

7<sup>th</sup> December 2021

Kate Forbes MSP  
Cabinet Secretary for Finance and the Economy  
Scottish Government  
St. Andrew's House  
Regent Road  
Edinburgh  
EH1 3DG

Dear *Kate*,

### **The Scottish Budget for 2022/2023**

In advance of the publication of the 2022-23 Scottish Budget and the Medium-Term Financial Strategy on Thursday 9 December 2021, the Scottish Chambers of Commerce (SCC) Network reiterate our desire for a ***Budget for Business Growth*** that prioritises economic recovery, slashes upfront business costs and creates a competitive environment for Scottish businesses.

The SCC Network's key budget asks were set out fully in our response to the Scottish Government's Tax Policy and Budget Consultation (attached) and it remains imperative for Scottish businesses that this budget focuses on supporting businesses recover from the impact of the COVID-19 pandemic and returning Scotland's economy to a growth footing.

SCC's quarterly economic indicator, the longest-running economic survey of its kind, has consistently shown that Non-Domestic Rates (NDR) remain the main tax concern for Scotland's businesses. It is essential that this budget confirms the Scottish Government's commitment to undertake the NDR Revaluation that is due to take place in 2023 as planned.

In addition, business want to see an extension of the current COVID-19 reliefs afforded to properties in the retail, leisure, and hospitality sectors into the 2022/23 financial year to support the recovery of Scotland's high street, town and city centre economies.

Scotland's businesses are still experiencing challenges in supply chain connectivity, through rising cost prices, inflationary pressures, and recruitment challenges. Therefore, investment in Scotland's workforce through increased support for skills and training interventions to upskill and reskill employees at all levels is necessary to drive up business capacity and investment opportunities.

Ensuring progress is made in developing Scotland's infrastructure and connectivity, both physical and digital, is also critical to supporting businesses and ensuring they have the conditions in place they need to invest, grow and bolster Scotland's economy.

Growing Scotland's exporting capabilities is essential to post-pandemic recovery through the potential to create new jobs, boost productivity and strengthen business resilience, and this budget should provide additional support for those sectors linked to international trade, to grow Scotland's international business connections.

As you are aware, Scotland's recovery from the pandemic is at a critical point and Scotland's businesses need assurances that there will be no further divergence between Scotland and the UK's tax regimes which could place Scotland's businesses at a competitive disadvantage, impacting on the ability to attract and retain talent, investment and finance.



This budget is an opportunity for Scotland to set out on the path towards creating the most competitive business environment in the UK that will allow businesses to grow, create jobs and drive forward economic growth and prosperity.

We expect the next Scottish Budget will take practical steps forward to enable Scotland's business community to emerge from this difficult period stronger, more resilient and on a clear journey towards a strong return to economic growth at the earliest opportunity.

Yours Sincerely,

Dr. Liz Cameron OBE  
Director & Chief Executive  
Scottish Chambers of Commerce