

Government Response: The Non-Domestic Rating (Miscellaneous Provisions) (No.2) (Amendment) (Wales) Regulations 2021

Technical Scrutiny point:

The effect of the Non-Domestic Rating (Miscellaneous Provisions) (No.2) (Amendment) (Wales) Regulations 2021 is to amend the Non-Domestic Rating (Miscellaneous Provisions) (No.2) Regulations 1989 by inserting regulations 2(1H) and (2H) to prescribe the decapitalisation rates for certain hereditaments in Wales for non-domestic rating lists compiled on or after 1 April 2023.

The Welsh Government has considered the Committee's comments and agrees that the effect of section 54A of the Local Government Finance Act 1988 (as amended) ('the 1988 Act') is that non-domestic rating lists (specified in sections 41 and 52 of that Act) must be compiled in Wales on 1 April 2017, 1 April 2023 and on 1 April in every fifth year thereafter.

Regulations 2(1G) and 2(2G) of the Non-Domestic Rating (Miscellaneous Provisions) (No.2) Regulations 1989 were inserted by statutory instrument (2019/1477) in 2019 in anticipation of the UK Government's Non-Domestic Rating (Lists) Bill 2019 receiving Royal Assent which would have provided that 1 April 2021 would be the date of the next rating list to be compiled in Wales. However, that Bill was not enacted. The Bill was dropped with a subsequent Bill being introduced and the Non-Domestic Rating Lists Act 2021 received Royal Assent on 15 March 2021, amending sections 54A(4)(b) and (5)(b) of the 1988 Act to provide that the next rating lists are to be compiled on 1 April 2023.

The drafting approach taken in this instrument is consistent with the approach taken to previous amendments to the 1989 instrument. The legal effect of the amendments to the 1989 instrument is that the rates prescribed to a rating list compiled on 1 April 2017 will continue in effect until a rating list is compiled on or after 1 April 2023.