

## **Submission from Scottish Retail Consortium on Valuation (Postponement of Revaluation) (Coronavirus) (Scotland) Order 2020**

Having had the opportunity to consult with our membership through our Property Community I am now in a position to give the following response:

- SRC continues to strongly support 3-yearly revaluations, as this better reflects trading conditions and structural changes in the economy and decreases the likelihood of major fluctuations in values between valuations.
- In our conversations and correspondence with Ministers in the summer we expressed the hope that the revaluation could continue in 2022, and supported a postponement to the 2020 tone date so that future valuations (after the next revaluation) take account of the post-Covid economic situation.
- Since then the revaluations in Scotland and England/Wales have both been postponed, until 2023. Whilst it is regrettable the revaluation has been delayed, we accept the government will have practical reasons for this change.
- As indicated in our submissions to the Barclay Rates Review (2018) and to the Local Government Committee during consideration of the then Non-Domestic Rates Bill (2019), our preference was for an aligned timetable between Scotland and the other home nations on revaluation, in order to make the system simpler and easier for firms operating across Scotland and other parts of the UK. We understand this was echoed by other trade bodies at the time, and indeed Assessors (see SPICe briefing and the financial memorandum). SRC believes the benefits of alignment across GB are important and should be weighed alongside any arguments in favour of a more immediate revaluation.
- Much of the retail industry had to cease trading for the first 4 months of the pandemic, to aid the national effort to combat Covid. With retailers' revenues continuing to fall short and with shops unable to trade at capacity due to physical distancing restrictions and with caps on numbers allowed in stores, the re-imposition of 100% rates next April is unsustainable, as is returning to a poundage at a 21-year high. The retail industry in Scotland has lost £2.4 billion in retail sales since the onset of the pandemic, shopper footfall is down by a third, and the shop vacancy rate is at a 5-year high.
- Our over-riding issue is avoiding the reverse cliff edge next April of full 100% re-instatement of business rates. Instead we want to see rates phased back in over the next 2 years leading up to the 2023 revaluation.