

**SMALL BUSINESS RATE RELIEF CONSULTATION 14 SEPTEMBER – 27  
OCTOBER 2006 - SUMMARY OF RESPONSES**

(A= LA or Public Body, B = Organisation C=Individual)

Respondent	Comments
<p>(A01) Carmarthenshire CC</p>	<p><b>1. Small Business Rate Relief for Non-Rural Settlements</b></p> <p>Carmarthenshire County Council fully supports a scheme that affords rates relief to small businesses in the areas of the County that are classed as non-rural under the existing Rural Rate Relief scheme.</p> <p>Being a rural County, the difficulties felt by the rural community also impact upon the county towns and settlements that are excluded from Rural Relief scheme purely due to population limits. The SBR scheme will go some way to help these small businesses and its introduction in those areas not encompassed within the Rural Relief scheme is therefore, welcomed.</p> <p><b>2. Withdrawal of Rural Rate Relief Scheme</b></p> <p>Whilst the assistance to small businesses not currently benefiting from relief is welcomed there is serious concern over the impact that the reduction in assistance due to the withdrawal of the Rural Rate Relief scheme will have on rural businesses.</p> <p>It is estimated that in Carmarthenshire, some 1,300 business will lose out under the scheme, with a total monetary value of £800k. This is an entirely unacceptable situation and the Council is therefore totally opposed to a change that so severely penalises rural areas.</p> <p>Due to its low GDP, Carmarthenshire is soon to benefit from EU funding from the EU Convergence Programme. It would therefore be inappropriate and illogical for the Authority to receive funding to help address poverty issues, yet for the area to suffer a significant reduction in assistance to small rural businesses.</p> <p>The Council recognises that financial resources are finite and the assistance to non-rural businesses has to be funded somehow, however, this is of little consolation to rural businesses that will face a significant increase in rates,</p>

The situation is further exacerbated by the following aspects of the proposals:

- a) There are no proposals for any form of transitional protection to lessen the immediate impact upon rural businesses that will be adversely affected by the new scheme. Consequently a high percentage of businesses that have for a number of years, had their rates bill reduced by 50% or even remitted in full, will immediately face a significant increase in costs.
- b) The disparity in Rateable Value ranges means that rural businesses with Rateable Values between £5,000 and £6,000 will go from 50% Mandatory Rural Relief to NIL Small Business Relief. If £6,000 was appropriate for Rural Relief why not for Small Business Relief. At least this would afford 25% relief to businesses in this category.
- c) The proposals to amend the contribution regulations so that authorities will have to bear 100% of the cost of discretionary relief will virtually eliminate any scope for authorities to provide discretionary assistance to small rural businesses adversely affected by the new scheme.

### **3. Conclusion**

In view of the concerns flagged in (2) above, the Council urges that:

- a) The proposed withdrawal of the Rural Rate Relief scheme be revisited with a view to maintaining exiting levels of relief for businesses current being helped by the scheme

In the event of relief for rural businesses at its present level being withdrawn:

- b) A transitional assistance scheme should be introduced in order to mitigate the immediate impact upon businesses adversely affected by the withdrawal of the Rural Rate Relief scheme
- c) The upper limit for Small Business Relief be increased to £6,000 to maintain some form of reduction for those rural businesses within the £5,000-£6,000 Rateable Value bracket

The planned amendments to the contribution regulations be

	revisited with a view to maintaining the existing percentages, thereby allowing authorities the opportunity to provide additional discretionary assistance in deserving cases.
<b>(A02) Wrexham County Borough</b>	<p>Thank you for the opportunity to comment on the new proposed Business Rates Relief Scheme for Wales.</p> <p>I have now had the chance to consult with the Economic Development Team and also the Members of the Council through the Environment and Regeneration Scrutiny Committee.</p> <p>There were a number of concerns raised by the various groups regarding this new scheme and I have listed these below:</p> <ol style="list-style-type: none"> <li>1     <u>Effective start date 1 April 2007</u> <p>The council is concerned that this date is very close and leaves little time for proper consultation and advising small businesses of the change. A large number of businesses in the Wrexham area who have been receiving 100% relief will now face paying at least 50%-100% of the charge with very little chance of adjusting their income to cater for these increased charges. You must appreciate that a large number of these small businesses in the rural areas do survive on a very small profit margin and therefore an increase of £2,000-£3,000 and in some cases £4,000-£5,000 would have a significant affect on their ability to continue running that business. It is therefore suggested that the effective date should be 1 April 2008.</p> </li> <li>2     <u>Transitional relief</u> <p>If the Welsh Assembly Government is not prepared to put the effective start date back it must consider the impact on small businesses in the rural communities and the fact that a large number of them may well close or go bankrupt and therefore there needs to be a transitional period where the scheme is phased in.</p> </li> <li>3     <u>Consultations</u> <p>The understanding with the Welsh Assembly Government is that all consultations will be dealt with over a minimum of a year in order that a proper consultation can be carried out with all parties involved.</p> </li> </ol>

4 Supporting Small Businesses

If this new scheme does go ahead as planned the council considers that the Welsh Assembly Government should provide more funds for supporting businesses in the rural community in order to prevent a considerable number of shops, pubs and other businesses from closing and leaving only a residential element in a large number of our villages.

5 Relief for Post Offices

The council welcomes the relief provided to post offices and the increase in rateable value to £9,000 for 100% relief and £12,000 for 50% relief. The council requests that public houses are treated in the same way and include them in the same group as post offices. Many struggle in the rural community and provide a valuable service and meeting place for the locals.

6 Urban Relief for urban small businesses

Again this authority welcomes the introduction of a scheme to assist small businesses within the Wrexham urban areas and also the communities of Llay and Ruabon, who previously were not entitled to any relief due to the fact their populations were over the 3,000 figure. However, the council's greatest concern is still the loss of some two million pounds to small businesses in the rural areas of Wrexham County Borough. This will have a significant affect on the services and the shops and businesses that are in the rural areas and can only lead to the movement of such businesses to the Wrexham urban area, i.e. town centre, where there is a greater population there to support their business and a reduction in employment in the rural communities.

I would therefore hope that you would reconsider your proposals and assist by helping the rural businesses as the authority has tried to do under the current rural rate relief scheme by granting 100% relief. I appreciate there is a limited amount of money available but the authority feels that this new scheme will greatly affect the small businesses in the rural communities and may have a devastating affect on their ability

	<p>to sustain a normal life style within these rural communities.</p> <p>M S Owen Chief Finance &amp; Performance Officer</p>
<p>(A03) <b>Pembrokeshire County Council</b></p>	<p>Please accept this letter as a formal response from Pembrokeshire County Council to the consultation paper issued on 14<sup>th</sup> September 2006.</p> <p>The implication of the proposals now put forward are significant in relation to current rural rate relief schemes operated in partnership with The Welsh Assembly Government. Some 2,200 rural businesses in Pembrokeshire will lose £2.5m in rate relief if the new proposals are introduced on 1<sup>st</sup> April 2007. This represents 35% of all business rate assessments within the County and will have a significant impact upon the financial viability of many small rural businesses.</p> <p>The Cabinet, at its meeting on 9<sup>th</sup> October 2006, has resolved to formally respond as follows:-</p> <p>a) That objections made to the Welsh Assembly Government's proposed new scheme due to the scale of the effects on existing businesses and the limited new benefits to other businesses.</p> <p>b) That the previous views expressed in February 2006 be re-stated as the response to the further consultation paper issued by the Welsh Assembly Government, namely:-</p> <ul style="list-style-type: none"> <li>• That the Authority supports the adoption of Option 3 as contained in the original consultation paper</li> <li>• That in supporting Option 3, the Council requests that additional funding capacity is provided by the Welsh Assembly Government to extend the scheme to urban areas ; a redistribution of existing resources would not be equitable</li> <li>• That the rateable value threshold for the scheme be index-linked to reflect the 2005 Revaluation</li> </ul> <p>I trust the Minister will be advised of this Council's concern, and the enormous impact the proposals will have on rural businesses in this County.</p>
<p>(A04) <b>Ceredigion County Council</b></p>	<p>A panel of Members has deliberated over the proposals and the following comments represent the views of the Members and the Director of Finance.</p> <p>The existing Rural Rate Relief (RRR) scheme has been of</p>

immense benefit to relatively small rural businesses within Ceredigion. Non-Domestic Rates are seen as unfair overhead burden for rural businesses that don't have the same trading opportunities as businesses within the more urban areas. The Authority wishes to ensure that rural businesses, which can be a lifeline to local communities via their very existence as well as offering employment opportunities, can be supported as much as possible, and it's therefore disappointing to note that the proposals are not as favourable as the existing RRR scheme. Ideally the Authority would wish to see the RRR scheme continue with some marginal modifications, e.g. the settlement threshold could be increased to say 5,000 or 10,000 in order that smaller towns, which are currently excluded, could be included.

It is welcomed that Post Offices will benefit from the proposals, however there are a number of other businesses that need support especially in the rural areas. For example, under the current RRR scheme, petrol filling stations and pubs receive a higher level of support (RV up to 9,000) than other smaller businesses. Furthermore, the sole shop or general store in a rural area, which provides an essential service to the local community, needs to be supported to assist with its sustainability.

1. The current RRR scheme supports businesses with a RV of up to 6,000, and petrol filling stations and pubs with a RV of up to 9,000, via Mandatory Rate Relief of 50%. It's therefore disappointing to note that these are now covered by a much lower limit, i.e. RV up to 1,999, to be eligible for the same 50% Mandatory Rate Relief, and that they will only receive 25% Mandatory Rate Relief if their RV is from 2,000 to 4,999. Furthermore, apart from Post Offices, no business with an RV from 5,000 up to 12,000 will be eligible for Discretionary Rate Relief. This is a severe reduction, and disqualifies those businesses previously eligible for Mandatory Rate Relief if their RV is from 5,000 to 6,000, and Discretionary Rate Relief if their RV is from 6,001 to 12,000. It is recommended that as a minimum the limit of 6,000 should be retained, and that Mandatory Rate Relief of 50% be granted up to that limit.

2. A number of Authorities have been able to assist small rural businesses by granting them additional Discretionary Rate Relief, either by topping-up the 50% Mandatory Rate Relief, and/or giving Discretionary Rate Relief to business with an RV up to 12,000. This additional assistance was deemed affordable as the Authorities were able to recoup 90% of the value of such relief via the NNDR Pool. Under the draft proposals

	<p>Authorities will have to fully fund any Discretionary Rate Relief granted, and thus it's likely that most Authorities will find it unaffordable to provide relief (if any) to the same extent as previously. If the Assembly is unable to support continuation of the 90% contribution, could a lower contribution rate be considered, e.g. 50% support from the NNDR Pool?</p> <p>3. Are there opportunities to phase the change from one scheme to another via a transitional relief scheme?</p> <p>4. It is considered that the implementation date for any change should be deferred until 1<sup>st</sup> April 2008 so that businesses can have adequate time to consider the implications of the new scheme.</p> <p>It is also considered essential that businesses are given ample notification of the changes, and that the Assembly should publicise the changes well in advance of the implementation date</p>
<p><b>(A05) Powys County Council</b></p>	<p>Powys County Council is grateful for the opportunity to comment on the proposals to replace Rural Rate Relief (RRR) with an all Wales Small Business Rate Relief Scheme (SBRR) with effect from the 1st April, 2007.</p> <p>As you will appreciate, the rural nature of Powys means that the existing Rural Rate Relief scheme is extremely important to many of the businesses in our area. Under the existing scheme, over 2,500 rural businesses currently receive either mandatory or discretionary rate relief with many receiving a combination of both. A significant number of these rural businesses receive either 75% or 100% RRR and have done so for many years.</p> <p>For this reason the Council is concerned about the effect on rural businesses of a sudden reduction or withdrawal of any rate relief especially as many have become accustomed to receiving reduced rates bills. The Council is also concerned that there has been little publicity or any formal notification given to businesses warning them of the withdrawal of the RRR scheme which means they are likely to have prepared budgets for the next financial year which do not take into account the additional rates they may have to pay.</p> <p>It is noted that the costs of the new SBRR scheme are expected to be similar to that of the existing Rural Rate Relief scheme but that approximately half the businesses in Wales will benefit under the new arrangements as compared with just 21% of businesses qualifying under the existing scheme. This inevitably means that, whilst more businesses will receive some</p>

	<p>form of rate relief, the amounts granted to many businesses will be significantly less than at present.</p> <p>The representations from the Council are therefore twofold - ~ the introduction of the SBRR scheme should either be delayed until 1st April 2008 or a "damping" scheme implemented to phase in the new arrangements ~ the Assembly should consider increasing the funding available for the new scheme to allow it to be more generous than proposed i.e. by raising the rateable value thresholds.</p> <p>Tony Price Revenues and Benefits Manager</p>
<p><b>(A06) Flintshire County Council</b></p>	<p>Thank you for inviting comments by e-mail on the public consultation to replace the Rural Rate Relief scheme with Small Business Relief.</p> <p>Members of the Executive have discussed the details of the scheme, and in principle, support the introduction of the new scheme. However, members were concerned that many businesses that currently qualify under the Rural Rate Relief scheme will no longer qualify for SBR relief or the level of relief may be lower dependant on the rateable value of the business. With this in mind, members have asked that consideration is given to introduce a tapering/transitional scheme from April 2007, with the sole purpose of phasing rate increases over a period of time for those businesses affected by the changes.</p> <p>Please can you formally record the comments of the Flintshire Executive in the consultation results.</p> <p>David Barnes Principal Revenues Officer</p>
<p><b>(A07) County and City of Cardiff</b></p>	<p>The previous consultation paper earlier this year outlined four potential options for a new rate relief scheme and in its response Cardiff supported Option 4. I am pleased that the Welsh Assembly Government has also chosen it as its preferred option and has now consulted further on the finer details of the scheme.</p> <p>The authority fully supports the proposals contained in this second consultation paper and would welcome an implementation date of 1<sup>st</sup> April 2007.</p> <p>The proposed scheme should not cause any problems in terms of administration and is easy to understand. Being an all Wales scheme it is fairer than the old scheme as many more businesses will now qualify for relief, this particularly being the case in Cardiff.</p>



	<p>I also welcome the fact that Post Offices will be able to benefit from enhanced relief.</p>
<p><b>(A08) Merthyr Tydfil BC</b></p>	<p>I confirm that Merthyr Tydfil Borough Council fully supports the Assembly's proposals.</p> <p>The scheme will have a significant impact on small businesses in Merthyr Tydfil, with over 50% of businesses qualifying for some form of relief, as opposed to less than 0.5% under the Rural Rate Relief.</p> <p>The proposals will assist in the sustainability of existing businesses and encourage the establishment of new businesses, and we look forward to receiving further information and guidance on the implementation of the scheme in the near future.</p> <p>Gary Thomas Director, Customer Community Services</p>
<p><b>(A09) Neath Port Talbot BC</b></p>	<p>On behalf of Neath Port Talbot CBC, I would like to make the following comments on the proposals for a small business rate relief scheme:</p> <ol style="list-style-type: none"> <li>1. we agree that the mandatory scheme is easy to understand &amp; administer &amp;, as such, is to be welcomed;</li> <li>2. we agree that it removes anomalies between businesses in rural &amp; non-urban areas, which is also to be welcomed; however, the relatively low upper RV limit will mean that very few business in non-rural areas will actually qualify for relief;</li> <li>3. the high level of support for post offices is welcome;</li> <li>4. the higher RV levels which apply under the existing rural rate relief scheme mean that a significant number of businesses will lose relief;</li> <li>5. the position regarding discretionary relief has not been made clear, &amp; indeed was not even referred to in the consultation paper:</li> <li>6. if the cost of granting discretionary relief is to fall entirely on local authorities, the budget implications will probably mean that any discretionary relief will have to be small scale &amp; selectively targeted.</li> </ol> <p>Martin Jones Head of Revenues &amp; Customer Services</p>
<p><b>(A10) Gwynedd County Council</b></p>	<p>Thank you for the opportunity to comment officially on behalf of Gwynedd Council in response to the Welsh Assembly Government's consultation paper regarding the above. Since co-operation to support the economy's recovery from the negative effect of foot and mouth disease, local authorities in</p>

rural areas of Wales have used the regulations introduced by the National Assembly to operate the Rural Rate Relief Scheme expansively. Consequently, we have succeeded in maximising benefit from the scheme for a significant number of ratepayers in rural areas, and there is no doubt that rate relief has been of assistance in supporting those businesses. This was acknowledged by a number of ratepayers in letters sent to the Welsh Assembly Government in response to the previous consultation in this regard.

At that time, Gwynedd Council told the Welsh Assembly Government “under the present arrangement, a significant number of rural businesses already receive rate relief. Benefit is derived from the current scheme in terms of continuation of business and employment in rural areas. We wish to retain these valuable arrangements”. As there is a continuing need to support businesses within rural areas, Gwynedd Council’s first response to the content of this consultation paper is great disappointment and we ask for continuation of the regulations as they are, in order to protect the assistance given in the rural areas. There is genuine concern that businesses will suffer greatly due to the loss of such assistance, and to halt the current support to businesses in rural areas could jeopardise the sustainability of some areas in rural Wales, and also endanger the ability of residents of those areas to access basic services.

Under the regulations suggested by the Welsh Assembly Government for their new scheme, businesses / areas are not targeted even though there is obvious justification for prioritising, as needs and business opportunities will differ from area to area. In response to earlier consultation, Gwynedd Council said that “the relief should target businesses in rural communities, businesses in deprived communities, and businesses that provide a specific service (e.g. the only shop in a settlement, pharmacist, butcher, ...) that are of important benefit to the area”. We cannot see how the new scheme suggested by the Welsh Assembly Government would retain and protect the principles of the original rural scheme, e.g. protect the only shop / post office in a settlement, or how it would assist to stabilize the economy in rural areas (that continue to face profound social and economical issues).

Linked to losing the specific targeting of rural areas and proposed sheer dependence upon the rateable values of business properties, the limitation of those rateable value thresholds is a concern, and we also note that public houses and petrol stations (with a current threshold of £9,000) will lose the right to receive rate relief. We believe that this loss will be detrimental to comparatively small establishments of this type

in truly rural areas.

If there will be no means of retaining the key elements of the present Rural Relief Scheme, then the following comments are offered regarding the content of the consultation paper itself. Generally, we welcome the simplicity of the scheme, and the fact that no application form is required will facilitate its administration. Even having stated above that we wish for the targeting of rural areas to continue, we welcome the clarity of the mandatory relief element of the new scheme.

However, it is disappointing to find that the current £6,000 rateable value threshold will be reduced to £4,999. The Welsh Assembly Government is asked to reconsider this and keep the threshold at £6,000. If this will not be possible, then at least the £4,999 threshold should be increased to £5,000. We found that a number of businesses rated at exactly £5,000 would lose out without this amendment to the relevant draft regulations. Similarly, it would be useful if the other threshold could be amended to £2,000 rather than £1,999.

As with the current scheme, it is wise to except some specific types of property from the scheme. It is noted that “bathing huts” are a sensible addition to the exceptions in the consultation paper and we agree with that. In the same spirit, if “bathing huts” are to be an exception with regard to targeting rate relief, we believe that self-contained units (“chalets”, etc, for short-term rent to visitors) should also be excepted from the scheme, as these “businesses” do not usually make a valuable contribution to the community.

It is noted that the power to provide discretionary relief continues, but losing the Assembly’s financial contribution towards the cost of any discretionary rate relief will significantly limit local authorities’ ability to provide any local scheme. It is apparent that the Welsh Assembly Government intend to transfer the budget which has been financing discretionary relief in rural areas in order to use it to finance mandatory relief in urban areas. With increasing general pressure on local authorities’ budgets, there is no hope that there is sufficient flexibility to fill the breach locally, hence vulnerable businesses in rural areas will lose essential assistance.

To conclude, we question the strategic consistency of the Assembly Government’s proposal to divert money which currently supports businesses in Objective 1 areas and to spend it to support other businesses in some of the most prosperous areas of Wales.

By implementing the proposals in their consultation paper, the

	<p>Assembly Government would widen the prosperity gap between different areas of Wales. The prosperity indicator for the Cardiff area is already 60% higher than the equivalent measure for Gwynedd, and the proposals put forward would intensify this difference, rather than to converge as we would expect an effective policy to do.</p> <p><b>DAFYDD L EDWARDS</b> <b>HEAD OF FINANCE</b></p>
<p><b>(A11) Bridgend CBC</b></p>	<p>Further to the consultation document outlining the proposed new all Wales Small Business Rate Relief Scheme and the abolition of the rural rate relief scheme the Cabinet of Bridgend County Borough Council has looked in detail at the proposed scheme and wishes the following points to be noted:</p> <ol style="list-style-type: none"> <li>1. The scheme is broadly welcomed particularly that so many of Bridgend's ratepayers will benefit under the new proposals.</li> <li>2. If the proposals are adopted and legislation amended to introduce the all Wales Small Business Relief Rate Scheme, it is requested that as much notice is given to Council's so that software can be re-written and ratepayers can be given adequate notice of the changes.</li> <li>3. The cabinet was pleased that the properties that will receive assistance under the proposed scheme are spread throughout the Borough. Many areas especially in the valley communities did not previously qualify for relief due to the fact that they did not meet the criteria for rural settlements under the rural rate relief scheme, however under the proposed scheme all areas of the Borough are potential qualifying areas.</li> <li>4. It is anticipated that the new scheme will substantially reduce the burden of rates for many small businesses and it is hoped will enable businesses that are experiencing difficulties to continue trading and may encourage new businesses to move into the area.</li> <li>5. The proposed rateable value limit for small business rate relief of £4,999 will exclude many of those ratepayers who currently receive rural rate relief whose rateable values are between £4,999 and £6,000. Consideration should be given to increasing the rateable value limit to £6,000.</li> <li>6. The Cabinet does not feel that the discretionary element of the scheme will be able to be used in any but the most</li> </ol>

	<p>exceptional circumstances due to the fact that the full cost of any discretionary relief must be met by the Council. Consideration should be given to allowing part of the cost of any discretionary award to be met by the non domestic rating pool.</p> <p>I would like to re-iterate that the Cabinet welcomes the proposals and looks forward to receiving full details of the legislation in due course.</p>
<p><b>(A12) Swansea CC</b></p>	<p>We welcome the proposals outlined in the Consultation Paper which will provide most small businesses in Wales with 50% mandatory rate relief where the rateable value is less than £2000, and 25% mandatory rate relief where the rateable value is between £2000 and £4999</p> <p>Under these proposals approximately 35% of the businesses in Swansea will benefit.</p> <p>However, for the small number of rural businesses in Swansea that will lose the 50% mandatory rate relief they currently receive we would like to see the relief being reduced in stages over a period of time, rather than being removed all at once.</p> <p>With regard to discretionary relief, currently before we can grant relief we must be satisfied that the property is used for purposes which are of benefit to the local community and that it would be reasonable for us to make such a decision, having regard to the interests of council taxpayers. We would like to see these conditions continue to apply to any discretionary relief granted under these new proposals, and the current conditions replicated in the regulations for the new scheme.</p>
<p><b>(A13) Torfaen CBC</b></p>	<p>TCBC supports the proposals set out in the Consultation Document. In responding to the initial consultation in February 2006 TCBC agreed that the current Rural Rate Relief scheme was in need of reform due to the inequity between small businesses in rural and urban areas and the administrative difficulties of the current scheme. Our view was that the scheme should be Wales wide and generally available to all small businesses. The proposed scheme accords with this. It will benefit considerable numbers of small businesses in the Torfaen area (over 1,000) and treat all small businesses equitably with the exception of post offices for which we accept there are special circumstances which have rightly been taken into account.</p> <p>The only concern we have is with the proposed timescales i.e.</p>

	<p>1<sup>st</sup> April 2007 implementation. I understand that software suppliers have been consulted and have already carried out some preparatory work, however, this cannot be finalised until the scheme becomes law after which authorities still need to receive, install and test the software and take account of any changes to Demand Notice Regulations (Explanatory Notes). In order to produce our bills promptly we work with external print companies with whom we have already agreed a printing schedule. If we miss this it causes considerable difficulties and could affect our arrears recovery schedules. In the initial consultation we recommended a 1<sup>st</sup> April 2008 implementation and unless there is absolute confidence that the proposed date can be achieved we would still stand by this.</p>
<p>(A14) <b>Denbighshire CC</b></p>	<p>Denbighshire County Council welcomes the proposed Small Business Rate Relief Scheme as an equitable relief which will benefit all small businesses irrespective of location and will be of assistance in the regeneration of urban areas which were excluded by population size from the Rural Rate Relief (RRR) Scheme.</p> <p>There is however concerns as to the impact on businesses which previously qualified for RRR which will be excluded under the SBR Scheme.</p> <p>Within RRR</p> <ol style="list-style-type: none"> <li>1. Mandatory relief was granted to rural pubs and petrol stations with a RV of less than £9,000 under the SBR scheme this relief will be lost with the potential of loss of services within rural areas.</li> <li>2. Discretionary Relief was granted to businesses with a RV of less than £12,000, the Authority maximised take up of this relief within the terms of the scheme and as such there will be an impact on rural communities.</li> </ol> <p>The Authority requests the Assembly maintains a RRR scheme to ensure that rural areas are not penalised by the introduction of SBR, or that at a minimum a transitional scheme is introduced to ensure that the impact of the loss of relief can be absorbed by businesses over a period of time.</p> <p>In addition to the response to the consultation, members also questioned the administration of Rateable Values within the NDR system and recommended that a review of the methodology of rating by the Valuation Office be reviewed. They considered that this review is required due to the impact of RV on the proposed SBR.</p>
<p>(A15) <b>Blaenau Gwent CC</b></p>	<p>Broadly the scheme is welcomed, as a large number of businesses can potentially benefit in Blaenau Gwent, and it begins to re-address the issues of economic deprivation in</p>

	<p>valley communities. We do however have other concerns.</p> <p>Firstly, within Blaenau Gwent, and I am sure it is repeated in other Welsh authorities, we have businesses who are currently benefiting from 100% discretionary relief under the Rural Rate Relief Scheme. At best, the changes proposed reduce this relief by 50%, along with removing the previous required 12 months notice to by Local Authorities to ratepayers currently receiving discretionary relief under the rural rate relief scheme.</p> <p>Secondly, the proposed changes are yet to pass through the required legislative stages. Has the Assembly been in discussion with the software suppliers for Welsh Authorities to ensure that the required system changes can be delivered in time for the next financial year?</p>
<p><b>(A16) Rhondda Cynon Taf</b></p>	<p>Rhondda Cynon Taf County Borough Council welcomes the scheme proposed by The Welsh Assembly Government to assist small business throughout Wales. The scheme will allow assistance to be extended to small businesses in some of the most economically challenged areas in Wales.</p> <p>In Rhondda Cynon Taf, the scheme should complement the work being done, in the authority's Community First areas and under objective one funding, to promote economic development in those deprived, but urban areas, which could not benefit from rural rate relief.</p> <p>The scheme is to be commended for its simplicity and clarity. This will be crucial for ensuring its speedy introduction in time for 1<sup>st</sup> April, 2007 and will ensure that it will be readily understood by businesses throughout Wales. Relieving businesses of the burden of having to apply for the relief is innovative and will ensure that some of the most needy cases receive assistance quickly and easily.</p>
<p><b>(A17) Caerphilly CBC</b></p>	<p>The Cabinet considered the Assembly proposals at their meeting on the 31st October 2006.</p> <p>The conclusion from the debate was that the Council was very much in favour of the proposals and recognised the benefits that would be derived by a significant number of local businesses.</p> <p>Please accept my apologies for the lateness of this response.</p> <p><b>Adrian Isaacs</b> <b>Head of Corporate Finance</b></p>

**(A18) Cllr John Roberts Anglesey**

Firstly, I must again complain about your attitude towards the Welsh language in the current consultation. You will be aware from earlier consultation responses that some of us prefer to deal with the matter through the medium of Welsh, yet you have chosen to present details of your consultation in English only.

With regard to the actual proposals, on the whole they do remove the anomalies which exist under the current arrangements. You are aware from our previous responses that we have been very unsatisfied with the arrangements which have given certain councils the opportunity to split towns into smaller "settlements", allowing "rural" relief in a way which is largely and in our opinion unfairly funded from the national fund. Your current proposals go a very long way towards removing such opportunities, indeed further than we had argued or foreseen. The current proposals will be disadvantageous for many true rural rate payers; however we can see that the proposed arrangements will have a fairer impact across Wales. The proposals are also very simple to administrate which will avoid additional bureaucracy. We therefore welcome the policy direction.

We note that ATM rate relief is provided under the present scheme, where no such allowance was made under the rural scheme. We agree with this amendment.

However your attention must be drawn to two new possible anomalies –

Firstly, optional relief will be 100%-funded by the local council awarding relief. We know that councils are under enormous pressure to bend the rules in favour of local businesses. There will therefore be pressure to grant hardship relief (funded in part by the national fund) or even to fail to collect the debt, and to write it off 100% against the fund. This poses an increased risk to the product of the rate across Wales. There is a need for the Assembly Government to tighten the claims audit by strengthening guidance for auditors.

Secondly, it is unfortunate that the rateable value threshold for the new mandatory relief of 25% has been set at £5,000, whereas the old scheme allowed relief for rateable values of up to £6,000 in rural areas, upgraded from £5,000 under the previous rural relief scheme. This will create a specific group of losers in rural areas in the rateable value band of £5,000-£6,000 which will be harder to justify. Perhaps this class could be re-examined.

Despite the possible disadvantages, I would urge you to



	<p>proceed to introduce these changes in full from 1 April 2007. Any further delay in their introduction will increase the risk of a legal challenge to the rate relief arrangements in Wales.</p>
<p><b>(B01) Kim Brown, Corporate Services Manager Welsh Consumer Council</b></p>	<p>The Welsh Consumer Council would like to thank you for your email correspondence with regards to the Assembly Government consultation on proposals for an all Wales Small Business Rate Relief Scheme.</p> <p>Whilst the Welsh Consumer Council fully supports consultations and proposals, unfortunately the Council has no comments to make on this particular consultation at this time.</p>
<p><b>(B02) Porthcawl Chamber of Trade</b></p>	<p>The Chamber's response to the proposed Rate Relief Scheme is one of disappointment. The rateable values of £2000 and £4,999 mentioned in your document we regard as not very helpful as this will only benefit a very small number of businesses.</p> <p>Thousands of small businesses are struggling to survive being crippled by high rates and rent, with rateable property values being so high the amounts you propose can only be seen as a publicity stunt with elections coming closer.</p> <p>Small businesses in Wales are desperate for help and a rate relief scheme is badly needed, although we welcome any proposals the assembly Government may have to help small businesses in Wales we feel there may be a better way forward.</p> <p>With the business rates being based on property values this gives an unfair disadvantage to many small businesses, for example if you have a business working from an office with a rateable value of less than £2000 under the new scheme they will have a 50% reduction in their rates, although they may turnover hundreds of thousands of pounds and make a large profit. However you could have a business that needs a large area to work in or store goods that takes the rateable value over £4,999 threshold they would not get any rate relief at all, although this company may be turning over only a fraction of the amount the other company has.</p> <p>Business rates should be based on profit like the tax system making it a far fairer system and a system that will then automatically help struggling businesses survive and encourage new businesses to get started, as most don't make a profit in the 1<sup>st</sup> year they would enjoy the 1<sup>st</sup> twelve months free from rates.</p> <p>This system would help to stop shops and businesses closing down and put confidence into the community.</p>

	<p>Small shops and businesses are the largest employers, employing more people than any of the larger companies the Government are quick to support when in trouble.</p> <p>Without the small shops and businesses we will have no towns or villages. To stop our towns and villages from dying business must have the support of the assembly Government who must do something now that will make a big difference and not something that will only help a very small minority.</p> <p>I hope this will help you and look forward to your reply.</p> <p><b>Alun Edwards</b> <b>Chamber of Trade President</b></p>
<p><b>(B03) British Holiday &amp; Home Parks Association Ltd</b></p>	<p><b>BRITISH HOLIDAY &amp; HOME PARKS ASSOCIATION LTD</b></p> <ol style="list-style-type: none"> <li>1. The British Holiday &amp; Home Park Association (BH&amp;HPA) is the trade association representing the business interests of over 400 licensed residential and holiday parks in Wales. The industry includes well-known brands such as Butlins, Parkdean, Haven and Bourne, but the majority of the businesses in Wales are SMEs or micro-enterprises, usually independently owned and managed as a family concern.</li> <li>2. Research has shown that caravan holiday-homes contribute some £209m to the Wales economy each year (17% of all holiday spending in Wales); that every two caravan holiday-home pitches support one rural job, in terms of both direct and indirect spend; and that holiday parks are the largest provider of rural tourism bed spaces (1). The experience of 2001, and the impact of the Foot and Mouth disease outbreak of the rural economy, demonstrated the key role of rural tourism.</li> <li>3. The Association's membership also owns or manages some 60% of residential home park pitches in the UK. Economic consultants Berkeley Hanover, working on a project for the Office of the Deputy Prime Minister (ODPM)(2) to study the economics of the park homes sector in England and Wales, identified some 1700 residential home parks and around 70,000 licensed pitches providing homes for 116,000 people. The Economic Survey also established that demand for this sort of housing is likely to increase.</li> <li>4. As you know, the BH&amp;HPA made various representations on behalf of our members' interests during the initial consultation process and we are very pleased to note tat</li> </ol>

two of the Association's concerns have been addressed, namely:

- that there is no need to apply, and that the Relief will be applied automatically;
- that the Scheme will be funded by the Assembly Government and not directly by other ratepayers paying any form of surcharge.

5. However, there is still one matter on which we would wish to reiterate the comments made during the initial consultation process. In common with other businesses associated with the holiday and tourist industry, many of our members experience wide variations in cash flow during the year. The summer months provide the greatest income and the autumn and winter months produce much reduced levels of income. Our members would welcome the introduction of a flexible regime of payment, to be agreed with the Charging Authority, which would enable payments by instalment to match this cash flow.

6. Finally, you may wish to know that in general terms the Association welcomes the introduction of the proposed scheme and, whilst we appreciate there will be winners and losers associated with the two rates of relief with the two rates of relief within the respective rateable value limits, we do appreciate that it is often the smallest businesses that find the greatest difficulty in meeting the liability of non-domestic rates. To that extent, the proposals are welcomed.

7. The Association has no specific comments to make with regard to enhanced rate of relief for Post Offices.

We hope you will find this response to be constructive and hope that further consideration can be given to our suggestion regarding the introduction of a flexible payment regime.

**Den Bannister**  
**Policy Executive**

(1) Joint Welsh Tourist Board/BH&HPA study – Caravan Holiday Homes in Wales, 2003

(2) 'Economics of The park Homes Industry' – Berkeley Hanover Consulting & ODPM October 2002

<p><b>District Tourism and Trade Association</b></p>	<p>We have received your document re the above from one of our members. It would be useful in future if you could send us any information which is relevant to our members so that we can let them know about it and send you the opinion of this Association.</p> <p>Although we realise tat the present Rural Rate Relief Scheme appears to be unfair to some urban area, we feel it should in the main remain as it is. Or you give additional help to other areas – but do not take ours away. Businesses with a rateable value between £2,000 and £4,999 still need the 50% relief.</p> <p>Harlech is within an European Objective 1 Area. It is deprived. The cash tills only ring here for a very few months of the year. In Winter it is a ghost town. Tourism is still declining and has never recovered from the foot and mouth outbreak. Like many areas we are also suffering from the encroachment of the multi-nationals.</p> <p>Of course, all post offices should get more help.</p> <p>Micro businesses are the backbone of this community – the more that close the less money you will get and you will be pushing some of them over the edge.</p> <p>Please keep our rates as they are-that is all we are asking.</p> <p>Susan Pottle Chair</p>
<p><b>(B05) CBI Wales</b></p>	<p><b>INTRODUCTION</b></p> <ol style="list-style-type: none"> <li>1. This paper is the response of the membership of CBI Wales to the Welsh Assembly Government consultation on its proposals for an all Wales Small Business Rate Relief Scheme.</li> <li>2. The CBI is the UK’s foremost business representative body dealing principally with cross-sector issues which affect the business environment in which all companies operate. The CBI’s strength lies in its breadth of membership, which includes companies of every size, including over 200 trade associations and academic institutions and from all sectors of the economy - manufacturing, construction, retailing, financial services, e-commerce, leisure, transport and so on. The CBI represents companies employing about 50% of the private sector workforce in Wales, including a substantial proportion of small and medium size enterprises.</li> </ol> <p><b>RESPONSE</b></p>

3. The CBI welcomes the decision by the Welsh Assembly Government to introduce a Small Business Rate Relief Scheme from April 2007, and the degrees to which it will provide relief according to the rateable value of the business. The fact that the new scheme will now benefit a greater number of businesses is to be particularly welcomed.
4. We are pleased that the relief will be automatically added to rate bills, and that businesses will not have to apply for this relief. This reduces unnecessary bureaucracy which can be both resource intensive and time consuming for businesses in this sector, and which we understand in the past has deterred many companies from applying for such rate relief.
5. The simple, transparent way in which the Assembly Government intends to operate this Scheme is also to be supported, as is the application of one standard business rate multiplier, and one relief scheme across Wales. This makes the Scheme much easier to comprehend, and will prevent anomalies across various local authority areas, providing a degree of uniformity and consistency across the board, which businesses welcome.
6. We are pleased that the Assembly government has committed to funding this rate relief directly from central funds, rather than by directing funds from elsewhere or causing other sectors to pay more to support this. The CBI is pleased that this move does not necessitate increased business rates for larger businesses to pay for the rate relief, and we would urge the Assembly to continue with this approach.
7. As part of these proposals, we would like clarity as to the position of local authorities to award discretionary relief. Will they still be able to award this relief under these proposals, or will a different system be enacted?

#### LYONS REVIEW

8. We await with interest the report of the Lyons Review into Local Authority Funding in England, particularly around the issue of any potential relocation of business rates. We understand the Assembly Government will comment on the recommendations, and consider their relevance in Wales.
9. We would urge the Assembly Government once again not

	<p>to consider localising business rates in Wales, which the CBI believes would have a severely detrimental impact on businesses, and lead to a great deal of uncertainty and inconsistency with the potential for twenty two differing levels of rates. We would particularly stress the need for a consistent system of business rates across England and Wales, and that any decision implemented in Wales must not have a negative impact on industry.</p> <p><b>CONCLUSION</b></p> <p>10. In conclusion, we would like to re-emphasise our support for these proposals, particularly as they recognise the significant role played by business in sustaining viable and vibrant communities in Wales, as well as their role in driving forward economic development.</p> <p>11. The CBI believes that this is an occasion where the Assembly Government is using its powers effectively, for the good of business. It is particularly refreshing to see that the Assembly is implementing a policy which is better than that which is in place in both England and Scotland, and which may in fact attract investment and entrepreneurs to Wales, and this is to be wholly welcomed.</p> <p>Emma Watkins Head of Policy</p>
<p><b>(B06) Royal Mail Group plc</b></p>	<p>Royal Mail Group plc</p> <p>On behalf of Post Office Ltd, I want to congratulate you on your recent announcement concerning rate relief for our network of Post Office branches. Our sub postmasters are extremely pleased with your plans, as they will trigger significant reductions in costs for many of them.</p> <p>As we await an announcement from the UK Government on the future of the rural network, we are pleased that the Welsh Assembly Government is prepared to demonstrate its support for smaller Post Office branches in this way.</p> <p>Gareth Davies Director of Welsh Affairs</p> <p>(NB: reply sent by Sue Essex AM. SF/SE00366/06 refers.)</p>
<p><b>(B07) Vivien Phillips, Hon Treasurer, Milford Haven Chamber of</b></p>	<p>Whilst we welcome the changes from rural relief, we feel that the boundaries are set too low. Milford's town centre is depressed and slowly dying. Yet our shops will not benefit from this relief.</p>

<p><b>Trade</b></p>	<p>We, as a chamber, request that Wales is given parity with England and that the boundaries are set equally throughout the country. A lower limit at £5,000 rateable value at 50% pro rata up to £12,000 at 25% relief would give all small businesses a chance.</p> <p>This way, all businesses would have parity. As rural premises would have a lower rateable value anyway, the rural areas would still pay less rates than urban areas thus giving them a chance to recoup travelling costs etc.</p> <p>So, raise the £1,999 &amp; £4,999 boundaries to a realistic level and we in Milford Haven will be happy.</p>
<p><b>(BO8) Lorna Hipkins, Chair Newport And Dist. Chamber of Trade and Tourism</b></p>	<p>We have studied the WAG proposals against the existing rural rate and we are extremely concerned about the sustainability of small businesses throughout Pembrokeshire and especially the rural retail sector.</p> <p>We fear the inevitable loss of jobs and in many cases the loss of businesses which are marginal at present. We fully support the response that the County Council has made in supporting Option B of the consultation paper, which is to retain rural relief and to extend this to urban areas through additional funding from WAG. At the same time the rateable value threshold for relief should be index linked to reflect the 2005 revaluation.</p> <p>If the worse comes to the worse, we assume you will be pressing for a transitional relief scheme.</p>
<p><b>(B09) Community Pharmacy Wales</b></p>	<p>Community pharmacies along with GP practices, general stores, post offices and public houses have long been recognised as essential components in the viability and social structure of local communities.</p> <p>As essential local business they contribute to the four key areas identified in “Wales: A Better Country” namely:</p> <ul style="list-style-type: none"> <li>• Helping more people into jobs;</li> <li>• Improving health;</li> <li>• Developing strong and safe communities; and</li> <li>• Creating better jobs and skills.</li> </ul> <p>In recent years, when the community pharmacy network in Wales was under threat from proposals contained in the Office of Fair Trading Report on community pharmacy de-regulation, the WAG responded to protect the network. The WAG took a robust line in support of the community pharmacy network and the Minister for Health and Social Services stated that:</p>

“I have come to share the concern which many others have expressed about the impact the report’s recommendations could have on small pharmacies, particularly in socially disadvantaged and rural parts of Wales”

This is a clear statement of the importance the WAG places on maintaining the security and viability of the community pharmacy network and in maintaining services particularly those in rural and disadvantaged communities such as Communities First wards. **We believe that targeted Business Rate Relief would support this objective.**

For many people in Wales community pharmacy is a lifeline and this is particularly so for the elderly, disabled, young mothers and people who rely on public transport.

**The loss of a community pharmacy from a local community will result in a significant reduction in important health and social care services to that community.**

Residents will lose the ready contact with an accessible and valued healthcare professional as well as losing access to over the counter medicines and other retail services provided by pharmacies. The community as a whole will lose a local employer and another small local business. Unlike GP surgeries and dental practices (who receive rate rebates from Local Health Boards), post offices and general stores, **community pharmacies are not currently recognised in any local arrangements for rate support.**

CPW would strongly advocate that the All Wales Small Business Rate Relief Scheme is used as a mechanism to help support the community pharmacy as an important and essential local business.

**CPW proposes that the mandatory business rate relief that currently applies to rural shops and post offices is extended, through the proposed scheme, to cover community pharmacies.**

In addition to being an essential component in the health and social fabric of rural communities, community pharmacies provide equally important services to urban areas of social deprivation. CPW would support the concern identified in the original consultation document that;

**“it was felt that the current situation is not particularly well targeted, even in the rural areas where there is eligibility to relief, but in particular the current system creates a marked**



	<p><b>spatial inequity between urban areas. It was noted that some deprived communities might be suffering as a result of key social businesses not being supported in the same way as in qualifying rural settlements”.</b></p> <p>We recognise that community pharmacies are one of the key social businesses referred to in the consultation and taking both the rural and disadvantaged urban community issue into account, CPW wishes to see the current anomalies rectified and community pharmacies provided with the same level of support as rural shops and post offices.</p>
<p><b>(B10) June Morgan, Blackwood Traders Association</b></p>	<p>As a retailer association representing retailers in Blackwood town centre, we wish to make the following comments in respect of the proposals on the business rate relief scheme.</p> <p>Although this relief scheme will be beneficial to a small percentage of small businesses, it will be of absolutely no benefit to the majority of small businesses whose rateable value is far in excess of the figures given. Even in small towns the rateable values have rocketed especially as the transitional relief has been phased out.</p> <p>To really assist the majority of small businesses and make a difference, the Assembly need to look at the old question of the ratio of rates paid in relation to percentage of overheads. The Federation of Small businesses has said that there is a huge difference between what small and medium to large business pay. We fear that this scheme has been introduced for political reasons and when the number of businesses who will benefit in real terms is looked at closely the majority of small independent traders will be unable to take advantage of it.</p> <p>Mrs June Morgan. Goldline Jewellery, High Street, Blackwood.</p>
<p><b>(B11) Conwy Traders Association</b></p>	<p>The existing scheme (as interpreted in Conway) give 50% relief to all properties with an RV below £6,000. The new scheme only gives 50% relief up to £1999 RV and 25% relief from £1999 RV to £4999 RV.</p> <p>So everybody who currently qualifies who have an RV of £5000 to £6000 are going to lose out. Everyone in the £1999-£4999 band are going to get 50% less relief than they previously qualified for.</p> <p>The only gainers are the Post Offices who will qualify for 100% relief up to £9000 RV, or 50% relief for RV`s between £9000 and £11999. We haven`t got that many of them anyway.</p>

	So, it`s a good scheme but not as good as the current one!
<b>(B12) Bridgend ATCM</b>	<p>I am fully and enthusiastically supportive of the proposals which will give a significant boost to small businesses in Wales. In particular I am very pleased to note the anticipated ten-fold increase in the number of small business within Bridgend County Borough that are expected to receive rate relief under the proposals.</p> <p>Copies have been passed to Bridgend Chamber of Trade for consideration at their meeting next week so that they may respond separately if they so wish.</p>
<b>(B13) Swansea ATCM</b>	<p>From our perspective in Swansea this is very good news for small businesses 2,900 businesses will benefit in Swansea as a result of this proposal.</p> <p>It will have no impact on the BID as businesses with a rateable value of under £5,000 were omitted from the BID levy.</p>
<b>(B14) Federation of Small Businesses Ben Cottam Welsh Policy Adviser Wales Policy Office</b>	<ol style="list-style-type: none"> <li>1. This document is submitted in response to the above consultation recently issued by the Welsh Assembly Government (WAG) regarding the instituting of a Small Business Rate Relief (SBRR) scheme for Wales. As such, this document constitutes the official FSB response to that consultation.</li> <li>2. With some 9,500 members, the FSB is Wales' largest business organisation drawing its membership from every sector of the Welsh economy. The FSB exists to promote and protect the interests of all who own and/or operate their own business.</li> <li>3. With such a broad-based, substantial membership, this scheme is obviously of keen interest to the FSB and our membership has been consulted as to its views on the scheme proposed by the WAG.</li> <li>4. It is very important that the level of business rates is not considered in isolation from the many other costs of running a business. Often the greatest problem – as evidenced by a number of our members - is that business rates can form a substantial part of the cumulative impact of business costs, which often stifle our businesses and their productivity.</li> <li>5. We welcome the opportunity to respond to this WAG consultation. We have been very concerned in recent years that both England and Scotland have taken the opportunity to bring in such schemes and yet Wales has lagged behind.</li> <li>6. This has been of particular concern given the 2005</li> </ol>

reevaluation, which has increased the business rate burdens of a great many businesses in Wales – some substantially so. We are pleased, therefore that the WAG has decided to seek to introduce a relief scheme for the next financial year.

7. We congratulate the WAG on accepting the principle of a SBRR scheme in Wales. This has been an issue on which the FSB has lobbied hard ever since the announcement of the English scheme. We agree with the WAG that SBRR schemes have the potential to benefit a great many businesses directly, enhancing and increasing their viability.
8. This is especially important in a number of communities, which may have seen declining levels of business activity and where small businesses provide essential services to the community.
9. However, we would caution against the assertion that this vital service should be limited to shops, post offices and/or garages. All small businesses have an important role to play within the communities they serve in creating and sustaining employment, creating wealth and thereby helping to ensure economic viability.
10. In this way, we feel that such relief should not only have a role in achieving social policy targets but also economic policy priorities such as sustaining a healthy small business economy.
11. We accept the fact that the Rural Rate Relief scheme was a temporary measure intended to help offset the effect of the devastating foot and mouth outbreak and we accept therefore, that its replacement was both inevitable and wholly appropriate.
12. In addition, we agree that the SBRR scheme as proposed, does not discriminate on a geographical basis but has the potential to benefit businesses across Wales, irrespective of their location and this is to be welcomed.
13. However, in seeking the views of FSB membership across Wales, we have noted a number of concerns, which have been expressed about the scheme proposed by the WAG.
14. One member running a small manufacturing business in West Wales employing 6 people contacted us after

having been informed by the Valuation Office that his annual rate bill was likely to increase by £2,000 next year despite qualifying for 25% relief under the new scheme as he previously qualified for a greater level of relief under the rural rate relief scheme. With the crisis in the manufacturing sector and an electricity bill which has doubled in 12 months, this is an additional cost, which will hit the business hard.

15. A notable number of other members have contacted the FSB stating that they will either soon be paying increased rates or paying rates when previously, they did not as a result of being exempt.
16. It would appear that there is also a measure of disquiet currently being expressed by some local authorities in Wales. Many FSB members in Wrexham for instance, have received letters from the local authority, which allude to some concern on the part of the local authority and understandably, this has in turn, raised anxiety among a number of members in the area, who have previously received rate relief but will not under the proposed system.
17. If a billing authority is concerned about its ability to administer appropriate levels of rate relief from the funding available to such an extent as to express that concern publicly, it is understandable that businesses themselves will invariably register and in many cases, share such sentiments..
18. This all demonstrates an underlying problem identified by the FSB – that as welcome as all-Wales entitlement is, a redistribution without an increase in funding available to the scheme will inevitably mean that while a number of businesses will qualify, there will also be a number of businesses, which have qualified but will now find themselves with what will be in some cases, significant rates bills.
19. We are concerned too about the level of entitlement proposed within the scheme which is to be determined by rateable value. Previous schemes such as the Rural Rate Relief scheme set the level of entitlement higher than the SBRR scheme as proposed.
20. In Scotland, to qualify for 50% relief under SBRR, a business must have a rateable value of up to £3,000. In England, to attain this level of relief, a business must have a rateable value of up to £5,000. However, the

Welsh scheme as proposed sets this level at £2,000.

21. We feel that in setting the level so low, this means that a great many businesses, will be unable to benefit – this is especially the case given the 2005 revaluation, which will have pushed a great many businesses above the threshold for rate relief.
22. The WAG needs to remember that high property rental values do not necessarily denote wealthy or vibrant businesses.
23. In short, we are disappointed that this scheme does not appear to have taken into account the effect of revaluation on many businesses in Wales and we would urge the WAG to reconsider the rateable value entitlement levels.
24. The consultation document indicates that a number of relief schemes will continue to be made available. We feel that in light of the upheaval in relief schemes caused by the initiation of SBRR, the WAG needs to detail which schemes will continue to be made available in addition to small business rate relief.
25. We are very pleased to see that the WAG plans to apply automatic entitlement to this scheme – a system called for by the FSB in Wales. There are indications that the relatively low level of take up of the English SBRR scheme can be accounted for by a lack of awareness by businesses of the scheme itself and the fact that relief has to be applied for – a system, which creates an additional administrative burden on businesses.
26. We are also very pleased to note the assistance that the WAG proposes to afford to post offices across Wales. The FSB in Wales is very concerned about the decline in the number of post offices operating within communities in Wales – particularly, but not limited to rural communities – as these businesses play an integral part in maintaining the viability of these communities.
27. As such, we fully support the proposal to afford 100% relief for post offices with a rateable value of less than £9,000 and 50% for those with a rateable value of between £9,000 and £11,999.
28. We are concerned however, that the WAG has recognised such realistic rateable values for post offices and yet so much less for other types of small

	<p>businesses.</p> <p>29. In conclusion, the FSB is very supportive of the principal of an automatically-applied small business rate relief scheme, not limited by artificially-created or geographical boundaries.</p> <p>30. We feel strongly however, that the WAG should consider increasing the amount of funding available for this scheme and increasing the rateable value threshold for its application.</p> <p>31. Furthermore, we feel that the WAG should commit to a consultation and appraisal of the first year of operation of this scheme inviting the views of the business community and local authorities and an annual appraisal thereafter for every year of operation.</p> <p>32. We hope that the Welsh Assembly Government finds these views of use and we look forward to working with the Government on the creation of a rate relief scheme for the benefit of small businesses in Wales.</p>
<p><b>(B 15) Leigh Shatrock, Chair, Caerphilly Independent Retailers Partnership</b></p>	<p>As I travel around the members with the new proposed rating structure the majority say “I bet it will not help us” and sadly they are right. The formula in its current proposed form would help only 2 of our members both of these members being located within residential streets.</p> <p>All of the other small retailers have double the rateable value of the suggested threshold for rate relief.</p> <p>Out of around 30 members 2 are entitled to 25% off their current rates bill.</p> <p>This amounts to £1200 reduction over a total conservative estimate of £250000 rates payable by our members.</p> <p>This does not include rates paid by the larger chains, banks, pubs, etc who collectively pay millions in rates on Cardiff road alone.</p> <p>So obviously a £1200 potential reduction in total from this new formula within and around Cardiff road has given members the uncomfortable truth that retail and especially the one owner independent business is not an area deemed important enough for consideration for this “proposed” new rate structure.” and</p>

rate relief.

One member actually questioned the point of the meetings and letters and that as she thought, would be a total waste of time. Right now she has a point.

Another member suggested that post offices were soon to be located in WH Smiths

And that any costs born now by the National Assembly would be short lived.

The main objective of our meetings and correspondence was to suggest restructuring the current rate system, to give the average small business on the "**high street**" a fairer system.

These businesses are usually one store operations and because they are seen as having a prime location on Cardiff road they should pay the highest rent and rates. Our members feel they have been totally by passed.

The main feed back I have received is that the members want;

**1) A fairer rating structure.**

Currently all shops are measured on a zoning method in accordance with the RICS code of measuring practice.

The front part of the shop (the first 6.1metres in depth) is described as zone A, (the expensive area,) and is given a factor of 1. So if you have a rate per m<sup>2</sup> of £375 and store 6.1 metres or under then you will pay the highest rateable value. It gets worse if you have a very wide store under 6.1 metres. If your store is longer than this then the next 6.1metres are treated as zone B which is calculated at 0.5.Effectively half the cost of the first 6.1 metres. After zone A and zone B, space is treated on various factors including quality and amenities and the like.

Unfortunately for the majority of our members, their premises are largely made up of zone A.

Within this relatively small area they may have their tills, counters, store area, tea making facilities, literature, everything that a business needs to function, and not purely high end profitable items that can cope with the highest costs.

Our members feel penalised for having a small store. Most small businesses can not afford larger stores as the rents are already out of reach. But still have to promote, display, educate,

and have a point of sale the same way the larger stores operate but these larger stores have a less expensive overall rateable cost per m2 than smaller stores.

**2) A rating structure that will take into account imposed external factors.**

Our members feel that the multiples are obviously coping, with record profits such as Tesco and relentless expansion it would suggest this. Mid size stores tend to have a larger scope for retail with regards to customer capacity and “pile them high see them fly” works well for these store.

Small one owner stores such as many of our members premises are unable to hold the amount of stock their larger competitors can and therefore can not always get the buying gains that a chain or a multiple can. Price is not always the answer and our members pride themselves on quality and service. Unfortunately profitability are the only factors that pay the rates and rent, Service and diversity in an increasingly price conscious society can not cover the overheads alone.

**3) A flexible rating structure when we see Changes in our town’s character.**

The fact is that in 2006 we have lost 13 businesses

One of the stores has moved to Penarth where his rates and rents have reduced by 50%. The other businesses have ceased trading. With store costs and poor footfall

Many other members stating that trading conditions remain poor.

The more stores that leave our town the less attractive town becomes as a shopping destination and a place where you can get a variety of stores. The very gateway to our town is a disgrace and suggests to any potential shopper that this town is not cared for or can offer quality. The pending top of town development is a constant strain on businesses and future plans. Should they paint their property and invest in it if it is likely to be demolished? Therefore customers and businesses become disinterested in the town and travel somewhere else.

This in turn will put off shoppers. The fall out being that less and less shoppers visit the town centre which affects all businesses. This situation can snowball very easily.

Yet rates are still charged as though this town was the most successful in Wales which currently is not the case. They have



not been adjusted for retail downturns, customer apathy, and Town centre issues as portrayed which is directly affecting the retailers Trade.

Instead we have seen only rate and rent rises over the past three

**4) The rate structure should accommodate specific trading conditions within our town.**

The conditions have changed dramatically over the years yet this is not reflected in our rates.

Town centres are fundamental to the prosperity of a community. The government has told us so.

Why is Caerphilly being so heavily bombarded by external competition, subject to high rents and rates, labelled with run down areas which after 10 years, are still being promised for re-generation?

Caerphilly was a thriving town and a major factor for that was the indoor market. Threat of redevelopment pushed people into grabbing the first high street shop they could. The Market is now closed and has been for 5 years. The council gave thousands to build an indoor skate park which has now been moved. More rate payer's money. No development or grant aid for stores. We are not apposed to improvement and change but it has to be managed correctly and should certainly not have a negative impact on our businesses, which is currently the case.

If the plans for development go ahead is the town going to lose more customers while demolition and building takes place?

The town will continue on a bumpy road for years to come unless someone takes the lead. Caerphilly is not the busy market town it once was. Yet costs are continually increasing with turnover and profits falling.

Rents, rates, Utilities, fuel, minimum wage have all risen at the same time, and with retail sales still depressed traders are under real stress.

Retailers have to make some tough choices.-We need help with our over heads, a level playing field.

Retail is not eligible for any start up grants such as manufacturing. Yet the retail sector statistically has given a much safer bet for employees than manufacturing where 12000 jobs have been lost over 10 years. With all that grant money I

would have thought employment figures would have risen or At least stagnated, but not to fall. Perhaps the allocation of funding needs a rethink. We have formed our retail partnership and built our website with out any offer of financial assistance, and have had to do everything on a voluntary basis, or look for sponsors and ask for favours.

At the end of the day we are trying to promote Caerphilly town centre and attract more customers.

The town has also had major infrastructure works with the redirection of traffic around the town centre, at the top of Caerphilly Mountain, and also with the Installation of a gas pipeline at Park lane and soon Cardiff road.

We understand that work must go on. But there was no offer of assistance when the traffic lighting fault occurred on Caerphilly Mountain which

Resulted in huge jams and people turning around and driving away from town back to Cardiff. A financial hit for the traders over the weeks. We were all directly affected by this, and to a degree still are with the re alignment of a road which now physically directs traffic around town. (Some people would call it a by pass) and we know what they can do to a town.

#### **What our members need**

Investment is desperately required with a marketing strategy for the promotion of the town.

We need a rate system which at the very least offers members a chance to compete.

The rates should be reduced by at least 50% as you move to the back of a store if that store comprises of mostly zone A. Small stores comprising of mostly zone A should get the same financial opportunities as larger stores.

The threshold for rate relief should be raised to match our English friends,

And with our town surrounded by superstores and half the town ear marked for demolition there should be a special circumstances section within the rating structure. These problems affect us all. Our town has its own unique micro problems and we should not be treated the same as a town which has good trading conditions.

	<p>They are unique to Caerphilly and our bills should reflect this.</p> <p>A one shoe fits all approach does not hold well with our members.</p> <p>Our Town centre and our businesses need support and whilst we accept that this new structure is a step in the right direction for post offices and the very small businesses,</p> <p>It has not helped us or portrayed to us that the future of the town centre high street is a serious issue. It is time to stop the decline before more businesses and customers leave the town for good and trading conditions and overheads make it impossible to carry on.</p> <p>This is a golden opportunity to push the Welsh high street and our countries image onto the next level, giving tourists the right first impression which is invaluable.</p>
<p><b>(B16) Post Watch Wales</b></p>	<p>You will be aware that Postwatch Wales has called for a review of business rates for post offices following the publication of the Local Government Act 2003 (small business rate relief scheme) and following consultation with the National Federation of SubPostmasters. Your proposals were placed before my committee today and received unequivocal support. We therefore earnestly hope that the proposals made in the consultation document come to fruition as soon as reasonably practicable.</p> <p>Eifion Pritchard Chairman, Postwatch Wales</p>
<p><b>(B17) I L Jones, Clerk, Coedpoeth Community Council</b></p>	<p>The Coedpoeth Community Council were appalled to hear that the present rural rate relief is to be discontinued and replaced with a small business rates relief scheme from 1st April, 07</p> <p>This will have a devastating impact on the small businesses in the village. We are sure that several will have to consider closure which will have an effect on the environment.</p> <p>Please reconsider this decision</p>
<p><b>(B18) Enterprise, Innovation and Networks Committee</b></p>	<p>At its meeting on 18 October, the Enterprise, Innovation and Networks Committee considered the Welsh Assembly Government's proposals for business rate relief in Wales.</p> <p>At the meeting, Committee Members welcomed the proposals and felt they would be fairer and more equitable than the current arrangements for business rate relief in Wales. The support for Post Offices was also welcomed but it was felt that</p>

	<p>in the longer term there would be a need to look at protective strategies for the postal service.</p> <p>The paper you put to the Local Government and Public Services Committee on 21 September suggested that you did not expect there to be any additional financial implications for the Welsh Assembly Government, and Members did question whether this would mean that support for individual businesses would be halved as twice as many businesses would be eligible for relief under the new arrangements.</p> <p>Some Members also questioned the assertion that businesses and the economy in rural Wales was robust now that the foot and mouth crisis was over.</p> <p>In general though, it was felt that the new arrangements would make a major contribution towards stimulating entrepreneurial activity in the poorest communities in Wales and should be welcomed for that.</p> <p>It was hoped that the consultation bears out what is being offered and it can implemented from April next year.</p>
(B19) IRRV	<p>1. The Institute of Revenues, Rating and Valuation (IRRV) is pleased to provide this response to the above consultation paper. The IRRV is the professional body concerned with all aspects of local taxation in the United Kingdom. Its members are engaged in the valuation of property for taxation, local tax administration, the appeals process, local authority benefits and financial management in local government. The Institute represents the professional interests of its members who work within this broad church.</p> <p>Comments on the consultation content</p> <p>2. The IRRV supports the Assembly Government's proposals to replace the rural rate relief scheme with the small business rate relief scheme. The new system will be achieve the aims of fairness and consistency, and should be easier to implement than the existing relief scheme.</p> <p>3. Such a restructuring of relief will inevitably see losers as well as gainers, as the redeployment of funds extends into urban areas. Whilst there may be calls for cushioning for those worse affected by the changes, the IRRV supports the plan to introduce the scheme from 1 April 2007 without any transition arrangements.</p> <p>One difficulty with the proposed scheme is that it has 'cliff-edges' where the relief changes by a large proportion for a change of £1 in RV. It should be acknowledged that this may encourage Rateable Value appeals for the wrong reason.</p>

<b>(B20) Holyhead Chamber of Commerce</b>	Agree with proposals, as 283 businesses will benefit. Request that any transitional scheme should be administered by individual authorities at their own expense.
<b>(B21) Wales Association of Self Catering Operators</b>	<p>a) We have noted the concerns expressed by John Marek AM in the Assembly where he pointed out correctly that Wrexham and Gwynedd in North Wales will be seriously affected in the negative sense by the new scheme. Despite Leyton Andrews claiming that it will be a fair and equitable scheme for all, Rhondda Cynon Taf and the Valleys will benefit enormously, with money that once went to North, Mid and West Wales now going predominately to the South. We note with concern that the Annex 1 attached to the Minutes of the Local Government and Public Services Committee confirms this, for example Gwynedd will lose 310 SMEs eligible for SBR 2006. Whilst we appreciate that areas in South Wales need help (which we warmly welcome) we feel that the knock-on effect to SMEs in North, Mid and West Wales will be very serious.</p> <p>b) Wales is economically dependent on its tourism industry. We, in self-catering, supply an excellent service to our holiday makers/business customers and play an important role in the industry. In addition, we provide work for a wide range of small to medium sized businesses such as the building trade, printers and the food industry, as well as the various larger attractions such as golf clubs, activity businesses, the Arts and historical sites. Any increase in our costs will have a serious knock-on effect on the entire economic community of Wales.</p> <p>c) Like many other SMEs we have already had to cut back on labour costs and development, as we deal with the massive increase in the cost of utilities to our businesses; namely water, electricity and gas, so an increase of 100% in rates would be devastating.</p> <p>d) The proposed change in the relief to SMEs in that, those within the zero to £1999,00 bracket of rateable value will remain with a 50% rate relief, those with a value up to £4,999 will have a 25% reduction and those above will have to pay the full 100%, means that most of our members face a very serious increase in expenditure with little assurance of an increase in turnover in a business that is capital rich but income poor.</p> <p>e) The recent rating revaluation was not equitable across Wales. Many of our members in North Wales have already faced increases of up to 86% in their rateable</p>

	<p>value. In many cases, this has brought them into a higher bracket for possible rate relief, resulting in many cases with no relief at all. These are small businesses struggling in mainly rural communities.</p> <p>We have studied business rates in Scotland through the information provided to us by the Association of Scotland's Self Caterers (ASSC) which we copy herewith.</p> <p><b>‘Non Domestic Rates- Small Business Rate Relief Scheme</b></p> <p>From 1 April 2005, as a result of the 2005 non domestic Revaluation, rate relief for non domestic subjects with a rateable value of <b>£11,500</b> or less will be as set out below and based on a poundage rate of 46.1p</p> <table border="0"> <thead> <tr> <th><b>Total</b> rateable value of all subjects occupied</th> <th>percentage of relief</th> </tr> </thead> <tbody> <tr> <td>Less than £3,500</td> <td>50</td> </tr> <tr> <td>£3,500 or above but under £4,500</td> <td>40</td> </tr> <tr> <td>£4,500 or above but under £5,750</td> <td>30</td> </tr> <tr> <td>£5,750 or above but under £7,000</td> <td>20</td> </tr> <tr> <td>£7,000 or above but under £8,000</td> <td>10</td> </tr> <tr> <td>£8,000 or above but under £11,500</td> <td>5</td> </tr> </tbody> </table> <p>We would urge you to consider a similarly flexible method of sliding scale rate relief on SMEs across Wales, as we fear that with the low levels of relief proposed at the present moment, owners facing the leap in costs will close their enterprises, resulting in the loss of the excellent selection of high quality self catering businesses Wales can be so proud of. The tourism industry will suffer along with the very rural communities and associated businesses that the all-Wales Small Business Relief Scheme is intended to assist.</p>	<b>Total</b> rateable value of all subjects occupied	percentage of relief	Less than £3,500	50	£3,500 or above but under £4,500	40	£4,500 or above but under £5,750	30	£5,750 or above but under £7,000	20	£7,000 or above but under £8,000	10	£8,000 or above but under £11,500	5
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<p><b>(B22) Chamber Wales</b></p>	<p>We recognise that the circumstances leading to the current Rural Rate Relief scheme are no longer relevant. Nevertheless, this scheme has been a valuable ingredient in town centre regeneration so we are pleased to see that the Assembly Government has committed to funding an alternative scheme aimed at providing rate relief for small businesses across the whole of Wales. We also welcome the proposed enhanced rate relief for Post Offices, which are often at the heart of the local community, at a time when customers are increasingly using online services.</p> <p>We particularly welcomes the proposed automatic application of relief to rate bills, the administration of which could</p>														

	<p>otherwise prove to be an onerous task for businesses. The British Chambers of Commerce (BCC) have identified the cost of regulation to British business as being £50.27bn in 2006, so any measures to reduce unnecessary burdens on business should be supported.</p> <p>Whilst we welcome the fact that the new scheme will benefit a greater number of firms throughout Wales, Chamber Wales – Siambr Cymru is concerned about the number of rural businesses that will receive less relief overall. This is clearly a difficulty in having a ‘one size fits all approach’ to classify areas that differ economically, environmentally and socially.</p> <p>Furthermore, we await with interest the report of the Lyons Inquiry into local government funding, particularly in terms of its conclusions regarding the potential for placing the setting of business rates back under the control of local authorities.</p> <p>We would like to take this opportunity to urge the Assembly Government once again not to consider re-localisation of business rates in Wales, which continues to cause serious concern to Chamber Wales – Siambr Cymru and its business members. We firmly believe that re-localisation could lead to increases in business rates, which would impose an additional burden on business and serve to discourage, rather than to foster enterprise. Furthermore, retaining the business rate at a national level ensures national scrutiny of it. Returning it to local control would avoid any effective accountability and we oppose it strongly</p>
<p><b>(B23) Wales Tourism Alliance</b></p>	<p><b>Rate Relief Measures</b></p> <p>While WAG’s measures are welcomed, a rateable value of £4,999 implies, for a hotel, turnover of perhaps £60,000 i.e. around the VAT threshold. That will have a very limited impact on many hotels and will affect very few of, say, the British Hospitality Association Members in Wales. On the pub front, a managed house is now reckoned to need a turnover of £750,000 to be viable, so £60,000 will not have a big impact on the sector.</p> <p>Some very small tourism businesses – like cafes – will benefit from the measures and hopefully be able to survive, helping to maintain the tourism infrastructure. Other beneficiaries may be people whose homes are deemed mixed hereditaments by virtue of a part time or ancillary business use. Some of these could be linked to tourism e.g. craft producers, consultants etc.</p>

	<p>A few touring caravan parks may also benefit.</p> <p>So while being of help to small tourism related businesses in areas of economic need, the new measures will have little impact on most of the infrastructure of tourism businesses in that area and therefore will not be a significant factor in encouraging reinvestment by the core businesses that attract visitors and key visitor spending in those areas.</p> <p>We believe it would help the economy of Wales if an additional, progressive system of rate relief was extended on the back of the positive proposals now introduced by the Welsh Assembly Government.</p> <p><b>Conclusions</b></p> <ul style="list-style-type: none"> <li>• Wales Tourism Alliance welcomes the move by WAG to introduce its smaller business rate relief proposals and believes a small number of smaller businesses in our sector will benefit from them – as will a number of ancillary businesses that are important to our endeavours to sustain the visitor experience and the number of visitors.</li> <li>• Business rates have been a considerable factor within the recent climate of spiralling business costs, and many Alliance member organisations have reported they have become a restriction on plans to reinvest, to add value for visitors and improve quality of product available.</li> </ul> <p>WTA would like to see extensions to the new proposals to assist our businesses to reinvest add value and improve quality, including consideration of transitional rate relief and a progressive rate relief structure for tourism businesses.</p>
(B24) <b>WLGA</b>	<p>The current rural rate relief scheme expanded significantly in response to the crisis created by foot and mouth disease and there is a general acceptance that the Assembly would eventually have another look at its operation and cost. There are welcome elements of the scheme not least of all the additional assistance available to post offices. This goes some way towards addressing local government’s concerns over the future of the post office network across Wales which forms an integral part of local communities. The scheme is also more straight forward to understand, and potentially simpler to administer across Wales.</p> <p>The main reservation we have is the timing of the introduction of the scheme, or more specifically the timing of the abolition of the rural rate relief scheme. This is of particular concern where local authorities have supplemented the 50% mandatory relief</p>



	<p>with a further 50% discretionary relief. In these cases where the businesses do not meet the criteria for the new small business rates relief scheme, a business that currently does not pay any business rates will have to pay 100% of their business rates from 1<sup>st</sup> April 2007 with less than 5 months notice of this change. The current regulations do not allow local authorities to reduce discretionary relief without giving 12 months notice to businesses, however in order to introduce the new scheme, the Assembly have introduced new regulations that waive this requirement if the reduction in discretionary relief results from the abolition of the rural rates relief scheme.</p> <p>While the Association fully supports the new scheme, a delay in its implementation or a transitional phasing in of the new scheme would ensure that the rural businesses that will be adversely affected would have time to plan for its introduction.</p>
(B25) <b>Pensioners Forum</b>	<p>Mrs Phyllis Preece, Pensioner Forum said she “welcomed the scheme that will help many more small businesses in Wales and was particularly pleased that post offices have been singled out for additional relief as this can only help communities and pensioners across Wales”</p>
(B26) <b>RICS Wales</b>	<p>The position of RICS Wales is that we broadly agree with the observations of the Public Affairs Department, particularly the comments made in paragraphs 5 &amp; 10. However, we are not convinced that their preferred option the targeting of relief to businesses suffering hardship is a practical and feasible proposition within Wales.</p> <p>RICS Wales consider that:</p> <ol style="list-style-type: none"> <li>1. The current proposal to be a far simpler and more equitable Small Business Rate Relief Scheme for Wales compared with that which currently exists.</li> <li>2. The focus on the smallest businesses and Post Offices, which are particularly important to rural and deprived communities, is to be supported.</li> <li>3. The refocusing of the scheme following the completion of the Rural Recovery Plan following the FMD crisis in Wales is justified.</li> </ol>
(B27) <b>RICS</b>	<p><b><u>Small Business Rate Relief Scheme in Wales</u></b></p> <p><i>Comments by the Royal Institution of Chartered Surveyors</i></p> <ol style="list-style-type: none"> <li>1. We welcome this opportunity to comment on the Welsh Assembly Government’s proposals to introduce an all Wales Small Business Rate Relief scheme.</li> <li>2. The Royal Institution of Chartered Surveyors (RICS) is regulated by its Royal Charter with the objective of</li> </ol>

promoting the public good. This allows RICS to comment independently on matters relevant to its profession. The RICS numbers over 110,000 members who work in both the public and private sector and cover all aspects of land, property and construction. RICS members work as both in-house and private practice Rating advisers to ratepayers and are also employed within the public sector by the Valuation Office Agency.

***Key points***

- We consider that business rate relief is not an appropriate tool to use to endeavour to assist small businesses, whether in urban or rural areas
- We agree that if a relief scheme is to be introduced it should cover all Wales
- We are pleased to note that the relief scheme will not be funded by a supplement on other business ratepayers
- We consider that the Assembly Government should closely monitor movements in rents in respect of the classes of property gaining relief to check whether landlords seek to take advantage of any relief scheme by increasing rents.
- We would have preferred to see greater use made of existing hardship relief arrangements to ensure that reliefs are targeted at businesses suffering hardship, rather than simply at occupier of low RV hereditaments.

***General comments***

3. Small and Medium Sized Enterprises (SMEs) have been concerned for some time that their Rating liabilities are disproportionately burdensome to them as opposed to larger business ratepayers. Whilst we have consistently questioned whether rate relief is the most appropriate way to assist struggling SMEs, we recognise the public value of providing financial support to small businesses. We are however concerned that any business rate relief scheme will add complexity to the Rating system which is currently straightforward in its calculation in Wales in marked contrast to the position in England.

***Response to proposals***

4. We consider that business rate relief is not the correct means by which to assist small businesses. It does not

	<p>properly target relief at businesses that are suffering hardship. It is not our preferred option.</p> <ol style="list-style-type: none"> <li>5. However, given that a decision has been made to apply a relief scheme, we support the concept of a single, simple, scheme covering the whole of Wales equally. We regard the decision to apply enhanced relief to Post offices as a political matter and outside our remit to comment.</li> <li>6. We support the concept of a simple scheme of automatic relief without application because the costs of administering an application based scheme could outweigh the benefits. However we remain concerned that an automatic relief scheme is not targeted at hardship cases.</li> <li>7. Our preferred option would be to encourage local authorities (if necessary by providing appropriate financial support) to provide hardship relief to smaller business that can show that they are suffering economic hardship. This could be done by way of existing hardship relief.</li> <li>8. We have seen no clear evidence that the burden of business rates is a conclusive factor in the success or failure of particular businesses.</li> <li>9. Accordingly we question whether the proposed reliefs will achieve the desired aim of promoting small businesses.</li> <li>10. We are concerned that any relief scheme should not result in relief from rates giving rise to landlords seeking and tenants paying higher rents for properties that are subject to relief. We urge that the Welsh Assembly Government monitors carefully the impact of the scheme to ensure that it succeeds in its aim of promoting and assisting small businesses in Wales</li> </ol> <p>That it does not lead to artificially increased rents for properties that are the subject to the reliefs.</p>
<p><b>(B28) Forum of Private Business</b></p>	<p>The Forum of Private Business (FPB) is a membership organisation that represents 25,000 privately owned small and medium-sized businesses.</p> <p>The FPB's response to the Welsh Assembly Government consultation on proposals for an all Wales Small Business Rates Relief (SBRR) scheme is as follows:</p> <p>We welcome the fact that the Welsh Assembly Government has consulted on this issue, and welcome even more some of the proposals put forward.</p>

	<p>We are encouraged that the consultation proposes to increase the scope of the SBRR to include all businesses in Wales, not just those in rural areas. We are glad to see that the National Assembly acknowledges that all smaller businesses need access to rates relief.</p> <p>We note with approval that the relief will be automatically applied to rate bills, negating the need for the business owner to apply. We would like to see this scheme implemented throughout the UK as over 40% of businesses in a survey we conducted did not even know of the SBRR scheme.</p> <p>The proposal to offer relief for Post Offices (POs), in all parts of Wales is also a sound scheme. However we note that the rateable value is significantly higher for POs than it is for smaller businesses. We would like to see the rateable value for smaller businesses increased to a more competitive value.</p>
<p><b>(B29) National Federation of Retail Newsagents</b></p>	<p><b>1. Yearly Small Business Rate Relief Review</b></p> <p>We are delighted that it has been announced that the Government intends to reduce the burden of form filling on businesses. Illustrating this is in his pre-budget report the Chancellor referred to abolishing a requirement for 400,000 small businesses to reapply for small business rate relief every year. We totally agree with and support this proposal and believe that, if all the relevant business circumstances remain unchanged, removing the requirement to reapply for small business rate relief on a yearly basis will make a considerable difference to ratepayers.</p> <p><b>2. Rate Relief – Changes to Circumstances</b></p> <p>We support the view that any changes in the businesses circumstances should be notified to the billing authority at the time they happen.</p> <p>Additionally, it should be sufficient that any notification of changes to the rateable value of a business should be made in writing rather than through a process of reapplication.</p> <p><b>3. Changes to occupation of business premises</b></p> <p>We agree with the proposal that ratepayers should be required to notify the billing authority either when they have vacated the business property and that where there are changes in occupation the ratepayer should make a fresh application for small business rate relief.</p> <p><b>4. Small Business Rate Relief</b></p>

	<p>One area of concern to our members is that business from the same or similar sectors be treated equally and we would like to express concern that in respect of this our members small rural rate businesses in the form of convenience stores or newsagents should be afforded the same rights in respect of eligibility for the amount of small businesses such as rural post offices. We believe that retail businesses eligible for small business rate relief in rural areas where a post office or a convenience store or newsagent are proving a valuable service in the community in which they operate, and that all these businesses should be entitled to a similar rate of relief, and that no one area should be given preferential treatment.</p> <p><b>5. Timing</b></p> <p>In respect of changes to circumstances we would hope that a period of grace be given whereby after a change in circumstances the business may notify the billing authority of that change without losing their entitlement to the relief within a specified time period.</p>
(C01) <b>Colin Hall</b>	<p>For supporting small business this is the best piece of work the Welsh Assembly have done. I fully welcome the measures as proposed. It is the small business's that are a cornerstone to local communities, for services, employment, choice and more often than not best quality.</p> <p>In relation to supporting the network of Post Offices, such proposals come at a key moment in the future of the UK's service. Any support for the provision of a service that cements 'community' is truly superb. I would like to see more action from the assembly in ensuring matters such as council and business rates, for all authorities can be processed across a Post Office counter. I recently read an outline report from PostComm, part of their conclusion, with central gov't departments withdrawing work, the true cost to the UK taxpayer will be higher.</p> <p>Under the current regime, the regulations and subsequent relief for what classed as rural creates large levels of debate across our local business community. Where a nearby 'town' receives rural subsidies, small businesses in our town do not.</p> <p>I totally support the proposed measures, and watch with interest as how the Welsh Assembly move forward.</p>
(C02) <b>Mike Turtle</b> <b>Cuprum Ltd</b>	<p>We have a very small shop in Brecon, the size of a domestic living room, with no rear entrance or yard, and our rateable value is £5000 and hence we are excluded from the rebates.</p>

<p>Brecon</p>	<p>Very small shops and offices, because they are all that can be afforded by start-up businesses, attract very high rents per square foot. As the rates are based on the rent obtainable, the rates are also disproportionately higher. A system that takes this into account would be much fairer for all concerned.</p>
<p>(C03) <b>Simon Davies</b></p>	<p>Our retail business (a bookshop) started last April in Pontypridd. (Of course this coincided with the 5 yearly rates review!). Our rateable value is 11250 and we currently pay 480 per month (£4860 per annum)</p> <p>As you can imagine this is quite a large amount for a small business starting up. Especially when cash flow is uncertain. It would be very useful for some sort of relief during the first two years perhaps of a new business starting - I am sure this would encourage more businesses to start. The retail sector in Pontypridd has generally struggled in recent years - there are a lot of shops closed in the High Street and there are a high proportion of Charity shops (now I know why!) and just wonder if some sort of relief for new businesses would encourage others?</p>
<p>(C04) <b>June Figg Bryn Llewelyn Guest House Snowdonia</b></p>	<p>I wish to respond to the consultation on the Small Business Rate Relief Scheme.</p> <p>I think the proposals are highly misleading. On the fourth page of the consultation document, there is a statistics table showing the net change in the number of businesses who received Rural Rate Relief in 2004/5 and the number of businesses eligible to receive Small Business Rate Relief in 2006+. For Conwy, the net change is given as 356 businesses.</p> <p>However, this is extremely misleading as it implies only 356 businesses will be affected. It takes no account of the businesses who will receive only half the relief currently received or the businesses who would lose the relief altogether. To put such misleading information in a consultation document is wrong.</p> <p>As to the proposals themselves, to withdraw or reduce the relief to the extent proposed gives small businesses no opportunity to find the extra money required. Small businesses cannot generate extra income at the stroke of a magic wand.</p> <p>For all practical purposes, our business rates will increase by 50% (namely our relief will go from 50% to 25%).</p>

	<p>Additional costs are constantly being put on small businesses and we cannot absorb them.</p>
<p>(C05) <b>John Wooller, Chair, Nuttalls Caravan Park</b></p>	<p>Hello</p> <p>I am Chairman of a small caravan park in South Wales (Nuttalls Caravan Site). Ever since the introduction of Rural Rates Relief we pursued Swansea City Council for relief.</p> <p>Although we qualified on every count, as far as we could tell, the 'discretion' was not afforded to us. Indeed I recollect in the whole of their jurisdiction I believe only 14 were ever awarded such relief. The intent of the Welsh Assembly being clearly thwarted by a local council and clearly at odds with intent. In this context I welcome the new proposals as the computer can do all the work and you can all get on with other matters of government without the bureaucratic tail.</p> <p>However, (there always seems to be a 'however!'), we feel you fall short of the mark compared to the rest of the country.</p> <p>Why is it they enjoy 50% on the first £5,000, then a sliding scale to zero relief at £10,000?</p> <p>Yet again I feel this Assembly has missed an opportunity to shine, or at least offer parity with the rest of the country.</p> <p>This proposal disappoints</p>
<p>(C06) Mike Kneale, <b>Jami Q's Ltd Wrexham</b></p>	<p>Sir</p> <p>My business has a rateable value of £13500 and we pay approx £6,000 per annum - approx £1000 for each employee in the business.</p> <p>I am currently moving to new premises which will have a rateable value under £12,000 - I was hoping that this would allow me rate relief which would make a significant contribution to the future potential growth of the company.</p> <p>We are a small company - those with premises rated under £5,000 to receive a 50% contribution will be even smaller.....Are you sure that this is not a cost cutting move.</p>
<p>(C07) <b>Tyn y Mynydd Bach Garage Llangollen</b></p>	<p>I am disgusted to find your proposals will cost me somewhere in the region of £360 next year. I have not recovered from the devastation the Foot and mouth debacle caused me.</p> <p>My 'garage' is very isolated and was used by local farmers, for repairs, though now they are all driving Brand new nissan pickups and the like, thanks to subsidies, and I never see them anywhere near as often as I did before F&amp;M. I suppose the extra revenue will be used to subsidise South Wales and your</p>

	<p>Assembly.  Why you are inviting comments is beyond me, My comments will make not one iota of difference to your decision to implement this tax  My business made just over £1800 profit last year while before F&amp;M it made over ££8000.  It is so bad I am considering my options as to whether I should sell up and move abroad, burn the place down, or commit suicide.</p>
<p><b>(C08) Stephen Clare, Wrexham Pallet Services</b></p>	<p>I wish to add my comments on the proposal by the Welsh Assembly Government to discontinue the Rural Rate Relief.</p> <p>My view and that of my colleagues is that to discontinue the scheme would hinder the development of Small Businesses like ourselves whose rateable value is just above the higher limit of the new scheme, meaning that all the growth that has been made over the past few years would be stunted because we are forced to pay out money in Rates which could be used towards employing more people and advertising our Business.</p> <p>We like many small rural businesses have to find extra money for delivery costs to our customers as we are outside the main towns and cities where our customers are located whilst small business that will benefit from the scheme have lower delivery costs because they are close to their Markets,giving Rural Small Businesses a disadvantage which is, with this scheme going to get bigger.</p> <p>I ask that you rethink this proposal and reinstate the Small Business Rural Rate Relief to aid the many Welsh Businesses that will struggle if required to find the extra money.</p>
<p><b>(C09) Ray Everitt</b></p>	<p>,</p> <p>I own a store at Chirk airfield, LL145BG and it is for private use only. I will therefore be very unhappy if I become liable to pay rates on this store under new proposals. Please consider not changing the current scheme.</p>
<p><b>(C10) Tim Rosselli</b></p>	<p>As an operator of a small rural business, I am grately saddened to see your current proposals for the rural rate relief.</p> <p>Rural businesses are at an enormous disadvantage due to their location in not only getting staff but also higher costs ie electricity and fuel, that I suspect your proposals will be the last nail in the coffin for quite a lot of them.</p> <p>Running a holiday cottage is not very remunerative at the best of</p>



	<p>times and having to pay rates will be a further disincentive for this business continuing to operate. This will lead to sacking of the staff employed and this will have a detrimental effect on other businesses in the area.</p> <p>I would suggest you have been too harsh and would suggest the following:-</p> <p>0- £1,500 - 100% relief  £1,500 - £4,000 - 50% relief  &gt; £4,000 - nil relief.</p> <p>I look forward to your comments.</p>
<p><b>(C11) Nigel &amp; Cathy Clark, Pendeilo Holidays Narbert, Pembs</b></p>	<p>This offer is much less than the rural rate relief my business qualified for until we were revalued!</p> <p>It does not attack the fundamental problem that turnover is not profit. Rates must be paid out of profit, but we are charged on a factor related only to the turnover (rateable value) of the business.</p> <p>Many small businesses are small simply because the profit margins are minute. We have a RV of around £12000 but made a loss last year!</p> <p>How are we expected to pay huge amounts of business rates when we are not generating sufficient disposable income to cover our expenses???</p> <p>Further, no taper relief was offered even though our RV went up by around 50%.</p> <p>This last rating review has been a disaster for us. Not only have we lost the RRR but we must pay a greatly increased assessment without any help whatsoever.</p>
<p><b>(C12) John Ruth</b></p>	<p>Is government out of touch? do any MP's live outside towns? Change is inevitable but is not always for the best. Compare the non business rates paid 1990/2000 to 2006/2007 and look at the average wage pay rises for same period. Then ask residents if they believe they are getting value for money.</p> <p>Did you not follow the reasons why the small business rates relief was introduced in England?</p> <p>Small businesses find it difficult to cope with the minimum wage (which is a good thing) and all the increasing government legislation and when they receive a little help you wish to raise more taxes by bringing back full business rates</p>
<p><b>(C13) Richard &amp;</b></p>	<p>We are a small craft business which has benefited greatly from</p>

<p><b>Fran Boulton</b></p>	<p>the rural rate relief scheme. If this is withdrawn we may find it more economic to sell our premises as a development site for holiday home(s) and cease to employ both ourselves (2) and two part-time workers.</p> <p>We conscientiously use the local post office and garage and shops for both our business and personal needs. Our mutual support keeps the countryside from turning into just another dormitory for holidaymakers, whilst providing them with a place to visit and buy a genuine Welsh product.</p> <p>Please do not fund urban rate relief by withdrawing rural help. Perhaps a sharing of available funds would be fairest?</p> <p>Richard and Fran Boulton visit us at <a href="http://www.slate-workshop.co.uk">www.slate-workshop.co.uk</a> or phone/fax 01994419543</p>
<p>(C14) <b>Gloria Walters</b></p>	<p>This should have been put in place at the same time the government gave the money the Welsh Assembly.</p> <p>NOT two years down the line. 96% of Welsh businesses are SME's and they employ 50% of the work force,</p> <p>The Assembly (in theory) should be looking after them, this lack of action is penalising them. I only hope the interest they have gained on this money will be used to extend the time that the rate rebate operates. YES I approve of the scheme in case you are in any doubt!</p>
<p>(C15) <b>Bern Schleising</b></p>	<p>I am very disappointed with the proposal to change the current rural rate relief. My business is a small hairdressers in Rhosllanerchrugog, I have found the business rate relief very helpful and it has enabled me to employ an extra person part time aswell as the one I already had. This has been good for the salon and good for the lady herself as she is a single mum. I am concerned as to the amount I would be paying under the new scheme and hope I do not have to change my employee arrangement due to the financial strain it may cause.</p> <p>When you are a small business owner in a community like rhos the financial rewards are limited and it often crosses your mind that you may be better off working for someone else. You may think that the rate relief is only a little help but let me assure you that it makes a great deal of difference when you are in an area such as Rhos where many shops in the village have already closed. It would be a shame if anymore were to close and after speaking to other business owners in Rhos this could definitely be a possibility.</p> <p>I hope you reconsider these changes.</p>

(C16) R H Evans <b>Wingetts</b>	<p><b>Business Rates Rural Rate Relief Unit 2 and Unit 15 Bryn Estyn Home Farm, Bryn Estyn Rd, Wrexham LL13 9<sup>TH</sup></b></p> <p>We refer to the above and understand that you are considering a change to the current scheme, and would suggest that any alterations to the current scheme would affect small businesses as the current scheme does seem to assist both existing and new businesses within the Wrexham Area which benefit from Rural Rate Relief. We would therefore urge you to reconsider.</p>
(C17) <b>Phil Spiby, Essential Healthcare</b>	<p>I am writing to express my concern that the Rural Rate Relief may be ended.</p> <p>I started my business in January this year and have invested a considerable amount of my life savings in the business. I have also taken out a bank loan and worked for hardly anything over the last 9 months so that the small profits that I am now making can be re-invested in the business. I have just taken on my first employee, albeit on a part-time basis, and can now see a little light at the end of the tunnel. Part of this can definitely be attributed to the fact that I was able to re-invest in the business monies that would have been paid in rates.</p> <p>I feel strongly that the Rural Rates Relief scheme should be maintained and that the local Council's opinion should have been heard and acted upon. They, more than anyone are aware of the benefits that this scheme has shown for this area.</p>
(C18) <b>Mother Goose Nursery</b>	<p>I have run a private children's day care nursery at the above address for almost 5 years. The nursery is registered with the CSIW to provide full and part time day care for up to 37 children from 3 months to 8 years of age. Currently there are 63 children on the register and 8 full time and 9 part time staff.</p> <p>The nursery provides a valuable service in a rural community and is one the largest employers in this small village. We work closely with the village school and indeed provided over 80% of its intake this September. We have a good reputation in the locality and try to support other local businesses with our purchases of supplies and equipment. However, local economies prevent us from charging fees appropriate to the level of service and care which we provide and despite good occupancy levels, the business struggles to make a profit.</p> <p>One of the biggest financial boosts our business has received since we took over has been rural rate relief. This encouraged</p>

	<p>us to lease a further section of the building in 2002 and the remainder of the unit in May this year.</p> <p>Reduction or removal of rural rate relief will have a great impact on the viability of our business. At best we will be forced to give up one section of the building which we currently use for storage. At worse the future of the business will be called into question with the consequent loss of employment and of a valuable local service.</p> <p>I sincerely hope that the Welsh Assembly Government will think long and hard before removing this valuable support from small businesses attempting to sustain the rural economy.</p>
<p><b>(C19) M A Edmonds</b></p>	<p>After just receiving your letter stating that the tax relief will finish, I must inform you that this tax relief keeps us above the line of closure.</p> <p>I must point out that many pubs in rural areas are the only lifeline for small villages and the relief scheme helps them survive. I urge you to reconsider the proposed ending of this scheme.</p>
<p><b>(C20) Ray Converey</b></p>	<p>Would somebody from the Welsh assembly government come to my place of business and tell me where I am to find this extra money for these rates changes. Will it take redundancies or a higher rate of unemployment in rural areas for you to realise the errors you make. Unbelievable!</p>
<p><b>(C21) Amanda Stuart-Robson, Jabajak Restaurant</b></p>	<p>Response to proposed changes in rural rates relief scheme:- Jabajak Restaurant and Country Retreat, Llanboidy Road, Carmarthenshire SA34 0ED</p> <p>Jabajak is a newly developed and established business set in 7 acres, rurally located on the Carms/Pembs border 3 miles inland from the village of Whitland. It was a diversification from small holding to commercial enterprise.</p> <p>Whilst it's location has its strengths in terms of privacy – it also has major weaknesses in terms of geography and has been a difficult business venture to market and gain support for.</p> <p>It has been unable to secure grant assistance via the Tourist Board because this area it is not regarded as one of their “HOTSPOTS”</p> <p>It has been unable to secure funding by Rural Conversion because the nature of the business proposal didn't fit the WEFO guidelines.</p> <p>It has been unable to secure signage from the A40 because of</p>

changes in the Highways criteria for this type of business venture.

It has therefore been developed and self funded initially by way of business angels and now commercial mortgage assistance by the HSBC bank, who saw the merits of the business plan and more importantly the equity the owners were able to forward as security.

It is a family business, not corporate, which now provides several full time positions for local people, who live in this rural area. Plus many part-time and casual opportunities for individuals who simply cannot get to town positions because of lack of transport links. We take our staff home.

It currently benefits from the rural relief scheme provided against a rateable value of in excess of £6000 but also pays £1000 per annum for waste disposal.

The rural relief has been and still remains invaluable assistance in our quest to achieve a breakeven for the business over its 2 years trading period.

It seems that the business will not qualify under the new system - based on its size and not its ability to afford full rates and the circumstances of its location.

Firstly I strongly believe that the basic rates system itself for rural business is far too high – based on lack of facilities provided, irrespective of size. We have to provide our own lighting, security for guests, transport etc. to name just a few – all additional cost.

Secondly there is no consideration given to the positioning of the business in terms of age and ability to breakeven – which is critical in the first 5 years of a business venture.

Whilst I understand that public amenities have to be funded and any assistance whatever the business circumstances are gratefully received, it is the fairness of the assessment that should consider all aspects of a business venture and not just merely its size or location. For example : Its age, its positioning in the market, its public services, its ability to pay.

Until such issues are seriously considered I don't believe any fair and sensible policy can be put into place.

My view would be to reassess the basic rates system primarily depending on location, public services available for customers

	<p>and staff alike and lastly size.</p> <p>Secondly, although I don't like the term, means test, I believe an application should be made by business' themselves to qualify for relief.</p> <p>Any good economist could determine a sensible margin level for differing business disciplines, as a standard to measure how efficient that business was operating and whether or not there were accounting indiscretions. Then additional overheads could be considered depending on the individual circumstances and the level of breakeven required. In effect an interim grant, in the vulnerable years of a business until such a time when it is established and supporting itself on a stand alone basis, which should be easily feasible within 5 years.</p> <p>This will assist in the economic growth of small or new business enterprise in Wales, contributing to their long-term sustainability.</p> <p>I therefore need to stress that Jabajaks position is that the removal of the rural relief at this time would have a significant detrimental affect on the current cash position of the business, in it's third year of trading combined with several other price increases e.g fuel and the newness of our customer based meaning that an adjustment in our pricing policy may detract from our growth or worse offend existing customer portfolio.</p> <p>We will therefore be following developments on this proposal very closely and I am available on 01994 448786 for further comments, if required.</p>
<p><b>(C22) Carole Williams, Director, Serenity Beauty Salon</b></p>	<p>I recently received a letter from you regarding the change in business rates relief from next April and wish to express my concern.</p> <p>Last October I bought my business, Serenity Beauty Salon, from Mrs. Lesley Ward who was the previous owner of Bodyheat, Liverpool House, Heol Maelor, Coedpoeth, Wrexham, LL11 3LS. When I bought it, one of the attractions was the business rate relief as it was a new venture to me and obviously I could not foresee how the business would do. I do not work in the salon, instead I employ two part time therapists who run it for me as I am in employment elsewhere. Last week it was the end of my first year in business and whilst I have not subsidised the business I have not earned from it either. The first few years in any business are the hardset and I don't expect to be earning from it just yet. However if my overheads are to increase, it may result in me having to loan the business</p>

	<p>which I am not in a position to do. I am a widow with two young dependants and this venture was designed to eventually bring me in a second income to compensate for losing my husbands wage. Currently I am just about breaking even but I have a long way to go in building up clientele. A further increase in overheads at this stage could put me out of business and two therapists out of work. I do not wish either to happen. I urge you to please reconsider your decision.</p>
<p><b>(C23) Graham Musto</b></p>	<p>Whilst applauding the proposals for rate relief on small Post Offices, I express some concern over the proposed equalisation of urban and rural rates for small businesses.</p> <p>Our business, a small cattery and home visit service, has greater expenses with regards to supplies and travel on home visits than if we were located in an urban area. We provide a service to a more sparsely populated area than if we were located in town and are unable to be as competitive as we would be in an urban location.</p> <p>My understanding of Rural Rate Relief is the principle of encouraging rural industry and services, very much in the spirit of your small Post Office initiative, to keep rural communities alive.</p> <p>The rates cost will, of course, be carried as an increased charge to our customer and be added to the increased costs of heating, already taking effect.</p>
<p><b>(C24) Home Select Carpets</b></p>	<p>We are a small carpet business employing 6 staff. We use our small warehouse as a storage facility for carpets, etc, in transit to our customers. We do not sell or retail any products from this facility and have always relied on rate relief to make our small business viable.</p> <p>I feel that now we are having to pay considerably higher rates from April 2007, we may have to close our business and sack all of our existing staff as it is likely to be uneconomic to continue with such overheads.</p>

<p>(C25) <b>John Ruth</b></p>	<p>Is government out of touch?do any mps live outside towns?  Change is inevitable but is not always for the best.  Compare the non business rates paid 1990/2000 to 2006/2007 and look at the average wage pay rises for same period.  Then ask residents if they belief they are getting value for money.  Did you not follow the reasons why the small business rates relief was introduced england?  Small businesses find it difficult to cope with the minimum Wage(which is a good thing)and all the increasing government Legislation and when they receive a little help you wish to raise more taxes by bringing back full business rates</p>
<p>(C26)<b>M Spurdens, Blakemire Veterinary Centre</b></p>	<p>I am disappointed to learn that The Welsh Assembly Government is considering changes to Rural Rate relief.</p> <p>In November 2005 my veterinary practice leased premises in Overton on Dee and in December opened a part-time branch veterinary surgery. This is the first time in living memory that there has been a veterinary practice in the village and we have been given a warm welcome by the large number of new clients. Whilst our opening hours are currently restricted to 2 hours each weekday, we provide a 24 hour emergency service and hope to extend our opening hours next year.</p> <p>The start-up costs for even a part time clinic were considerable and we were pleased that at least a small financial incentive in the form of business rate relief was available. It would be a significant blow to our business plan if rates were now to be charged.</p> <p>Small rural businesses do not always receive the same benefits from their business rates as those in urban areas and I sincerely hope that the Welsh Assembly Government will continue to support small rural businesses via rate relief.</p>
<p>(C27) <b>H H Wardle Estates</b></p>	<p>I would like to make the following suggestions:</p> <ul style="list-style-type: none"> <li>• Reconsider the Rateable Value Thresholds. <ul style="list-style-type: none"> <li>○ A drop from an RV threshold of £12,000 to £4,999 would mean that a lot of businesses will suddenly receive no relief at all. I would propose 75% relief to businesses with an RV of £3,000 or less, 50% relief to businesses with an RV between £3,000 and £6,000, and 25% relief to businesses with an RV</li> </ul> </li> </ul>



	<p>between £6,000 and £12,000.</p> <ul style="list-style-type: none"> <li>• Any changes to present scheme not to be implemented until April 2008, allowing businesses time to budget for and prepare for the sudden extra running costs</li> <li>• Consider transitional relief for all affected businesses. <ul style="list-style-type: none"> <li>○ If the drop in relief is ultimately 100% to 0%, I would suggest that the relief is dropped to, say, 50% in the first year, then 25% in the second year before there is no relief at all in the third year.</li> </ul> </li> <li>• All businesses and premises to be assessed individually and not tarred with the same brush. <ul style="list-style-type: none"> <li>○ As a rural industrial estate we receive no services from Wrexham CBC. What will we receive when/if we start paying rates.</li> </ul> </li> </ul>
(C28) <b>Mike Mertakkas</b>	Receives 100% RRR on business Espresso Coffee. Says it may have to close if charged business rates. Wrexham reply sent
(C29) <b>Bernard H Barkley</b>	Says that the new scheme would leave his agricultural merchants business with a bill of approx £1,000, which they would find difficult to pay. Wrexham reply sent
(C30) <b>Suzanne Mertakkas</b>	Receives 100% RRR on business. Says it will have to close if charged business rates. Wrexham reply sent.
(C31) <b>N V Samuels</b>	Receives 100% RRR on business (pub). Gives several examples of how business will suffer if he loses 75% of the relief. Wrexham reply sent.
(C32) <b>Bersham Cricket Club</b>	Not clear what relief they currently receive, but say that if they have to start paying rates it would be a setback. Wrexham letter plus guidance on rate relief for charities etc sent
(C33) <b>Pierce &amp; Associates</b>	Say that businesses in Wrexham will pay £2million more from Apr 2007. Suggest that more consideration be given to trade & expenditure of businesses.
(C34) <b>Rosedale Caravan Park</b>	Ask that RRR scheme remains.
(C35) <b>GS Welding</b>	Disagree with proposals.
(C36) <b>Alexander's Pharmacies</b>	Object to proposals.
(C37) <b>Ecclestons Confectioners</b>	Suggest reconsideration of thresholds for new scheme.
(C38) <b>M Stenson</b>	Suggests that the scheme will not work as many urban

	businesses will not qualify because of the small thresholds.
<b>(C39) Ian Miles Wrexham Tool Hire</b>	<p>Thank you for your letter 11/10/2006 concerning the above subject.</p> <p>Whilst we are very grateful for the rural rate relief we have recieved over a number of years, we as a small company employing 6 people are extremely concerned at the contents and implication of your letter.</p> <p>Suddenly we are to move from full rural rate relief to paying full business rates as from April 2007.</p> <p>Whilst we accept the idea in principal of a fairer rating system being adopted for small businesses, a rateable value level of £4999.00 is not a high figure.</p> <p>Why should post offices with rateable values of £9000.00-£11999.00 be granted 50% relief??</p> <p>As a small business maybe a transitional period of 2 years on a sliding scale would have been more helpful, to ease a business into paying rates again.</p>
<b>(C40) Jenny Howell, Director, Oyster Clothing Ltd</b>	<p>I run a small clothes shop in Castle Arcade, Cardiff. I have been trading for just over a year now and employ one member of staff full time plus Saturday staff. Our turnover has been gradually increasing and is currently around £60,000 per annum.</p> <p>Apart from our stock, our major costs are rent (£12,500 p.a.), staff (£15,000 p.a.) and business rates (£4,300 p.a.) Given that our turnover includes a significant VAT element which we pass on, it is easy to see that our takings are barely enough to cover the costs of running a business. Taking a salary myself let alone taking out the money I invested in the company are entirely unachievable as things stand. This situation is true of anybody starting a new venture.</p> <p>At £443 a month, business rates alone require sales of £1,000 per month just to service this cost. It is a huge chunk to find, and I was delighted to discover that the Assembly were bringing in rates relief. I rang Cardiff County Council to find out the details and learnt that relief would be applied according to the rateable value up to £5,000.</p> <p>Our rateable value is £10,250, so we will not be eligible. When I queried the basis upon which the relief was being applied, it became clear that the aim was to help rural businesses, and also to make the scheme as simple as possible to reduce the workload on small businesses and the government. I was also, as a member of the Federation of Small Businesses, told that the FSB had been very closely involved in the creation of the scheme.</p> <p>While the above aims are laudable, the scheme will prove to be</p>

	<p>a very blunt instrument which will fail to help struggling small businesses in the cities. I was told that by choosing to set up in Cardiff, I was based in a wealthy area and as such, didn't need the help that rural businesses do. Try telling that to my neighbouring shops in the Cardiff arcades, particularly when we are already paying some of the highest rents in the country.</p> <p>I was recently in Narberth, which is an extremely vibrant shopping town with lots of small independent businesses which seem to be doing well. Apparently, Narberth shops do not pay business rates as the population is less than 3,000. Contrast this with the Castle Arcade where my business is based. In the year that I have been trading, eight shops have closed down out of twelve. This includes one shop which opened at the same time as us and closed down within a year.</p> <p>This sort of high turnover and the constant empty units which result, caused by an extremely tough trading environment, has led the most beautiful of the Victorian arcades to lack the very vibrancy that makes Narberth so exciting. Of course the individual fates of those of us who trade from the Castle Arcade may not be of much consequence. There are, however, much wider ramifications for the city.</p> <p>Queen Street and its adjacent arcades look pretty much like any other town centre in the UK. It would be reasonable to assume that the much vaunted St Davids II development will be the same. Yet when Cardiff is promoted as a city, it is the Victorian arcades as much as the Castle and the Bay which are used to attract visitors. These arcades are characterised as much by the individuality of the shops as by the architecture, and many of our customers coming from as far as Carmarthen, Bristol and Hereford, testify to this fact.</p> <p>It has struck me for years how in extremely expensive cities like Paris, tiny little boulangeries and corner shops thrive. I understand now that instead of business rates, the French has the 'Patente'. Rather than rating the premises, French businesses have a licence based on their turnover. This system seems far fairer, giving low income and fledgling businesses a chance to succeed regardless of their location.</p> <p>Business rates as they stand are inequitable, and I believe we should move quickly towards a scheme like the Patente which is fairer for everyone – regardless of their location.</p> <p>Jenny Howell Director</p>
<b>(C41) Cameron</b>	We have recently received a notice from Wrexham County

<p><b>Beard The Sharper Image Wrexham</b></p>	<p>Borough relating to the proposed business rates changes effective April 1st 2007.</p> <p>We moved from England to Wales some five years ago and one of the key decisions to move was the preferential rates scheme being applied in the LL12 0AY post code area. Without this concession the benefits of uprooting our business would have been marginal and once moving costs and disruption taken into account probably not worth it.</p> <p>We are a small business employing seven people from the local area and have managed to survive through thick and thin over these past years to keep the business alive and continue to employ the people we do.</p> <p>If the proposed scheme goes ahead we will go from a zero rate band to whatever the rates will be on a rateable value of over £6000 as, according to the letter we have received any relief ends at £4,999.</p> <p>I have done some calculations on the effect this would have on our business and under these circumstances it is highly likely that as a result we would have to consider making one person in the business redundant. I cant believe that this would be a desirable outcome for anybody. Alternatively we would look for an area where we could enjoy rate benefits and move the business.</p> <p>I cannot understand how you can propose to take small businesses from a zero rate band to full rates in one go without appreciating the hardship this will cause and possible employment consequences in the region. I trust the Welsh Assembly will, as a result of the many e mails they must be receiving taking another hard look at this proposal.</p> <p>I await to hear a response to my e mail</p>
<p><b>(C42) C.A. Kendrick Surgical Chiropodist. Wrexham.</b></p>	<p>I am writing to voice my concern at the proposed abolishment of the Business Rates Rural Rate Relief. Being a business in a small village with a limited catchment, and no passing trade, the proposed changes will have a detrimental affect to my livelihood, putting me a great disadvantage to my competition, as many do not operate from business premises, and those that do benefit from a greater catchment afforded by a denser population being in a town.</p> <p>Wrexham County Borough Council favours the continuation of the relief, however, the Welsh Assembly Government have announced proposals to discontinue the current scheme, a</p>

	<p>move that will benefit small business in urban area, and will give a huge advantage to those businesses that already benefit from a greater customer base.</p> <p>As I see it, the proposals will see a large proportion of the fund being given to businesses in the South of the country, further propagating the North South divide. I believe local councils should be empowered to administer the fund as is sees fit without the unnecessary interference of the Welsh Assembly.</p>
<p><b>(C43) Debra Jones</b></p>	<p>I have recently received a letter from my local Wrexham County Borough ref the above issue.</p> <p>After speaking with my local office I now understand that proposals are underway to abolish the continuation of local relief. The latter has been a most valued service for my fathers business and we are disappointed that this support could well now become redundant if the Small Business Rates comes into effect.</p> <p>My father is a sole trader and at the age of 62, he now is unable to work the hours that he would have previously. The relief that Wrexham provided meant that he no longer had to worry/budget for business rates. He does realise that he has been fortunate enough to qualify for the scheme that Wrexham offered, however if going forward he has to revert to business rates then he is worried how this will effect his business.</p>
<p><b>(C44) JRS Mechanical Services</b></p>	<p>Businesses with a RV in excess of £5,000 will end up with no relief at all. ( currently JRS RV £8,900). At the very least, a phased out scheme would have been more acceptable.</p>
<p><b>(C45) Margaret Hosie</b></p>	<p>I acknowledge receipt of the letter dated 11th October 2006, informing us of the future changes to the business rates relief. Day care providers in the rural areas have appreciated the deferment of these rates and passed on the benefits to the children in the nurseries.</p> <p>I understand the Welsh Assembly Government is now inviting comments on the new proposals.</p> <p>I feel at present childcare providers are being squeezed from every angle, the most recent being the new minimum wage rise; also Government regulations on staff ratios differ greatly from that in the L.E.A yet monitored on a regular basis by the same inspectors. To add to this, the reinstatement of business rates. Some day nurseries, (like private nursing homes for the elderly), will find they will be unable to continue their services in the community, which would have a devastating effect on all</p>

	<p>concerned.</p> <p>Surely the question must be asked. Why is the private sector expected to provide the same resources and facilities as schools; inspected by the same inspectors, governed by the same government, yet we are put under pressure to pay business rates on an establishment offering the very same service in the community.</p> <p>The government promotes good early year's provisions. Why then is the Welsh assembly creating problems for small establishments that are already facing the threat of closure, by new regulations and increasing financial difficulties. To reinstate business rates on nurseries in rural areas will have a devastating effect on our finances which are already stretched to the limit.</p> <p><b>The size of property is irrelevant.</b> Although we may be registered for a certain amount of children, we are governed by the fees we take in from the <b>actual amount of children who attend the establishment.</b> For instance, in my own personal circumstances, we operate from a very large old Church Hall; however it is only operating to half of the capacity. The profits if any, go back to replenish the resources and facilities.</p> <p>If the Welsh Assembly do value and encourage comments to monitor these new proposals.</p> <p>I urge them to review this matter urgently, in order to give small childcare providers, offering a wonderful service in the community, a level playing field along with L.E.A Establishments. <b>If anyone would like to visit our childcare service they would be more than welcome.</b> I will insist to those concerned, that the contents of this letter will be addressed at the national conference in November.</p>
(C46) <b>Carol Gittins</b>	<p>I have received details via Wrexham County Borough of your new proposals to discontinue the current scheme and replace it with a Small Business Rates Relief scheme.</p> <p>This will now mean I just fall into the bracket of only 50% rates relief as opposed to the 100% I have been receiving.</p> <p>At a time when all Post Offices are struggling to make a living, this backward step can only be considered bad news, and another step closer to closures in many branches.</p> <p>I would urge you to reconsider your proposals.</p>
(C47) <b>Paul Davies</b>	<p>I write in response to your letter dated 11<sup>th</sup> October last with regard to the Rural Rate Relief and your request for any</p>

	<p>comments we may have.  Having spoken to many members of the business community I feel as they..  That of Captain E J Edwards Titanic 1912. It isn't if we sink but rather when would be a good time to abandon ship.  Rate relief aside.. with your already copious use of speed humps, one way system yellow lines, and free bus passes for the elderly there is little to encourage customers to grace us with their presence—might I suggest a toll booth on the road up to Rhos and a small charge to enter lets say at the bottom of gutter hill this should dissuade the remainder of our customers from shopping in the village.  Might I at this point ( as its my idea ) apply for the position of booth attendant, Four weeks holiday, sickness scheme etc.. something I for one have not had the pleasure of for twenty three years  Coupled with the above regular attacks of vandalism and criminal damage the miss managed and intransigent police force who are impotent to deal with the attacks leaving us vacating our properties at night at our peril  I realise these comments will have no affect on the outcome of the welsh office deciding to change but its another small nail in the coffin of Paul Davies Memorials Pardon the pun !!  Thank you for your time</p>
(C48) <b>Pete Ellson</b>	<p>I have read your letter with interest and I am surprised that the rate relief is being with draw from rural areas. It is difficult for a business in this are to survive with current overheads and slow sales.  We employ 4 people at the moment and further outgoings will seriously effect my business. I doubt very much if we could continue trading from this site.</p>
(C49) <b>Martyn Williams</b>	<p>The Rural Rates Relief scheme was set up for a reason, to assist the rural population mainly situated in Mid and North Wales who carry on day to day without the infrastructure, amenities and facilities taken for granted by our urban counterparts. Agriculture is lurching from one disaster to the next  This appears to be yet another dictat to emerge from the urban south to the detriment of the rural minority who increasingly seem to be deemed irrelevant by the Cardiff Bay bureaucrats</p>
(C50) <b>Annette Gardner</b>	<p>Sole proprietor of a shop Alexanya. Will have to close if has to pay rates. Suggests transitional scheme or scheme based on turnover/profit. Wrexham letter sent.</p>
(C51) <b>Terry Bryan</b>	<p>Proprietor, Black Lion Pub, Bersham. Says that withdrawal of RRR may force him to close. Wrexham reply sent.</p>
(C52) <b>R A</b>	<p>Rate relief will be cut to 50% under new scheme. New scheme</p>

<b>Huxley</b>	will cause extra hardship on businesses in New Broughton. Wrexham letter sent.
(C53) <b>John McKenry</b>	Proprietor of The Salon Holt. Says that the new proposals will kill of rural businesses except PO's. Wrexham letter sent.
(C54) <b>Roberts Bros</b>	Funeral Directors that have recently expanded. New scheme will mean extra costs. Wrexham letter sent
(C55) <b>Meirion L Jones &amp; Sons</b>	Monumental sculptors. Have recently expanded, new scheme will mean extra costs. Wrexham letter sent
(C56) <b>Llwyd Edwards Architects</b>	I wish to register my support for the proposal to change the rate relief.
(C57) <b>Kevin Ikin</b>	<p>I have recently received correspondence from Wrexham County Borough Council, explaining that the Welsh Assembly propose to scrap the Business Rates Rural Relief scheme.</p> <p>I would urge you ( The Welsh Assembly) to reconsider your proposals to scrap the above scheme. As a sole trader, this scheme was one of the major factors in taking on the above premises at Mereside Business Park. Although I understand that the Proposed Small Business Rates Relief scheme may offer some help, I &amp; others would be forced to reassess our positions.</p> <p>I also urge you to reconsider the Rateable Value threshold, as a drop from an RV threshold of £12,000 to £4,999 would mean a lot of businesses will suddenly receive no relief at all.</p> <p>From their letter, I understand that W.C.B.C are in favour of continuation of the existing scheme, as am I .</p> <p>However, if the existing scheme was to be scrapped, could the new scheme not be implemented until April 2008, giving businesses more time to prepare for the extra running costs.?</p> <p>Would you consider a transitional relief for all businesses affected by the changes.?</p> <p>Could all businesses be assessed individually and not under a blanket policy. As a rural industrial estate, we receive NO services from Wrexham County Borough Council, and when or if we start paying business rates, what will we receive?.</p>
(C58) <b>Assist Creative Resources Ltd</b>	Further to the letter received from Wrexham County Borough regarding Business Rates Rural Rate Relief – for a small distribution based in Wrexham Industrial – the removal of the rural relief from the package available as a tenant of this industrial estate, would tip the balance to the point where we would as a business look to relocate to a facility much more integrated into the UK motorway system than Wrexham is, if there was a direct motorway/dual carriageway link from Wrexham Industrial Estate to Nantwich and the M6, facilitating both travel north and south, then the decision would be a different matter. If the proposed change to Business Rates



	<p>Rural Rate Relief goes ahead then we as a business would look to relocate to further east into Cheshire or even Shropshire.</p> <p>Regards</p> <p>Steve Raven</p> <p>ASSIST creative resources Ltd</p> <p>Managing Director</p>
<p>(C59) <b>Peter Graham</b></p>	<p>We were disappointed to learn that the Welsh Assembly Government proposes to discontinue the current scheme and replace it with an inferior Small Business Rates Relief scheme. We believe that this decision will have a significantly adverse impact on our business and that of other businesses that provide valuable services and employment within rural areas of Wales</p> <p>We operate a children's nursery in a village location. We provide employment for 18 people, most of whom live in rural areas and our service allows parents living in rural areas to hold down employment knowing that they have high quality and affordable childcare. The regulations governing our compulsory registration with the Care Standards Inspectorate for Wales demand that we must provide facilities based on a minimum amount of space for every child along with sleep areas, toilet facilities, office space etc. Therefore premises for our type of business tend to be much larger than other businesses that often have higher turnover and lower staffing costs. Our rateable value is often disproportionate to the business turnover and profit. Therefore the current system of rural business rate is vital to our rural business.</p> <p>We feel very strongly that Rural Rate Relief should remain in place to support rural communities and to encourage small businesses to operate in rural communities and areas. Small businesses do not necessarily operate in small premises and those small businesses that require larger premises because of the nature of their activity are also important to local economies.</p> <p>We urge the Welsh Assembly Government to encourage rural enterprise and business and to support rural communities and the rural economy and not to introduce a further barrier by removing the very important Rural Business Rate Relief.</p> <p>Yours faithfully</p> <p>Peter Graham</p> <p>Rossett House Nursery</p> <p><u>Further reps rcvd 26/10/06</u></p>

	<p>I would point out that our business will not qualify for any relief under the new proposals due to the rateable value attached to our premises, the size of which is determined by the nature of our business which is also very labour intensive and therefore creates and maintains many jobs - something that small businesses with very low rateable values are unlikely to do. Therefore we respectfully submit that the removal of the rural business rate relief does not support or encourage employment in rural Wales and does not have the potential to stimulate the rural economy to anything like the extent of the present scheme. I also understand that Wrexham County Borough Council favours the retention of the present relief, presumably because they believe it is better for the area and local economy.</p>
<p><b>(C60) Farm Stay UK</b></p>	<p>I'm responding to your consultation document on behalf of over 100 Farm Stay members in Wales the majority of whom are active farmers trying very hard to diversify into the provision of accommodation in order to help make ends meet. Small businesses like ours are the backbone of much of the economy of rural Wales and this proposal is likely to add a significant additional cost burden at a time when so many other necessary overheads have risen at a rate exceeding inflation. Fuel costs are a classic example.</p> <p>High rateable values do not necessarily reflect high incomes and margins in the rural accommodation sector are notoriously tight especially in those areas which are highly seasonal. As such, we do ask that you think again before making a change that could result in further loss of such businesses at a time when remote areas are desperately in need of more assistance - not less - if they are to remain active in the economy.</p>
<p><b>(C61) Andrew Highway Town Centre Development Manager Caerphilly County Borough Council</b></p>	<p>Town centres have long been considered the heart of communities in Wales. However in recent years increasing competition from large out of town retail developments and exciting new city centre schemes have increased the pressure on small businesses in town centres. Consequently many have struggled to meet their overheads as the retail market has become ever more competitive and some have even closed. Therefore the proposals by the Welsh Assembly Government to replace the rural rate relief scheme with a small business rate relief scheme from 1<sup>st</sup> April 2007 should be seen as a progressive step to assist small businesses.</p> <p>A relief of 50% for businesses with a rateable value under £2000, and 25% for businesses with a rateable value between £2,000 and £4,999, should have a positive impact on some small retail businesses in Caerphilly County Borough. Although</p>

	<p>due to the limitations which have been set, the proposals will not apply to the majority of town centre retailers, only to businesses located within smaller settlements. To illustrate this, some examples from the principle town centres in the County Borough show how these changes will only benefit a small number of businesses. The following are examples of rateable values for a small shop; Caerphilly £9,800, Blackwood £12,500 and Bargoed £4,100. Consequently this may be regarded by some as a lost opportunity. Independent retailers bring a unique offer to a town centres shopping experience, their quality and flare provide a point of difference and can contribute to giving town centres a sense of place. Although cultural heritage and definitive architecture do play a part, quality independent retailers can help prevent the much publicised 'clone town' affect and should actively be encouraged and supported.</p> <p>The proposal to enhanced rate relief for Post Offices in all parts of Wales is particularly important. Post Offices provide a focal point for people and are viewed as an integral part of the community. Their location in a town centre adds value to the shopping experience and acts as a footfall driver increasing the pedestrian flow. The preservation of this valuable facility is integral to the continuing success of town centres and rural communities in Wales. However the number of Post Offices in town centres, which fit the criteria of the new legislation, will be minimal. Whilst it's important to recognise the role that Post Offices play in attracting people into town centres, its equally important to value other types of businesses, particularly service industries, which also bring people into town centres.</p> <p>In conclusion, from a Town Centre Manager perspective, any proposals designed to assist small business whether in towns or villages should be welcomed. But in practice the limits set will exclude most town centre businesses, which may lead to a negative reaction from smaller retailers who are operating in a very challenging environment at present. However on balance these proposals must be viewed as a positive step to help small businesses at a time when their value is being realised by the communities they serve.</p>
(C62) <b>Wyn Edwards</b> Gwynedd	<p>(Translation)We are pleased that we receive 50% relief on business taxes, but sad that the regime is being changed for 2007.</p> <p>We in rural areas, especially living on farms, have had to start small holiday businesses just to make a living. A farm income is not a maintenance any longer and on top of this milk prices have gone down and will do so again in November. This makes the situation worse.</p>

	<p>Part of the farm and chalet here has been priced at a taxable cost of £2,600 and therefore is not valid for the 50% relief like last year, and I'm sure there are various others in the same situation.</p> <p>Not making a lot of money from self-catering holidays and most is being put back in to raise standards. We can't keep on paying out – what will happen to the Welsh language and rural areas if we get sick of scraping a living.</p> <p>I beg you to make an exception with such farms so that our children have enough faith to live here.</p>
(C63) <b>The Village Stores, Rossett</b>	<p>I was disappointed to receive your letter dated 11<sup>th</sup> October 2006 detailing the proposed changes to Rural Rate Relief.</p> <p>As I'm sure that you are aware costs within the small business sector are constantly increasing, namely services, fuel costs, bank costs, minimum wage etc. whilst our margins are being squeezed by the large supermarkets. We are trying to provide a local service in a rural community and as such would like to think that we would be looked on in a favourable light.</p> <p>The proposed changes are likely to add approximately £4,200 onto our annual costs and place a further burden on the business.</p>
(C64) <b>Councillor Roger Bright</b>	<p>New proposals unacceptable. Suggests thresholds of £3000 and under (50%) and £3001 to £5000 (25%).</p>
(C65) <b>JD &amp; K Roberts</b>	<p>Oppose scheme..</p>
(C66) <b>UK Onestopshop Ltd</b>	<p>Against the scheme. Losing RRR will put them out of business. Wrexham reply sent.</p>
(C67) <b>Llandrindod Wells Spa Town Trust</b>	<p>Broadly welcome the proposals, but would like the upper threshold to be raised to £7,500.</p>
(C68) <b>Holt Community Council</b>	<p>Disagree with proposals. Dismayed that the bowls club may now have to pay rates. Wrexham letter plus guidance on rate relief for charites etc sent</p>
(C69) <b>Calon Eryri Farm Group</b>	<p>We urge you to reconsider this proposal in light of the fact that this area relies so very heavily on rural businesses – these businesses are the back-bone of the rural economy - there are <b>no</b> big employers in this rural area therefore it is vital for the area that the small businesses do survive – most of these are already working very long hours &amp; are finding it increasingly difficult to stay in business and desperately need all the help possible.</p> <p>The present scheme was a very welcome help for rural</p>

	<p>businesses at a time when it was really needed and it would be a shame to cut this lifeline off now – the 50% relief does make a difference, any less would not really be substantial enough to make this difference ... these small businesses do also help to keep the local employment stable ...</p> <p>It would be catastrophic for the area if more of these businesses were to disappear - rural businesses are struggling to stay “ in business” with ever spiralling costs especially this year as energy costs have doubled &amp; it’s becoming increasingly difficult to run a rural business in this area now</p> <p>The present limit of £1,999.00 that has been set by the Assembly government to receive the 50% relief is not realistic or fair as it is outside factors that have increased the valuations of local properties in this county and not the local economy – the rateable value of a property is not necessarily reflected in the income generated from the property the fact that a property might have a high rateable value does not necessarily mean that the owner has a high profit margin from the business, as the cost of running rural businesses, the upkeep &amp; costs etc are also now very high.</p> <p>For example – the average local income in this area does not now enable local people to afford a mortgage on a decent house, the fact that a property might have a high rateable value does not necessarily mean that the owner has a high profit margin from the business, as the cost of running rural businesses, the upkeep &amp; costs etc are also now very high.</p> <p>Could you please let us know how many businesses will actually be receiving the 50% relief in this area compared to the present scheme ? and also, for how long they are likely to receive it, as after re-valuation there will inevitably be an increase in the rateable values, which will in turn take more properties above the £4,999.00 threshold of receiving any relief at all under the new proposals.</p> <p>Can you please keep us informed of any decisions on this proposal – thanks</p>
(C70) <b>Swifts of Wrexham</b>	Disagree with proposals as they will lose RRR.
(C71) <b>The Corner Shop, Overton on Dee</b>	Generally disagree with proposals, as will lose RRR.
(C72) <b>R H Ikin</b>	Disagrees with scheme especially thresholds.
(C73) <b>The Red Lion, Marford</b>	Disagree with proposals as they will lose RRR.
(C74) <b>A W Owens &amp; Son</b>	

	Disagree with proposals as they will lose RRR.
(C75) Premier Bodies Ltd	Disagree with proposals as they will lose RRR.
(C76) Woodcraft Fencing Ltd	Disagree with proposals as they will lose RRR.
(C77) Powerglaze Ltd	Disagree with proposals as they will lose RRR.
(C78) Alyn Hydraulics & Equipment	Disagree with proposals as they will lose RRR.
(C79) Wrought Iron Design	Disagree with proposals as they will lose RRR.
(C80) J & R Jones	Disagree with proposals as they will lose RRR.
(C81) Griffin Iau Pub	Request that RRR remains in place.
(C82) J N Wrigley	Disagree with proposals as they will lose RRR.
(C83) Brynbras Castle	Disagree with proposals as they will lose RRR.
(C84) Sandra Bayes	<p>I am writing from <u>North</u> Pembrokeshire, to draw your attention to the fact that the impact of the sudden loss of rural rate relief to this area is likely to be very serious indeed.</p> <p>The County Council has calculated "to the best of of its ability" that, under your proposals, whereas Fishguard will gain £35,000 in small business rate relief, the 5 small surrounding communities, each currently with their own small shopping areas, will between them loose £431,000.</p> <p>I also inform you that very ,very few of these businesses to be adversely affected are yet aware of your proposals. Sue Essex's outline of 14th September was reported in the press as "The new schems is much fairer. It is much easier to understand and administer and will be easily accessible with automatic payments to those eligible."</p> <p>If businesses are aware of the changes at all ,then they have been given the impression that, " the new scheme is good for small businesses across Wales" (Business Eye) and have not realised that they will be substantially worse off.</p> <p>This is going to be a great shock, especially to small retailers, and is predicted to lead to loss of jobs and even closure of marginal businesses which are also suffering from increase in the minimum wage, prospective car parking charges, reduction in banking services, opening of nearby superstores etc. <u>I thought the Welsh Assembly Government was aiming to make communities sustainable?</u></p> <p>I urge you , before making a final decision, to come to this remote rural area to investigate the probable repercussions of your actions.</p> <p>If you do proceed with these proposals, please at least modify them to allow both transitional relief and to give discretionary</p>

	<p>powers to County Councils to afford relief to areas where the sustainability of small retail centres will be in doubt.</p>
<p>(C85) Jane Wadkin, <b>St David's Studio Gallery</b></p>	<p>I run a small art gallery in St Davids and our rateable value (£5500) puts us above the level where, should your proposed changes come into force, we will no longer benefit from any rate relief. I would like to register my objection to the change since it seems to take no account of our ability to pay.</p>
<p>(C86) <b>David Kelly Car Dismantlers</b></p>	<p>I am a licensed Authorised Treatment Centre (Car Dismantler) located in a rural area outside Rhosllanerchrugog and are paying license fees in excess of £1000 annually. We remove and receive unwanted vehicles from the locality reducing the risk of car dumping and subsequent arson in the surrounding countryside, removal of these cars would be considered uneconomical by urban based yards. The rural rate relief has been a great help in enabling us to remain in business by helping us to meet ever increasing costs especially the ever increasing requirements of the Environment Agency. We do not have the concentrated customer base of our urban competitors for the sale of parts and to suddenly reduce or remove this relief will have a severe impact on our business. Our rateable value is £7300 for an open site and building with no available mains sewerage or water. I hope you will rethink this decision to remove the relief</p>
<p>(C87) <b>Dymock Arms, Penley</b></p>	<p>Disagree with proposals as they will lose RRR. Wrexham reply sent</p>
<p>(C88) <b>Councillor P Murphy</b></p>	<p>Cabinet Member for Finance, Monmouth CC. Pleased that the scheme will include small businesses everywhere, but concerned about those currently enjoying RRR who will lose out under new scheme.</p>
<p>(C89) <b>Atrium Ltd</b></p>	<p>I am writing to you to express my dismay and concern regarding the proposed changes to the Rural Rate Relief.</p> <p>We are a small business trading in Wrexham, North Wales. We currently employ 2 full time personnel, 2 part time personnel and 19 associates. We have been established for over 8 years and have been providing training to both businesses and community groups, many of whom have limited budgets.</p> <p>Because of this and our community friendly policies we are currently running at a just about break even rate. We have very limited scope for price increases as there is stiff competition in many of the areas that we train. Also due to the low prices that we have to charge for training our profit margins are very low compared to many other industries. We are hamstrung as we can't charge the same as for example Cardiff based companies as there is not the money in the community to pay those prices.</p>

	<p>As a result the relief from business rates is fundamental to our businesses survival. If this rate relief is removed we would have to find in the region of £500 per month. As we are restricted in the amount that we can charge our customers this would mean a vast increase in the number of people that we would have to train in order for us to remain viable let alone prosper and grow. Many of the courses that we offer cost from as little as £30 per person and I am sure that you can see the impact on the price that even a relatively small increase would have. Alternatively we would have to train significantly more people just to cover this bill.</p> <p>In addition to the actual money we are further concerned by the lack of notice and the fact that this is not being staged but is being implemented in full from the word go. The short time span gives us very little time to find a solution and to go from 100% relief to 0% relief in one foul swoop is a massive blow.</p> <p>I feel that this change could potentially cause our business to fail. Whilst we are doing everything in our power to increase trade and to explore new avenues that could be more profitable it is going to put us in an impossible financial position. We would implore you to reconsider this decision as for many small businesses in our area this could literally be the difference between survival and closure.</p>
<p><b>(C90) A pub owner in Rural Wales</b></p>	<p>As I don't want to alarm my customers, please treat the information in confidence. Please do not mention my name, or the name of the pub. "A pub owner in rural Wales" might be a useful summary tag. Or you might précis the comments into something more digestible.</p> <p>The comments that follow are not a general analysis of the problem/solution but a statement of how the change will impact pubs and the villages they serve. Here goes!</p> <p>As our rateable value is in the appropriate band, and as our county has given further rebates, we have not paid rates for a few years now. This has made us much more viable, to the extent that we are still trading! Many thanks indeed. Reading your literature, I conclude that we will be charged full whack from now on. If I have got hold of the wrong end of the stick, please ignore what follows.</p> <p>There are several other things in the pipeline, which will have an adverse effect on rural pubs:</p> <ul style="list-style-type: none"> <li>• licensing act - not the content but the expense of obtaining the new licence - ran to an additional £2000 first time round - hopefully not the same every year.</li> <li>• ban on smoking - expected to reduce our turnover by 30</li> </ul>



percent

- bed tax - can be expected to kill off UK tourism and send everyone abroad on carbon-rich aircraft - rural pubs in UK tourist areas likely to be very badly stung - will reduce turnover by much more than the value of the tax collected, and bad for environmental policies too
- eating out tax - another attempt to keep people at home so they don't mess up the streets or be sociable - will reduce takings by more than the value of the tax

And now you would like to re-instate rural rates.

My wife and I don't actually live off money earned in the pub. I have taken early retirement and we live off an early pension. So all I ask is that the pub breaks even. If takings exceed expenditure, there are loads of things to do with the money, refurbishment, upgrading, replacing things (doors, windows, fittings) which are really life expired. We made a small profit last year, and in doing so, we managed to employ several local people on a part time basis.

If we make a loss, if expenditure exceeds takings, we have no means of carrying on. There is no magic money. The pub ceases to trade. Wife and I will live off pension, and probably get part time jobs. If we cannot make a profit taking no money from the business, there is little point in selling it to anyone else, as they could only require a greater income from the business. If times get hard, the sequence would be something like:

- Put prices up (which may make more profit or may just reduce custom and turnover)
- Sack staff (all local, so that's bad news) and do more work ourselves
- but we are in our fifties, so the next step would be to reduce opening hours
- but as there are shift workers in the area, turnover will decrease, trade being spread throughout the day and shift patterns working on an eight day cycle
- And finally, close pub and become a private house
- Or maybe, there is some other useful purpose to which we could dedicate the building (sheltered housing or mosque!)

What special things does the local authority do for us as a business? Not a lot. We pay independent people to do several things you might once have expected a local authority to do:

- refuse collection, and hire and emptying of a bin costs about £500 per year, even though the local authority

	<p>operates the scheme</p> <ul style="list-style-type: none"><li>• pest control - once provided by LA, now we have a separate contract for £300 per year</li><li>• and in general, we control law and order in the vicinity, and don't tax police resources.</li></ul> <p>So the business rate is effectively a donation to other local authority activities, and not a reflection on any extra demands we place on the local authority. And I can see vast savings to be made in some of their services!</p> <p>It seems to me that your new rate proposal is a recipe for closing several village pubs - or maybe just putting the final nail in the coffin that the smoking ban has constructed. I think in general that villages would like their pubs to be retained. You can actually work out in advance how many will close before you take your decision on rates, and probably name them, and even let the appropriate villagers know. I have explained how. Your pub rating concession policy should be a rural one, not a blanket one. You might decide to give a concession if a pub is the only pub in a village (as village shops before).</p> <p>The decision is yours, but I am firmly against "Ghost town Britain". I would like to be able to carry on here until I have to retire, and I think that the villagers would like their pub to remain open.</p>
<p>(C91) <b>APTT Ltd</b></p>	<p>In brief the charge that you are proposing will affect us a great deal. It would be nice to be able to say that we could cover this cost by passing it onto our customers that come into our centre. These people already receive funding from people like ILA, or ELWa so passing on these costs seems a bit silly and invariable cost the government more!!!</p> <p>We do also have others that come in and pay themselves; well they beg steel and borrow from grandparent's mother and even girl friends.</p> <p>So as you can see we work at ground level with people that others have passed over, even as I sit and write this email my wife is trying to arrange for someone who is on long term unemployment get back into work.</p> <p>My request sirs/madams is very simple please do not price out of business.</p>