



Carla Denyer MP

Member of Parliament for Bristol Central
House of Commons, London SW1A 0AA

Rachel Reeves MP
Chancellor of the Exchequer

By Email

Dear Rachel,

The Burden of Business Rates in Bristol Central

I am writing on behalf of the below businesses and Bristol City Councillors within Bristol Central, as well as the leadership of Bristol City Council. We are all extremely concerned at the substantial rise in business rates that the Valuation Office has determined for the 2026/27 financial year.

Small and Medium Enterprises especially have been struggling for several years – many just barely scraping through multiple historic economic crises and the worsening cost-of-living squeeze – and the large rise in business rates stands to finally put many out of business completely. With the global economy teetering on the edge of recession, the Government risks driving many small businesses to closure, with devastating consequences for local communities and employment. Increases to rateable values are also pushing SMEs beyond the threshold for claiming Small Business Rate Relief, which is seeing a vital lifeline they had previously relied upon suddenly cut off.

Hospitality businesses in particular are struggling with business rate pressures combining with high national insurance obligations and energy costs which they are often less able to absorb, while they are disproportionately affected by reduced disposable incomes. Illustrating the scale of the problem, one business owner I spoke with said that “*after this April it will make no business sense to continue trading*”.

There is also a longstanding moral hazard – it is the Government through the Valuation Office that determines business rates, but local authorities which administer and collect them while incurring the political cost of doing so, and dealing with the fallout of struggling businesses and shuttered high streets.

Business Rates are of particular importance in Bristol; 44% of Bristol City Council’s core spending power comes from business rates in 2026/27, following the Fairer Funding 2.0 review this year, markedly higher than most local authorities. This presents a clear risk: should a large number of businesses fail, this will have a disproportionately detrimental impact on the Council’s finances solely because of the Government’s decision to place more of the burden of funding the Council onto local businesses. This exacerbates the long-standing problems with business rates – they are an inefficient and regressive tax which should be replaced with a fairer form of land taxation.

We ask you to:

- Provide support to SMEs in order to better equip them to survive the current economic crisis;
- Introduce a 5% VAT cut for hospitality businesses to help boost consumption and support local employment;
- Protect local authorities’ spending power throughout this process; and
- Investigate more progressive and efficient means of taxing property, such as through a land value tax.

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We look forward to your response.

Yours sincerely,

Carla Denyer MP
Member of Parliament for Bristol Central

Businesses of Bristol Central

Kathryn Davis
VisitWest

Steve Bluff
Bristol Business Improvement District

Brendan Murphy & Andrew Dodd
**British Association of Restaurants, Bars and
Independents Bristol**

**The Peoples Republic of Stokes Croft CIC &
Stokes Croft China and Gallery**

Harrison Baillie
Thekla & DHP Family

Cathie Smith
CrossFit Clifton

Kristian Crews
Restore Ventures

Charly Kennedy
Flour House Café

Sam Gregory
The Bank Tavern

Lucy Draper
Roam Wild Coffee

Ben Smithson
Aqua Restaurants

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INEWS Media Ltd

Kate Thomas
Scoopaway

Bristol City Council Leadership

Cllr Tony Dyer
Leader of Bristol City Council

Cllr Heather Mack
Deputy Leader of Bristol City Council

Bristol Central Councillors

Cllr Izzy Russell
Ashley Ward

Cllr Abdul Malik
Ashley Ward

Cllr Tim Wye
Ashley Ward

Cllr Ani Townsend
Central Ward

Cllr Sibusiso Tshabalala
Central Ward

Cllr Jerome Thomas
Clifton Ward

Cllr George Calascione
Clifton Down Ward

Cllr Serena Ralston
Clifton Down Ward

Cllr Mohamed Makawi
Cotham Ward

Cllr Guy Poultney
Cotham Ward

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Reason Interiors

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Ashwell & Co

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Cllr Martin Fodor
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