

# SL(6)065 - The Non-Domestic Rating (Miscellaneous Provisions) (No. 2) (Amendment) (Wales) Regulations 2021

## Background and Purpose

Paragraph 2(1) of Schedule 6 to the Local Government Finance Act 1988 (“the **1988 Act**”) provides that the rateable value of a non-domestic property (hereditament) is taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to be let from year to year, subject to specified assumptions.

In those cases where there is no available information on the general rental market, and profit and loss cannot be used as an indication of rental value, the rateable value of a non-domestic hereditament is instead ascertained by ‘decapitalising’ the estimated total capital value of the hereditament. The relevant decapitalisation rates are prescribed in regulation 2 of the Non-Domestic Rating (Miscellaneous Provisions) (No. 2) Regulations 1989 (“the **1989 Regulations**”).

These [Regulations](#) amend, with effect from 9 November 2021, the decapitalisation rates for non-domestic rating lists compiled on or after 1 April 2023.

## Procedure

Negative.

The Regulations were made by the Welsh Ministers before they were laid before the Senedd. The Senedd can annul the Regulations within 40 days (excluding any days when the Senedd is: (i) dissolved, or (ii) in recess for more than four days) of the date they were laid before the Senedd.

## Technical Scrutiny

The following point is identified for reporting under Standing Order 21.2 in respect of this instrument.

### **1. Standing Order 21.2(v) – that for any particular reason its form of meaning needs further explanation.**

Regulation 2(2) of the subject Regulations amends regulation 2(1G) of the 1989 Regulations so that it refers to a non-domestic rating list in Wales “compiled on 1 April 2021”.

The Welsh Government is asked to clarify the purpose of this drafting given that the effect of section 54A of the 1988 Act (as amended) is to require the non-domestic lists referred to in



sections 41 and 52 of that Act to be compiled in Wales on 1 April 2017, on 1 April 2023 and on 1 April in every fifth year afterwards.

## **Merits Scrutiny**

No points are identified for reporting under Standing Order 21.3 in respect of this instrument.

## **Welsh Government response**

A Welsh Government response is required.

### **Legal Advisers**

**Legislation, Justice and Constitution Committee**

**19 October 2021**



Senedd Cymru

**Pwyllgor Deddfwriaeth, Cyfiawnder a'r Cyfansoddiad**

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Welsh Parliament

**Legislation, Justice and Constitution Committee**