

Rebecca Evans AM

Minister for Finance and Trefnydd
Welsh Government
Cathays Park
Cardiff
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04/11/19

Dear Finance Minister,

BUSINESS RATES BURDEN AND REVALUATIONS

We are writing to you jointly ahead of your Welsh Budget to ask you to tackle the current business rates burden, and to call for more frequent revaluations to ensure that Wales does not get left behind as developments take pace in the other UK nations.

We fully appreciate that a substantially lower multiplier rate is unlikely to happen overnight. This is why we seek the development of a timetabled plan to lower the onerous rates burden and restore its competitiveness with elsewhere in GB. This should be coupled with restoration of parity and the level playing field with England and Scotland on bringing rates revaluations forward to every three rather than five years. These measures would increase business confidence about investing in new premises and help support decisions around refurbishing existing properties.

We are concerned that revaluations in Wales could fall out of cycle with Scotland and England. Although the Non-Domestic Rating (Lists) Bill fell when Parliament was prorogued for the Queen's Speech, we understand the UK Government remains committed to three yearly revaluations. The Non-Domestic Rates (Scotland) Bill is also progressing in Scotland and expected to introduce three-yearly revaluations. We collectively agree that your Budget is an opportunity to commit to more frequent revaluations in Wales.

More frequent revaluations would not only increase the accuracy of valuations and reduce the sudden and often large fluctuations in values and bills that occur as a result of revaluation – and so lessen the appetite for appeals - but would also enable Wales and England to be aligned, reducing administration costs for firms which operate across GB.

The Welsh Government is rightly keen to maintain its commitment to prosperity for all, through supporting business growth and encouraging long-term investment. Our members believe that lack of progress on more frequent revaluations could undermine Wales's competitiveness and would be contrary to your Government's ambitions.

We are keen to see the rates system better flex with economic and trading conditions and as such we strongly support the proposals in England and Scotland for more frequent revaluations and reducing the time taken between valuations and them coming into force.

We strongly urge you to enable more frequent revaluations in Wales, providing a more effective shock absorber against future economic bumps in the road. It would also help the rates system keep pace with structural changes in economy, and make it easier for ratepayers to anticipate future bills. Wales could be the lead on significant business rate reform – and all of the benefits that a

modernised system would bring. Whilst we welcome the current review being undertaken, immediate action is needed to inject confidence in the business sector.

We want Wales to be an even better place to do business. A clear commitment to lower the rates burden, coupled with more frequent revaluations, would go some way to delivering on the government's ambition to build resilience and future proof the Welsh economy.

Yours sincerely,

Sara Jones, Welsh Retail Consortium

Andrew Tighe, British Beer and Pub Association

Ben Cottam, Federation of Small Businesses Wales

David Chapman, UK Hospitality

Debbie Bryce, West Cheshire & North Wales Chamber of Commerce

Ed Woodall, Association of Convenience Stores

Heather Myers, South Wales Chamber of Commerce

Ian Price, Confederation of British Industry

Matthew Ogg, Revo

Phil Clapp, UK Cinema Association

Rachel Kelly, British Property Federation