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| WRITTEN STATEMENT BYTHE WELSH GOVERNMENT |

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| **TITLE** | **Non-domestic rates support in 2025-26** |
| **DATE** | **10 December 2024** |
| **BY** | **Mark Drakeford MS, Cabinet Secretary for Finance and Welsh Language**  |

The Welsh Government will be providing a further package of non-domestic rates support for businesses throughout Wales in 2025-26.

We will be investing an additional £78m to provide a sixth successive year of support for the retail, leisure and hospitality sectors with their non-domestic rates bills. This continued support recognises the economic pressures faced by these businesses in recent years and builds on £1bn of support allocated through our Retail, Leisure and Hospitality Rates Relief schemes since 2020-21.

Eligible ratepayers will continue to receive 40% non-domestic rates relief for the duration of 2025-26. As in previous years, the relief will be capped at £110,000 per business across Wales. This is a temporary relief, which will not continue indefinitely.

We will also cap the increase to the non-domestic rates multiplier for 2025-26 to 1%, at a recurring annual cost to the Welsh budget of £7m. This is lower than the 1.7% increase that would otherwise apply from the default inflation of the multiplier in line with CPI and will benefit all ratepayers which do not already receive full relief.

All of the consequential funding for Wales, arising from decisions relating to the multiplier announced in the UK Government’s Autumn Budget, is being used for this purpose.

Almost half of ratepayers, including thousands of small businesses across Wales, will not be affected by an increase in the multiplier, as our generous system of reliefs mean they do not pay non-domestic rates at all.

A debate on the regulations to set the multiplier will be scheduled in the New Year. Subject to approval of the regulations, the provisional multiplier for 2025‑26 is 0.568.

Taken together, this is an £85m package of additional support for 2025-26. This is in addition to our fully-funded permanent reliefs, which are worth £250m to businesses and other ratepayers every year.

In total, £335m will be spent on non-domestic rates support in 2025-26. Every ratepayer will benefit from this package, which demonstrates the Welsh Government’s continued commitment to supporting businesses to recover and thrive, following recent economic challenges.

In addition to the Retail, Leisure and Hospitality Rates Relief and capping the multiplier, we have also [confirmed](https://www.gov.wales/written-statement-making-100-small-business-rates-relief-registered-childcare-premises-permanent) the 100% relief for registered childcare premises has been made permanent. This underlines our commitment to supporting the childcare sector and will continue to save providers £3.4m every year, as part of our package of permanent reliefs.

More broadly, we are on track to deliver the programme of non-domestic rates reforms set out for this Senedd term. The Local Government Finance (Wales) Act 2024 makes significant improvements to system, including more frequent revaluations, a framework to address avoidance and the ability to tailor the tax to reflect our priorities for Wales in a more responsive manner.