

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

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

BIRA

Who is Bira?

The British Independent Retailers Association (Bira) represents over 4,000 retailers with more than 8,000 stores throughout the UK. Our members range from small hardware stores to independent department stores. However, they are all smaller retailers, often long established and important parts of the community in which they are located

As well as offering important commercial services to our members, we also represent their voice through campaign and lobbying throughout the UK. The retail is experiencing unprecedented change and is probably the most challenging business sector at the moment. We campaign to ensure that the needs of the smaller retailers are considered, that these retailers are supported and do not become the unintended victims of legislative changes

Bira and Business Rates

In September 2018 we launched our own rates manifesto, and this called for wholesale change to the rates system. Our idea is to give each business with a rateable value below £51,000 a rates free allowance of £12,000. This would be funded by removing all other rates relief, thus creating a much simpler and fairer system. We calculated that our members would reduce their rates bill by 50% if our policy was implemented. Whilst we recognise that the application of rates is a devolved power, we believed that the same principles could still be adopted in the devolved countries. Rates is a substantial cost to retailers and is now seen as an unfair tax that is no longer fit for purpose (this was confirmed by the recent report published by the treasury Select Committee) Rates are already complex and inconsistent, and transparency, relevance and simplicity need to be introduced to the system

Why Bira object to the proposal in Scotland

Bira does not believe that the proposal to devolve rate setting powers to councils is a positive development for retailers. Our main concerns are:

- We lose a uniform business rate that is understood by business, no matter where the business is. With a uniform business rate there is awareness, transparency and fairness
- Business rates impact every business in the country and every business will tell you that they have an issue with the rates and how much they are paying.

From a retail perspective we are seeing more and more empty units and this is detrimental to the image of every town centre/high street. The problems faced by retailers and the negative consequences are a national issue that need addressing with national solutions. Devolving the powers will create a fragmented and ineffective plan to support retail

- We are concerned that the rates bill for retailers would increase as a result of these devolved powers. Similar powers exist in Northern Ireland where our members report rates bills are 19% higher than for retailers in Scotland
- Given the obvious challenges faced by retailers (headlines almost weekly about large chains closing), any thought of rates increasing would make retailers think twice about investment, employment and most likely increase the rate of closures on the high street

In conclusion, we would urge you to retain central control of business rates

Andrew Goodacre

CEO, Bira