

SL(5)655 – The Non-Domestic Rating (Demand Notices) (Wales) (Amendment) (EU Exit) Regulations 2020

Background and Purpose

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.

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 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).

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).

The Regulations will apply to demand notices issued with respect to financial years beginning on or after 1 April 2021.

Procedure

Negative

Technical Scrutiny

No points are identified for reporting under Standing Order 21.2 in respect of this instrument.

Merits Scrutiny

The following point is identified for reporting under Standing Order 21.3 in respect of this instrument.

1. Standing Order 21.3(ii) - that it is of political or legal importance or gives rise to issues of public policy likely to be of interest to the Senedd.



Whilst it is noted that the paragraph entitled "State aid" is to be omitted from the Explanatory Notes set out in paragraph 1 of Schedule 2 to the 2017 Regulations, the Explanatory Memorandum to the Regulations does not explain what is proposed to replace this information concerning any domestic state aid regime that may be implemented following exit from the European Union and completion of any transition period. Such advance information may be of assistance to non-domestic rate payers.

Implications arising from exiting the European Union

None.

Welsh Government response

The Committee has noted that the Explanatory Memorandum to the above regulations does not explain what information about any future regime which replaces State Aid will be added to the explanatory notes to be sent with demand notices for Non-Domestic Rates.

The Welsh Government's view is that it would be potentially misleading to ratepayers to include any text in the explanatory notes before the detail of the replacement regime is finalised.

The insertion of information about a new regime into the explanatory notes can only be accomplished by a further set of regulations and the EM accompanying that instrument will of course deal with that information.

In addition, Welsh Government officials will liaise with billing authorities who can in turn contact rate payers informally about the new regime, as and when information becomes available.

Committee Consideration

The Committee considered the instrument and Government response at its meeting on 23 November 2020 and reports to the Senedd in line with the reporting point above.

