

Ruth calls for immediate review of revaluation of business rates

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Scottish Conservative leader Ruth Davidson has written to the First Minister calling on her to launch an urgent review into the revaluation of business rates.

It comes after Ruth was inundated with letters from businesses across Scotland who are facing huge increases in their rates, with some now having to pay four times more than they did previously.

A full scale reform plan for the business rates system is currently being prepared by former RBS executive, Ken Barclay.

However, firms and trade bodies are warning that the revaluation will come into force prior to that plan, and that an emergency review separate to that is therefore required.

One business owner complained that the hike in rates was “unsustainable for a small business and proves yet again how those in authority are divorced from reality.” Another said the rise in their business rates would inevitably lead “to the slow death of our business.”

It points to a growing crisis facing many small businesses, that if not addressed, could lead to closures and job losses.

In her letter Ruth also asked Nicola Sturgeon to heed the warning of the Scottish Tourism Alliance, who this week voiced their concerns about the increase in rates facing some businesses.

They too have called on the SNP to review the ‘disproportionate valuations being imposed’ on many businesses.

Scottish Conservative leader Ruth Davidson said:

“Over the past few days I have been inundated with letters from businesses who are worried and angry about the impending rise in their rates.

“Some of them are facing three or four fold increases which is the difference between them making a profit, and having to close down.

“These shops, hotels and restaurants are vital to our economy, providing much

needed jobs in many areas of the country, and we cannot afford to see them simply go out of business.

"That's why I've called on Nicola Sturgeon to listen to the voices of these businesses and the Scottish Tourism Alliance and launch an urgent review into these rate increases.

"The amounts that are being asked for are clearly unsustainable and if immediate action is not taken then we risk seeing a huge amount of damage done to our economy."

A pdf of the letter sent to the First Minister can be found here:
www.scottishconservatives.com/wordpress/wp-content/uploads/2017/02/Letter-to-FM-business-rates.pdf

Below are some excerpts of the letters received by Ruth regarding the increase in business rates:

"I very much hope that you will be able to convince the powers-that-be to re-think these exorbitant rises. If they are imposed, I have no doubt that many people will be forced out of business which will lead to even greater redundancies. These rises must be reconsidered."

The Ship Inn, Stonehaven

"The new Rateable Value produced by the revaluation process is proposed as £27,200. This will take us above the threshold for the Small Business Bonus Scheme's Rural Relief giving us a Non Domestic Rates bill of £12,675.20 from 2017/18. A 338% increase on 2016/17. Without action many small, particularly rural, businesses face a difficult or bleak future. In turn many areas of Scotland, particularly rural areas, will face job losses and a contraction of the local economy."

Argyll Hotel, Cambeltown

"No one doubted a rates rise, but these rises are unsustainable and cannot be absorbed by our businesses or passed onto our customers. Most of us are owner-occupiers of small businesses who took the premises on because we could make a living from them. With such extreme rate rises this will no longer be the case. Re-investment in our businesses will be extremely difficult with knock-on effects on staff morale, customer satisfaction and ultimately turnover. Local job losses or closure is our only recourse. As business owners we all share a common optimism but on this occasion we all agree that the impending rate rises will result in a slow death for our businesses."

Reds Restaurant, Portobello

"After speaking to other business owners locally, I have found many similarly minded to me. We now reluctantly have to look at our options, and if financially things do not ease, we may have to close the business after the final three years of our lease and hand the hotel back to our landlord as we will be unable to make the required investment in the property to secure its future. At the point that we return the hotel to the landlord, I believe that

the hotel will close permanently which will result in the loss of 30 jobs locally, and this is down to the final nail which is the business rates increase...”

Stotfield Hotel, Lossiemouth

The letter from the Scottish Tourism Alliance to Nicola Sturgeon regarding business rates can be found [here](#).