Business rates system 'needs overhaul, not tinkering round the edges'

- <u>Home</u>
- <u>All News</u>
- Business rates system 'needs overhaul, not tinkering round the edges'

22 Aug 2017

×

A review into business rates merely tinkers round the edges when the overhaul of a broken system is required, the Scottish Conservatives have said.

The Barclay Review, released today, sought to address concerns from businesses of all sizes across the country about the current regime.

It follows a revaluation earlier this year which sent various firms to the brink, with some facing astronomical increases in tax.

And while the report by Ken Barclay contains some welcome measures, shadow finance secretary Murdo Fraser said the changes don't go far enough for many.

He said the hospitality sector would require more assistance, and with the current 15 per cent rates rise cap running out in March, many could find themselves in the same difficult position in 2018, meaning the prospect of closures and job losses in the industry.

Concern was also expressed about proposals to levy rates on sports clubs and council arm's-length bodies, which hardly tie in with Scottish Government plans to get people more active.

Moves to levy rates on independent schools could also harm economies in certain parts of the country, and impact the quality of education at some of Scotland's best facilities.

However, the suggestion to bring the large business supplement in line with the rest of the UK has been welcomed, with the Scottish Conservatives having called on this move for some time.

Other proposals to encourage business growth and keep shops in town centres are also worthy inclusions, the party said.

Scottish Conservative shadow finance secretary Murdo Fraser said:

"There are many welcome proposals within this report.

"But many firms will feel this is tinkering round the edges of a broken system, rather than the fundamental overhaul that's required. "The hospitality sector, whose safeguard of a 14.9 per cent cap runs out in March, will be worried that history will repeat itself next year.

"If that industry is hit with the kind of increases suggested last time around, it would almost certainly mean the closure of businesses and job losses.

"Proposals around independent schools and sports clubs will also have alarm bells ringing in those sectors.

"But there are also many welcome additions, and I hope the Scottish Government prioritises recommendations to bring the large business supplement in line with the rest of the UK, and the measures to boost town centres and business growth more generally."

To see the full report, visit: http://www.gov.scot/Resource/0052/00523643.pdf