

Strictly embargoed to 00.01hrs Thursday 26 October 2017

The Rt Hon Philip Hammond MP
Chancellor of the Exchequer
HM Treasury
One Horse Guards Road
London, SW1A 2HQ
Via email

Wednesday, 25 October 2017

Dear Chancellor,

BUSINESS RATES RELIEF FOR APRIL 2018 FOLLOWING SEPTEMBER'S RPI

Just as Britain needs to demonstrate it is open for business, September's RPI has been confirmed at 3.9 per cent leading to a £1.1 billion increase in business rates from April next year. We ask that you please take action to alleviate this damaging increase. This increase will discourage growth and investment just as businesses make consequential decisions in preparation of departing the European Union.

As you know, the existing business rates system does not take account of the success of a business or the performance of the economy. In the past you have acknowledged concerns by committing to CPI indexation from 2020 and more frequent revaluations which we have welcomed. We appreciate these steps, however, given the uncertainty in the economy it is critical more is done in the immediate term to prevent a £1.1 billion increase in business rates.

Our members, representing diverse sections of the economy, firmly believe that an increase in excess of £1 billion is unsustainable and will only compound the negatives of the existing system. Let there be no doubt, this sharp increase will have a negative impact on business investment.

In our respective Budget submissions to HM Treasury we have asked the Government to take immediate action to encourage growth and investment. Among the business groups there is a common view that the planned increase needs to be addressed. Some have asked for a freeze in business rates, and others have asked for either a cap or CPI indexation to be implemented from April 2018. What is abundantly clear is that when the UK's commercial property tax is far higher than elsewhere in Europe and across the OECD it places British business at a distinct disadvantage.

The current system is broken and at a tipping point. In addition to short-term measures to address this sharp 3.9 per cent increase we look forward to learning more about the Government's commitment to conduct a full review and to address concerns about the way the system currently works. We respectfully ask that you consider the implications of April's scheduled increase, and that you also work with us to improve the system in the longer term to ensure it is sustainable for decades to come.

On behalf of

Helen Dickinson OBE
Chief Executive
British Retail Consortium

Kate Nicholls
Chief Executive
Assoc. of Licensed Multiple Retailers

James Lowman
Chief Executive
Association of Convenience Stores

Brigid Simmonds OBE
Chief Executive
British Beer and Pub Association

Mike Spicer
Director of Research and Economics
British Chambers of Commerce

Alan Hawkins
Chief Executive
British Independent Retailers Assoc.

British Independent Retailers Association

Melanie Leech

Melanie Leech CBE
Chief Executive
British Property Federation



Josh Hardie

Josh Hardie
Deputy Director General
Confederation of British Industry



SL Hopley

Lee Hopley
Chief Economist
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Martin McTague

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