

From: Gareth Williams [mailto:gareth.williams@scdi.org.uk]

Sent: 19 July 2017 16:32

To: Melville J (Joan)

Cc:

Subject: Preparation of the Commission's Tenth Programme of Law Reform - Consultation on possible law reform projects

Dear Joan

Thank you for the invitation from your Chief Executive, Malcolm McMillan, to SCDI Chair Brendan Dick to comment on the Commission's Tenth Programme of Law Reform.

As the Commission will be aware, growth in the Scottish economy has been slow and significantly less than in the UK as a whole. The business rates system is an area of very significant concern for Scottish businesses of all sizes, especially at a time of major economic uncertainty and change, for example as the digital economy grows and disrupts traditional business models.

The Barclay Review is currently considering the business rates system and SCDI has made recommendations about how it should flex more with market conditions, including a reduction in the period between revaluations from 5 to 3 years and in the period between when valuations are made and it takes effect from 2 to 1 year. We believe that this will improve economic competitiveness and resilience.

As the ongoing revaluation has highlighted, the appeals process is also key. Judicial interpretation in the 'Schuh case' has severely limited the scope of what constitutes a material change of circumstance in Scotland which may allow for an appeal. Only exceptional or abnormal circumstances are now considered. This right is not as restricted in England and Wales. This has made Scottish business rates system less responsive to changing marketplaces.

Therefore, following the conclusion of the Barclay Review, SCDI believes that the Scottish Law Commission should review and make recommendations on how to redraft material change of circumstances legislation to address the concerns resulting from the 'Schuh case' and support a more responsiveness system.

I hope that this is helpful.

Yours sincerely

Gareth Williams

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(Please note that I work until 13:00 on Mondays and Tuesdays)

