

Welsh Government: Consultation on proposals for non-domestic rates differential multipliers

Submission from the Association of Convenience Stores

1. Do you agree with the proposal to introduce a lower retail multiplier?

Yes. We support the introduction of a lower multiplier for retail premises with a rateable value under £51,000. Convenience stores are physical businesses embedded in their communities providing essential services, especially in rural and other isolated locations. A lower multiplier would provide a targeted, much-needed boost to small retailers across Wales and help level the playing field with online-only businesses.

2. Do you think the proposed definition for a retail multiplier would align with the policy intent?

Yes – broadly. The focus on shops, kiosks and post offices with rateable values below £51,000 should cover most convenience retailers in Wales. However, we are concerned that shops with petrol forecourts are not currently included in the definition and believe they should be. Petrol forecourt stores provide the same essential services as standalone convenience stores and face similar cost pressures. We would also urge the Welsh Government to ensure clear and consistent application of these definitions across all local authorities to avoid any unintended exclusions.

3. Do you think a higher multiplier should apply to properties with a rateable value above £100,000 (subject to the described exclusions)?

Yes. However, while most convenience retailers won't be directly affected by the proposed higher multiplier, there may be indirect impacts through the supply chain. Wholesalers and distribution warehouses that supply convenience stores and other high street businesses will exceed the £100,000 rateable value threshold and would likely face increased costs that could be passed on to retailers. In addition, some petrol forecourt sites with larger footprints will also exceed the £100,000 threshold and could be directly impacted by higher bills. We therefore urge the Welsh Government to assess the wider economic impact of a higher multiplier on the retail ecosystem before implementation.

4. Do you think the proposed definition for a higher multiplier would align with the policy intent?

Yes.

5. What, in your opinion, would be the likely effects of the proposals on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English. Do you think that there are opportunities to promote any positive effects? Do you think that there are opportunities to mitigate any adverse effects?

Don't know.

6. In your opinion, could the proposals be formulated or changed so as to: 1. have positive effects or more positive effects on using the Welsh language and on not treating the Welsh language less favourably than English; or 2. mitigate any negative effects on using the Welsh language and on not treating the Welsh language less favourably than English?

Don't know

Q7. We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.

We welcome the Welsh Government's decision to provide 40% non-domestic rates relief for retail premises in 2025/26. This support has played an important role in helping local shops manage rising fixed costs and maintain their presence in high streets and communities across Wales.

We recognise that this level of temporary relief is not a permanent feature of the system. The proposed introduction of a lower retail multiplier from April 2026 is a sensible and necessary reform to support the long-term viability of bricks-and-mortar retailers. However, the timing of this reform is particularly important, as the next non-domestic rates revaluation will also come into effect on 1 April 2026. Given the trajectory of rateable values based on the 2024 rental values, many Welsh retailers are likely to see an increase in their rateable values, further raising their business rates liabilities at the point that temporary relief is being withdrawn.

It is therefore vital that the retail multiplier is set at a level that fully offsets both:

- the removal of temporary reliefs, and
- the increase in rateable values anticipated from the 2026 rating list.

In England, we are advocating for the retail multiplier to be set at least 20p lower than the standard multiplier to ensure that cost pressures are meaningfully addressed and to support ongoing investment in local shops. We encourage the Welsh Government to adopt a similar approach to provide the financial headroom retailers need to continue serving communities and reinvesting in their businesses.

Additionally, we urge the Welsh Government to review and uprate the thresholds for Small Business Rates Relief, currently set at £6,000 and £12,000. Without action, rising rateable values will result in many small retailers losing access to this vital support, even where their business activity and property footprint has not changed. If thresholds remain static while RVs rise, many small shops could face sudden and unsustainable increases in their rates bills from April 2026.

To ensure fairness and continued support for small businesses:

- SBRR thresholds should be indexed to reflect increases in rateable values arising from the 2026 revaluation, and
- The Welsh Government should commit to reviewing these thresholds regularly to ensure they remain responsive to market conditions.

These measures would provide much-needed stability for small businesses during a time of transition, help prevent unnecessary shop closures, and underpin investment in Welsh high streets and local economies.

For more information on this submission please contact Jordan.newfield@acs.org.uk.