

CAMRA submission: Welsh Government consultation on proposals for non-domestic rates differential multipliers

Introduction

Thank you for the opportunity to respond to this consultation.

CAMRA is the most successful consumer group in Europe. We are a not-for-profit, volunteer-led organisation representing over 140,000 consumers across the UK, including in branches covering every part of Wales.

We have been campaigning for pubs, pints and people since 1971.

CAMRA works to promote and protect pubs as a vital part of the social fabric of both urban and rural communities; part of Wales and the UK's cultural heritage; as well as to increase recognition of the benefits of responsible, moderate social drinking.

We want to see pubs, social clubs and brewery taprooms protected, promoted and continuing to play a vital role as a key part of our social fabric in communities in every part of the country.

If you would like to discuss our response and CAMRA's wider views about non-domestic rates in the beer and pubs sector, please do not hesitate to contact us on campaigns@camra.org.uk.

Response to consultation questions

Question 1: Do you agree with the proposal to introduce a lower retail multiplier?

We agree with the principle of the decision to introduce a lower multiplier to recognise the challenges faced by 'bricks and mortar' businesses compared to online businesses.

However, we believe that the Welsh Government should make further use of powers afforded to it under the Local Government Finance (Wales) Act 2024 to make similar changes for businesses in the beer and pubs sector and not just limit these proposals to the retail sector.

As well as facing the same challenges as bricks and mortar businesses in the retail sector, pubs – together with social clubs and brewery taprooms – are significantly disadvantaged by the use of the 'Fair Maintainable Trade' method of calculation for their non-domestic rates bills. As a result of this, and of their community and economic value, CAMRA believes that lower multipliers should be used when

calculating non-domestic rates bills for pubs. We have expanded on this matter in response to Question 7.

Question 2: Do you think the proposed definition for a retail multiplier would align with the policy intent?

No answer submitted.

Question 3: Do you think a higher multiplier should apply to properties with a rateable value above £100,000 (subject to the described exclusions)?

No answer submitted.

Question 4: Do you think the proposed definition for a higher multiplier would align with the policy intent?

No answer submitted.

Question 5: What, in your opinion, would be the likely effects of the proposals on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English.

**Do you think that there are opportunities to promote any positive effects?
Do you think that there are opportunities to mitigate any adverse effects?**

No answer submitted.

Question 6: In your opinion, could the proposals be formulated or changed so as to have positive effects or more positive effects on using the Welsh language and on not treating the Welsh language less favourably than English; or mitigate any negative effects on using the Welsh language and on not treating the Welsh language less favourably than English?

No answer submitted.

Question 7: We have asked a number of specific questions. If you have any related points which we have not specifically addressed, please use this space to record them.

For too long, pubs and social clubs in Wales have been penalised by an unfair non-domestic rates system which acts as a disincentive to investment and growth in these businesses; and which puts these bricks-and-mortar businesses at a disadvantage.

Whilst CAMRA would like to see fundamental reform of the non-domestic rates system, we believe that the Welsh Government should take action to reduce the burden of these rates for these businesses, recognising the social value of pubs which are a force for good in their local communities. They combat loneliness and social isolation, provide community services, and offer a regulated, social space in which to responsibly consume alcohol.

This could and should be achieved by introducing a permanent lower multiplier for businesses in the beer and pubs sector in addition to retail businesses.

The UK Government is taking this approach in England, by introducing a permanently lower multiplier for hospitality businesses as well as for the retail sector in order to better balance the burden of non-domestic rates across different sectors.

The Welsh Government should consider extending the policy of lower multipliers specifically to public houses, breweries and cider and perry producers if a wider scheme for the entire hospitality sector is not feasible.

Importance of the sector to local economies and communities:

As with high street shops, the total space required by pubs within the non-domestic rates tax-base is often large, with the business serving a localised market. Given this is presented as a rationale for offering retail businesses a lower multiplier, we believe that it is logical for this decision to be extended to pubs.

Pubs are vital to creating vibrant and sustainable high streets and communities in urban, suburban and rural areas, just as retail businesses are. Pubs and social clubs help to extend footfall to other businesses in their areas.

The Welsh Beer and Pub Association found that the sector puts more than £1.5 billion into the national economy and supports 68,000 jobs across Wales. 51% of jobs in the beer and pubs trade are held by people under the age of 24, providing much needed employment opportunities for young people.

In the face of rising costs and taxation it is vital that ministers offer more support through a lower multiplier for pubs and breweries in order to keep the sector thriving and the backbone of job markets in all parts of Wales.

Pubs and breweries also play a key role as community hubs and are vital to both local economies and our social fabric, but they need support if they are to survive and thrive.

Pubs are the best place to enjoy alcohol responsibly, in a supervised environment, and they promote personal happiness and wellbeing. The *Friends on Tap* report produced by Professor Robin Dunbar of Oxford University found that people who

said they have a 'local' or those who patronise small community pubs have more close friends, are more satisfied with their lives and feel more embedded in their local communities than those who said they do not have a local pub.

The role of pubs as community hubs is particularly important, often housing other local services such as post offices, a community shop and meeting space.

Pubs contribute to fulfilling the Welsh Government's wellbeing goals as set out in the Wellbeing of Future Generations Act 2015, in particular, the goals to deliver a healthier Wales with cohesive communities.

The Welsh Government's loneliness strategy also recognises that the closure of community spaces like pubs make it difficult for people to develop and maintain social networks.

CAMRA's own pub closure statistics show that:

- In 2025 to date, **six** pubs in Wales have been lost forever [demolished or converted into another use] and a further **15** pub businesses have closed [the pub is closed but the building itself hasn't been converted or demolished].
- In 2024 in Wales, **10** pubs were lost forever and **31** pub businesses closed. Since 2023, **25** pubs in Wales have been lost forever and **75** pub businesses closed.

We know that once pubs are lost to conversion or demolition, they are lost to their communities forever.

We fear that without help with the burden of business rates, we could see further pub and brewery closures with a negative impact on local economies, community meeting spaces and choice of distinctive products from independent breweries at the bar for consumers.

Impact of 'Fair Maintainable Turnover' on pubs and non-domestic rates bills:

The method of calculating non-domestic rates bills for pubs is not common to other commercial premises. Instead, the pub's 'Fair Maintainable Turnover' is calculated as the level of revenue that a reasonable operator would be able to generate in the premises.

This valuation method means pubs end up paying more than other commercial premises.

According to the British Beer and Pub Association, across the UK public houses are responsible for 0.4% of total business turnover but are responsible for paying 2.1% of non-domestic rates bills.

This is not sustainable for pubs, social clubs, breweries and cider producers that are facing rising costs in other areas in addition to this unfair burden in the current non-domestic rates system.

Applying a permanent lower multiplier to pubs and breweries in Wales would end the need for temporary relief schemes and help provide certainty for licensees, breweries and the consumers and communities they serve.

We urge the Welsh Government to commit to extending lower multipliers for the beer and pubs sector in addition to retail businesses.