Response to the HM Treasury

Transforming Business Rates

March 2025

from

British BIDs

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Executive summary

Modern business taxation needs to reflect the increasingly varied way of doing business, whether it be bricks and mortar, on-line, professional services, global with large staffing levels, or high added value single person organisations.

A business taxation model must reflect those varied ways and be open to change over time as businesses change and develop.

Growing the economy will depend on getting business rates taxation right; at present it isn't.

We believe that business rates can be retained but reduced dramatically. To do so requires a fundamental rethink of the business taxation base. Sadly, we believe that this Treasury Transforming Business Rates paper does not manage to do that.

The Transforming Business Rates paper amounts to a mere tinkering with the current model rather than a proper review of business taxation and is merely pushing this fundamental issue into the future. High tax burdens remain, and the Government has missed an opportunity to fundamentally overhaul the business rates system.

Many of our levy payers are concerned that this emerging model of differing multipliers announced in the budget each year will bring about a set of 'cliff edges' that might be hugely problematic for business planning and growth; we also suggest that you agree the multipliers immediately, rather than increasing them annually in line with CPI. This would provide greater certainty to businesses between revaluations.

We ask that you freeze any increase in the higher multiplier until 2027/2028, after the 2026 revaluation, to allow businesses ample time to prepare for increases in rates liability and increase the higher rate multiplier threshold at the point of the 2026 revaluation.

We believe that Business Rates should be reduced, to become a much smaller part of a portfolio of business taxation and therefore be a more nuanced tool of taxation raising. Nonetheless, the business rates multiplier is the key driver of the business rates model, and we are suggesting that the multiplier and the relief model be brought together.

Currently businesses are liable for a group of taxes: Corporation Tax, National Insurance, Value Added Tax, and Business Rates.

A Sales Tax, which would clearly include an On-line sales tax, and a Capital Value tax could be added to this portfolio, and that the Treasury explore an approach based on a portfolio of business taxes.

This would allow every business to contribute their government tax 'give' in a way that reflects the way that they do their business in any given year and allow the Treasury to collect that which is appropriate in a fair and equitable manner, matching companies' ability to pay with the needs of local and central government.

We believe that this is achievable by way of current data collection methods and would be transparent and fair.

We believe that the lack of growth in residential council taxation is what is driving the inexorable and very disproportional rise in business rates. We also note that successive governments have refused to engage with this issue but believe that this is now changing and an increase in the number of Council Tax bands would be a fairer and more useful source of extra funding

Response to the Treasury Transforming Business Rates Paper from British BIDs.

This response to the HM Treasury Transforming Business Rates paper[1] is from British BIDs, the national membership organisation focused on serving the 346 Business Improvement Districts (BIDs) in the UK and Republic of Ireland. It is part of the conversation that the Exchequer Secretary James Murray asks for.

We understand that the business rates system cannot be transformed overnight, and that the government believes that the best outcomes will be achieved by developing reforms in partnership with businesses and other stakeholders through a process of co-design. On the other hand, we have been involved in discussions on business rates and their unfitness for purpose for nearly a decade now and little seems to have happened in that time.

We note that the government will make further improvements *over this Parliament* to deliver a fairer business rates system that is fit for the 21st century – one which delivers on the government's commitments to provide certainty to businesses, to support the high street and to incentivise investment.

We very much hope that is the case; but are concerned about the long time scale; businesses are failing up and down the country because of the impact of the current business rates model and it should not be allowed to continue by a government purporting to support growth.

[1] https://assets.publishing.service.gov.uk/media/675197b95692dd4c0c8d1dac/Transforming_Business_Rates__2_.pdf

British BIDs

British BIDs provides leadership, advice, training, conferences, research, accreditation, ballot support, products and services to the 346 Business Improvement Districts; we have nearly 200 members across the sector, and we have a team of BID practitioners providing training, information, advice and guidance to BIDs across the country.

A BID is a business-led and business-funded body formed to improve a defined commercial area. The benefits of BIDs are wide-ranging and allow businesses to decide and direct what they want in their area, be represented and have a strong voice in issues affecting their trading area. The BID collects a levy, the money from which is ring-fenced for use only for the benefit of those within the BID area. Typical BID projects help to increase footfall and spend, improve staff retention, reduce business costs, and enhance marketing and promotion activities in the area.

Typically, a BID is a private limited company, with a Board representing its levy payers, that enables businesses to work together with other stakeholders to plan infrastructure, work on pollution, improve traffic flow and movement, give guidance in place shaping vision activities, have powerful networking opportunities with neighbouring businesses, and allow assistance in working with the Council, Police and other public bodies.

The BID mechanism allows for a large degree of flexibility and as a result BIDs vary in shape and size. The average size of a BID is 400 business premises, with some of the smallest having fewer than 50 premises and the largest over 1,000. Average Annual spending is typically £400,000 but can be as little as £50,000 and as much as £4.1 million. Importantly, 31 of these BIDs have an annual levy spend of over £1million.

Currently there are 133,747 businesses within BIDs, investing £156m of levy money into their local economies, and raising by way of income generation and other external leverage some £171m each year.

British BIDs uses its membership structure to communicate with and speak for them. These businesses range from the small corner shop to the national business high street chains. Thus, the British BIDs perception covers all types of business by both sector and size. We thus believe we are unusually well positioned to speak on behalf of the business community and are both critical players and a major force in the economy, with large numbers of businesses and a serious investment into their local economies.

Methodology

All businesses are clearly deeply affected by business rates issues, and we have collated comments from our members in formulating this response by way of an annual survey of all in the BID industry [2], we have also completed a piece of research with the New Economics Foundation on *BIDs and the New Normal: their responses to the COVID-19 pandemic of 2020* [3], which allowed data collection from a stratified group of over 60 BIDs, and, having given presentations and workshops on the research, much new follow-up material emerged that is documented here.

We also responded to the House of Commons Select committee on Business rates in 2019 [4] and the Treasury Fundamental Review in 2020[5]; that thinking has been updated for this response.

British BIDs delivers training and runs qualification courses throughout the year and thus speaks regularly to our members. British BIDs has an Advisory Board of industry experts[6], works with other key stakeholders such as High Street UK[7] and a regular meeting schedule with the major national levy payers[8]. All these sources of information have been used as part of this response.

Transforming Business Rates

We clearly welcome the invitation to business and other stakeholders to a conversation about how the government can best deliver this transformed system. This is a response to the priority areas for reform set out in that paper and is structured in the same fashion.

We particularly welcome the three objectives of

- protecting the high street.
- encouraging investment
- creating a fairer system.

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[2] https://british-bids.files.svdcdn.com/production/publications/Annual-BID-Survey-and-Report-2024.pdf?dm=1731601188

[3] https://british-bids.files.svdcdn.com/production/publications/BIDs-and-the-new-normal_their-response-to-COVID-19-pandemic_BritishBIDs_June2020.pdf?dm=1591782358

[4] https://british-bids.files.svdcdn.com/production/publications/British-BIDs-submission-on-business-rates-for-select-committee.pdf?dm=1554729795

[5] https://british-bids.files.svdcdn.com/production/publications/British-BIDs-Treasury-Business-Rates-Review.pdf?dm=1600962158

[6] https://britishbids.info/about/national-bids-advisory-board

[7] https://high-streets.co.uk/high-streets-uk-launch-policy-recommendations-in-response-to-business-rates-reform/#

[8] https://britishbids.info/services/national-voters-group

The Issues

Business rates are a very major issue for BIDs and their business members; we responded to the earlier Treasury Select Committee with our evidence and made an oral presentation in June 2019 [9]. We were pleased to be able to submit evidence to the Treasury fundamental review [10], and we, amongst many others[11], were clearly very disappointed that so little emerged from it.

Whilst we fully understand the vital role that business rates play in the government economy, that the advantages of such a tax are that it is very stable and that because it is linked to property it is difficult to avoid, we believe that it is no longer fit for purpose in the way that it is structured.

Growing the economy will depend on getting business rates taxation right; at present it isn't.

We do understand that there is an important link between raising revenue from a business in a particular locality and the purposes to which that tax is being put to use, and we also understand that for some businesses in the professional and service arenas, who have no sales in the traditional sense, this relationship is important. We believe that business rates can be retained but reduced dramatically to allow this relationship to continue.

We are keen to see the business rates retention model extended and enhanced so that on the whole all business rates are retained locally[12]. This is an oft stated [13] but still rarely evident part of government 'fair funding' policy for many years.

To do so requires a fundamental rethink of the local taxation base. Sadly, we do not believe that this Transforming Business Rates paper manages to do that.

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[9] http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/treasury-committee/impact-of-business-rates-on-business/written/98940.pdf

[10] https://a ssets.publishing.service.gov.uk/media/6177dda98fa8f52982a861ea/BRR_final.pdf

[11] https://pureadmin.qub.ac.uk/ws/portalfiles/portal/330214503/15.03._2022_Matikonis_How_Fundamental_was_the_Fundamental_Review_of_Business_Rates_with_accepted_changes_002_.pdf

[12] https://www.local.gov.uk/business-rates-retention-model

[13] https://assets.publishing.service.gov.uk/media/679cac773f28b7444270a2f7/LGFR_2025-26.pdf

We accept that it is a major source of income for government[14] - last year business rates accounted for 4% of total tax revenue £26.3 billion) and 20% of local government's local funding – but we believe it no longer reflects the way that many businesses operate.

We feel that, as with any form of tax, there must be a basic right for a taxpayer to ensure they are paying the correct amount. This is facilitated by the ability to appeal against a rateable value; we believe that this is not operating fairly and appropriately.

We accept that whilst the business rates system has been reliable and logical for many years we believe that as the rate in the multiplier has increased (34.8p in 1990 to between 49.9p and 55.5p in 2025), the pressure on the system has intensified and for most of our members it is now business-critical to seek to reduce the rates liability to a more reasonable level. Business rates account for some 40% of property occupancy and for some occupiers it is now a larger figure than their rents[15]. This clearly cannot continue.

It is this growth in the amount raised, because of changes in the property markets, reliefs and an increasing tax requirement over the past few years that is causing such grief to business.

We also believe that the central rating lists contain the rating assessments of the network property of major transport, utility and telecommunications undertakings and cross-country pipelines. These are paid centrally and thus are outside the local processes and lists. We believe that this is unfair and that such companies are not making their local contribution.

The 2019 Select Committee report on the *High Streets and Town Centres in 2030* [16] felt that a property-based tax was no longer fit for purpose; "It [...] was designed and developed in the past." BIDs and their members across the country similarly have that view and submitted in their paper to the Treasury Select Committee some case study evidence, and some research-based options.

It is clear that modern business taxation needs to reflect the increasingly varied way of doing business, whether it be bricks and mortar, on-line, professional services, global with large staffing levels, or high added value single person organisations.

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[14] https://www.gov.uk/government/statistics/national-non-domestic-rates-collected-by-councils-in-england-forecast-2024-to-2025/national-non-domestic-rates-collected-by-councils-in-england-forecast-for-2024-to-2025

[15] https://parliamentlive.tv/Event/Index/18337343-c189-475a-95a2-2531c6fada9a

[16] https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/1010/1010.pdf

Protecting the high street

British BIDs is very pleased and impressed that the first objective of this Paper from government is about protecting the High Street. British BIDs represents BIDs across the British Isles and for many of them the High Street is a key issue. It is clear from work by the Centre for Cities and many others [17], that the High Street is far more than just a shopping street. It is a representation for the whole of the business community in a particular town.

Thus, protecting the High Street is a very key issue for the whole place making and economic growth agenda of the country.

Sadly, much of this paper on Transforming Business Rates is a repetition of much of what has come before and seems to offer very little that is new[18]. Indeed, there is little here that can protect the high street.

The current business rates relief 'holiday' for some, but not all, businesses following the Covid-19 crisis shows that government clearly recognises the problems in the current business rates system. But the short-term relief also shows and indeed exacerbates the problem for many businesses, as they have now seen a reduction in that relief, with a huge rise in their business rates for this year and into the future.

The recent government announcement that it intends to introduce permanently lower tax rates for retail, hospitality and leisure properties with RVs under £500,000 from 2026-27, whilst welcome, thus remains a tantamount business rates increase for many, and it is misleading to pretend otherwise.

We note that the government intends to give the biggest 'cut' to retail, hospitality and leisure properties currently paying the small business multiplier - those with a rateable value less than £51,000, but are clearly concerned that whilst retail, hospitality and leisure properties currently paying the standard multiplier, with a rateable value between £51,000 and £499,999 will benefit from a permanently lower multiplier, they will not know these rates until Autumn Budget in light of the outcomes of the 2026 revaluation. This is too sudden for most smaller businesses, and we suggest that you agree the multipliers immediately, rather than increasing them annually in line with CPI. This would provide greater certainty to businesses between revaluations.

We understand that any tax cut must be sustainably funded. We note that the government intends to fund this intervention within the business rates system by

[17] https://committees.parliament.uk/committee/518/built-environment-committee/news/204044/look-beyond-retail-to-reverse-high-street-decline-says-new-lords-report/
[18] https://www.cluttons.com/insights/opinion/budget-autumn-2024-business-rates/

asking those who can contribute more to play a role in supporting the high street. We see that the government intends to introduce a new higher multiplier for all properties with RVs of £500,000 and above from 2026-27, which captures the majority of large distribution warehouses, including those used by online giants.

Many of our levy payers are concerned that this emerging model of differing multipliers announced in the budget each year will bring about a set of 'cliff edges' that might be hugely problematic for business planning and growth.

We believe that this amounts to a mere tinkering with the current model rather than a proper review of local taxation and is merely pushing this fundamental issue into the future. There is a view from many that despite reforms, high tax burdens remain, and the Government has missed an opportunity to fundamentally overhaul the business rates system[19].

Incentivising investment and growth

We very much believe that neither property size nor property value are any longer a surrogate for business size or success. The growth in hot desking and work units in originally larger buildings is bringing increasing numbers of small business into the Small Business Rate Relief (SBRR), and the regional variation in rateable values results in a skewed model of the numbers of businesses actually paying business rates. Thus, an increasingly unfair proportion of business rates is falling on fewer and fewer large business properties in particular regions.

The very fact that there are currently still 16[20] different types of business rates relief highlight the issue, with reliefs being added over time as cases and problems emerged. Some are indeed driven by the local authority, but most are not and therefore allow a central government steer in, at times, a blunt and very regional fashion. These 16 different reliefs result in a complex and confusing model. Some properties are eligible for multiple different reliefs, and evidence from BIDs suggests that reliefs vary between authorities. Thus, the relief system is confusing and means that some ratepayers do not understand what reliefs they are entitled to.

For these various reasons there is an argument that business rates relief is inappropriate, and this Treasury Review might consider the removal of many business rate reliefs. There would of course need to be some mediation of the full burden of

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[19] https://www.nmrk.com/en-gb/insights/thought-leadership/transforming-business-rates-or-tinkering-at-the-margins
[20] https://www.gov.uk/apply-for-business-rate-relief

business rates, although this burden can be reduced by a better designed business taxation model.

We continue to propose as an alternative that the business rates multiplier is mediated each year by the performance of each business in the previous year, as a form of government support for business. This could involve a simple model of the normal multiplier, reduced by factor of 'this year's surplus' minus 'last year's surplus'. This allows a far better targeting of all reliefs, based on business need rather than business type.

A fairer business rates system

We clearly welcome a commitment to a fairer business rates system. But we are very conscious that much will need to be done to make it so.

Business rate reliefs often appear unfair because they are selective by size and type of business and often their temporary nature does not allow businesses to plan ahead. They are blunt instruments at a time of nuanced needs, when the manner in which businesses operate is changing dramatically.

We recognise that the SBBR is an important support tool, and indeed many BIDs have a threshold which ensures businesses receiving SBRR do not pay a BID levy. On the other hand, for one third of non-domestic properties not to pay any business rates at all due to SBRR results in a punitive cliff edge as businesses are revalued over time and suddenly become liable and places a greater burden on the large retail units.

The business rates multiplier

We believe that Business Rates could be reduced, to become a much smaller part of a portfolio of business taxation and therefore be a more nuanced tool of taxation raising. Nonetheless, the business rates multiplier is the key driver of the business rates model, and we are suggesting that the multiplier and the relief model be brought together.

In the short term we, along with others[21], ask that you fix the multipliers immediately, rather than increasing them annually in line with CPI. This would provide greater certainty to businesses between revaluations; freeze any increase in the higher multiplier until 2027/2028, after the 2026 revaluation, to allow businesses ample time to prepare for increases in rates liability and increase the higher rate multiplier threshold at the point of the 2026 revaluation, in order to avoid fiscal drag.

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[21] https://high-streets.co.uk/high-streets-uk-launch-policy-recommendations-in-response-to-business-rates-reform/#

Clearly the key issue is to reduce the increasing growth in business rates, coming from the increased level of reliefs, particularly small business rates relief, the growth in on-line businesses, the changing size of business property and the increasing proportion of the business rates burden born by large retail units.

It is this list of problems that makes the current business rates model untenable; our local authorities and our businesses need confidence that they have a model that will be sustainable into the future.

Making the system more responsive

Annual reviews

We are strongly of the view that the model, to be fairer, must move toward annual revaluations. Many businesses point to business rates as a key source of financial stress, and rates are unpopular.

But this is in large part caused by infrequent property revaluations which cause major changes to bills: these occur only every five years or so, and therefore rates paid by businesses can jump massively if this has risen significantly in value (this was particularly a problem for high street retailers in the south in the most recent 2015 revaluation). Therefore, any new system should introduce more frequent revaluations, preferably on an annual basis [22].

Appeals

The Appeals system appeared to fail under the pressure of the 2010 revaluation and many believe that the new on-line appeals system - Check, Challenge & Appeal- was designed to make appealing more difficult. The justification seemed to be that more small businesses are exempt from rates, and all other businesses can afford to not only pay the full (although often incorrect) amounts in the first place, and also to pay for professional advisors to navigate the complex system. This cannot be right.

As of 2 February 2023, the VOA received 712,980 Checks and 136,480 Challenges. Of those, the VOA had cleared 702,370 of received Checks and 106,040 of received Challenges [23]. This leaves businesses struggling, and most certainly needs to be addressed better. We understand that the current timescale is some 9 months.

Ratings lists

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[22] https://neweconomics.org/2019/11/funding-local-government-with-a-land-value-tax
23https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/869057/CCA_Interim_Review_-_February_2020.pdf

One concern of many BIDs relates to the availability of current property lists, and evidence to support valuations, as well as the challenge of defining who is liable for a tax based on ownership and ensuring compliance.

BIDs are currently balloted quinquennially, using the rateable lists of occupiers. The supporting legislation and regulations are framed around the non-domestic ratings lists; there would be major concerns if accurate lists were not available to support the legislation.

Exploring alternatives to business rates:

As part of the 'conversation' suggested by Exchequer Secretary James Murray, we remain very concerned that the government is not consulting on any wider models of local taxation.

We do believe that the UK's over-reliance on business property taxes in general and more specifically for funding local government creates substantial inefficiencies in the development of commercial property, the commercial decisions of businesses and the planning decisions of local government, and thus some alternative sources of income for local authorities are necessary.

We believe that the lack of growth in residential council taxation is what is driving the inexorable and very disproportional rise in business rates. We also note that successive governments have refused to engage with this issue[24] but believe that this is now changing

Council Taxes

We note that the review will not consider residential property taxes, including Council Tax, but we believe that this focus solely on commercial property taxes is unrealistic. Council tax matters: at £31 billion a year, it now makes up over half of its funding for non-education expenditure. Domestic property was last revalued in1991, and we believe that it is this reducing proportion by capital asset value of council taxes that is putting an unfair burden on businesses.

Thus, properties are in increasingly arbitrary tax bands that may bear little relation to current reality: two households living in equally valuable properties in the same LA can find themselves paying tax bills hundreds of pounds apart just because their properties used to be worth different amounts in 1991. Council tax is also highly regressive with respect to property value, and the 25% discount for single-adult households encourages the inefficient use of property[25].

[24] https://www.parallelparliament.co.uk/question/HL2960/council-tax
[25] https://ifs.org.uk/publications/revaluation-and-reform-bringing-council-tax-england-21st-century

Research by Regeneris for the British Property Federation[26] showed that in 2015, while business rates rose about 80 percent, compared with the tax take of Council Tax, the asset base of commercial property has a value just one sixth of that of residential property.

Recent work by the Institute for Fiscal Studies [27] suggest that the most valuable properties in 1991 (Band H) attract just three times as much tax as the least valuable properties (Band A), despite being worth at least eight times as much in 1991 and even more now, since prices have risen most in areas where they were already highest

This appears unfair and suggests a very skewed taxation base. The current average of the D band annual Council Tax is £2,171[28], based on a capital value of £320,000 in 1991. We see no reason why an increase in the number of the Council tax bands cannot be considered, to reflect that huge increase in property value since 1991and take some pressure off the business rates contribution. This has already taken place in Wales, with great success[29]. This would not be any sort of 'review', merely an increase in bands to reflect the increased property values over a 29 year period.

We note that there is an All Party Parliamentary Group looking at this matter and would ask that the Treasury becomes part of that consultation[30].

Local sales tax

Introducing a new local sales tax would create a system which performs well with regards to some tenets of good tax design: ease of collection, ability to fund local services, mitigate against avoidance, ability to pay and the economic impact.

It can of course be regressive, for those citizens who spend a higher proportion of their disposable income on purchases rather than savings, and it will not collect tax from businesses that don't sell products or services and is thus vulnerable to changes in the business demographic in towns and cities.

Local sales tax (implemented with a VAT system) is thus a potential replacement, or adjunct, for business rates, both in terms of working for business and local government. It can tackle the challenges of an information economy, considering the changing nature of high streets, retail and online businesses.

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[26] https://wedlakebell.com/business-rates-who-pays-and-why-it-matters/
[27] https://www.ifs.org.uk/publications/14761

[28] https://www.gov.uk/government/statistics/council-tax-levels-set-by-local-authorities-in-england-2024-to-2025/council-tax-levels-set-by-local-authorities-in-england-2024-to-2025
[29] https://www.gov.wales/find-out-about-how-we-are-reforming-council-tax
[30] https://www.parallelparliament.co.uk/APPG/council-tax-reform

A local sales tax would link business performance to tax liability more effectively, and it could be operated within the VAT system as a tax at final sale.

It has been suggested that a local sales tax of 2% will raise the same amount as business rates and level the playing field between online and offline retailers.

Local devolution of sales taxes

Some businesses have suggested that a more sophisticated model might allow shoppers buying items in some areas paying a purchase tax based on the value of that area, reflecting a tax system similar to the USA.

There could be a tax rate from 2% to 15% in different local authority areas. Similarly, this model could be applied to online shopping, by looking at the buyer's postcode and adding the applicable tax at checkout. This would bring back a more level playing field, giving traditional retailers a more equitable environment.

Online and e-commerce business[31]

In this online world, business rates give a major competitive advantage to online businesses. They generally have property in locations with a low rent per square foot, with a low rateable value and yet have a much higher turnover and compete with 'bricks and mortar' businesses unfairly across the country.

Business rates tend to strengthen the competitive advantage of online retailers because of the historical cost base of high street shops. The typical London shop is facing a 14 per cent rise in rates, and the average shop across the country an 8.5 percent rise, while online retailers operating from out-of-town warehouses will only pay an extra 2 per cent.

Thus, 'bricks and mortar' businesses are being heavily penalised at a time when the role of the high street, experiential retail and curated public space are all being explored and celebrated by local and central government.

Reducing the inequity between high street and online retailers could radically improve the existing business rates system. However, this recommendation must be considered alongside the proposals for full-scale reform. Retail contributes £7 billion business rates annually, more than any other sector. A new tax system that improves the tax burden between bricks-and-mortar and online businesses will need to balance the burden on those businesses which are a hybrid.

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[31] https://www.ippr.org/articles/business-rates-are-stuck-in-the-past

Many retailers and online service providers occupy high street shops and offices alongside their online presence. It is imperative to design a tax system that properly reflects the value of online sales and high street sales, alongside the changing nature of localising taxes to fund local government. Many small independent traders moved into the on-line e-commerce sphere during the lockdown, and it is imperative that any new tax system doesn't now penalise them.

Given that an online sales tax would be unlikely to raise revenue sufficiently to replace business rates, we expect that any such tax would be part of a new sales tax and exist alongside very much reduced business rates.

Capital Value taxes and Property owner taxes

There is most certainly much interest in a Capital Value Tax, and it has been described and analysed[32] in some detail. Pieces of land gather their value from their location rather than the quality of the development sitting on top of them. What gives the location its value is the surrounding infrastructure; land tends to be more valuable in the centre of a city with high footfall, or areas with good transport infrastructure, such as schools, hospitals.

Conclusion - A portfolio approach.

It doesn't seem appropriate for an 'conversation' paper such as this to come up with specific solutions.

Nonetheless, it seems clear to many that modern business taxation needs to reflect the increasingly varied way of doing business, whether it be bricks and mortar, on-line, professional services, global with large staffing levels, or high added value single person organisations.

We believe that this paper amounts to a mere tinkering with the current model rather than a proper review of local taxation and is merely pushing this fundamental issue into the future. There is a view from many that despite reforms, high tax burdens remain, and the Government has missed an opportunity to fundamentally overhaul the business rates system[33].

A business taxation model must reflect those varied ways and be open to change over time as businesses change and develop.

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[32] https://neweconomics.org/2019/11/funding-local-government-with-a-land-value-tax
[33] https://www.nmrk.com/en-gb/insights/thought-leadership/transforming-business-rates-or-tinkering-at-the-margins

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[34] https://www.parallelparliament.co.uk/question/HL2960/council-tax