

Mike Hedges AM  
Chair of The Petitions Committee  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

18 January 2017

Dear Mr Hedges,

### **Petition to Protect Our High Street - Business Rates**

Please find enclosed the paper copies in support of the above petition. In total we have gathered 1,668 signatures - 939 online and 729 on paper.

This petition is part of a wider campaign calling on the Welsh Government to

- 1) help SMEs facing astronomical increases in their business rates bills when the new rateable values come into force in April;
- 2) develop a package of permanent rate-relief measures to alleviate the financial pressure on small businesses in Wales.

Business rates is a tax which has been fully devolved from Westminster to the Welsh Government. At the moment, business rates in Wales are calculated in broadly the same way as they are in England. However from April the situation will change, and not in Wales' favour.

The first issue we face stems from the recent revaluation of the rateable values of commercial properties across the UK. Many businesses have found that their rateable value is to be dramatically increased and as a result their business rates bill will rise astronomically in April. Rural market towns such as Cowbridge and Monmouth appear to have been hardest hit and this is seriously threatening the future viability of many high street businesses.

The second issue concerns the Small Business Rates Relief scheme. The UK Government has announced it will double the threshold below which small businesses will be exempt from business rates from £6k to £12k, and introduce tapered relief for those valued between £12k and £15k. Unfortunately the Welsh Government has chosen not to implement this policy, meaning that from April, all small businesses in Wales valued between £6k and £12k will still have to pay tax whilst their counterparts in England will be rates free. Those valued between £12k and £15k will have to pay the full amount and, unlike in England, will not benefit from any rate relief at all.

The combination of these two issues is understandably causing considerable concern in Wales, where small businesses make up more than 96% of the economy.

The Welsh Government has announced a three year transitional rates relief scheme and more recently, in response to the concerns we have raised, a further £10m support fund for those businesses facing significant increases in their rates bills. This will help many of them survive over the next 12 months whilst a new permanent business rates scheme is developed ready for April 2018.

Although this support is welcome, we do not believe these transitional arrangements go far enough and are calling on the Welsh Government to introduce a permanent Small Business Rates Relief scheme that is at least as good as, if not better than, the one being introduced in England in April 2017. It cannot be right that small businesses in Wales are knowingly being put at a significant competitive disadvantage to those over the border, especially by a Welsh Labour government which promised in its 2016 manifesto to “cut taxes for all small businesses”.

There are many small business owners and representatives in Cowbridge and Monmouth who have been fully engaged in this campaign and thoroughly understand the issues facing SMEs. We would therefore like to offer our help, advice and experience to the Welsh Government in order to shape the development of a new permanent Small Business Rates Relief scheme which will benefit all small businesses across Wales. We do hope that you will take us up on our offer and look forward to working with you.

Yours sincerely,

**Sally Stephenson**  
**Director**