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| WRITTEN STATEMENTBYTHE WELSH GOVERNMENT |

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| **TITLE** | **Consultation on charitable rates relief for private schools and hospitals in Wales** |
| **DATE** | **31 January 2020** |
| **BY** | **Rebecca Evans AM, Minister for Finance and Trefnydd** |

Today, I am launching a consultation on charitable rates relief for private schools and hospitals in Wales.

Non-domestic rates are an integral part of the local government funding system in Wales, providing over £1 billion each year towards the costs of vital local services. All the revenue raised in Wales is distributed in full to support local government and police services – services we all benefit from.

In 2019-20, the Welsh Government is providing more than £230 million of support for ratepayers through our non-domestic rates relief schemes. This support needs to be targeted as effectively as possible and we keep all our relief schemes under continuous review. Every ratepayer who is able to should contribute their fair share towards the funding for local services.

Our mandatory charitable relief is one of the schemes available. It provides over £60 million of support to charities and trusts, resulting in an 80% reduction in their rates bills. Local authorities have discretionary powers to top up the relief to 100%.

All schools and hospitals, public and private, fall within the non‑domestic rates system, as do most other non-domestic properties. Within this group, some schools and hospitals receive charitable relief. A small proportion of public sector properties receive the relief while a more substantial proportion of private sector properties benefit.

This is partly as a result of the flexibility private institutions have to determine how they are structured and, in turn, their ability to meet the conditions required to be classified as a charity.

The ability of private and independent schools and private hospitals to raise revenue through fees and charges and to benefit from the other financial advantages of charitable status is not something we wish to alter. However, it is appropriate to review the provision of rates relief and the requirements for contributing to the cost of local services through non-domestic rates to ensure fairness within the local taxation system.

The consultation asks for views on whether there is a need to reform charitable rates relief for schools and hospitals. Our intention is to ensure that the support the Welsh Government provides through its rates relief schemes is targeted in a fair and consistent manner. While the consultation is focused on charitable relief for private schools and hospitals, we would also like to hear views on other approaches which might help to ensure that charitable relief is targeted effectively.

The consultation will run for 12 weeks and responses are requested by 24 April 2020. I look forward to seeing all contributions on this important matter.

The consultation is available at:

[https://gov.wales/charitable-rates-relief-schools-and-hospitals-wales](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fgov.wales%2Fcharitable-rates-relief-schools-and-hospitals-wales&data=02%7C01%7CAlexander.Harding%40gov.wales%7C00ee09ceb99a45b7d53008d7a3e8ad43%7Ca2cc36c592804ae78887d06dab89216b%7C0%7C0%7C637158092040828993&sdata=qb0nR4QPQO8Wr6sLTDAJAez%2BKMd%2Fe0Srwg8RRwCh3qw%3D&reserved=0)