

**Scottish Property Federation**

**Autumn Conference**

**Bringing Business to Scotland**

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# Economic Overview

- Responsibility of future growth focussed on private sector
  - UK's balance sheet groaning with debt - £905 billion
  - Annual spending deficit - £140 billion
  - Debt servicing costs - £50 billion per annum
  - Scotland – 7.5% unemployment
  - Recovery of lost output since start of recession - UK 33%, Scotland 25%
  - A reason for hope. 10 year lead in to 2007 - private sector productivity up 10% compared to public sector productivity decline of 3.2%
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# Regulation - Planning

- System falling short of stakeholders expectations
  - Audit Scotland – decisions still taking too long
  - Economic growth needs to have greater weighting in decision making process
  - Encourage Local Planning Authorities to perform via proposed Business Rates Incentivisation Scheme
  - Re-introduce external performance audit of Planning Departments
  - Fast track schemes of significant economic value
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## Tax – Non Domestic Rates

- Public Health Levy sending wrong message to large retailers looking to invest
  - Knock-on effect on associated businesses
  - Vacant rates relief an added burden not an incentive
  - Poor timing given fragility of the development and construction sectors
  - Possibility of further taxes due to Scottish Government's optimistic assumptions on economic growth and resulting rates revenues
  - Further CBI recommendations
    - Rate poundage parity with England
    - Re-introduction of transitional relief
    - Early notice on RVs and thresholds for 2015 revaluation
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# Business Support – Enterprise Areas

- 4 proposed Enterprise Areas in Scotland
  - Little information currently available
  - CBI open minded at this stage - devil in the detail
  - Balancing act between devolved and reserved jurisdictions
  - Concerns from experience of original Enterprise Zones
    - Employment displacement
    - Value for money i.e. cost per job
    - Sustainability of long term economic gains
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## Conclusion

- Despite current gloomy economic conditions there is an real opportunity for the private sector to work with Government to deliver growth in Scotland going forward
  - The work of CBI Scotland and SPF has never been more important to ensure public policy reflects the needs of the economy and the property sector
  - Regulation, tax and business support all have a part to play in the recovery
  - Public sector should have economic growth at the top of the agenda when consider future policy decisions
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