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

30 October 2015

Dear David,

In my letter to you of 5 March, I undertook to provide information to the Constitutional and Legislative Affairs Committee by 31 October in relation to subordinate legislation regarding local taxation which is dependent on the 2015 Autumn Statement.

As you may know, the Chancellor is due to announce the conclusions of the 2015 Spending Review on 25 November.

Currently, the only piece of dependent subordinate legislation I am planning to bring forward in relation to local taxation is the Council Tax Reduction Schemes (Prescribed Requirements and Default Scheme) (Wales) (Amendment) Regulations 2016 ("the 2016 Regulations"). These Regulations will uprate the figures used to calculate eligibility for a reduction to reflect the cost of living changes applied to the calculations for welfare benefits, and related systems across the UK.

There are also a number of complex technical amendments which will need to be incorporated within the 2016 Regulations to ensure the Council Tax Reduction Schemes remain fit for purpose and reflect the changes made to interrelated social security benefits. Some of these amendments relate to measures announced in the UK Government's July budget and the relevant legislation is still being considered by Parliament. Whilst my officials are in discussions with their counterparts in the relevant UK departments regarding these amendments, there is still scope for significant changes to be made during the Parliamentary process. As a result, it will not be possible to provide a reliable draft of the 2016 Regulations to the Committee by 21 November.

Nevertheless, I anticipate it should be possible to lay the 2016 Regulations by 1 December, and taking into account Christmas Recess, a plenary debate has been arranged in accordance with Standing Orders for 19 January 2016. This leaves sufficient time to ensure Local Authorities are able to incorporate the uprated figures and technical amendments into their adopted reduction schemes by 31 January (which is a statutory requirement). As the plenary debate has been scheduled to comply with Standing Orders, I hope this will not present any significant difficulties for the Committee.

In the previous two years, the Welsh Government has sought assistance from the Committee to introduce a cap on the annual increase in the Non-Domestic Rating (NDR) Multiplier. Due to the current levels of inflation, it seems unlikely that the Chancellor will announce a decision to cap the Non-Domestic Rates Multiplier in England for 2016-17. At this stage therefore, I do not anticipate having to bring forward regulations to cap the Multiplier for Wales.

However as I set out in my previous letter, we cannot rule out the possibility of the Chancellor making policy announcements to which the Welsh Government may need to respond with subordinate legislation within tight timescales. Not to do so may have significant consequences for the Welsh economy. My officials have effective working relationships with the Treasury and the Department of Communities and Local Government. However, the Welsh Government does not have control over whether it receives notice of possible UK Government policy proposals in a timely manner. There has been no indication as yet from UK Government officials as to whether the Chancellor's announcement will include any policy proposals which may necessitate additional subordinate legislation to be made in respect of Wales.

The late announcement of the outcome of the Spending Review also means the Draft Welsh Budget and Provisional Local Government Settlement will be published considerably later than usual. Whilst this presents significant timing challenges for the Welsh Government, the Assembly and Local Government in most respects, the consequent delay to the debate on the Local Government Settlement may, paradoxically, alleviate some of the time pressures on the Committee if additional legislation is required.

If the need for such legislation arises and necessitates a departure from the normal scrutiny procedures of the National Assembly which requires the assistance of the Committee, I will write to you as a matter of urgency. If so, I will provide an outline of the proposed legislation and an indication of the possible timescales and constraints. I will also write if the position in respect of the 2016 Regulations changes.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Leighton Andrews', with a horizontal line drawn underneath it.

**Leighton Andrews AC / AM**

Y Gweinidog Gwasanaethau Cyhoeddus  
Minister for Public Services