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| WRITTEN STATEMENTBYTHE WELSH GOVERNMENT |

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| **TITLE** | **Non-Domestic Rates Revaluation** |
| **DATE** | **11 July 2018** |
| **BY** | **Mark Drakeford AM, Cabinet Secretary For Finance** |

The next non-domestic rates revaluation in Wales will take place in 2021, in line with the next revaluation in England.

Bringing the revaluation forward by a year from 2022 will mean the rateable values on which non-domestic rates bills are based will reflect up-to-date market conditions and enable ratepayers in Wales to plan ahead.

This decision provides certainty for ratepayers as the Welsh Government explores more fundamental reforms to the system.

Last year, I outlined our approach to reforming local taxes – council tax and non‑domestic rates – as an integral part of the wider local government finance system. I published an update on progress last October and will publish a further update in the autumn.

In reforming the business rates system, our aim is to provide greater resilience for local authorities; fairness for citizens and businesses and ensure there is sustainable funding for vital local services.

We have already achieved a number of our short-term goals to develop a Welsh non‑domestic rates system, including placing our small business rates relief scheme on a permanent footing; changing the basis for uprating the multiplier and consulting on improvements to the administration of rates.

We are now considering wider and longer-term questions about business rates, including whether different approaches to property valuation in Wales are viable; whether they are fairer and whether there are benefits for public services and the economy in Wales. We are also looking at the potential of other options, such as a land value tax, as an alternative way of raising revenue from non-domestic property in the longer term.

Local authorities are being invited to bring forward proposals for how regional approaches can help to drive economic growth as part of city and growth deals in Wales. I have recently agreed an in‑principle approach for the local authorities involved the Swansea Bay city deal to retain 50% of the business rates generated by projects in the deal.

More fundamental changes to business rates in Wales in the future will need to be considered and developed over the longer term. However, in the short-term, I want to be confident that any changes we make to the business rates system now, does not limit or rule out our options for future developments if these would better meet the needs and objectives for Wales.

Given the range of options which may emerge from the exploratory work we are carrying out, it would be premature at this stage to commit to following the approach announced in England of adopting a three-yearly revaluation cycle after 2021. I have not ruled this out but I am keen to examine all options for Wales.

The Welsh Government will take advice from experts and work with local government and stakeholders as we take this work forward. This work will be carried out openly and proposals will be shared as they are developed.

The Welsh Government will continue to work closely with the Valuation Office Agency to ensure the revaluation process for 2021 is carried out in a timely and accurate manner, reflecting our ambitions for people and businesses in Wales.