

Finance Secretary announces new permanent small business rate relief scheme for Wales

The new permanent scheme will limit the number of properties eligible for small business rate relief to two per business in each local authority, preventing larger businesses and national chains from benefiting from the scheme.

This will allow relief to be targeted more effectively to support small and local businesses and release £7m every year to be re-invested to support small businesses.

In addition to providing more than £110m of support for small businesses in Wales every year, the new permanent small business rate relief (SBBR) scheme will also provide:

- Additional support for the childcare sector, increasing the upper threshold for rates relief for childcare providers from £12,000 to £20,500.
- Targeted support for small hydropower projects, in line with the Budget agreement with Plaid Cymru.
- £5m to extend the temporary high street rates relief scheme into 2018-19;
- An extra £1.3m for local authorities for 2018-19, for them to use their discretionary powers to provide targeted relief to support local businesses which would benefit most from additional assistance.

The Finance Secretary also announced today an extra £9m and £22m will be allocated in the final Budget in 2018-19 and 2019-20 respectively, to support the switch from RPI to CPI for business rates from April 2018.

Professor Drakeford said:

“I have previously set out my intention to introduce a permanent small business rates relief scheme from 1 April 2018.

“This will provide certainty and security for small businesses in Wales, delivering a tax cut to businesses drive long term economic growth. I am pleased to announce the details of the permanent scheme today.

“This year, we have provided small businesses with more than £110m of support to help them pay their bills. Our permanent scheme, which will be in place from 1 April, will maintain this level of support from the Welsh Government.

“In line with our tax principles, the permanent scheme will target

support more effectively towards those businesses which will benefit most – supporting jobs and growth and delivering wider benefits for our local communities.

“My intention is to take a progressive, fair and transparent approach towards local taxation in Wales, which continues to provide vital funding for local services.

“Delivering a permanent relief scheme for small businesses is a key step in delivering this.”

Changes to the SBRR scheme are being introduced following a public consultation on a permanent scheme in the autumn.