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Non-Domestic Rates Policy Branch
Third Floor East
Welsh Government
Cardiff, CF10 3NQ

Via email: CTandNDR.Consultations@gov.wales

Dear Sirs.

Welsh government's consultation on charitable non-domestic rates relief for private schools

Introduction

The Welsh government is consulting¹ on the proposal to remove of charitable business rates relief from private (independent) schools with effect from 1 April 2025. The stated policy aim is to make additional funding available for local services in Wales.

Consultation

The consultation questions are largely outside our remit, however we note the policy focuses on the removal of mandatory relief for private schools. Therefore we raise an area of uncertainty. Is it the policy intent that the scope of discretionary relief under section 47 of the Local Government Finance Act 1988 will be retained? In other words, clarification is requested as to whether, following the proposed change, a Welsh local authority will be able to exercise their discretion to award up to 100% relief to a qualifying private school in the local authority area that satisfies the requirement of benefiting the local community.

Yours faithfully

Ritchie Tout
Chair, Welsh Technical Committee

¹ <https://www.gov.wales/consultation-charitable-non-domestic-rates-relief-private-schools-html> .There are currently 83 independent schools registered in Wales. Of these 17 currently receive charitable rates relief.

The Chartered Institute of Taxation

The CIOT is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. Our comments and recommendations on tax issues are made solely in order to achieve this aim; we are a non-party-political organisation.

Our stated objectives for the tax system include:

- A legislative process that translates policy intentions into statute accurately and effectively, without unintended consequences.
- Greater simplicity and clarity, so people can understand how much tax they should be paying and why.
- Greater certainty, so businesses and individuals can plan ahead with confidence.
- A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented).
- Responsive and competent tax administration, with a minimum of bureaucracy.

The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.

The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries.

Our members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.