



Eich cyf/Your ref
Ein cyf/Our ref MD/00659/18

David John Rowlands AM
Chair - Petitions committee.
National Assembly for Wales
Cardiff Bay
CF99 1NA
Government.Committee.Business@gov.wales

| | December 2018

Dear David,

Thank you for your letter of 26 November informing me of the petition from Endaf Cooke and Gavin Owen about a Small Business Rates Relief Review.

The Welsh Government is committed to supporting businesses. The Small Business Rates Relief (SBRR) scheme in Wales is funded by the Welsh Government and the thresholds for relief are based on the make up of the Welsh tax-base and the proportion of small businesses in Wales, both of which are considerably different to the position in England. The average rateable value in Wales is around £22,000; in England it is around £33,000. Also the scheme in England is partially funded through a higher multiplier for larger businesses. It is right that our rates and reliefs system should reflect these differences.

The Welsh Government's £100 million SBRR scheme supports around 70,000 ratepayers, with more than half paying no rates at all. This is quite different to England. Even with the enhanced scheme in England, only around a third of ratepayers do not pay any non-domestic rates.

I recently announced an extra £23.6 million to extend and enhance the High Street Relief scheme for a further year into 2019-20, helping shops, restaurants, cafes and pubs.

The enhanced scheme will go significantly further than in previous years, providing support to around 15,000 retailers in Wales with a rateable value up to £50,000 and reducing rates bills to zero for retail properties with a rateable value up to £9,100.

Local authorities will also be given an additional £2.4 million to provide discretionary rates relief for local businesses and other ratepayers where it would have the greatest impact. This funding will be provided to authorities through the local government settlement for 2019-20.

This extension to our High Street Rates Relief and the additional funding for discretionary rates relief, together with our permanent Small Business Rates Relief and other reliefs, combine to offer timely and targeted support for ratepayers across Wales.

I continue to examine options for longer term reform of local taxes and to develop our SBRR scheme to ensure it is targeted to best meet the needs of Wales. Our intention is to take a progressive, fair and transparent approach towards local taxation in Wales which continues to provide funding for vital local services.

Jane Sweeney,

Mark.

Mark Drakeford AC/AM

Ysgrifennydd y Cabinet dros Gyllid
Cabinet Secretary for Finance