
SCOTTISH GOVERNMENT BARCLAY REVIEW OF BUSINESS RATES IN SCOTLAND – CONSULTATION RESPONSE

Report by Service Director Neighbourhood Services

SCOTTISH BORDERS COUNCIL

29 September 2016

1 PURPOSE AND SUMMARY

- 1.1 **The purpose of this report is to agree a response to the Scottish Government’s Business Rates Review, being led by the Barclay Review Group.**
- 1.2 A call for submissions was issued by the Scottish Government on 13 July 2016 (see Appendix 1) with a deadline for responses of the 7 October 2016. Contributions have been invited to inform the re-design of the business rates system to better support business and incentivise investment.
- 1.3 The proposed response to the consultation is set out in Appendix 2 and focuses on the need for more frequent valuations as well as consideration of the properties which should feature in the valuation roll.
- 1.4 The response also outlines some of the key issues with the current suite of reliefs and exemptions and recommends a review of these to ensure they are targeted to those businesses that require support and better encourage growth and investment.

2 RECOMMENDATIONS

- 2.1 **I recommend that the Committee:-**
 - (a) **Agrees the response to the Scottish Government’s Business Rates Review, as set out in Appendix 2; and**
 - (b) **Asks the Service Director of Neighbourhood Services to report, in due course, on the outcome of the Review and how it will affect Scottish Borders Council and businesses in the Scottish Borders.**

3 BACKGROUND

- 3.1 In November 2012, the Scottish Government launched the consultation 'Supporting Business-Promoting Growth'. The consultation sought views on how the rating system can stimulate economic growth, how to improve transparency and streamline the operation of the system. Scottish Borders Council approved its response on 28 February 2013.
- 3.2 An independent review has now been set up to further review the system. The Barclay Review Group has been set up to make recommendations to the Scottish Government 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. The Group will report to Ministers in July 2017.
- 3.3 The Review is being led by the former Royal Bank of Scotland chairman Ken Barclay. He is being supported by a number of other members drawn from primarily from the business sector.
- 3.4 Scottish Borders Council which has a key economic development role as well as statutory duties in relation to the assessment and collection of non-domestic rates has been invited to respond. The invite is shown at Appendix 1.

4 RESPONSE BY SCOTTISH BORDERS COUNCIL

- 4.1 The Review's aim is to make recommendations on how the rates system can be reformed, whilst still maintaining the overall level of funding to provide the services upon which businesses rely.
- 4.2 The call for evidence focuses on one question – how would you re-design the business rates system to better support business and incentivise investment? It also asks for consideration to be given to the following points:
 - How your suggestion will support business and investment
 - Whether the impact will be universal or sector/region specific
 - If it will carry a cost to the Scottish Government and how this could be met from within the rating system
 - Whether your suggestion will reduce or increase costs for some or all ratepayers
 - If there is any evidence you can supply to support your suggestion it would be helpful if you include this
- 4.3 The proposed response is set out in Appendix 2.

5 IMPLICATIONS

5.1 Financial

There are no costs attached to any of the recommendations contained in this report.

5.2 Risk and Mitigations

The Barclay Review may have implications for the future economic development of the Scottish Borders and it is important that the Council provides a response to the Review consultation.

5.3 Equalities

There is no need for an Equalities Impact Assessment as this report is about providing evidence to a Review.

5.4 Acting Sustainably

There are no direct sustainability implications arising from this consultation response.

5.5 Carbon Management

There are no effects on carbon emissions.

5.6 Rural Proofing

Rural Proofing is not required as the proposal does not relate to new or amended Council policy or strategy.

5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Scheme of Administration or Scheme of Delegation arising from this report.

6 CONSULTATION

- 6.1 The Corporate Transformation and Services Director, the Chief Officer Economic Development, the Chief Financial Officer, the Senior Policy Advisor, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their comments have been incorporated into the final report.

Approved by

Jenni Craig
Service Director Neighbourhood Services

Signature

Author(s)

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|-------------|---|
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Background Papers:

Previous Minute Reference: Council 28 February 2013

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Douglas Scott can also give information on other language translations as well as providing additional copies. Contact us at: Jenni Craig jcraig@scotborders.gov.uk tel: 01835 825155