of even greater rates bills.

“It would be unconscionable for the government to slam businesses with a huge rise in rates, particularly when they already face spiraling up-front costs. A failure to act would hit the high street, manufacturers and others hard – and undermine the sort of investment we need to boost productivity.

“The Budget is a time where tough decisions have to be made. But clobbering businesses with up-front costs at a time when productivity is in dire need of a boost is not the answer. The Chancellor must raise the animal spirits of companies and take real action on business rates at the Budget.”

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Notes to editors:

The British Chambers of Commerce (BCC) sits at the heart of a powerful network of 52 Accredited Chambers of Commerce across the UK, representing

thousands of businesses of all sizes and within all sectors. Our Global Business Network connects exporters with nearly 40 markets around the world. For more information, visit: www.britishchambers.org.uk

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