



HOUSE OF COMMONS
LONDON SW1A 0AA

Rt Hon Philip Hammond MP
Chancellor of the Exchequer
HM Treasury
Horse Guards Road
London SW1A 2HQ

4 November 2016

Dear Chancellor,

London Business Rates

We are concerned about the consequences for London businesses, and the wider UK economy, of the proposed business rate revaluation. Businesses in many parts of London will face increases of over 100%. We do not believe that the proposed transitional relief scheme, setting a cap at 45% for large businesses, with only 6 months' notice, will allow companies time to adjust to the new bills. Coming at a time of economic uncertainty London businesses will struggle to meet these increased bills. This will impact on jobs, investment and growth.

The unprecedented joint response to the Government's consultation on transitional relief from the Mayor, London Councils and over 40 business organisations representing over 16,000 small, medium and large London businesses, is a sign of how much concern there is about this proposal.

We support the three requests of their joint response and ask the Government to –

- Revise its transitional relief proposals to give businesses a realistic opportunity to plan for the large rate rises caused by the seven-year period since the previous revaluation.
- Consider positively mitigating proposals that will enable London businesses to generate the income to meet the rise in business costs.
- Review in the long-term the effectiveness of business rates as a way of taxing businesses and explore the decoupling of London from the national system to prevent future revaluation turbulence and the continuing erosion of the tax base in the rest of England.

London's economic success is vital for Britain's economic success. We ask the Government to take these positive steps to support London's businesses.

Yours ever,

Bob Neill MP
Co-Chair, APPG for London

Steve Reed MP
Co-Chair, APPG for London

Heidi Alexander MP
Victoria Borwick MP
Karen Buck MP
Ruth Cadbury MP
Cllr the Baroness Coultie
Rt Hon Mark Field MP
Vicky Foxcroft MP
Baroness Hanham CBE

Lord Harris of Haringey
Helen Hayes MP
Rt Hon Dame Margaret Hodge MP
Kate Hoey MP
Lord Horam
Matthew Pennycook MP
Rt Hon Joan Ryan MP
Cllr Lord True CBE

Virendra Sharma MP
Andy Slaughter MP
Wes Streeting MP
Rt Hon Stephen Timms MP
Chuka Umunna MP
Baroness Valentine
Dame Angela Watkinson MP