



**Aberdeen &
Grampian
Chamber of
Commerce**

Tom Arthur
Minister for Community Wealth and Public Finance
Scottish Government
St Andrew's House
Regent Road
Edinburgh
EH1 3DG

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The Hub
Exploration Drive
Aberdeen Energy Park
Bridge of Don
Aberdeen
AB23 8GX

—
T 01224 343900
E info@agcc.co.uk
www.agcc.co.uk

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Dear Mr Arthur,

We wish to raise concerns, highlighted to us by Members, about the cumulative impact of the non-domestic rates revaluation and introduction of short-term let licences on the tourism and hospitality sector in the North-east of Scotland.

The self-catering sector, as like many others, is still struggling from the effects of the pandemic and the current cost of living crisis, and the above changes are threatening not only the profitability, but the sheer viability, of many of the smaller (independent) operators.

We are aware of many operators who are faced, following the revaluation on 1st April 2023, with non-domestic rates effectively doubling overnight. Not only are these sizeable increases in their own rights, but the new valuations also significantly reduce the operators' ability to claim any rates relief.

One operator has advised that last year his business had a combined rateable value of £12,000 which, with the relief provided through the Small Business Bonus Scheme (SBBS), meant that he was exempt from paying non-domestic rates. This year, despite making no changes to the site or properties, the business's rateable value has increased to £24,000 which equates to £8,964 payable in rates, even with the benefit of 25% SBBS relief. Another operator has advised that his non-domestic rates liability has gone from zero to over £10,400 following the revaluation, and this situation is far from unique among the other Members who have contacted us.

Alongside the significant pressure created by this exorbitant increase, businesses are also expected to simultaneously cover further additional costs by way of the Short Term Let Licence Scheme.

While there may be benefit in regulating potentially unscrupulous landlords, the impact of further administrative and financial burdens on small to medium sized legitimate operators could be the difference between survival and closure. The inequity of charges levied by varying Local Authorities, does nothing to support operators in rural locations. Aberdeenshire Council propose to charge £940 for a higher capacity (16+ guests) licence, around double that of neighbouring Moray Council (£495) and Angus Council (£460), and even Glasgow City Council (£440).

Without substantially increasing the cost to the customer, and thus potentially driving down trade, businesses cannot absorb increased expenditures on this scale.

As a direct consequence of these increased costs, the operator detailed above has cancelled their proposed expansion plans, at the expense of creating additional rural jobs and investment into the area.



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Registration number SCO 000 791
VAT Number 265 3165 59
Registered Office: The Hub, Exploration Drive, Aberdeen
Energy Park, Bridge of Don, Aberdeen, AB23 8GX

While recognising that there may be good intentions through the introduction of the Short Term Let Licensing Scheme and that property values will vary over time, it cannot go unnoticed that the impact of such combined increases will prove fatal for many businesses across the North-east of Scotland.

We hope you might find time, perhaps over the summer recess, to meet with the Chamber policy team and some of our members to discuss these issues in further detail. We would be grateful if your office could contact our policy executive, Heather Morrell, to make the necessary arrangements – heather.morrell@agcc.co.uk.

We look forward to your consideration in these matters.

Your sincerely,



Ryan Crighton
Director of policy & marketing

Copied to:

Richard Lochhead MSP, Minister for Small Business, Innovation, Tourism and Trade