

## SUBMISSION FROM B&Q

1. I am writing to highlight the Scottish Government's proposed business rates levy on 'large retailers' and the serious concerns which B&Q has over the consequences.
2. As a fellow Scotsman, I'm all too aware of how much Scotland needs investment and economic growth, particularly at a time of spending cuts and public sector job losses. I fully support the Government's aim of making Scotland an attractive place to do business, but I do not think that the levy is good for Scotland – on the contrary, I believe it to be harmful to the country's economic recovery and long term growth.
3. The levy would result in an additional increase of £2.065m in our annual tax bill in Scotland, significantly adding to the operating costs of individual stores. This comes on top of the substantial rates contribution we already make of £10.6m per year; approximately £365k per store. This is set to rise further over the coming three years.
4. This year, Kingfisher's capital investment will increase by 60% on 2010/11 and is set to rise even further beyond 2012. We will be opening one new store, relocating another and opening a new distribution centre, which will create several hundred new jobs. As we and other retailers make investment plans for the coming years, it would be a great shame if we are forced to reconsider whether investment in Scotland is viable.
5. At B&Q we are proud not only of our contribution to the economy, but also our contribution to the communities in which we work. We invest in the personal development of our staff through constant training and actively recruit older people, which benefits both the lives of those staff members and the communities in which they live. Unfortunately, the proposed business rates levy will slow our recruitment programme and our active community involvement, as we are inevitably forced to divert funds to pay the unexpected bill.
6. I understand that your Committee is debating this issue in the coming days and I would ask you to consider these points during your deliberations. I would also encourage you to raise this with the Cabinet Secretary for Finance and the wider Government.
7. Should you have any questions or would like more information, please do not hesitate to contact me.

Euan Sutherland  
CEO, B&Q and Kingfisher UK

12 January 2011