

Lesley Griffiths AC / AM
Y Gweinidog Llywodraeth Leol a Busnes y Llywodraeth
Minister for Local Government and Government Business



Llywodraeth Cymru
Welsh Government

David Melding AM
Chair, Constitutional & Legislative Affairs Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

20 December 2013

Dear David

I am writing regarding the Non-Domestic Rates (NDR) Multiplier for 2014-15. As you will be aware, in his Autumn Statement on 5 December the Chancellor announced a cap of 2% on the increase to the Multiplier for 2014-15 for England. Welsh Ministers propose to adopt this approach, so businesses in Wales are not disadvantaged in comparison with their counterparts in England and as not to do so would have obvious consequences for the Welsh economy.

The provisions governing the calculation of the Multiplier are set out in Schedule 7 of the Local Government Finance Act 1988. The Multiplier for a particular year is usually calculated by taking the Multiplier for the previous year and applying the inflation rate as at the previous September and then dividing the product by a third figure. Because the cap would represent a departure from the normal practice for increasing the Multiplier, we are required, under Schedule 7 to the Local Government Finance Act 1988, to lay an Order which is subject to the affirmative resolution procedure.

This Order must be laid for approval before the debate to approve the Local Government Finance Report because it informs the calculation of the figures in the Report under Part III of Schedule 8 to the Local Government Finance Act 1988. The debate on this Report had already been scheduled for 14 January 2014 when the Autumn Statement was made on 5 December.

The timing of the Autumn Statement means it will not be possible to lay the Order and allow the period of scrutiny required under Standing Orders before the debate on the Local Government Finance Report on 14 January. Indeed, it would not have been possible to comply with Standing Orders even if we had known the UK Government's plans for the Multiplier and the funding proposals and had been able to lay an Order on the day of the Statement.

Delaying the debate on the Local Government Finance Report would result in considerable difficulties for Local Authorities who must agree their budgets and set their council tax levels for 2014-15 within tight statutory timetables. Early approval of the Order is also needed to enable Local Authorities to adopt the Multiplier for NDR billing purposes. It will also provide businesses with the clarity they need to plan for the next financial year.

In order to enable the debate on the Local Government Finance Report to proceed as scheduled on 14 January, I would therefore be grateful if the Constitutional and Legislative Affairs Committee would be prepared to consider the Order ahead of that date. The Order will be short and will cover only the change to the Multiplier. My officials have already provided a copy of the draft Order to yours and I would be happy for my officials to provide technical briefing if that would help.

I appreciate the difficulties in making such arrangements at this time of year but I would be grateful if you could let me have an early reply.

A handwritten signature in black ink, reading "Lesley Griffiths". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

Lesley Griffiths AC / AM

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