

Plaid Cymru call on Welsh Government to increase business rate support

Plaid Cymru is calling on the Welsh Government to restore higher business rate reliefs in its draft budget next month to support struggling small businesses.

The party said that the 75% business rate relief level should be reinstated having been reduced to 40% in May. It calculates that the reinstatement to support small business would cost around £50m in 2025/26.

Plaid said the Welsh Government should finance the increase through the £1.7bn additional funding in its block grant in 2025/26 as a result of Barnett formula consequential in Rachel Reeves' budget last month – of which £200m is for capital investment.

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Businesses are warning that the Chancellor's announcement to increase employer national insurance contributions from 13.8% to 15%, and a fall in the salary threshold from £9,100 to £5,000 at which the tax is applied, will stifle growth.

Plaid Cymru said the policy will have an adverse effect on SMEs in Wales which account for 99% of businesses.

Its finance spokesperson, Heledd Fychan MS, said: "Wales' economy is struggling, with economic inactivity here the second highest of the UK nations and regions, and unemployment the highest in the UK.

"A situation that will only be worsened by Labour's increase in national insurance contributions made by employers. These raises, coupled with the cuts to business rate relief earlier this year, result in a double whammy to small businesses and high streets in Wales, and therefore has a disproportionate impact on Welsh businesses.

"Labour like to call themselves the party of business, and they claim that the latest Budget has given them more money to spend. It's time they proved this, by supporting our small businesses in Wales by restoring the business rate relief to 75%.

"Wales' economy is dependent on the small businesses who employ our workers and line our high streets. They are currently being let down by Labour, both in Wales and in Westminster. Plaid Cymru will always back Welsh businesses and will grant them the support they need to thrive."

Finance Secretary Mark Drakeford will publish the Welsh

Government's draft budget for 2025-26 on December 10th.

Head of the Welsh Retail Consortium, Sara Jones, said: "The Welsh budget is a key opportunity to inject some confidence back into the economy, boosting spending and helping to foster much needed investment by businesses. Our headline ask is to acknowledge the broken business rates system which is currently holding back investment in jobs and communities across the retail industry.

"By introducing a retail specific discount – a 20% adjustment to retail property rates bills – the Finance Secretary could help drive investment in local high streets and communities, creating jobs and boosting consumer confidence."