

UK Retail Property Industry Makes Last Ditch Attempt At Reform For “Archaic” Business Rates System

Friday 28 November, 2014

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The UK retail and property sectors are poised to hear whether the Chancellor will use his final chance to make meaningful reforms to the business rates burden in his Autumn Statement, according to the British Council of Shopping Centres (BCSC).

The retail property trade body, which counts a wide range of FTSE listed property companies and town centre investors in its membership, is asking the Chancellor one last time to "press go on reform of this archaic system."

Recommendations include regular revaluation of retail property, more in line with the volatile nature of property values. BCSC argues this would be made practical through the exemption of all hereditaments with a rateable value of less than £12,000, which currently account for 64 per cent of all assessments made but only total around 6 per cent of the income of the business tax. Further, government should commit to going beyond the current Administrative Review by reviewing the link between the business rates multiplier and RPI to ensure business rates more closely reflect economic conditions.

A move such as this would allow business rates, so long lamented for being unresponsive to the changing economy, to marry up with current property valuations that reflect market conditions. Critically, it would also serve as a tax break to thousands of small and start-up companies, offering them the chance to grow and recruit, in turn driving up employment and increasing income tax revenues.

BCSC's submission also sets out its arguments for:

A cap on the business rates multiplier at no more than 2 per cent, as implemented last year.

Inclusion of Infrastructure of Places within the National Infrastructure Plan to ensure town centres can benefit from funds available for the improvement of roads, rail and utilities.

Commitment to retain the NPPF, but to further develop policy planning guidance to provide proper guidance on retail assessments, disaggregation and the definition of "significant adverse impact."

A plan to make better use of pooled local authority resource and ensure master plans are created to give direction to town and city centres nationwide.

Plugging of the skills gap in retail customer service; acknowledging the sector's role in employing three million people and providing proper careers advice and relevant skills training in schools.

Edward Cooke, Director of Policy and Public Affairs, BCSC, commenting in advance of the Autumn Statement, said:

"The delay to the 2015 revaluation was a kick in the teeth to our industry - the impact of which, particularly in regions outside London and the South East, the government must not underestimate. As we reach the end of the current parliament, it is time to listen to what this sector needs. The Administrative Review on business rates was a positive move, but we need government to go much further and review the way the tax rate is set if we are to see meaningful change to an outdated tax system." **ENDS**

For more information and for interviews, please contact:

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NOTES TO EDITORS

About the British Council of Shopping Centres (BCSC):

BCSC is the professional body and authoritative voice for retail-led regeneration and for the management of and investment in shopping places.

Established in 1983, BCSC represents all sectors within the retail property industry and has over 2,500 members including developers, retailers, agents, consultants, architects and public sector managers.

BCSC Business Plan 2012 – 2015 identifies five key priorities:

To provide business to business networking opportunities for the commercial benefit of members.

To influence government policy to meet the needs of members' commercial objectives.

To create growth from new markets, products and services

To undertake a comprehensive research programme.

To invest in educational programmes for professional development.

For further information about BCSC go to www.bcsc.org.uk or telephone 020 7222 1122.

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