



Media Statement on the Barclay Review

Tuesday, August 22 2017

In response to the publication of the Barclay Review, which was set up to make recommendations that seek to enhance and reform the business rates system in Scotland to better support business growth and long term investment and reflect changing marketplaces,

James Bream, research and policy director at Aberdeen & Grampian Chamber of Commerce, said:

“Overall the review has a number of positive recommendations, recognising the context of the tight brief that Ken Barclay was given. Of course, the specifics of the recommendations will impact on individual business and properties in very different ways so not everyone will be happy but there are some broad actions which should be welcomed.

“Reducing the valuation period from five years to three from 2022 will make the system more responsive to economic change; while lowering the tone date to one year ahead of the implementation will bring valuations more in line with the current state of the economy.

“The recommendations also provide a small incentive to build, by proposing a 12 month period without rates for owner or occupier. We are pleased to see the proposed reduction of the large building supplement to keep it in line with other parts of the UK. We also welcome the suggestion of introducing relief for childcare properties as this will have a direct and beneficial impact on the North-east workforce.

“A review of the Small Business Bonus Scheme is also an important recommendation. Companies tell us they are happy to pay tax if it is fair and equitable and now is the time to undertake an evaluation as proposed.

“However, a review of charitable allowances could mean some charities will end up having to pay something, for example potentially private sector schools from 2020, which may have significant implications for them.

“We would also like to have seen a rethink on the rates payable on vacant properties, which we do not believe is working in terms of encouraging property owners to secure tenants. It is clear empty property tax will stay and may even be extended under the new recommendations. Finally, property experts will require more detail on the proposed changes to the appeals process.

“While much of this report is positive, the recommendations need to be implemented, actions speak louder than a report. Then, of course, the major issue North-east businesses are going to continue to be disproportionately affected by the 2017 revaluations until 2022, the report was unsurprisingly quiet on what would be done to provide support in the meantime. We expect the Government response to comment directly.

“We will continue to keep the pressure on to ensure continued relief for North-east is available beyond 2017/18.”

Ends

Notes to editor

Aberdeen & Grampian Chamber of Commerce (AGCC) is North-east Scotland's leading private sector, member-focused, business organisation. The Chamber represents more than 1,250 businesses with around 125,000 employees covering all industry sectors, ranging in size from sole traders to multi-national corporations.

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