

Explanatory Memorandum to the Non-Domestic Rating (Demand Notices) (Wales) (Amendment) (EU Exit) Regulations 2020

This Explanatory Memorandum has been prepared by Local Government Strategic Finance Division and is laid before the Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Non-Domestic Rating (Demand Notices) (Wales) (Amendment) (EU Exit) Regulations 2020. I am satisfied that the benefits justify the likely costs.

Rebecca Evans MS
Minister for Finance and Trefnydd
11 November 2020

Description

1. Under the Non-Domestic Rating (Collection and Enforcement) (Local Lists) Regulations 1989, billing authorities are required to serve non-domestic rates demand notices on people liable for non-domestic rates.
2. The contents of demand notices are currently prescribed by the Non-Domestic Rating (Demand Notices) (Wales) Regulations 2017 (the 2017 Regulations). The Non-Domestic Rating (Demand Notices) (Wales) (Amendment) (EU Exit) Regulations 2020 (the Regulations) amend the 2017 Regulations. The only change made by the Regulations is to Schedule 2 to the 2017 Regulations, which prescribes the content of the explanatory notes that must accompany the demand notices issued to ratepayers to help them to understand their rates bills. The change ensures that information relating to State Aid is removed following the end of the transition period for the UK's exit from the European Union (when the State Aid regime will cease to apply to the UK).

Matters of special interest to the Legislation, Justice and Constitution Committee

3. There are no matters of special interest to the Committee.

Powers

4. The Regulations are made under sections 62 and paragraphs 1 and 2(2)(h) of Schedule 9 to, the Local Government Finance Act 1988 (the 1988 Act). These powers were transferred, in relation to Wales, from the Secretary of State to the National Assembly by the National Assembly for Wales (Transfer of Functions) Order 1999. The functions of the National Assembly for Wales were subsequently transferred to the Welsh Ministers by virtue of section 162 of, and paragraph 30 of Schedule 11 to, the Government of Wales Act 2006.
5. The 2017 Regulations were made to coincide with the 2017 revaluation of non-domestic rates in Wales. Previous regulations – the Non-Domestic Rating (Demand Notices) (Wales) Regulations 1993 (the 1993 Regulations) – had been made by the Secretary of State and were amended frequently. The Welsh Government took the opportunity to consolidate all the amendments in the 2017 Regulations. The 2017 Regulations replaced the 1993 Regulations, with the only subsequent substantive changes being made to the explanatory notes prescribed in Schedule 2 to the 2017 Regulations. The explanatory notes must accompany the demand notices issued to ratepayers by billing authorities (county and county borough councils in Wales).
6. The Regulations are subject to the negative resolution procedure (section 143(3) of the 1988 Act).

Purpose and intended effect of the legislation

7. Billing authorities are required to serve non-domestic rating demand notices (rates bills) under Part II of the Non-Domestic Rating (Collection and

Enforcement) (Local Lists) Regulations 1989. The only substantive change made by the Regulations is to remove all information relating to the State Aid regime in the prescribed explanatory notes which billing authorities must make available to ratepayers to help them in understanding their bills. The explanatory notes can be provided in either paper or electronic form. The Regulations will apply to demand notices issued with respect to financial years beginning on or after 1 April 2021.

8. The content of the explanatory notes that accompany demand notices are reviewed on a regular basis to ensure they accurately reflect the system for non-domestic rates in Wales. Currently, part of the prescribed information that billing authorities are required to provide in the explanatory notes is the State Aid rules that operate in Wales.
9. The paragraph in the explanatory notes which deals with State Aid will no longer be relevant following the end of the transition period for the UK's exit from the European Union in December 2020. For the tax year beginning April 2021, the State Aid regime will no longer apply. These Regulations amend the 2017 Regulations so as to delete the paragraph dealing with State Aid.
10. The Regulations will apply to demand notices issued by or on behalf of billing authorities in Wales with respect to financial years beginning on or after 1 April 2021.

Consultation

11. No formal consultation has been undertaken. The Regulations make a technical amendment to the explanatory notes prescribed within Schedule 2 to the 2017 Regulations. The amendment is necessitated by the UK's exit from the EU and ensures that the information which billing authorities provide with demand notices is up-to-date. As a result, they are mainly of interest to billing authorities and have no effect on ratepayers other than to ensure they are provided with the correct information with their rates bills. Billing authorities have been informed of the intention to make these Regulations and their effect.

Regulatory Impact Assessment

12. The Regulations make only a necessary change to the content of the explanatory notes that billing authorities are required to supply with demand notices. They are technical in nature, of interest mainly to billing authorities and have limited effect on ratepayers. As such, no regulatory impact assessment has been prepared.