

Rebecca Evans AS/MS
Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref OQ60653

Rhys ab Owen MS
Member of the Senedd for South Wales Central
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8 February 2024

Dear Rhys,

Thank you for your question in Plenary on 7 February to the Deputy Minister for Arts, Sports and Tourism, Dawn Bowden MS, about alternatives to non-domestic rates. I am writing to you as local taxation falls within my portfolio.

On 29 March 2022, I [set out](#) a programme of non-domestic rates reform that will be delivered over this Senedd term. Among a range of important improvements to the existing system, we have listened to calls from stakeholders for more frequent revaluations, ensuring the tax base reflects the economic conditions and environment in which businesses are operating. Provisions in the Local Government Finance (Wales) Bill will enable a three-yearly revaluation cycle, in line with other parts of the UK. This is a fundamental improvement to the existing system, which has stood the test of time and provided a stable revenue stream for public services for over 30 years.

We are also considering longer-term alternatives to non-domestic rates. Last Senedd term, I commissioned [research](#) by Bangor University to provide an initial appraisal of the practical viability of a local land value tax for Wales. The report highlights areas of significant further work that would need to be undertaken to assess more fully whether a land value tax would be demonstrably better than existing arrangements.

We continue to explore the potential for a land value tax as a replacement for non-domestic rates, building on Bangor University's technical assessment. Over this Senedd term, we will move forward with the findings from this report, drawing on a wide range of expertise to develop a clear understanding of what such a significant change would look like for Wales and how it could work in practice. This analysis will include a potential road map for implementation.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Any reform to the local tax system should deliver changes that are demonstrably better for Wales, not just different from the current system. We have made significant progress reforming local taxes in recent years and further developments will require close working with all our partners and extensive engagement.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans." The signature is written in a cursive style with a period at the end.

Rebecca Evans AS/MS

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