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BUSINESSHQ

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Pubs at risk from business rates policy, trade bo



By [Scott Wright](#)
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THE Scottish licensed trade has warned the pub industry faces “significant closures” unless ministers provide assurances on the future direction of business rates policy.

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The recent move by the Scottish **Government** to cap increases in business rates bills at 12.5 per cent until 2022 has stopped pubs from going out of business, according to the Scottish Licensed Trade Association (SLTA), which said the measure would save the industry around £40 million a year. However, speaking ahead of tomorrow’s Scottish Budget, spokesman Paul Waterson declared that a 12.5% rise is “still too much”.

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And he said clarity is needed on what happens to rates after 2022, stating that a return to the massive hikes produced by the last revaluation of non-domestic property would lead to businesses going bust. Some pubs were facing rates rises of up to 400% before the cap was introduced.

Mr Waterson said: “The Scottish Government have tried to do something which we are thankful for, but we really need to use this time, between now and 2022, to come up with a solution to this. What is the answer?”

“The answer is not to stick on these massive increases to relatively small businesses, with all the other [cost] increases going on.

“If these massive increases are kept in place, we are going to see a significant amount of closures. There is no doubt about that.”

Mr Waterson repeated calls for the current method of using turnover to arrive at rates bills for pubs to be changed. Assessors currently use turnover to calculate the achievable rent a premises can achieve, which in turn affects its rates.

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Mr Waterson said: “It is the old story about being penalised for being successful.”

Marc Crothall, chief executive of the Scottish Tourism Alliance, said: “The one thing we are seeking progress on is the methodology. The assessors have to come back with some alternatives on how they are going to approach that. Until that has been resolved we are left in limbo.”

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Meanwhile, [Glasgow](#) Chamber of Commerce wants the current disparity over how business rates are applied to car parks to end.

Chief executive Stuart Patrick said: “We remain committed to maintaining an even playing field between retail in the city centre and retail areas elsewhere. We’re aware in some cases business rates can be levied on car parks and in some cases not.”



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