

January 2013



**Report on the supplementary Legislative Consent Memorandum –
Growth and Infrastructure Bill – Amendments to the Local Government
Finance Act 1988**

Background

1. On 18 December 2012, the Minister for Business Enterprise Technology and Science laid a Legislative Consent Memorandum¹ for the Growth and Infrastructure Bill², which is currently before the UK Parliament.
2. The LCM was considered by the Business Committee on 8 January 2013. It agreed to refer it to the Enterprise and Business Committee for scrutiny. The Business Committee also agreed that the Committee should report on the LCM by 31 January 2013. The LCM is due to be considered in plenary on 5 February 2013.

Consideration

3. The Enterprise and Business Committee considered the Legislative Consent Memorandum (LCM) on 16 January 2013.
4. The Committee was content with the new power proposed in the LCM, and that the LCM process is an appropriate and proportionate means of securing this power for Welsh Ministers.
5. However, the Committee agreed to write to the Minister for Business Enterprise Technology and Science asking her to provide some additional information before or during the Plenary debate on the LCM. The Committee also agreed that it would be helpful if it could be informed when proposals to change the revaluation date are finalised so that the Committee has sufficient time to scrutinise the proposal, if it agrees that this is needed.
6. A copy of the Committee Chair's letter to the Minister is attached for information.

¹ Legislative Consent Memorandum available via <http://www.assemblywales.org/bus-home/bus-business-fourth-assembly-laid-docs.htm?act=dis&id=241737&ds=12/2012>

² Available via: <http://services.parliament.uk/bills/2012-13/growthandinfrastructure.html>

**Y Pwyllgor Menter a Busnes
Enterprise and Business Committee**

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



Edwina Hart MBE, OStJ, AM
Minister for Business, Enterprise, Technology and Science
Welsh Government
Cardiff Bay
Cardiff
CF99 1NA

28 January 2013

Dear Edwina

**Legislative Consent Memorandum for the Growth and Infrastructure Bill
– Amendments to the Local Government Finance Act 1988**

The Enterprise and Business Committee considered the above Legislative Consent Memorandum (LCM) on 16 January 2013, following referral of the Memorandum to the Committee by the Business Committee.

The Committee noted that:

- Current legislation requires the Welsh Government to undertake a revaluation of non-domestic rated properties in Wales to take effect from 1 April 2015 and that further revaluations are required on 1 April every five subsequent years (i.e. in 2020, 2025 etc.)
- The main effect of the provisions, for which consent is sought, is to give Welsh Ministers the power to change the date on which the next revaluation is undertaken from 1 April 2015 to either 1 April 2016, 2017, 2018, 2019, or 2020. Subsequent revaluations would be required every five years from the new date.
- The proposed power would be exercised by Welsh Ministers through an affirmative resolution Statutory Instrument (SI).

Bae Caerdydd
Caerdydd
CF99 1NA

Cardiff Bay
Cardiff
CF99 1NA

Ffôn / Tel: 029 2089 88582
E-bost / Email: sian.phipps@wales.gov.uk

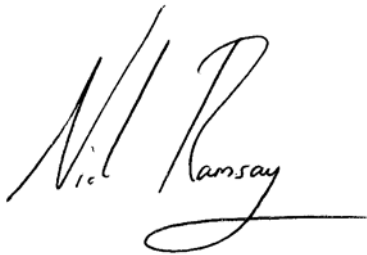
- The proposed power goes further than what is proposed in England, where a one-off change to the revaluation date, from 2015 to 2017, is sought.

The Committee was content with the new power proposed in the LCM, and that the LCM process is an appropriate and proportionate means of securing this power for Welsh Ministers. The Committee was also grateful for your letter of 15 January (copy attached), setting out your reasons for the additional flexibility sought in Wales, which it felt was a sensible approach.

However, the Committee agreed that it would be helpful if you could provide further detail on the progress of Professor Brian Morgan's review, either before or during the Plenary debate on the LCM. The Committee also agreed that it would be helpful if it could be informed when proposals to change the revaluation date are finalised so that the Committee has sufficient time to scrutinise the proposal, if it agrees that this is needed.

I have asked for this letter and (for completeness) your letter of 15 January, to be laid before the Assembly as constituting the Committee's report on this LCM.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Ramsay'. The signature is fluid and cursive, with the first name 'Nick' written in a smaller, more compact style than the last name 'Ramsay'.

Nick Ramsay AM
Chair

Edwina Hart MBE OStJ AC / AM
Y Gweinidog Busnes, Menter, Technoleg a Gwyddoniaeth
Minister for Business, Enterprise, Technology and Science



Llywodraeth Cymru
Welsh Government

Eich cyf/Your ref
Ein cyf/Our ref

Nick Ramsay AM

Chair, Enterprise and
Business Committee

15th January 2013

Dear Nick

I understand that on the 16th January, the Enterprise and Business Committee will be discussing the Legislative Consent Motion in relation to amendment to the Growth and Infrastructure Bill. This seeks to provide Welsh Ministers with the power to decide the date of the next Non Domestic Rates revaluation.

I thought it might be helpful to the Committee to set out the reasoning behind our proposals.

The Bill puts the revaluation date in England back from 2015 to 2017, whereas the Welsh amendment provides Welsh Ministers with the powers to undertake a revaluation exercise over a range of years from 2016 to 2020. If Welsh Ministers were to determine that revaluation in Wales should remain in 2015, then they would rely on existing powers to do this.

As I said in my Written Statement of 13th December, Non Domestic Rate revaluation is an important issue for business in Wales. I did not wish to take an immediate decision on this complex matter, as time was needed to assess the implications of the proposals. I asked Professor Brian Morgan to gather expert opinion on this issue, in discussion with representatives of businesses in Wales. I expect his advice shortly.

In the interim and in order for Welsh Ministers to take the decision on the date of the revaluation in Wales, the amendment to the Growth and infrastructure Bill was tabled and was agreed at Report Stage in the House of Commons on the 17th December.

I hope that the above provides sufficient information for your Committee's consideration.

A handwritten signature in black ink, appearing to be the initials 'EM', written in a cursive style.