



**Young's**

SEAFOOD LIMITED



## **Evidence on Scottish Rate of Income Tax**

### **Scottish Parliament Finance Committee**

***Young's Seafood Ltd***

**June 2015**

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## **1. Introduction**

Young's Seafood Ltd is please to submit evidence to the Scottish Parliament's Finance Committee on the power devolved to the Parliament under the Scotland Act 2012 which allows it to set a Scottish Rate of Income Tax (SRIT). We welcome this opportunity to bring to the attention of the Committee a number of concerns that we have

## **2. Background**

Young's Seafood Limited is the leading UK fish and seafood processor providing frozen and chilled, branded and retailer branded fish and seafood. We are part of the Findus Group, one of Europe's largest food companies.

Young's Seafood Ltd is a major employer in Scotland employing over 2000 core staff and a further 1000 temporary workers during seasonal peaks We have operations in Annan, Livingston, Fraserburgh and Spey Valley.

## **3. Issues of Concern**

The introduction of a separate Scottish rate of Income Tax (SRIT) from next year has the potential to create more complexity for companies, similar to us, who are English resident with Scottish operations.

### Administration

Differentiation of income tax risks adding to the administrative burden of companies operating in both England and Scotland and this could lead to additional costs being incurred at a time when economic recovery is still underway and when we find ourselves operating in a very challenging and competitive market place.

Further guidance is required on the definition of a Scottish Tax payer. For example, Young's Seafood Ltd have a number of different working arrangements at our Scottish sites:

- staff whose sole residency is in England
- staff who work in Scotland during the week, live in hotels and whose main residency is in England
- staff who work in Scotland during the week, have rented a flat and who return to their main home in England at the weekend

I understand that the exercise to identify Scottish Tax payers has proved to be more complex than was initially anticipated. Employers need to be confident that the information that we receive from HMRC is 100% accurate and allows us to deduct the correct amount of tax under PAYE.

### Employee mobility

Young's sites are mostly located in remote and rural communities. We are committed to these areas which are, regrettably, economically and socially challenged. In these areas, we are often the largest private sector employer.

Our Company does experience major problems in recruiting and retaining middle management and senior management positions in these areas. Indeed, a large number of these posts are filled by applicants coming from other parts of the UK.


Should the Scottish Parliament decide to apply a higher tax rate than that applicable in other parts of the UK it is likely that such staff would seek to minimise the personal impact of this differential. If Holyrood decide to raise tax rates then I fear that these higher earning employees, who are also the most mobile, will look for employment opportunities beyond Scotland. This would have serious implication to our business as it would be difficult to replace these highly skilled and experienced employees. For a business such as ours, to retain its reputation as a high quality, reliable and trusted company we need the right staff, with the right skills, in the right place at the right time.

Young's Seafood Ltd is concerned about the potential impact to its business of different rates being applied in different parts of the UK.

I would ask the Committee to carefully examine the likely consequences of taking such a decision and its possible impact in areas that are both socially and economically disadvantaged

Should the Committee require any additional information, or clarification on any points contained in this evidence, I would be happy to provide it.

**Pete Ward**  
**Chief Executive**  
**Young's Seafood Ltd**

  
*15.06.15*