

SL(5)471 – The Non-Domestic Rating (Multiplier) (Wales) Order 2019

Background and Purpose

This Order sets the increase in the non-domestic rating multiplier for Wales for the financial year 2020-21. It reflects the use of the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) to calculate the multiplier.

Under the Local Government Finance Act 1988, the annual increase in the multiplier should be calculated using the RPI figure for the September preceding the financial year to which the multiplier applies. For 2020-21 the RPI figure would have been 291.0.

The multiplier is applied to the rateable value of each non-domestic property to calculate its non-domestic rates bill. The Order applies the CPI figure (289.0) in place of the RPI figure (291.0). This results in a smaller increase in the 2020-21 rates bills to be paid by businesses and other non-domestic property owners than would be the case if the RPI figure were used.

Procedure

Made affirmative.

This means that the Welsh Ministers can make the Order without approval from the National Assembly for Wales, but the Order is not effective unless it is approved by the Assembly before the Assembly approves the local government finance report for the financial year beginning 1 April 2020.

The Assembly is due to debate the local government finance report on 10 December 2019.

Technical Scrutiny

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

Merits Scrutiny

One 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 Assembly

We note:

- (a) the importance of this Order and the vital part it plays in calculating the funding that will be available under the annual local government revenue settlements, and
- (b) the decision by the Welsh Government to use the lower Consumer Price Index figure as part of the calculation of non-domestic rating bills, rather than the default (and higher) Retail Price Index figure (which mirrors the Welsh Government's approach in the equivalent Order from 2018).

Implications arising from exiting the European Union

None.



Government Response

A government response is not required.

Committee Consideration

The Committee considered the instrument at its meeting on 2 December 2019 and reports to the Assembly in line with the reporting point above.

