

Dear Delyth,

I hope you're well?

Music Venue Trust were pleased to see the Finance Committee's published report on the Scrutiny of the Welsh Government Draft Budget 2026-27. We are particularly interested in the recommendations around the multipliers for hospitality businesses and pleased that the Committee recommended that the Cabinet Secretary provides clear details about the specific measures in the Draft Budget to support the leisure and hospitality sectors and an assessment of the extent to which these will mitigate the impact of retail, hospitality and leisure Non-Domestic Rates relief, which ends in March 2026, by the time the Final Budget is laid.

As you will know, Welsh Government has currently stated that the multiplier will reduce from 56.8p to 35p, but this has not been confirmed for retail, leisure, and hospitality, including grassroots music venues, which is creating a huge amount of uncertainty for businesses. Without the lower multiplier, many will continue to face financial cliff edges.

While the lower multiplier is welcome, it will still not fix the deeper issue of the inadequacy of rateable values which are due to rise in April 2026. The current approach applies generic valuation models designed for retail and hospitality to a specialised cultural sector with a unique operational and economic model. This results in systematically inflated RVs that bear no relation to the financial reality of these businesses.

The consequence is not a marginal adjustment but a sector wide crisis. Data from the 2026/27 revaluation shows extreme, unsustainable increases in the tax base for GMVs. The VOA's methodology fails because it is based on assumptions that are invalid for GMVs including:

- Error in assessing usable commercial space
- Error in assessing trading hours and capacity
- Error in understanding the business and financial model
- Error in applying an inappropriate comparative model

To create accurate valuations, the VOA must develop and adopt a sector specific methodology that corrects the above errors. This would involve developing a New Sector Specific Valuation Scheme for grassroots music venues, distinct from the model for pubs and bars.

In the meantime, we would be grateful for urgent clarification on the multiplier from the Government so GMVs can begin to plan for the years ahead. We'd be most grateful if you might be able to raise in the Senedd, and we'd be happy to provide a draft oral question if that might be helpful?

Best wishes,

Sophie

Sophie Brownlee