

## **Council for Economic Renewal**

### **Forward Business Rates Policy Priorities Following Full Devolution**

#### **Introduction**

1. In December 2013, the Minister for Economy, Science and Transport decided to commence further engagement with business and other partners to seek their views on priorities for business rates policies following the announcement by the UK Government to fully devolve business rates to Wales.
2. This followed the announcement on 19 November 2013 by the UK Government to the 33 recommendations of the Commission on Devolution in Wales 'the Silk Commission' including the positive response to the recommendation to fully devolve business rates to Wales.

#### **Background**

3. The Business Rates Task and Finish Group, chaired by Professor Brian Morgan, was set up in November 2011 for a two-year period to review business rates policy in Wales and make recommendations on how the business rate regime in Wales could be used to encourage economic development and growth.
4. Over this period the Group produced three reports on aspects of business rates policy in Wales and these are helping to inform the way forward.
  - Business Rates Review 'Incentivising Growth' (June 2012)
  - Business Rates Reliefs for Charities and Social Enterprises (March 2013)
  - Business Rates: Anomalies (November 2013)
5. In compiling their previous reports the Task and Finish Group were very clear that current arrangements restricted policy flexibility and that devolution of business rates to Wales would enable the Welsh Government to use business rates more strategically to help achieve broader economic objectives. For these and other reasons the Business Rates Task and Finish Group came down strongly in favour of the devolution of business rates.
6. The Minister for the Economy, Science and Transport wrote to the Silk Commission while it was undertaking the first part of its analysis to support the Group's recommendation that business rates are devolved to Wales.

## **Stakeholder Engagement**

7. Following the UK Government's announcement, the Minister for Economy, Science and Transport, has asked for further engagement with business and other partners to seek their views on priorities for business rates policies in a fully devolved context. This will facilitate a prepared and considered approach to this important development.
8. Two consultative workshop events were held in North and South Wales in January 2014 and Council for Economic Renewal Members were invited to attend these sessions.
9. There will be further engagement with an extensive range of stakeholders and experts in this area, as well as meeting with representatives from the Scottish Government to learn from their experience of having business rates fully devolved.
10. This work will run alongside technical discussions between the Welsh and UK Government on the mechanics of devolving business rates to Wales.

## **Next Steps**

11. The Council for Economic Renewal is invited to make its views known on the priorities for business rates policy in Wales following full devolution of non-domestic rates.
12. The Minister for the Economy, Science and Transport will be kept informed on emerging issues and themes and it is expected that a formal report on findings will be presented to the Minister later in the Spring.