



# Budget 2018

### About Revo

Revo is the organisation that supports businesses in the retail property and placemaking sector. Our unique community includes private and publicly listed retailers and owners of retail property, as well as local councils, and advisors and consultants of all sizes who provide services to our industry.

Our members and the wider retail property and placemaking community are keen to create places people wish to live, work and enjoy their leisure time in, and are keen to work with government to deliver our shared objectives and overcome barriers to create an even more productive and successful sector.

Retail generates approximately £20 billion in taxes and contributes 5% of the UK's total Gross Value Added (GVA) annually. Retail property is the largest asset class in commercial property valued at £360 billion. Well over 3 million people from apprentice to Board Director are directly employed across all corners of the country in retail and retail property.

Dear Chancellor,

The structural changes facing the retail and retail property sector have never been more apparent than those exposed throughout a summer of CVAs.

The future of our high streets, town centres and retail places is at a critical juncture and you have the opportunity to alleviate the unavoidable pressures placed upon business by a perfect storm of obligatory costs, and set a positive agenda for growth and investment.

This Budget offers the opportunity to tackle the unjust distribution of the tax burden within business, setting out a timeframe for bringing taxation into the 21st century whereby this Government can build a fair and transparent system for tax-gathering in a modern, digital economy.

Specifically, we are calling for reforms to the burden placed upon physical businesses through punitive property taxes which too often skews our marketplace in favour of the virtual economy. This harms our ability to compete at home and overseas, attract investment, and fundamentally alters the very fabric of our urban centres.

This Government will also set in motion the opening chapters of our Brexit story, and the choices made will affect our industry for many years to come.

The future is still in our hands, but it is a choice. Thriving retail, hospitality and leisure in dynamic places that are economically sustainable underpin our communities. Thriving places create employment, nurture talent, deliver social spaces and incredible experiences, improve health and wellbeing and ultimately connect people.

To lead in a post-Brexit world is to be bold, to overcome the challenges and meet the aspirations of our world-class retail and property markets. The time to lead on business is now.

Yours sincerely,



**Edward Cooke**  
Chief Executive, Revo

## A fair framework for business

1. Immediately freeze business rates rises [or at minimum cap rises at (1 or 2%)] to relieve businesses who otherwise face another significant inflationary increase, and maintain the freeze until a full review of rates is complete
2. Government must deliver on the commitment to review and replace the outdated business rates system to:
  - a. Create an internationally competitive rate of tax that can be adjusted annually to reflect changing economic conditions
  - b. Immediately remove downwards phasing to ensure occupiers are paying the correct rate following the latest revaluation; and remove provision for phasing in future revaluations
  - c. Diversify and reduce the reliance of local government finance on business rates and rates retention to ensure sustainable funding of services for the future
  - d. Ensure a grace period for investing in new or existing property before any rates rise kicks in – modelled on the Scottish Growth Accelerator
  - e. Fully resource and invest in rates and appeals infrastructure, including new technology and human resources
3. Introduce a hypothecated tax as part of upcoming proposals for online business taxation which will reduce the burden levied on physical business, and more accurately rebalance and reflect modern retail
4. Set out a clear timetable for the introduction of online taxation in the UK, whereby unilateral action will be taken if international consensus cannot be reached

## A positive framework for local government

5. Reward local authorities for taking a strategic approach to economic development – keeping growth returns for up to 25 years – to meet long-term investment needs (e.g. infrastructure).

## Growing employment and skills

6. Develop flexibility in the Apprenticeship Levy scheme to allow for more creative use of funds that specifically meet the needs of our sector, including:
  - f. A longer cumulative spend period up to 3 years to better utilise accrued funds
  - f. Expanding limits on the ability to transfer / share funds to enable businesses to work better together, including through recognised industry bodies and not-for-profit organisations to provide relevant and sustainable industry-wide training
7. Ensure the availability of labour, movement of talent and skilled workers (including soft skilled workers) throughout and after EU withdrawal, ensuring employment taxes remain competitive and sustainable

## Investing in housing & infrastructure

8. Work with industry to identify and deliver small scale transport and infrastructure initiatives across the country; and increase the investment, speed and rollout of critical digital infrastructure to better embrace new technologies and improve early adoption
9. Enable investment in new housing, both independent and mixed-use developments, alongside the appropriate conversion of existing commercial stock in town centres to new residential use

## Preparing for EU withdrawal & international trade

10. Provide certainty on the strategic issues facing the UK as a consequence of withdrawal from the European Union and fund, create and implement a sector specific strategy with a flagship 'Retail is GREAT' marketing campaign to promote and attract investment in UK retail

**revocommunity.org**

Charter House, 13-15 Carteret Street  
Westminster, London SW1H 9DJ

+44 (0)207 222 1122 [hello@revocommunity.org](mailto:hello@revocommunity.org)