LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

CALL FOR VIEWS ON THE NON-DOMESTIC RATES (SCOTLAND) BILL

SUBMISSION FROM BRITISH INDEPENDENT RETAILERS ASSOCIATION

British Independent Retailers Association (BIRA) is a membership for independent retailers throughout the UK. We have more than 4,000 members with 7,500 shops/stores.

Summary

Business rates is the number one topic for our members (and non-members). The retail sector is changing quickly. The challenges currently being faced are than just an economic cycle – it is more of a societal change in the way people do their shopping and how they buy. Throughout the UK we are seeing retailers (large and small) close. The business rates model does not support retail businesses, does not incentivise investment, is not coherent and easy to understand and is fundamentally not fair. BIRA welcomes the decision to seek opinion on proposed changes, hopefully to creating a system that supports businesses rather than destroying them.

Response to Questions

More regular revaluations

Reducing the time between valuations makes sense given the speed at which retail is changing. It is crucial that the rates bill more accurately reflects the state of the business and more regular valuation should help achieve this objective.

As we cover the whole of the UK, we would advocate the same valuation periods to be aligned in all the UK countries.

New Improved Properties

We welcome the proposal to delay rates increases as a way in incentivising/rewarding investments by retailers. We believe that new rates should not occur until the next rates revaluation.

Transparency of Rates

BIRA welcomes any moves to help businesses understand the way rates are calculated, and this includes closing any loopholes and including more commercial premises in the rates calculation. Business owner are naturally creative and businesses change all the time, thus making it necessary for the rating system to be modified so that commercial activities do not escape their responsibilities.
Rates Appeals

In line with greater transparency, we would also welcome an improved appeal system. We would like to see evidence that this a system is being used for speculative appeals. Feedback from members suggest that appealing a rating decision is long and arduous, and often so complicated it deters people from appealing. More regular revaluation will also help, but the whole appeal system should be simplified.

What more can be done?

BIRA launched a ‘rates manifesto’ in September 2018 [https://s3-eu-west-2.amazonaws.com/bira-s3-bucket/wp-content/uploads/2018/09/01123817/bira-rates-manifesto-030918.pdf](https://s3-eu-west-2.amazonaws.com/bira-s3-bucket/wp-content/uploads/2018/09/01123817/bira-rates-manifesto-030918.pdf). In this we are calling for the removal of all reliefs/ rates supplements for business with a rateable value below £51,000 and introduce a ‘rateable allowance’ of £12,000 for those smaller retailers. This would work in the same way as the personal tax allowance and has the advantages of:

- Supporting the smaller retail businesses
- Easy to understand
- Applied automatically
- Easy to implement
- Transparent

We believe this will provide the support where it is most needed and becomes a fair, coherent policy that incentivises investment. Ultimately a sensible tax policy, especially when combined with some of the other positive proposals contained in this bill.