



Llywodraeth Cymru
Welsh Government

LOCAL GOVERNMENT FINANCE (WALES) ACT 2024

Explanatory Memorandum
incorporating the
Regulatory Impact Assessment

16 September 2024

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PART 1 – EXPLANATORY MEMORANDUM

1. Description

1.1 The Local Government Finance (Wales) Act 2024 ('the Act') contributes to the reform of the non-domestic rates and council tax systems in Wales.

1.2 The Act, in summary, provides for the following in respect of the non-domestic rates system:

- increasing the frequency of revaluations to three-yearly, and a power for the Welsh Ministers to amend the revaluation year and interval between revaluation years through regulations;
- conferring regulation-making powers on the Welsh Ministers to confer, vary or withdraw reliefs;
- strengthening the eligibility conditions for charitable relief for unoccupied hereditaments;
- expanding the definition of a new building for the purpose of the serving of completion notices by local authorities;
- removing a timing restriction on the awarding and varying of discretionary relief by local authorities;
- conferring regulation-making powers on the Welsh Ministers to confer, vary or withdraw exemptions;
- conferring a regulation-making power on the Welsh Ministers to set differential multipliers based on the description, rateable value or location of a hereditament on the local list, or the rateable value of a hereditament on the central list;
- placing a duty on ratepayers to provide certain types of information to the Valuation Office Agency, and making provision for the associated compliance regime; and
- making provision about counteracting advantages arising from artificial avoidance arrangements.

1.3 And provides for the following in respect of the council tax system:

- flexibility for the reference point for 100% in the banding structure to be changed to a different band or a different description of a band;
- conferring powers on the Welsh Ministers to make regulations in respect of discounts and persons to be disregarded;
- placing a duty on the Welsh Ministers to make a single national Council Tax Reduction Scheme through regulations and enabling the Welsh Ministers to issue guidance to local authorities about the way the scheme should be applied; and
- establishing a five-yearly cycle of revaluations, and a power for the Welsh Ministers to amend the revaluation year and interval between revaluations, as well as to amend the date of draft list publication via order.

2. Legislative Competence

- 2.1 Senedd Cymru ('the Senedd') has the legislative competence to make the provisions in the Local Government Finance (Wales) Act ('the Act') pursuant to Part 4 of the Government of Wales Act 2006 ('GoWA 2006') as amended by the Wales Act 2017.

3. Purpose and Intended Effect of the Legislation

Context

- 3.1 Effective local government is vital for the delivery of local and national services to communities in Wales. Clearly, these services cannot be delivered without funding, and a robust financing system needs to be at the core. The services provided by local government are ones we all benefit from and are among the most essential and direct we receive. They include education, social services, housing, maintenance of the environment and roads, public transport, libraries, sport and tourism facilities, planning, and the facilitation of economic development.
- 3.2 The services local government finances enable the delivery of are fundamental for sustaining the life chances, life quality, and the fabrics of our society and environment. They consume a very significant share of overall public expenditure in Wales. As well as the 22 principal local authorities (the county and county borough councils), local government in Wales includes Fire and Rescue Services, Police and Crime Commissioners, and Community and Town Councils. Together, they currently utilise over £10 billion annually to deliver these services, and to support other functions such as city and growth deals and other regional partnerships.
- 3.3 The local tax system affects every property owned or occupied by a household or ratepayer, either by creating a liability for council tax or non-domestic rates, or by providing relief from liability through one of the support schemes, or both. Local taxes are often significant channels of expenditure for households, and for businesses and other ratepayers. The Welsh Government is committed to ensuring that the financial contributions made to local government are considered to be fair and calculated on the basis of current circumstances, and that the process is transparent and reliable.

Background to the Act

- 3.4 There has been a longstanding recognition of the need to progress work to reform local taxes in Wales. Over the last Senedd term, the Welsh Government made a number of commitments to review the existing arrangements for local government finance – recognising that there were improvements to be made and more radical ideas to be explored. To ensure any proposals for change were properly informed by thorough assessment of the arrangements we have been operating within, and the alternatives, a comprehensive research programme was started in 2017 and culminated in the publication of [Reforming Local Government Finance in Wales: Summary of Findings](#) in February 2021.
- 3.5 The local government finance system involves central and local government working in partnership with each taking responsibility for making and directing large contributions. In Wales, around 70% of local government revenue funding is provided by the Welsh Government through grant funding, with the remainder, around 30%, collected by local government within frameworks for

local taxes. Local government also collects fees and charges for certain activities.

- 3.6 The finance system needs to be considered in the round, recognising that the level of contributions from one part will impact on the funding needs from another part. While the Welsh Government strives to maximise the level of funding it provides to local government for the delivery of essential services, the amount ultimately available emerges from a careful balance between our spending priorities and the constraints we experience from Wales' economic position within the UK and the wider world. Crucially, we also recognise the contributions people, businesses and other ratepayers in Wales are making through taxes collected by the UK Government which they would rightly expect to see being fed through to support the delivery of their public services locally. In this context, collectively, taxpayers would expect the central government contribution in Wales to be high enough to avoid a need for their contributions through local taxes to be larger than elsewhere in the UK.
- 3.7 Against this backdrop, the research programme undertaken in the last Senedd term focused mostly on local taxes as these are the elements within the fiscal arrangements that we have powers to modify. The work highlighted how many of the legal frameworks covering these taxes in Wales predate devolution, with parts of the system now impinging on both the Welsh Government and local government's ability to make changes which fit our needs.
- 3.8 The research programme explored alternative forms of local tax such as a local land value tax, local taxes based on income, or modernising the existing non-domestic rates and council tax systems. It explained that taxes on land and property differ from taxes on income, so do not and cannot have the same outcome. There is a future choice in respect of whether to continue to raise local revenues based on property or on other measures of wealth and ability to pay. This is not a choice which can be made now because, as the work explains, there are many risks and barriers associated with radical reform which makes in-depth assessments of the options available with engagement from all stakeholders necessary to – as is stressed – ensure that any alternative approaches are demonstrably better, not just different.
- 3.9 It is also essential to recognise that, while competence for making legislation in respect of local taxes is devolved, we currently rely on the Valuation Office Agency to administer aspects of the system in Wales. It performs similar functions for England. This results in economies of scale which we benefit from, given the similarities and interconnected nature of the local taxation systems in both nations, but places operational constraints on the extent to which we have been able to do things differently for Wales. A significant system transformation project is being undertaken by the Valuation Office Agency which creates the potential for more opportunities for decisions to be made by the Welsh Government in relation to the valuation processes and support delivery of our reform programme. However, we would need to either agree the repurposing of resources, or a transfer of adequate resources to Wales, if the work currently undertaken by the Valuation Office Agency

needed to change fundamentally to enable the delivery of improvements to our local tax system(s).

- 3.10 Based on the extensive research and experience of operating the current local tax systems for over twenty years, the Welsh Government has developed a clear understanding of how existing primary legislation covering non-domestic rates and council tax, and predating devolution, constrains our ability to make timely adjustments to facilitate the right support for households, businesses and other ratepayers within the context of our priorities.
- 3.11 Limitations of the system have been illuminated even more significantly since the research programme concluded, as we have continued to work to support households and businesses during the Covid-19 pandemic and the cost-of-living crisis. As a result, the need to change the primary legislative framework surrounding local taxes in Wales is clear.
- 3.12 Delivering change is needed as soon as possible so that adjustments to local taxes can be made in a way which responds more effectively to urgent and ongoing concerns emerging from economic instability, inequality and a climate change emergency. The Welsh Government wants to do all it can to support community resilience, especially during the challenging times we are living through, which appear to be set to continue for some time.

Overall purpose of the Act

- 3.13 This Act's provisions will make a significant contribution towards reforming non-domestic rates and council tax in Wales, addressing many of the limitations of the current arrangements. Non-domestic rates and council tax generate over £1 billion and £2 billion, respectively, of the £10 billion spent each year to deliver vital public services in Wales.
- 3.14 With this scale and significance of local taxes in mind, the Welsh Government has been and is working to modify the system to deliver change incrementally in ways which make demonstrable improvements for taxpayers as quickly as possible. Changes are needed to support those facing significant challenges in a fast-changing environment from which unpredictable and very direct impacts have emerged. It is clear that changes to primary legislation are now needed to further increase scope for targeting support and maintaining a fairer system of local taxes over the medium term. This will ensure the Welsh Government can be more responsive, working alongside local government, which plays a crucial role in collecting and managing local taxes for which they are democratically accountable.
- 3.15 The provisions contained within this Act have been carefully constructed to further expand the Welsh Government's and local government's capabilities to deliver the fairest possible arrangements within the context of the established non-domestic rates and council tax systems. Each change is targeted to enable positive differences to be delivered which, based on the background

outlined above, we know will either deliver specific improvements or enable the delivery of improvements aimed towards addressing evolving priorities.

- 3.16 The Act provides powers to make subordinate legislation in a number of areas. This is because the ability to make changes in a timely manner is needed to adjust the systems in response to changing priorities, circumstances and pressures. The powers will reduce the need for emergency non-legislative measures, such as those used to target support in recent years in response to the Covid-19 pandemic. Importantly, they will reduce our reliance on provisions which have needed to be sought frequently in UK Government Bills to deliver changes for Wales within current primary legislation. Since 2011, we have needed to utilise UK Government Bills on at least 13 occasions to deliver necessary changes to our non-domestic rates and council tax systems.
- 3.17 In each instance of subordinate legislation making powers being introduced, the Welsh Government has considered whether substantive provisions could have been appropriately set out on the face of the Act. It was concluded that – while details might be optimised for the current circumstances – they are unlikely to stand the test of time and would result in the rigidity and unsuitable features which have emerged from the current legislation and which, amongst other things, our reform work is seeking to address. This will also represent a shift in the scrutiny of the relevant legislation from the UK Parliament to the Senedd. Such subordinate legislation powers will, in the majority of instances, be subject to the affirmative procedure, balancing the need for better tools to make more responsive and adaptable legislation with the scope for greater scrutiny within Wales.
- 3.18 Overall, the changes make the framework for local taxes more:
- closely aligned with changes in market conditions;
 - responsive to the evolving context for taxpayers, and the subsequent impacts for communities; and
 - tailored to Wales’ needs by being established and maintained within devolved powers and structures.

Part 1: Non-domestic rates

Background

- 3.19 For more than 30 years, the non-domestic rates system has been an important form of local taxation. The legal framework establishing the system in 1988 predates devolution, but provides the basis for most of the Welsh Ministers’ powers to make changes to policy. These policy-making powers have been applied from the point of devolution in 1999. However, the financial separation of non-domestic rates happened later, in 2015; this made the Welsh Government fiscally accountable for all the revenue raised through these rates and the budgetary risks related to fluctuations on an annual basis.

3.20 The current system operates on the basis of non-domestic rates being levied on the occupiers or, in some circumstances, owners of non-domestic hereditaments (known as ratepayers). Hereditaments are units of property with a valuation assessment – including bricks and mortar buildings as well as major transport and utilities infrastructure (e.g. airports, telecommunications networks, and infrastructure for gas, electricity and water supply). Not all ratepayers are businesses and – clearly – not all businesses require a commercial property from which to operate.

3.21 The non-domestic rates tax-base in Wales has over 125,000 hereditaments in four main categories, with volumes and rateable values at 1 April 2023 as follows.

Category	Hereditaments	Rateable value
Industrial	34,000	£670m
Shops	30,000	£610m
Offices	20,000	£280m
Other	44,000	£900m
Total	128,000	£2.46bn

NB The net revenue raised from non-domestic rates (approx £1.1bn annually) reflects the application of the non-domestic rating multiplier (0.535 in 2023-24) to the rateable value of individual hereditaments, followed by any reliefs the ratepayer is eligible for. This is why the revenue raised is less than the total rateable value of hereditaments multiplied by 0.535 (the 2023-24 multiplier).

3.22 The majority of hereditaments fall into lower value ranges, with over half having a rateable value below £6,000. This is important when considering how the non-domestic rates system in Wales should be configured.

3.23 There are many benefits to the existing non-domestic rates system, including that it:

- has a proportional tax rate and is (largely) a naturally buoyant and reliable revenue stream for local services;
- operates as a national pool which distributes the yield amongst local authorities to allow for their high variance in tax-raising ability, ensuring broad equity;
- has some ability to flex to provide significant support for those less able to meet their liability obligations, such as occupiers of smaller properties and certain sectors during difficult economic periods;
- strengthens local relationships between local authorities and business communities, maintaining local knowledge of the business landscape and enabling linkages to the wider economic policies of local authorities;
- is a highly efficient local tax which consistently achieves over 97% collection rates year-on-year, with low administrative costs (less than 1% of yield); and
- has demonstrated longevity and is harder to avoid than other types of tax.

3.24 On 29 March 2022, the Minister for Finance and Local Government made a [statement](#) setting out the Welsh Government's plans for the reform of the

non-domestic rates system during the current Senedd term. The Welsh Government's immediate aim is to maintain the benefits of the existing system, while delivering changes which will improve the overall system and meet emerging challenges. Changes to primary legislation are needed to improve the system to make it easier to respond to changes in Wales' economy. Current arrangements were not configured to suit our economy and priorities.

- 3.25 The Welsh Government has a number of levers available to change the way the non-domestic rates system operates, but the range and scope of these levers is limited because of few opportunities to make legislation within the existing framework and operational constraints. As a result, the Welsh Government's ability to act to support ratepayers facing significant challenges over recent years has been limited, with discretionary powers relied upon to deliver targeted support where there is insufficient scope within the legislative framework to consider providing it on a statutory basis without primary legislation. UK Government legislation has also been used in several cases to enable new support to be provided where a difference in the timing of primary legislative opportunities would otherwise place ratepayers in Wales at a comparative disadvantage.
- 3.26 The reform agenda, which this Act makes a significant contribution to delivering, is targeted towards addressing these limitations – providing the Welsh Government with opportunities to adapt and renew the system for Wales, specifically designing components to reflect our tax-base. These changes move us towards achieving our ambition for a renewed non-domestic rates system for Wales. Our ambition is to deliver a system which:
- better reflects the nature of the economy in Wales and keeps pace with changes;
 - allows decisions to be made and accounted for in Wales, nurturing the sectors and businesses we wish to see grow;
 - means ratepayers contribute fairly to the services they receive;
 - funds the services that businesses and their employees rely on; and
 - connects businesses and other ratepayers with communities.
- 3.27 Delivery of these changes will contribute towards our [Programme for Government](#) commitments in a number of ways, and previous [Co-operation Agreement](#) commitments. They will provide enhanced scope for Wales to tailor its non-domestic rates system to meet our needs and deliver our priorities for building a strengthened and greener economy. The ways in which the reforms will enable the facilitation of business development and sustainability will contribute towards maintaining employment opportunities in our communities – making them better places to live and work.
- 3.28 Delivering this ambition at pace is especially important at this time when the price of goods, services and energy costs are adversely affecting businesses and their employees across Wales. This ambition is also aligned with and complementary to our plans for the economy of Wales as set out in our [Economic Action Plan](#) and [Economic Resilience and Reconstruction Mission](#)

which places focus on developing a foundational economy which reflects the values of social partnership and fair work.

Purpose and intended effect of the provisions

- 3.29 Specifically, to make our non-domestic rates system fairer and better suited to supporting needs and priorities for business development in Wales, the Act makes changes in the following areas.

Rating lists

Local and central rating lists: more frequent revaluations

- 3.30 Liability for non-domestic rates is based on rateable values of hereditaments which, broadly speaking, reflect annual rental values. Rateable values are set independently of the Welsh Government by the Valuation Office Agency and appear on non-domestic rating lists. There are multiple local lists containing details of properties for each local authority area, with the administration and collection of revenue carried out by the local authority. In addition, there is the central list for certain types of properties which cross local authority boundaries (e.g. utilities), with the administration and collection of revenue carried out by the Welsh Ministers.
- 3.31 The default frequency of hereditament revaluations for non-domestic rates purposes in Wales is currently every five years, with the most recent revaluation having taken place on 1 April 2023. Shorter revaluation cycles are being pursued in all UK nations to improve the fairness of the non-domestic rates system and its responsiveness to economic change.
- 3.32 Recognising the case for a more rapid and responsive cycle, as well as the desire among stakeholders for revaluations to occur more frequently than every five years, this Act increases the frequency to three-yearly. This strikes a balance between improving fairness, by ensuring liability responds to economic change, and stability for ratepayers. An effect of this will be that the next revaluation will take place on 1 April 2026, rather than 1 April 2028.

Power to amend revaluation year

- 3.33 Between 1990 and 2010, revaluations took place every five years. Due to the challenging economic context of the early 2010s, the scheduled 2015 revaluation was moved to 2017 to give ratepayers certainty about their liability while the economy recovered. Following the 2017 revaluation, a decision was taken to bring the next revaluation forward from 1 April 2022 to 1 April 2021. It was subsequently moved to 1 April 2023 to take account of the impact of the coronavirus pandemic. Some of these changes required primary legislation and were delivered by seeking provisions for Wales in primary legislation made by the UK Parliament.
- 3.34 The Welsh Government recognises that, in the long term, there may be an ambition for shorter cycles than three-yearly frequency. If this becomes

practically achievable, we may propose to set an alternative revaluation date or change the cycle frequency in the future. Needing to make further changes to primary legislation to achieve this would be a significant limitation on our ability to implement such changes promptly in the future, particularly where there is a need to respond rapidly to changing economic conditions or where decisions would result in divergence from revaluation cycles adopted elsewhere in the UK. Therefore, this Act removes the need for primary legislation to set an alternative revaluation date or change the default cycle frequency. Instead, it is proposed that such changes are made by the Welsh Ministers through regulations scrutinised by the Senedd.

Reliefs

Powers to confer, vary and withdraw reliefs

- 3.35 Non-domestic rates reliefs have increased in scale and complexity over time. Reliefs are provided to eligible businesses, non-profit organisations and charities. More than half of hereditaments in the tax-base benefit from full or partial relief and the Welsh Government spends around £240 million annually on a wide range of permanent relief schemes. In addition, more targeted and time-limited relief for the retail, leisure and hospitality sectors has played a crucial role in supporting businesses throughout the coronavirus pandemic and more recent economic challenges.
- 3.36 The Welsh Government committed to undertaking a review of all non-domestic rates relief schemes to ensure they are fit-for-purpose and delivering support in the most effective way. The review will consider the range of reliefs, the level of support, how reliefs are targeted and how long they last. The outcome of this review and the Welsh Government's current or future policy priorities could result in proposals to add, amend or remove reliefs.
- 3.37 The extent to which the Welsh Ministers are able to amend the range of reliefs available, by regulations, is inconsistent. The operation of most existing relief schemes is set out in primary legislation, with some requirements for the Welsh Government to define certain parameters in regulations in order to give effect to reliefs. More substantial changes, such as consolidating or amending the scope of existing reliefs, removing reliefs or creating new ones usually require primary legislation. This imposes a significant limitation on the Welsh Government's ability to use the non-domestic rates system effectively to support existing or emerging policy priorities. Certain reliefs can be, and have been, created through subordinate legislation whilst some temporary schemes are operated under general discretionary powers of billing authorities.
- 3.38 We want to ensure that the non-domestic rates system is future-proofed in this important area, so this Act removes the need for primary legislation to confer, vary or withdraw reliefs and confers regulation-making powers on Welsh Ministers instead. This will enable the Welsh Government to propose changes for the Senedd's consideration to implement what is considered to be most appropriate following the review, and keep arrangements under

consideration and aligned with wider policy objectives on a responsive and ongoing basis.

Unoccupied hereditaments: charitable rate relief

- 3.39 We have been developing and implementing a broad set of measures to tackle non-domestic rates avoidance following [consultation](#) in 2018.
- 3.40 Legislation currently permits a charity or trustee of a charity who owns or leases an unoccupied hereditament to seek full relief from rates liability indefinitely if it appears that, when next in use, the hereditament will be used for charitable purposes. If the hereditament is not actually used for a charitable purpose in the future, the owner or leaseholder will have benefitted from these arrangements while it was empty. The arrangement has, therefore, been exploited as a method of non-domestic rates avoidance. Relatively few existing cases are expected to be legitimate and, where genuine charities do have a legitimate interest in a hereditament, they should be able to evidence strengthened conditions for relief.
- 3.41 To enable the system to continue to support the minority of genuine cases making legitimate use of the relief, the Act introduces additional eligibility conditions. Billing authorities will apply relief where they are satisfied that the hereditament is unoccupied for a reason related to the charitable purposes of that charity and the next use of the hereditament will be wholly or mainly for charitable purposes. This will enable billing authorities to look beyond the charitable status of an organisation and consider whether the aims of the charity, its intended use of the hereditament, and the reason why it is unoccupied are compatible.
- 3.42 A charity seeking relief will also be required to provide the billing authority with a copy of its most recent accounts and annual report (where applicable). These requirements will provide further evidence that the ratepayer is a functioning charity and has been designed to be compatible with the existing requirements set out in charity law. Providing evidence in relation to these conditions will not, therefore, place a disproportionate administrative burden on ratepayers in genuine cases. All charities should already be aware of the requirements which apply to them and be able to evidence their compliance.
- 3.43 In the case of community amateur sports clubs, the Act also requires billing authorities to be satisfied that the next use of the hereditament will be wholly or mainly for the purposes of the club (or two or more clubs) before providing relief. This is not expected to have a practical effect, as billing authorities have reported that they are already better able to satisfy themselves that such cases are genuine, than they are with respect to charitable status.
- 3.44 This issue is separate from the mandatory provision of relief from non-domestic rates when a property is occupied by a charity. There are no proposals to change the general arrangements for charitable relief for occupied properties.

Completion notices

- 3.45 A completion notice is currently served by a local authority in respect of a new building. This is a means of determining the completion day for that building. Local authorities supply copies of completion notices they serve to the Valuation Office Agency which enables the Valuation Office Agency to complete a valuation and list the building for non-domestic rates.
- 3.46 A gap has been identified in the completion notice procedure in relation to buildings which have been removed from the rating list because they are temporarily unoccupiable (e.g. for refurbishment). The existing procedure for new buildings does not currently apply to previously listed properties when they become occupiable again which can delay their return to the rating list.
- 3.47 This Act amends the scope of the completion notice procedure to ensure that a completion notice may be served in respect of a building which, although not new in itself, was temporarily removed from a rating list and which has been the subject to alterations, such as a refurbishment. This would allow it to be added or returned to a list, using the same process as for new buildings, closing the identified gap in the procedure. The same procedure is also intended where part of a building is added to an existing building (e.g. as an extension or the creation of a new floor).

Discretionary relief

- 3.48 The parameters within which local authorities can award or change all discretionary (i.e. non-mandatory) relief schemes, including those set up to deliver centrally-funded schemes, are set out in primary legislation. Local authorities have broad powers to award discretionary relief, subject to a residual timing restriction. They are currently unable to award or change discretionary relief decisions more than six months after the end of the financial year to which a decision relates. This Act removes this restriction to give local authorities full discretion to apply reliefs without the six-month timing constraint. The change will not apply to the financial year before the year in which the law is changed.

Exemptions

- 3.49 In certain cases, when it is considered that a type of hereditament should not be subject to a non-domestic rates liability on a long-term or permanent basis and valuation would be difficult or provide no benefit, an exemption may be considered more appropriate than a full relief from the chargeable amount. A range of exemptions from non-domestic rating are set out in existing primary legislation. The Welsh Ministers have a limited power to prescribe exemptions in regulations which provides very little practical flexibility. This Act removes the need for primary legislation to create, vary or withdraw exemptions and confers regulation-making powers on the Welsh Ministers instead. This will provide consistency between reliefs and exemptions in the extent to which changes may be made by regulations.

Non-domestic rating multipliers

- 3.50 Liability for non-domestic rates is determined by combining the rateable value of a hereditament with a multiplier calculated annually by the Welsh Ministers (the default multiplier). The multiplier acts as a key component in determining the liability of ratepayers as it applies to the whole tax-base. It is subject to annual inflation in line with the Consumer Prices Index, unless the Welsh Ministers set it, by way of regulations, at another level by prescribing an alternative figure to use in place of the Consumer Prices Index. The Welsh Ministers have made regulations under this power in recent years in order to freeze the multiplier.
- 3.51 Currently, a single multiplier applies to all hereditaments in Wales, which the Welsh Ministers can set at any level, by regulations. Primary legislation would, however, be required to set different multipliers for different parts of the tax-base. Local authorities have powers to set a supplement to the multiplier as a funding mechanism. This has been used in London in relation to Crossrail funding, but the powers have never been used by local authorities in Wales. Elsewhere in the UK, tiered multipliers exist where hereditaments with a rateable value below a prescribed level are subject to a lower multiplier than those above the threshold. Tiered multipliers currently act in a revenue neutral manner, with a lower multiplier for some hereditaments being subsidised by a higher rate for others.
- 3.52 This Act enables differential multipliers to be set by reference to the default multiplier and applied to specified descriptions of hereditaments on the basis of the parameters set out below. The value of any differential multipliers defined on the basis of these parameters will be prescribed in regulations.
- Rateable value of a hereditament in a local or central rating list. In England and Scotland, small businesses (as defined on the basis of their rateable value) are subject to a lower multiplier. The Welsh Government is not currently able to support small businesses in this way.
 - Description of a hereditament (e.g. with respect to use) in a local rating list. In the context of the Welsh Government's ambitions for a stronger, fairer and greener Wales, it may be desirable for a multiplier to be set for specific sectors to support wider policy objectives. For example, a lower 'sector specific multiplier' might be one potential way of using the non-domestic rates system to support investment in a specific sector without the need for a targeted relief scheme.
 - Geographic location of a hereditament in a local rating list. It may be desirable for the Welsh Ministers to set a different multiplier for specific geographic locations linked to wider government objectives.
- 3.53 Hereditaments shown in the central rating list have different characteristics from those shown in local rating lists and the two types of list differ in their structure and content. This underlies the difference in the scope of the power to set differential multipliers, with respect to local and central rating lists.

Local rating lists must include the rateable value, address and description (which in practice reflects the main use categorisation) of each hereditament. The address and description of a hereditament shown in the central rating list do not have equivalent relevance to the intention behind these provisions. Central list hereditaments cross multiple local authority boundaries (for example, extensive cable and pipeline networks) and cannot be isolated to a specific location. The address shown for a hereditament in a central list is the administrative centre for the ratepayer, which is outside Wales in several cases. The description shown for a hereditament in the central list refers to the description of the ratepayer prescribed in regulations and does not directly reflect its use.

- 3.54 The Welsh Government does not propose specific changes to multipliers at this stage. The powers are intended to provide greater flexibility to adapt non-domestic rates to future needs aligned to wider policy objectives.

Provision of information

- 3.55 Improvements to the flow of information are required to ensure that the Valuation Office Agency can deliver more frequent revaluations and improve the accuracy of rating lists. Better information benefits ratepayers and local authorities by ensuring bills are accurate and improving fairness within the system. Improvements may also reduce the volume of appeals and the risk of backdated changes to bills.
- 3.56 The Valuation Office Agency has a statutory obligation to compile and maintain non-domestic rating lists, and requires certain types of property, rental and accounts information to conduct valuations. Limited powers currently exist that enable an information notice to be served on ratepayers in an attempt to gain information. However, there is currently no mandated requirement for ratepayers to notify the Valuation Office Agency about changes to this information, even where it may change the rateable value of a hereditament. In practice, this can result in occupiers of similar properties not being taxed equitably and an appropriately revised amount of tax not being collected. Many ratepayers already provide information, when asked to do so by the Valuation Office Agency, to ensure valuations are correct.
- 3.57 The Act places a duty on ratepayers of hereditaments (or the person who would be the ratepayer if the hereditament were included in a rating list) to provide certain types of information needed for these purposes to the Valuation Office Agency. The information required includes details about the ratepayer (such as name and contact details), what hereditament they have occupied, how it is being used, and details regarding any lease, licence or other agreement concerning the use of the hereditament. For unoccupied hereditaments, the Valuation Office Agency will need more information about it, its intended use and how it is expected to be occupied.
- 3.58 Ratepayers would also need to inform the Valuation Office Agency if certain physical changes are made to the hereditament – for example, after an extension has been built. What is needed to identify a hereditament or

ratepayer will vary between hereditaments with, for example, more details being needed for shared spaces. A small number of ratepayers, occupying certain specialised types of hereditament, may need to provide information about their trade, accounts and costs (where it is relevant to their rateable value). This obligation may apply, for example, to utility networks, pubs, and petrol filling stations. Overall, the nature of information required will be similar to what is requested in the Valuation Office Agency's current process for collecting information ('Forms of Return'). Ratepayers will, additionally, be required to confirm annually that the information held by the Valuation Office Agency remains accurate.

- 3.59 This will ensure that valuation evidence is continually kept up-to-date through self-declaration, reducing the need for backdating bills and providing more certainty to ratepayers about the rate due. The duty will support the move to more frequent revaluations, enabling the Valuation Office Agency to deliver revaluations for ratepayers in Wales at the same time as it does for England.
- 3.60 This will change how ratepayers engage with the Valuation Office Agency and will be implemented in a way which is fair and easy to comply with. Working with the Valuation Office Agency, the Welsh Government will ensure that the needs of ratepayers with large portfolios, those who engage with the process using an agent, and individual customers with a single property who have less experience of engaging with the Valuation Office Agency, are all accommodated. A service will be developed which:
- is straightforward and easy to use for all ratepayers, creating minimal additional burden;
 - is not punitive on those who may legitimately struggle with compliance, but encourages all ratepayers to comply;
 - allows lenience for genuine errors, but focuses enforcement on those wilfully refusing to comply or knowingly providing false information; and
 - is practicable and cost-effective for ratepayers and the Valuation Office Agency.
- 3.61 The duty will come into force only when it is clear that ratepayers can reasonably be expected to comply with it through the service provided; this will include arrangements for those unable to access an online facility. It will be supported by a proportionate compliance regime to help ensure ratepayers meet their obligations. It is expected that the majority of ratepayers will make every effort to comply, but the Valuation Office Agency will be able to issue civil penalties for failure to provide the required information when other measures to encourage compliance are ineffective. A criminal offence will be committed where a person makes a false statement while purporting to comply with the duty. In such cases, the person may be liable to imprisonment for up to three months or a penalty (or both). Alternatively, a civil penalty may be imposed. In practice, the Valuation Office Agency expects to pursue the civil penalty in the first instance.
- 3.62 The penalty regime is intended to provide scope for lenience, where appropriate, while offering a deterrent to those who deliberately do not

comply. This will align more closely with the operation of other taxes with compliance regimes. The Valuation Office Agency intends to produce a policy statement setting out how it will determine the level of penalty it will impose. In exercising its discretion, the Valuation Office Agency will draw upon the existing HMRC practice for mitigation of sanctions and HMRC's approach to considering whether a person has a reasonable excuse for non-compliance.

- 3.63 It is anticipated that the duty will come into force at, or shortly after, the start of the next rating list. Working with the Valuation Office Agency and ratepayers, the Welsh Government will ensure that ratepayers can reasonably be expected to understand and comply with their duties to provide information before the associated compliance regime is initiated. This is anticipated to happen after the start of the next rating list, following the commencement of the notification duties.
- 3.64 The Valuation Office Agency routinely shares information on occupiers and hereditaments with local authorities to support correct and timely non-domestic rates billing. Local authorities are, therefore, anticipated to benefit from these arrangements and hold more accurate billing information as a consequence.

Anti-avoidance

- 3.65 The Welsh Government is committed to reducing the opportunities for avoidance of non-domestic rates liability. While avoidance is not illegal, it is behaviour that creates artificial arrangements to gain tax advantages. It is important that the efforts of the considerable majority to pay what is due are not undermined by a minority intent on exploiting or abusing the system. We have been developing and implementing a broad set of measures to tackle avoidance following consultation in 2018. The scale of avoidance through various methods has previously been assessed as at least £10 million to £20 million a year in lost revenue for vital local government services.
- 3.66 Our 2018 consultation and subsequent investigations have highlighted the need to be capable of adapting to changing methods of avoidance in view of avoidance methods and relevant case law constantly evolving. The nature of tax avoidance is such that once one method has been addressed, new methods and behaviours often emerge. This involves the Welsh Government periodically responding to precise behaviours.
- 3.67 The existence of a general anti-avoidance rule is common within taxation systems and can take a variety of forms. In the UK, HMRC operates an anti-abuse rule, the Scottish Government has a general anti-avoidance rule for its devolved taxes and one specific to non-domestic rates, and the Welsh Revenue Authority oversees a GAAR for the devolved taxes in Wales (Land Transaction Tax and Landfill Disposals Tax). General anti-avoidance provisions do not currently exist in relation to non-domestic rates in Wales.
- 3.68 This Act introduces a form of GAAR for non-domestic rates to enable us to respond to and counteract avoidance behaviours. This will enable specific

non-domestic rates avoidance behaviours described in regulations to be addressed, including behaviours which are not currently used or known about, but which may emerge or be identified in future. Regulations may provide for a civil penalty regime.

- 3.69 The intention is to enable the Welsh Ministers to address, in a timely manner, specific avoidance behaviours that are identified so that they are prevented from continuing in the future. It will not be possible to counteract avoidance that has taken place prior to the coming into force of regulations which precisely describe the avoidance behaviour. The development of those regulations will be subject to consultation. Stakeholders will, therefore, have the opportunity to comment and can reasonably be expected to know that a specified behaviour has been identified and is likely to be counteracted in future, before regulations are made. A right of appeal is also provided for.
- 3.70 It is important that anti-avoidance regulations are able to provide for enforcement in the form of civil penalties, where appropriate, to ensure there is a genuine deterrent to continuing specified avoidance behaviours. The enforcement regime has been designed to ensure that a person found to have been using a specified avoidance behaviour will have the opportunity to cease and pay the shortfall in liability. If they fail to pay an amount due, only then will they become liable for a civil penalty in addition.

Part 2: Council tax

Background

- 3.71 There are over 1.4 million chargeable dwellings in Wales liable for council tax which is usually payable by anyone over the age of 18 who owns or rents a home. Each property is currently placed in one of nine bands on the basis of property values and housing market conditions on 1 April 2003. This is because the last time the council tax base was updated and revalued, the changes took effect on 1 April 2005. Wales is the only part of the UK to have ever updated its tax-base since council tax was introduced, meaning council tax bills in England and Scotland are based on 1991 valuations (Northern Ireland operates a different system – domestic rates). Wales also added an additional upper value band as part of the revaluation exercise in 2005. The Valuation Office Agency is the independent body tasked with maintaining the valuation list and placing each property into a band. Each of the nine bands attracts a tax rate relative to the other bands determined by ratios set by the Welsh Ministers, though the actual council tax charges are set by local authorities.
- 3.72 The council tax system has stood the test of time since it was introduced in 1993. As part of our research during the last Senedd term, it was considered whether local taxes should be based on property, land or incomes, or a combination of these. The council tax is currently based on elements of all three. The bands reflect property and land value rather than incomes for good reasons. Income taxes can have far higher levels of tax avoidance as some sources of income are more easily hidden or moved by those with the

means to do so, whereas property is an asset fixed to a local area. In the UK, our incomes are taxed by other institutions for different purposes. We think property occupation is a good, broad indicator of people's wealth relative to each other – while being tangible, simple and local to measure. The homes we live in also provide an indicator of household size and therefore relative demand for services.

- 3.73 It is recognised that the council tax system is not perfect as there are many reasons for the size and location of the properties we choose to own or rent. However, the system has important elements which take account of income such as the one-adult discount and support for low-income households – so, for now, we think this approach strikes the right balance without compromising stability or fairness. While this is the current assessment, we will continue to explore alternative approaches to the council tax for longer term consideration, such as a local land value tax or unbanded systems.
- 3.74 Specific benefits of the council tax system identified by the research programme undertaken in the last Senedd term, and which we are committed to retaining until any case for more radical change is made, are that it:
- is a highly efficient local tax which consistently achieves around 97% collection rates in Wales year on year, with low administrative costs (less than 1% of yield);
 - is relatively well-understood by taxpayers due to its structure and longevity, and is harder to avoid than other taxes;
 - is a naturally buoyant revenue stream due to annual tax-base growth resulting from population growth and house-building;
 - provides a large degree of flexibility to local authorities in setting budget priorities, enabling direct democratic accountability and engagement with citizens about the use of public money;
 - is a key administrative function of local authorities, providing essential information about socioeconomic circumstances, and high quality public sector jobs dispersed across the country; and
 - protects low-income households and provides significant support to people less able to meet their liability obligations.
- 3.75 However, the research work also found that the basic banded structure is a regressive design and could be designed differently while undertaking a revaluation exercise in order to create a better fit with current market conditions. The current system places a higher tax burden on households with lower levels of wealth and needs to maintain better alignment with changing circumstances. The majority of people (57%) responding to a survey in July 2022, undertaken to assess public attitudes to council tax, disagreed that the current system is fair. Also, experience has demonstrated that, while the system does provide a level of protection to low-income households and those less able to meet their liability obligations, the arrangements are insufficiently agile.
- 3.76 The Welsh Government is working to reform the council tax system to address these known deficiencies. The evidence base indicates that

reforming and updating council tax is one of the most beneficial actions the Welsh Government can take to reduce wealth inequalities in Wales.

- 3.77 A clear commitment to reform council tax to ensure a fairer and more progressive system is included in our [Programme for Government](#) and the previous [Co-operation Agreement](#), and reforms in this area will contribute to commitments in these documents more widely. Reforms will help our constitutional future by maintaining a positive connection between people and the local services council tax contributes to the funding of, with inbuilt stability achieved through a commitment to ongoing property revaluations.

Purpose and intended effect of the provisions

- 3.78 This Act delivers specific reforms in the following areas.

Changes to valuation bands

- 3.79 In current legislation, Band D is set as the 'reference' point by which the proportion of council tax is set in relation to each other band. In order to deliver a fairer and more progressive council tax system with a broader distribution of the tax burden in the context of five-yearly revaluation cycles, going forward it would be beneficial to be able to set the reference point for 100% at something different than band D if needed and/or to be able to change the descriptions of bands (for example from letters A,B,C to numbers 1,2,3 etc). The Act makes provision for making such changes.
- 3.80 To provide flexibility for ensuring that the system remains clear and easily understandable into the future, the Act provides the Welsh Ministers with a power to be able to change the labelling of any future band structure developed as part of a revaluation exercise.

Changes to council tax payable

Discounts

- 3.81 Many of the arrangements for discounts, disregards and exemptions to council tax have been in existence since the tax was introduced in 1993. We need to ensure they remain relevant to policy ambitions and help to achieve a fairer system. Council tax premiums for long-term empty properties and second homes are a more recent feature of the system, to be utilised at local authority's discretion.
- 3.82 The current system has a set of rules which take account of a household's ability to pay council tax and which recognise that some people or properties should be exempt. These rules reduce wealth inequality to a degree and create a stable and reliable funding source for services. Council tax is 50% based on a property's valuation band and 50% on the occupancy of the property with an assumption of two-adult occupation. If only one liable adult lives in the property, the bill will be reduced by 25%. When working out how many people live in a property, some people are not counted – for example

someone who has a severe mental impairment. These are referred to as disregards and recognise that certain people may not be able to contribute to the household income. This means, for example, a two-adult household where one of the adults is disregarded for some reason (e.g. because they have a severe mental impairment, or are a young care-leaver, or are a student, or a care-worker) will be eligible for the 25% discount. If all the adults living in a property are disregarded, a 50% discount will apply. Income-based reductions are also available for eligible households.

- 3.83 A review of the range of discounts, disregards, exemptions and premiums is underway with the aim of improving and modernising the system so that it contributes to our aim of making council tax fairer. Changes in one area of the system may require alterations to other discounts and disregards, and the interconnections between the different criteria is being considered carefully. The current framework for discounts and disregards, which has largely been in existence since 1993 and added to incrementally, has become complex and is often difficult for households to understand and for practitioners to administer. We are also constrained in our ability to change some of the rules through subordinate legislation which inhibits the Welsh Government's ability to respond to future changes in the economy or society.
- 3.84 Provisions within this Act allow greater flexibility to make changes to the existing statutory discounts and disregards in the future through conferring powers on the Welsh Ministers to make regulations to enable change to be implemented more quickly and responsively over time. Subordinate legislation could be brought forward with proposals for consideration by the Senedd to, for example:
- set the amount or calculation and conditions for the statutory discounts;
 - add new categories of discount and rates which differ from the existing 25% or 50% percentages;
 - remove the link between the one-adult discount and the empty property discount, so that the empty property discount does not have to be double the percentage of the one-adult discount. This would, for example, allow different rates of discount to be set for different situations;
 - remove the 'empty property' discount save in certain circumstances; or
 - provide the Welsh Ministers with powers to allow local authorities to disapply or reduce discounts in certain circumstances.
- 3.85 This will change the current highly restrictive legislation applying in this area and support efforts to make the system fairer, reduce complexity and achieve greater alignment with our goals. The Welsh Government has been clear that the existing single person discount will remain in place and will remain at 25%.

Reduced amounts

- 3.86 Since the introduction of our Council Tax Reduction Scheme in 2013-14, we have continued to protect vulnerable and low-income households by maintaining full entitlements to support. We provide local authorities with

£244 million every year to operate the means-tested scheme. The scheme makes a significant contribution to tackling poverty across Wales and helps to safeguard vulnerable people from getting into financial difficulties, particularly as a result of changes to the non-devolved welfare system. The scheme has become increasingly important during the cost-of-living crisis.

- 3.87 Approximately 261,000 households in Wales received a council tax reduction in 2022-23, at a total recorded value of £287 million. In March 2023:
- 103,000 pensioner households received a reduction;
 - 158,000 working-age households received a reduction;
 - 211,000 households paid no council tax at all;
 - 85% of households receiving a reduction were living in properties in Bands A to C; and
 - 36% of households receiving a reduction were Universal Credit recipients.
- 3.88 A decade on from implementing our national Council Tax Reduction Scheme, the opportunity is being taken to review it in detail. Our goal of making the wider council tax system more progressive for people with lower wealth may help to alleviate pressure on the Council Tax Reduction Scheme. However, even with a more progressive system, the very wide variety of circumstances which exist within the 1.5 million households liable for council tax means that we expect there to be a continued need to provide a scheme to support low-income households in paying their council tax bills. Therefore, we are taking the opportunity to improve the scheme's design, administration and legislation during this Senedd term and address some of its known challenges around take-up, its interface with Universal Credit, and its design and flexibility.
- 3.89 It is apparent that a broadly consistent approach has been taken in the areas for which there is local discretion within the current Council Tax Reduction Scheme. Therefore, to reduce operational complexity and ease administration, we have agreed with local government that it would be beneficial to incorporate these flexibilities into the existing national scheme. To achieve this, the Act places a duty on the Welsh Ministers to make a single national Council Tax Reduction Scheme through regulations with an ability to make in-year changes. This will facilitate improved support for low-income households and enable the scheme to be adapted to respond to emerging demands.

Valuation of dwellings

- 3.90 Currently, revaluations for council tax in Wales may be implemented at the discretion of Ministers using secondary legislation, with the most recent revaluation having taken place on 1 April 2005. Statutory and regular revaluation cycles would improve the fairness of the council tax system and its responsiveness to economic change.
- 3.91 Recognising the case for statutory and regular cycles, as well as the desire among stakeholders for revaluations to occur more frequently, this Act

introduces statutory five-yearly council tax revaluations. This strikes a balance between improving fairness, by ensuring liability responds to economic change, and stability for households and local authorities. An effect of this will be that a statutory cycle of council tax revaluations will come into effect from 1 April 2028.

- 3.92 Technological advances and the growth in sources of data about properties, localities and property markets mean that regular revaluations are now much more feasible and cost-effective than they have ever been in the past. The Valuation Office Agency has, for example, been working to modernise its methods of valuation which results in reduced reliance on manual valuations, and makes use of the latest digital modelling methodologies and innovative statistical mass appraisal techniques.
- 3.93 Regular revaluations will continually safeguard fairness in the system by ensuring the tax burden is shared equitably on a regular basis, according to the latest information. They provide the opportunity for frequent public interaction with the process, aiding transparency and ensuring property valuations are up-to-date. They will also provide clarity and certainty for taxpayers and local authorities, creating an expectation that council tax will be reviewed regularly. They will also clarify the future operational requirements for organisations like advice agencies, the Valuation Office Agency and the Valuation Tribunal for Wales.
- 3.94 Many have asserted that, as a banded tax system, council tax needs less frequent revaluation cycles than a system based on specific values because changes in a property's value can to an extent be absorbed within a band width. If all properties experienced an equal change in value over a set period, there would be no need to revalue because valuations would have moved in the same direction at the same pace. However, this is not the case among local areas of Wales or where properties have been changed physically (e.g. because of being extended) and the last revaluation in 2005 demonstrated that property bands become outdated to an extent that introduces unfairness and inequity. This unfairness is illustrated clearly by studies undertaken by the Institute for Fiscal Studies and the University of Sheffield during this and the previous Senedd term, and this becomes more pronounced as time passes.
- 3.95 There are many options for the frequency of cycles and stakeholders' suggestions range from annually to every ten years. Ten years may be seen as too long a cycle given that regular revaluations aim to create an up-to-date and fair tax. In the short-term, annual revaluation is not considered achievable as this would require a shift to market forecasting, rather than valuations being based on actual sales. We have selected five years to be implemented by this Act because we believe this strikes the right balance between the benefits delivered by revaluations and the administrative costs they incur – especially in relation to the appeals process and the resolution of property valuation disputes.

- 3.96 The potential downsides to more frequent revaluations include where a cycle falls during periods of irregular market buoyancy or contraction due to economic forces. We have seen events like this previously such as recessions and a global pandemic. There may also be operational reasons why a planned revaluation may need to be rescheduled, including reasons linked to IT infrastructure. These are risks for revaluation at any time, and governments have rescheduled or delayed revaluations for local taxes previously where there is a clear and acceptable rationale for doing so. The Act provides powers for the Welsh Ministers to vary the timing and/or cycle length of a revaluation to include these important flexibilities.
- 3.97 Also, to ensure that the system is capable of being administered effectively during periods of unforeseen circumstances, the Act provides for the Welsh Ministers to set the date, in an order, for publishing proposed valuation lists. The date is currently fixed at 1 September before implementing changes in the following April. This has the potential to cause difficulties in delivering policy ambitions around shorter revaluation cycles – including implementing the outcome of revaluation exercises on time for taxpayers.

Other work underway supporting reforms, but not requiring changes through this Act

- 3.98 Other work underway to complement these reforms includes the development of systems which will enhance transparency and taxpayers' ability to interact with council tax. This will include enhanced services for people to view and communicate with the Valuation Office Agency about their council tax band, and a Welsh Government hosted Single Information Service which will improve and bring together information about council tax and associated support in Wales.
- 3.99 Improvements to collection practices, enforcement and the management of council tax arrears are also being made following the evaluation of interventions undertaken during the last Senedd term.

4. Consultation

Overall

4.1 The changes to the non-domestic rates and council tax systems given effect to by this Act have been developed over many years. The Welsh Government has interacted with the full range of stakeholders while maintaining both systems. This has provided a wide breadth and depth of insights, enabling the development of reforms targeted towards addressing the needs of taxpayers, and those working to maintain the systems, to maximise fairness and suitability in forever changing circumstances. Stakeholders with whom the Welsh Government has engaged with, in respect of local taxes, include the following.

- Local taxpayers in Wales
- The Welsh Local Government Association
- The 22 principal local authorities(elected members and officers)
- Town and Community Councils, and One Voice Wales
- Police and Crime Commissioners and officers
- Fire and Rescue Authorities
- National Park Authorities
- Welsh Commissioners: Older People's, Children's, Welsh Language and Future Generations
- Representative bodies and networks: Race Equality Network, Child Poverty Network, Disability Wales, Chwarae Teg, Carers Wales, Age Cymru
- The Valuation Office Agency
- The Valuation Tribunal for Wales
- Chartered Institute of Public Finance and Accountancy
- Tax institutions: Institute of Revenues, Rating and Valuation, Chartered Institute of Tax, International Property Tax Institute
- The advice and third sectors: Wales Council for Voluntary Action, Citizens Advice Cymru, Advice Network Wales, Money Advice Trust, Money Advice Service, MoneySavingExpert, Step Change
- Senedd Cymru and its relevant committees
- UK Government departments and Devolved Governments
- Academia, universities, research bodies and think-tanks, e.g. Bevan Foundation, Resolution Foundation, Wales Governance Centre
- Wales Trades Union Congress

4.2 Recognising that any proposals for change needed to be informed by thorough assessment of the arrangements we have been operating within, and the alternatives, a comprehensive research programme was started in 2017 and completed in February 2021 with the publication of [Reforming Local Government Finance in Wales: Summary of Findings](#). The research programme focused on the practical implications of alternative approaches and facilitated unique access to data on Welsh tax-bases. Although not an

exhaustive list, the following research projects were undertaken as part of this programme:

- Local Land Value Tax – Bangor University
- Council Tax Revaluation and Reform – Institute for Fiscal Studies
- Council Tax Revaluation – University of Sheffield, supported by UK Collaborative Centre for Housing Evidence
- Local Taxes Based on Income – Cardiff University
- Small Business Rates Relief: Survey Analysis – Government Social Research Service, Welsh Government
- Understanding the Impact of Universal Credit on the Council Tax Reduction Scheme and Rent Arrears in Wales – Policy in Practice

4.3 The Partnership Council for Wales and its subgroups provide the forum for political and official level engagement between the Welsh Government and local government on a range of financial matters. Additionally, there has been continued engagement with delivery partners through a number of working groups of officials and experts.

Non-domestic rates

4.4 A [Reforming Non-Domestic Rates in Wales](#) consultation on a wide range of improvements was launched on 21 September 2022 and closed on 14 December 2022. This sought views on all aspects of the changes which this Act supports delivery of, including:

- more frequent revaluation cycles;
- improving the flow of information between the Valuation Office Agency and ratepayers;
- providing more scope to amend reliefs and exemptions;
- a review of reliefs and exemptions;
- providing greater scope to vary the multiplier;
- improving the administration of valuation functions; and
- further measures to ensure we can continue tackling avoidance.

4.5 In total, the consultation received 73 responses – including 23 from representative bodies for sectors of the tax-base, 19 from members of the public who may also be ratepayers, 14 from individual businesses, nine from local government and eight from professional rating or taxation representatives.

4.6 Views were generally supportive of the Welsh Government's proposals. Specifically, there was wide-ranging support for three-yearly revaluations and a new information duty to help deliver more frequent revaluations. There was also support for the Welsh Government having greater powers to make changes to the non-domestic rates system in relation to reliefs, exemptions and the multiplier. General administrative changes were also supported, alongside agreement that additional powers to tackle avoidance would be beneficial.

- 4.7 Consistent wider themes included a recognition that there is scope for the rates system to be improved and views about the overall burden of the tax among those liable. A [summary of responses](#) to this consultation was published on 9 February 2023.
- 4.8 In respect of fraud and avoidance issues, an earlier [Tackling Avoidance of Non-Domestic Rates in Wales](#) consultation was undertaken between 4 April 2018 and 27 June 2018. Respondents were generally supportive of the proposals. A [summary of responses](#) to this consultation was published in October 2018. This consultation underpinned further engagement in this area and directly informed the approach taken to fraud and avoidance in the Reforming Non-Domestic Rates in Wales consultation.

Council tax

- 4.9 [A Fairer Council Tax](#) (Phase 1) consultation on reforms to council tax in Wales was launched on 12 July 2022 and closed on 4 October 2022. This invited views from members of the public, stakeholders and representative organisations on the aims of the council tax reform programme – including the aspects this Act supports the delivery of:
- updating property valuations more frequently to keep council tax fairly distributed on a more regular basis;
 - improving the framework and providing flexibility around the arrangements for discounts, disregarded persons, exemptions and premiums to ensure the arrangements are aligned to our goals; and
 - improving and providing flexibility around the arrangements for the Council Tax Reduction Scheme which provides support to low-income households.
- 4.10 Those responding to the consultation expressed a variety of views about the proposals and bodies with an interest in making the system more progressive were supportive. A [summary of the responses](#) to the consultation was published on 16 December 2022.
- 4.11 The consultation received 1,024 responses, reflecting a wide spectrum of interests and views.
- 4.12 The consultation highlighted limited awareness of the benefits that come from raising funding for local services from property taxation, whilst others agreed the current range of discounts, disregards and exemptions was not fit for purpose.
- 4.13 A [Phase 2 consultation](#) was launched on 14 November 2023 and closed on 6 February 2024. This invited views from members of the public, stakeholders and representative organisations on the scale and pace of reform. The Phase 2 consultation presented three possible approaches to the banding structure, which were described as a minimal, modest and expanded approach, focused on 9 or 12 bands.

- 4.14 The consultation outlined that the earliest date on which a revalued and redesigned council tax system could possibly come into effect was 1 April 2025, based on property values as at 1 April 2023. The consultation also provided an option for a slower timeframe, implementing changes in the next Senedd term (from 2028), or staged timeframe, implementing minimal change in 2025 and expanded change in the next Senedd term. The Phase 2 consultation received 1,676 responses, reflecting a wide range of views. Whilst respondents generally recognised the need for reform, the most popular option chosen on the pace of reform was a slower timeframe, from 2028.
- 4.15 A [statement](#) along with a [summary of responses](#) was published on 15 May 2024, outlining the Welsh Government's plans. The statement further clarified that the Welsh Government will begin five-yearly revaluations from 2028. This would keep council tax fair and responsive to economic circumstances, and provide a regular opportunity for taxpayers to engage with the revaluation process, improving the transparency of how things work. Placing regular updates on a statutory footing will provide much needed clarity for taxpayers and local authorities.
- 4.16 Research undertaken to inform council tax reform in Wales includes the following.
- Extensive work undertaken by the Institute for Fiscal Studies (IFS) as presented in its [Revaluation and reform of council tax in Wales](#) report published in 2020, commissioned by the Welsh Government, which helped focus on the ways in which a fairer council tax system could be created. This analysis was updated in [2022](#). A further [IFS report](#) was published to coincide with the publication of the Phase 2 consultation in November 2023.
 - In the March 2022 wave of the Wales Omnibus survey, undertaken by Beaufort Research, the Welsh Government commissioned a set of questions about people's knowledge and attitudes towards council tax. This involved collecting the views of a representative sample of 1,000 Welsh residents aged 16 years and over on the current system of local taxation for households. The findings were presented in a [Survey of public attitudes to council tax](#) report. We included a similar set of questions in the [March 2023 wave](#) of the survey to explore any changes in attitudes to council tax in Wales since March 2022, as well as to gather further views on reform proposals. The results for this year remained largely consistent with the previous year.
 - Policy In Practice was appointed to undertake detailed research into the operation of the Council Tax Reduction Scheme which provides financial support to low-income households. The [report](#) was published in 2020 and utilised a mix of surveys, semi-structured interviews with

Welsh taxpayers and statistical analysis of administrative datasets. The total sample size for surveys and interviews was 959.

- Miller Research was appointed to deliver a series of focus groups from February to July 2023. These explored public perceptions of council tax generally and what people understand about the Welsh Government's reform plans. The sample sizes were in the range of 40-50 Welsh council tax payers from across all regions of Wales with diverse backgrounds and from different economic and social groups. The findings are being used to inform future communication products on council tax and council tax reform.

4.17 Ongoing engagement with delivery partners in respect of council tax reform has been undertaken, and continues to take place, through working groups to support the Review of Discounts, Disregards, Exemptions and Premiums and the Review of the Council Tax Reduction Scheme.

Further information

4.18 A compiled list of our evidence to date can be found on the Welsh Government's website: [Evidence and research on council tax and non-domestic rates | GOV.WALES](#). This page is updated regularly.

Reasons for not consulting on a draft of the Act

4.19 The provisions included in the Act mostly align with the proposals set out in the consultation outlined above. Given the breadth and depth of engagement in respect of the proposals over a prolonged period, it was not considered necessary to consult on a draft of the Act.

5. Power to Make Subordinate Legislation

5.1 The Act contains provisions to make subordinate legislation and issue guidance. Table 5.1 (subordinate legislation) and Table 5.2 (guidance) set out in relation to these:

- i. the person upon whom, or the body upon which, the power is conferred;
- ii. the form in which the power is to be exercised;
- iii. the appropriateness of the delegated power;
- iv. the applied procedure; that is, whether it is 'affirmative', 'negative', or 'no procedure', together with reasons why it is considered appropriate.

5.2 The Welsh Government will consult on the content of the subordinate legislation where it is considered appropriate to do so. The precise nature of consultation will be decided when the proposals have been formalised.

Table 5.1: Summary of powers to make subordinate legislation in the provisions of the Local Government Finance (Wales) Act 2024

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
4	Welsh Ministers	Regulations	Section 4 of the Act inserts section 54AB into the Local Government Finance Act 1988 ('the 1988 Act'), providing the Welsh Ministers with a power to change a non-domestic rates revaluation year or the interval between revaluation years by regulations. To date, a revaluation year could only be altered through primary legislation. The Welsh Government has achieved this several times in recent years by using UK Government legislation. Conferring the power will enable the Welsh Ministers to change a revaluation year and the interval between revaluation years by regulations, and to make consequential or incidental amendments. This will provide the Welsh Ministers with the flexibility to respond to economic changes or other factors in a more timely manner for the benefit of stakeholders in Wales.	Draft Affirmative	The power enables amendments to be made to specified provisions in primary legislation.

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
5	Welsh Ministers	Regulations	Schedules 4ZA, 4ZB and 5A to the 1988 Act set out reliefs from non-domestic rates. Section 5 of the Act inserts powers into each of these Schedules to enable the Welsh Ministers to confer vary or withdraw reliefs. This will provide the Welsh Ministers with the flexibility to respond to changing priorities and evolving circumstances. Currently, the Welsh Ministers' ability to make such changes by regulations is inconsistent. The Welsh Ministers have previously taken powers in UK Government Bills to ensure new reliefs can be provided to ratepayers in Wales. In other instances, changes can be made through existing regulation-making powers. Conferring the powers will enable the Welsh Ministers to change the landscape of statutory relief schemes as and when necessary, without having to rely on grant schemes or local authority discretion in times of emergency.	Draft Affirmative	The powers enable amendments to be made to specified provisions in primary legislation and non-domestic rates liability to be adjusted. The subject-matter of the regulations will not be limited to relatively minor detail and will involve financial implications for the Welsh Government and ratepayers.

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
9	Welsh Ministers	Regulations	Schedule 5 to the 1988 Act makes provision about hereditaments which are exempt from non-domestic rates and includes a limited power for Welsh Ministers to confer additional exemption. In circumstances where it is considered that a type of hereditament should not be liable for non-domestic rates on a long-term or permanent basis and a revaluation may be difficult or provide no benefit, an exemption may be more appropriate than a full relief from liability. Section 9 of the Act replaces the existing limited power with a new power for the Welsh Ministers to confer, vary or withdraw exemptions by regulations. The power will provide consistency between the systems of exemptions and reliefs, with respect to the way in which changes may be made.	Draft Affirmative	The power enables amendments to be made to specified provisions in primary legislation and non-domestic rates liability to be imposed or removed. The subject-matter of the regulations will not be limited to relatively minor detail and will involve financial implications for the Welsh Government and ratepayers.
10	Welsh Ministers	Regulations	Schedule 7 to the 1988 Act makes provision for the calculation of non-domestic rates multipliers. Section 10 of the Act restates the existing powers of the Welsh Ministers in relation to	Draft Affirmative	The power enables non-domestic rates liability to be adjusted. The subject-matter of the regulations will not be

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
			multipliers and inserts a new power to set differential multipliers based on the rateable value, location or description of a hereditament on a local rating list or on the rateable value of a hereditament on the central rating list. Currently a single multiplier applies to all hereditaments in Wales which means that over 125,000 properties are treated exactly the same in respect of it. The Welsh Ministers have the power to set the existing multiplier at any level, but not to prescribe differential multipliers for different types of property. The power will enable the Welsh Ministers to treat different types of property in a more targeted way and in a way which contributes to wider policy ambitions (for example, a reduced multiplier for 'green' businesses, hereditaments with a lower rateable value, or those located within enterprise zones and high street regeneration schemes).		limited to relatively minor detail and may involve financial implications for the Welsh Government and/or ratepayers.
13	Welsh Ministers	Regulations	Section 13 of the Act inserts sections 63F to 63M into the 1988 Act,	Draft Affirmative	The power enables non-domestic rates liability to

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
			providing a power for the Welsh Ministers to make regulations specifying the type of arrangement which is to be treated as artificial and whether a specific arrangement will not be treated as artificial if a determination to that effect is made. Currently, the Welsh Ministers may only make regulations to help identify non-domestic rates liability. Conferring the power will enable artificial non-domestic rating avoidance arrangements to be identified so that advantages arising from those arrangements can be counteracted. The Welsh Ministers are provided with powers to: specify that a civil penalty may be imposed for failure to pay an amount due as a result of having made an artificial avoidance arrangement, amend the maximum penalty and make further provision for the collection and enforcement of penalties.		be adjusted to counteract avoidance and civil penalties to be provided for. The regulations will have financial implications for ratepayers.
17	Welsh Ministers	Order	Power for the Welsh Ministers to be able to change the reference point or labelling of any future band structure.	Draft Affirmative	The power enables amendments to be made to specified provisions in primary legislation.

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
			Currently, Band D is set as the “reference” point by which the proportion of council tax is set in relation to each other band. It would be beneficial to be able to set the reference point for 100% at something different than band D if needed and/or to be able to change the descriptions of bands (for example from letters A,B,C to numbers 1,2,3 etc). Conferring the power will enable the Welsh Ministers to change the labelling of any future band structure developed as part of a revaluation exercise.		
18	Welsh Ministers	Regulations	Section 18(5) of the Act inserts section 11E into the Local Government Finance Act 1992 (‘the 1992 Act’), providing the Welsh Ministers with powers to set the levels and prescribe the conditions or criteria that must exist for a discount to apply. Section 11E also extends powers for Welsh Ministers to make regulations to determine categories of resident that are disregarded for the purposes of discount. This will have the effect of	Draft Affirmative	The Regulations will require an appropriate level of scrutiny from the Senedd owing to impacts on citizens and the financial implications for local authorities.

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
			placing details relating to the conditions and descriptions of a person who is disregarded for the purposes of a discount all in one place within regulations. Section 18(5) of the Act inserts section 11F into the 1992 Act. This preserves the effect of Section 12 (1) of the 1992 Act for Welsh Ministers to prescribe by regulations classes of dwellings in relation to which a billing authority may by determination either disapply or reduce a discount. Section 18(2) of the Act amends sections 6 and 9 of the 1992 Act and confers a power on the Welsh Ministers to provide for categories of person who should be disregarded for the purpose of determining joint and several liability in relation to council tax. Conferring these powers will enable the Welsh Ministers to modernise the system of discounts and disregards – making it better adapted to current needs and simpler and ensuring that it		

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
			can more easily take account of the changing requirements and expectations of Welsh society.		
19	Welsh Ministers	Regulations	Duty on the Welsh Ministers to set a national Council Tax Reduction Scheme which allows the Welsh Ministers to make in-year changes if required. The duty will be exercised by the Welsh Ministers to set out a national reduction scheme with a duty on local authorities to administer the scheme at a local level. The Welsh Ministers will be able to introduce in-year changes to the scheme to react to emerging situations.	Negative	The Council Tax Reduction Scheme makes a significant financial contribution to tackling poverty across Wales. The level of scrutiny provided by the negative procedure is considered sufficient.
20	Welsh Ministers	Order	The conferring of the power enables the Welsh Ministers to amend section 22B(3B) of the 1992 Act so as to change a council tax revaluation year and to amend section 22B(3B) of the 1992 Act so as to change the interval between council tax revaluation years. The Act provides for a regular revaluation cycle for council tax in Wales with scheduled revaluations taking place every five years.	Draft Affirmative	The power enables amendments to be made to specified provisions in primary legislation.

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
			However, there might be circumstances in which it would be beneficial for the date of a scheduled revaluation to be changed – for example, in the event of a future pandemic or economic turbulence. More frequent revaluations will also ensure that valuations more closely reflect contemporary property values.		
20	Welsh Ministers	Order	Conferring of the power for the Welsh Ministers to amend the date by which copies of draft valuation lists for properties liable to council tax must be sent to billing authorities. Current legislation specifies that a copy of the draft new valuation list has to be sent to billing authorities no later than seven months before the new list is finalised and comes into force (“compiled”). With more frequent revaluations, this deadline could become impracticable. This power allows the Welsh Ministers to make this technical change as and when necessary.	Negative	This is a technical change so the level of scrutiny provided by the negative procedure is considered sufficient.
22	Welsh Ministers	Regulations	Regulations are the appropriate legislative vehicle for the technical	Negative where the amendment is	The level of scrutiny afforded by the affirmative procedure is

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
			consequential amendments which will need to be made as a result of the Act.	to secondary legislation, affirmative where the amendment is to primary legislation	only considered to be required where consequential amendments are made to primary legislation.
23	Welsh Ministers	Order	The use of delegated powers for commencement (and associated transitional or saving provisions) has a strong precedent.	No procedure	Orders will bring the Act provisions into force and ensure that the appropriate technical provision is made to ensure an orderly transition.
Paragraph 13 (2)(m) of the Schedule	Welsh Ministers	Regulations	This provision allows the Welsh Ministers to make regulations about the notices which can be issued under paragraphs 4M and 5ZC of Schedule 9 to the 1988 Act. It is appropriate to delegate this power as this will provide the Welsh Ministers with flexibility to introduce further requirements in a timely manner.	Negative	The subject-matter of the regulations would be relatively minor detail in the context of the overall legislative scheme for the requirements to provide information.
Paragraph 13 (2)(n) of the Schedule	Welsh Ministers	Regulations	This provision allows the Welsh Ministers to make regulations to increase or decrease the amount of any penalty issued under paragraphs 5ZC or 5ZD of Schedule 9 to the 1988 Act. It is appropriate to delegate this	Draft Affirmative	The regulations would alter the level of the civil penalty which would be imposed.

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
			power as this will provide flexibility for the Welsh Ministers to introduce changes, particularly if this is required to ensure the penalty regime is consistent with the equivalent regime in England.		
Paragraph 13(3)(b) and (c) of the Schedule	Welsh Ministers	Regulations	These provisions expand the existing power of the Welsh Ministers (in paragraph 11 of Schedule 11 to the 1988 Act) to specify the circumstances in which appeals may be made to the Upper Tribunal. This ensures that the Welsh Ministers could provide for such appeals in the context of duties on ratepayers to provide information to the VOA, HMRC and local authorities. It is appropriate to delegate this power as this is consistent with the existing power.	Negative	The negative procedure is applicable to the regulations which may already be made under paragraph 11 of Schedule 11 to the 1988 Act.
Paragraph 18(2)(b) of the Schedule	Welsh Ministers	Regulations	This provision expands the existing power of the Welsh Ministers (in paragraph 11 of Schedule 11 to the 1988 Act) to specify the circumstances in which appeals may be made to the Upper Tribunal. This ensures that the Welsh Ministers could provide for such appeals in the context of artificial arrangements to avoid NDR liability. It is appropriate to delegate this power	Negative	The negative procedure is applicable to the regulations which may already be made under paragraph 11 of Schedule 11 to the 1988 Act.

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
			as this is consistent with the existing power.		

Table 5.2: Summary of powers to issue guidance in the provisions of the Local Government Finance (Wales) Act 2024

Section	Power conferred on	Form	Appropriateness of delegated power	Procedure	Reason for procedure
19(2)(f)	Welsh Ministers	Guidance	A power for the Welsh Ministers to issue guidance to billing authorities about the application and implementation of the national Council Tax Reduction Scheme. The ability to issue guidance to local authorities will enable the Welsh Ministers to ensure consistency in the way the national Council Tax Reduction Scheme is implemented.	No procedure	Guidance is considered appropriate as it is intended to facilitate the application and implementation of primary legislation.

PART 2 – REGULATORY IMPACT ASSESSMENT

6. Regulatory Impact Assessment Summary

- 6.1 A Regulatory Impact Assessment has been completed for the Act and it follows below.
- 6.2 There are no specific provisions in the Act which charge expenditure on the Welsh Consolidated Fund.
- 6.3 The following table presents a summary of the estimated costs and benefits for the Act as a whole. The table has been designed to present the information required under Standing Order 26.6 (viii) and (ix).

Summary

Local Government Finance (Wales) Act		
Preferred option: Introduce legislation containing provisions which contribute to the reform of the system of local taxes in Wales – non-domestic rates and council tax. In addition to making provision for explicit changes to the local tax systems, the Act includes powers for the Welsh Ministers to make negative procedure subordinate legislation and draft affirmative procedure subordinate legislation in specified areas. These powers provide the Welsh Ministers with the ability to respond in a timely way to emerging developments and changing priorities in ways which meet the needs of Wales. As and when subordinate legislation is made under these powers, they will be subject to consultation and appropriate Senedd procedures, including detailed analysis of the potential impacts, costs and benefits. This assessment focuses on the impacts, costs and benefits of the provisions in the Act itself. Many of the benefits of the Act, for example improvements to fairness and the better reflection of economic conditions through regular or more frequent valuation cycles, are not quantifiable. These are therefore not reflected in the tables but are outlined in the narrative to each section.		
Stage: Stage 4	Appraisal period: 2024-25 to 2033-34	Price base year: 2023-24
Total Costs Total: £106.1m Present value: £86.3m	Total Benefits Total: £14.9m Present value: £12.4m	Net Present Value (NPV): £-73.8m

Administrative Costs

Costs: The majority of estimated administration costs, £63.7m, are allocated to the work carried out by the Valuation Office Agency in respect of both non-domestic rates and council tax provisions.

Other administration costs relate to £5.2m of non-cash costs allocated to local authorities as opportunity costs to cover staff capacity and activity related to non-domestic rates and council tax revaluation processes.

Estimated capital costs of £224,000 are allocated to local authorities and the Valuation Tribunal for Wales for updating IT systems in relation to the introduction of regular council tax revaluations.

The remaining estimated revenue costs relate to activity undertaken by the Valuation Office Agency and Valuation Tribunal Wales.

There are no administration costs allocated to the Welsh Government.

Transitional: £224,000	Recurrent: £86m	Total: £86.2m	Present Value: £70.1m
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Cost savings: There are no immediate cash savings identified.

It is anticipated there will be long-term non-cash savings to the Welsh Government and local government as a consequence of the Act's provisions. The new processes and approach to valuations will create efficiencies for the Welsh Government, Valuation Office Agency and local authorities that are currently considered opportunity costs. However, the considerations to be taken into account will vary greatly according to local circumstances and, therefore, the cost-savings are unknown.

Transitional: £0	Recurrent: £0	Total: £0	Present Value: £0
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Net administrative cost: £86.2m

Compliance Costs

These estimated non-cash costs relate to a new duty to supply up-to-date information to the Valuation Office Agency and are allocated to non-domestic ratepayers. They relate to the potential additional time taken for ratepayers to complete the appropriate on-line processes, which has been monetised for the purpose of the Regulatory Impact Assessment.

The benefit of the new duty is to help deliver a more accurate and efficient non-domestic rates revaluation process, reducing the number of appeals against non-domestic rates valuations and providing ratepayers with more accurate bills.

Transitional: £0	Recurrent: £14.9m	Total: £14.9m	Present Value: £12.1m
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Other Costs

Other estimated costs are the additional contribution in non-domestic rates relief, which is also a direct benefit to ratepayers, split between the Welsh Government (£1.24m) and local authorities (£3.71m).

Transitional: £0	Recurrent: £4.9m	Total: £4.9m	Present Value: £4.1m
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Unquantified Costs and Disbenefits

The Act provides powers for the Welsh Ministers to make subordinate legislation in specified areas relating to non-domestic rates and council tax. Proposals for changes using the powers provided to the Welsh Ministers have not been costed. It is not possible to estimate any potential financial costs (or benefits), given that these would depend on the specific nature of the changes made by the subordinate legislation at the time.

The costs of any changes introduced through subsequent subordinate legislation would be set out in the regulatory impact assessment for the relevant legislation and subject to scrutiny during that process.

Benefits

Many of the benefits of the Act are not quantifiable. The key benefit of the Act is to introduce provisions to enable improvements to the system of local taxes in Wales, ensuring the system is more responsive to constantly evolving needs and changes in socio-economic circumstances, and can be shaped by policy priorities for Wales. The Act ensures that the benefits of the tax revenue can continue to be secured for investment in public services in Wales while also providing direct benefits for taxpayers.

The Act will provide future benefits from alignment with other tax systems, therefore benefitting from interdependencies and process improvement, reducing national differences in approach and maintaining economies of scale in the work of the Valuation Office Agency.

Additional efficiencies for taxpayers, the Valuation Office Agency, the Welsh Government and the Valuation Tribunal for Wales are expected to emerge during the life of the Act implementation, as and when these reforms are introduced.

The Act also provides local authorities with additional autonomy in certain areas which acknowledges the role local authority officers have in applying local knowledge and expertise when considering issues like non-domestic rates relief. A direct financial benefit of the Act to non-domestic ratepayers is the potential award of an additional £6.0m of relief on non-domestic rates bills.

Chapter 9 (Integrated Impact Assessments) of the Explanatory Memorandum set out the social, cultural, economic and environmental benefits that are anticipated from the reforms outlined in the Act.

Total: £14.9m

Present Value: £12.4m

Key Evidence, Assumptions and Uncertainties

This regulatory impact assessment has been informed by evidence and discussions with key stakeholders, e.g. the Valuation Office Agency, the Valuation Tribunal for Wales and local authorities, as well as by wide-ranging public consultations on the proposals delivered by the Act. A variety of administrative data, research and evidence relating to Wales has been used to inform the analysis.

An area of uncertainty is the business systems transformation programme currently taking place at the Valuation Office Agency. The Valuation Office Agency, which works independently of the Welsh Government, provides support to both the non-domestic rates and council tax systems, including setting property valuations which underpin the administration of both local taxes.

The planned transformation programme will change the way in which the Valuation Office Agency undertakes its responsibilities and could provide efficiency benefits for Wales, making accurate costs for both non-domestic rates and council tax revaluations difficult to outline. The Valuation Tribunal for Wales is also currently undertaking planned organisational change, primarily to be able to respond to the

potential increase in activity from other local tax reforms and wider tribunal reform across Wales. Therefore, it is worth noting that a number of these costs are based on assumptions that relate to decisions that are yet to be taken. Such costs are preliminary and could change as a result of associated decisions at the time.

Engagement with local authorities has been conducted via formal consultative groups, such as the Finance Sub Group of the Partnership Council for Wales, and through official groups, such as the Local Tax Reform Working Group established in 2021 which also comprises members representing other stakeholders such as the Welsh Local Government Association, the Valuation Office Agency and the Valuation Tribunal for Wales.

Working with the Welsh Local Government Association, a survey was used to collect cost estimates and information from local authorities on how specific provisions in the Act would affect local authority non-domestic rates and council tax administration. We asked all local authorities to provide data: six responded. We have ensured the sample covers both urban and rural authorities as well as providing geographical coverage across Wales. The sample is considered representative enough to calculate high level estimates. Costs allocated to local authorities are therefore based on the Welsh Government's analysis, incorporating the feedback from the survey as appropriate. While the responses from the local authorities that responded provide consistent and similar feedback across the survey, there is a risk that there could be variation across local authorities that has not been accounted for.

7. Structure of the Regulatory Impact Assessment, Principles and Caveats

7.1 The regulatory impact assessment for the Act is structured around two core policy areas: non-domestic rates and council tax. The costs and benefits associated with each option are presented in Chapter 8 of this Explanatory Memorandum and are set out as follows:

Non-Domestic Rates Provisions	Page
• Rating Lists: More Frequent Revaluations	51
• Powers to Confer, Vary and Withdraw Reliefs and Exemptions by Regulations	58
• Charitable Relief for Empty Properties	61
• Completion Notices	64
• Simplification of Discretionary Relief	67
• Power to Prescribe Differential Multipliers by Regulations	70
• Provision of Information to Valuation Officers	73
• Anti-Avoidance Provisions	78
 Council Tax Provisions	
• Regular Revaluations	80
• Discounts and Disregards	89
• Council Tax Reduction Scheme	93
 Summary of Costs and Benefits – Tables	 95

7.2 The following principles and caveats have been used as a basis for the assessments undertaken in this regulatory impact assessment.

- All options and costings are considered over either the life of the project or process, or over a ten-year period (fiscal years) starting in 2024-25.
- Each option and its costs and benefits are specific to the legislative provisions set out in the legislation. For example, the regulatory impact assessment does not include costs for the routine management and administration of the local tax systems as these will largely be unaffected by the Act's provisions. Only additional costs brought about by the Act that deviate from the baseline have been outlined.
- The cost and benefit analysis for the council tax options outlined, must be considered in conjunction with the wider reform programme as highlighted in Chapter 3 of the Explanatory Memorandum, such as enhanced information services provided by the Valuation Office Agency to improve communication with taxpayers and an improved appeal process. Additional efficiencies for taxpayers, the Valuation Tribunal for Wales, the Welsh Government and the Valuation Office Agency could emerge during

the life of the Act implementation, as and when these reforms are introduced.

- The reforms outlined in the regulatory impact assessment will be carried out in planned phases. The review of council tax discounts, disregards and exemptions ran in parallel with the passage of the Act and is expected to be completed in due course. This phasing of provisions is therefore reflected within the regulatory impact assessment in the allocation of costs and benefits to specific years.
- Where reforms create additional legislation or implementation activity for Welsh Government officials, capacity will be found within existing staff numbers within the appropriate teams. Opportunity costs may occur as staff time is moved to areas of priority to concentrate on these activities. However, these costs have not been quantified as internal management of staff is considered a business-as-usual activity.
- Communicating how the reforms to local taxes to taxpayers and stakeholders has not been allocated an additional cost as it considered to be a business-as-usual activity, primarily making use of existing established resources and regular fora.
- The regulatory impact assessment does not represent the costs and benefits of the subordinate legislation that may be brought forward using the powers in this Act. A number of the policy options outlined in the regulatory impact assessment include elements where powers will be created to give flexibility for the Welsh Ministers to respond to changing socio-economic conditions, to tailor the local taxes to the needs of Wales and to affect emerging and cross-cutting policy ambitions. The costs of any changes introduced through subsequent subordinate legislation would be set out in the regulatory impact assessment for the relevant legislation. Therefore, this regulatory impact assessment does not include estimates of costs for potential or possible future legislative changes.

7.3 The Welsh Government recognises that further assessment will be required at the time of enactment given the provisions providing the Welsh Ministers with powers to make changes via subordinate legislation. Costs attributed to these provisions will arise as and when any subordinate legislation is prepared and will be reflected in their accompanying impact assessments.

7.4 Costs are rounded to the nearest £1,000. In line with HM Treasury Green Book guidance, all costs are presented in constant prices with a 2023-24 base year. HM Treasury's central discount rate of 3.5% has been used to calculate present values.

8. Options, Costs and Benefits

Overarching Policy Aims

- 8.1 Chapter 3 in the Explanatory Memorandum sets out in detail how the Act provides a legal framework and structure to support the delivery of our overarching policy aims for local government finance reform.
- 8.2 In summary, the changes we propose will make the framework for local taxes more:
- closely aligned with changes in market conditions;
 - responsive to the evolving context for households, businesses and other ratepayers; and
 - tailored to the needs of Wales needs by being established and maintained within devolved powers and structures.

Policy Options and Cost-Benefit Analysis

- 8.3 This part of the regulatory impact assessment sets out the different options associated with the policy – each option reflecting different courses of action for the Welsh Government.
- 8.4 This includes ‘business as usual’ – reflecting retention of the status quo – and the options considered as routes to deliver the main aims of the policy.
- 8.5 The analysis of the costs and benefits of the policy, presented after each option, is based on a comparison of the policy’s implementation compared to the status quo, to gauge the extent of impacts.
- 8.6 Details of each option are explained in the sections that follow.
- 8.7 The regulatory impact assessment does not fully mirror the structure of the Act, as some sections are grouped to present the costs and benefits of provisions which relate to each other in a more accessible way.

Non-Domestic Rates Provisions

- 8.8 This section outlines the policy options for the changes to the non-domestic rates system.

Non-Domestic Rates – Rating Lists: More Frequent Revaluations

Description: The Act increases the frequency of non-domestic rates revaluations from every five years to every three years.

- 8.9 Undertaking more frequent revaluations will ensure that the non-domestic rates system responds to economic change in a timely manner. It helps ensure that relative changes within the tax-base are more frequently updated and that, as a result, the overall liability for the tax is redistributed more often.

- 8.10 The current revaluation cycle is generally considered to be too long by stakeholders, who have called for property valuations to be updated more frequently to reflect changing economic and market conditions. In recent years, alterations to the timing of individual revaluations, to deliver policy decisions and respond to unforeseen events, have required primary legislation. This has been necessary twice since 2017 through a legislative consent motion for a UK Government Bill, in the absence of a suitable legislative vehicle in the Senedd.
- 8.11 Similar changes are being taken forward in England, Scotland and Northern Ireland. The UK Government has recently legislated to introduce a three-year revaluation cycle for England through the Non-Domestic Rating Act 2023.
- 8.12 The impacts of the changes must be assessed in conjunction with two key dependencies. Firstly, without the provisions in this Act for a duty on ratepayers to supply the Valuation Office Agency with up-to-date information affecting the valuation of their property, revaluations would be more costly to deliver. Secondly, alignment with the approach being delivered in England (in relation to revaluation cycles and information provision) provides economies of scale and administrative efficiencies for the delivery of the Valuation Office Agency's services for Wales.
- 8.13 Other alternative cycles, including the option of two-yearly revaluations, have been considered. Divergence of approach from other nations would create significant uncertainty for ratepayers operating elsewhere in the UK. At this stage, a differing approach would not be deliverable by the Valuation Office Agency, with wider changes such as improved information flows and business system transformation required to make this a viable option in the future. The benefits of the economies of scale outlined above and the capacity of the Valuation Office Agency to deliver to a shorter revaluation cycle, meant this option was ruled out. The fundamental nature of the changes required to deliver this option have made it unfeasible to calculate cost estimates in any meaningful way.
- 8.14 Therefore, two options were considered in this instance, as there is no practical alternative course of action that would achieve the outcomes required.

Option 1 – Business as Usual: Maintain the current revaluation cycle of five years. Any alteration to this cycle would require a change to primary legislation.

Costs

- 8.15 In retaining the current revaluation cycle of five years, Wales would fall out of sync with the revaluation cycles in the rest of the UK. This option would create a substantial addition to the work of the Valuation Office Agency in managing separate valuation cycles for Wales and England. As properties in Wales would be valued at a different time from the much larger tax-base in England, this could reduce the robustness of evidence underpinning the valuations of properties in Wales. This would risk greater volumes of

challenges and appeals which, if successful, would lead to rateable value loss. Wales could also lose the economies of scale which arise from using the same valuation cycle as England and incur additional costs. The costs associated with this are challenging to fully quantify. They would include an increase in resource requirements across all valuation areas and, in particular, in relation to the development of Wales-only schemes for specialist property classes (usually low-volume high-value). The Valuation Office Agency estimates the additional resourcing requirement would cost around £1m per revaluation cycle (based on assuming a three-year cycle offset from England). This estimate is based on the assumption that the Valuation Office Agency's wider transformation agenda and other related reforms (including those provided by section 12 of the Act) are in place.

- 8.16 A potential cost to ratepayers could arise if economic and market conditions change significantly during a five-year period. In this scenario, rates could remain higher for certain sectors than would otherwise be payable, whilst other sectors would be paying lower rates, not reflecting their current conditions. Where economic conditions are unfavourable, this could impact the stability of the tax-base and result in larger adjustments when revaluations occur. No estimate has been made for these costs; the number of variables involved make assessing potential scenarios disproportionate and unrealistic. A lack of consistency in revaluation cycles across the UK could make it difficult for businesses to assess the comparative costs of establishing, expanding or running their business.

Benefits

- 8.17 There is a benefit for taxpayers and local authorities in maintaining the status quo, providing certainty that rates will not change for five years once a revaluation has taken place, aiding business planning. However, many stakeholders have raised concerns that the current five-year period exposes ratepayers to significant changes once revaluations occur and support a shorter cycle.

Summary

- 8.18 While this option offers some certainty for ratepayers and local authorities, there is no flexibility within the current system to adapt to economic or market conditions within the five-year time period. By maintaining the current cycle, indirect costs and impacts could materialise over time due to divergence from the revaluation cycle in England and the loss of some economies of scale.

Option 2 – Preferred Approach: Shorten the revaluation cycle to three years. The Act also provides the Welsh Ministers with the ability to change the date of an individual revaluation or the length of the cycle by regulations.

Costs

- 8.19 Shortening the interval between revaluations will incur additional operational costs for the Welsh Government and delivery partners in the short term. The costs of the revaluation itself would fall to the Welsh Government, through its funding to the Valuation Office Agency. Additional costs to local authorities,

the Valuation Office Agency and the Valuation Tribunal for Wales are based on administrative activities which could initially exceed existing capacity.

- 8.20 Ratepayers may see a change in their liability because of a revaluation, but this cannot be costed with any certainty until a revaluation exercise has taken place. As revaluations are a revenue neutral exercise, any changes in liability will balance out across the tax-base.

Revaluation Exercise Costs

- 8.21 These costs will fall to the Welsh Government, in funding the Valuation Office Agency to revalue over 125,000 non-domestic properties in Wales. Table 8.2 highlights the cost of a three-year revaluation cycle (the orange shading highlighting the movement of the valuations in terms of timings). The Valuation Office Agency costs are based on the established cost of delivering a single revaluation being incurred more frequently. A single revaluation exercise costs around £4.5m over the three years up to and including the year in which a new rating list is compiled. The costs are spread in this way as the Valuation Office Agency spends the two years leading up to a revaluation gathering the evidence required to value all properties in the tax-base and compiling a draft rating list. These costs are expected to reduce over time as other provisions in the Act to support improvements in the provision of information by ratepayers to the Valuation Office Agency are implemented.
- 8.22 Evidence from the Valuation Tribunal for Wales suggests that the annual number of appeals from ratepayers remains relatively consistent across the revaluation period, with a slight increase in the year before a revaluation. By shortening the time between revaluations, it is anticipated that the pattern of appeals may change, and that overall volumes for each new rating list may fall as valuations become more closely aligned to market conditions. A neutral overall outcome is expected from a balance between more frequent opportunities to appeal a new valuation and a reduced appetite to appeal a valuation that is more up-to-date and frequently reviewed. There are, therefore, no additional costs estimated to continue to administer the non-domestic rates appeals system under this option.

Welsh Government Costs

- 8.23 As outlined in chapter 7 on the 'Structure of the Regulatory Impact Assessment, Principles and Caveats', particularly the fifth bullet point in paragraph 7.2 changes in the Act which result in Welsh Government activity in terms of additional legislation or administration, will not see an increase in overall staff numbers. Instead, capacity will be allocated from existing staff by moving staff from other work areas on a temporary basis. These opportunity costs have not been quantified as internal management of staff is considered a business-as-usual activity.

Ratepayer Costs

- 8.24 The change to 3-year regular revaluation cycle will not in itself create a cost for ratepayers. Costs and benefits to ratepayers would only occur if the revaluation of the tax-base meant that individual properties attract a new rateable value. These costs and benefits have not been quantified as they will be unknown until a revaluation is carried out and balanced across the tax-base as a whole.

Administration Costs

- 8.25 These costs will mainly fall to local authorities that will deliver the implementation of a new revaluation. Revaluations result in altered liabilities for ratepayers, with local authorities required to update their billing systems to implement a new rating list. Local authorities are already required to bill on an annual basis, so the costs outlined are considered here are the direct result of revaluations occurring more frequently, in relation to IT costs for any new software updates and process improvements. The costs are based on Welsh Government analysis, incorporating a small number of returns of a survey sent to all local authorities, asking for estimates on how the impacts would affect their council tax administration. Six local authorities returned a completed survey.
- 8.26 Those local authorities that did complete a questionnaire all indicated that the impacts of a revaluation on their non-domestic rates administration processes would be limited to additional IT updates and testing, as well as a small amount of additional engagement with ratepayers. An outline of these costs has been included in Table 8.1 and included in the main revaluation Table 8.2 to highlight when they occur.

Table 8.1 – Local authority additional estimated revaluation costs (£000)

Cost Types	All Local Authorities
IT Costs	110
Staff Costs (IT)	81
Staff Costs (Engagement)	140
Total	331

- 8.27 It has been assumed that no additional permanent staffing capacity will be recruited to local authorities to cover the small increases in administration activity. Staff resource will be allocated within the existing non-domestic rates administration teams as priorities dictate and are therefore considered an opportunity cost.

Table 8.2 – Non-domestic rates estimated revaluation costs (£000)

Option 1 BAU – 5-Year Cycle	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Welsh Government	0	0	0	0	0	0	0	0	0	0	0
Valuation Office Agency Costs	0	0	1,500	1,500	1,500	0	0	1,500	1,500	1,500	9,000
Valuation Tribunal for Wales Costs	0	0	0	0	0	0	0	0	0	0	0
Local Authority Costs	0	0	0	0	331	0	0	0	0	331	662
Total	0	0	1,500	1,500	1,831	0	0	1,500	1,500	1,831	9,662

Option 2 – 3-Year Cycle	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Welsh Government	0	0	0	0	0	0	0	0	0	0	0
Valuation Office Agency Costs	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	15,000
Valuation Tribunal for Wales Costs	0	0	0	0	0	0	0	0	0	0	0
Local Authority Costs	0	0	331	0	0	331	0	0	331	0	993
Total	1,500	1,500	1,831	1,500	1,500	1,831	1,500	1,500	1,831	1,500	15,993

Total Costs of Change	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
BAU – 5-yearly Revaluations	0	0	1,500	1,500	1,831	0	0	1,500	1,500	1,831	9,662
Option 2 – 3-yearly Revaluations	1,500	1,500	1,831	1,500	1,500	1,811	1,500	1,500	1,831	1,500	15,993
Total	1,500	1,500	331	0	- 331	1,831	1,500	0	331	- 331	6,331

Benefits

- 8.28 The main benefits of an increased frequency of revaluation are to the non-domestic rates system as a whole. The increased frequency of revaluations will improve the fairness of the system and its responsiveness to economic changes, striking a balance with stability and certainty for ratepayers and ensuring the valuations which determine bills for ratepayers better reflect current market conditions.
- 8.29 In the [2022 public consultation](#) on proposed non-domestic rates reforms, out of 68 responses received, three quarters were in favour of the proposal for revaluations to occur every three years. From the responses, the general reason given for this option was it would ensure the non-domestic rates system became more responsive to economic changes, while also maintaining a degree of certainty with liabilities not altering too frequently. This view was held by a range of stakeholders from different groups and was widely supported by local government respondents.
- 8.30 Ratepayers will benefit from more gradual changes in property values, as more frequent revaluations can limit the effect of variations in economic and market conditions that are exacerbated by longer revaluation cycles. Where property values for sectors of the tax-base are on an upward trend, more frequent revaluations are likely to help smooth changes over time, so that increases from one list to the next are less marked. Where property values are decreasing, the benefit of reduced non-domestic rates liability will be realised sooner.
- 8.31 Ratepayers in Wales would be subject to the same non-domestic rates revaluation cycle as those in England, Scotland and Northern Ireland, reducing national differences in approach and maintaining economies of scale in the work of the Valuation Office Agency.

Summary

- 8.32 Option 2 is the preferred option. The total additional costs of option 2 is **£6.3m** over the 10-year appraisal period. Increasing the frequency of revaluations would also represent a fundamental and meaningful improvement in the non-domestic rates system and help to ensure greater distributional fairness. It also aligns with revaluation cycles across the UK.

Non-Domestic Rates – Powers to Confer, Vary and Withdraw Reliefs and Exemptions by Regulations

Description: This section focuses on provisions to improve the operation of non-domestic rates reliefs and exemptions, including changes which will enable Welsh Ministers to ensure support is targeted more effectively to reflect government priorities.

- 8.33 The landscape of non-domestic rates reliefs has increased in scale and complexity over time. Currently, the operation of most long-established relief schemes is set out in primary legislation, with some flexibility to define certain parameters in subordinate legislation. A very small number of reliefs are defined wholly in regulations (e.g. transitional relief). As a consequence, there is inconsistency in the extent to which the package of reliefs can be adapted to respond to changing circumstances and priorities via subordinate legislation.
- 8.34 In certain cases, when it is considered that a type of hereditament should not be liable for non-domestic rates on a long-term or permanent basis and valuation would be difficult or provide no benefit, an exemption may be considered more appropriate than a full relief from the chargeable amount. A range of exemptions from non-domestic rates are set out in existing primary legislation. The Welsh Ministers have a limited power to prescribe exemptions in regulations which provides very little practical flexibility.
- 8.35 The Act creates powers that would enable the Welsh Ministers to confer, vary or withdraw reliefs and exemptions via subordinate legislation. The powers provide consistency between reliefs and exemptions in the extent to which changes may be made.
- 8.36 An alternative option is not presented as no other approach was considered practical to implement. Full details of the system of reliefs and exemptions are outlined in paragraphs 3.35 to 3.38 and paragraph 3.49 respectively of the Explanatory Memorandum.

Option 1 – Business as Usual: To retain the current approach with limited powers for Welsh Ministers to alter reliefs and exemptions via subordinate legislation, with changes often requiring primary legislation.

Costs

- 8.37 There would be no additional costs to local authorities, other public or private bodies, and ratepayers from this option.
- 8.38 While there would be no new costs to the Welsh Government from this option initially, if alterations to the landscape of reliefs and exemptions were needed in the future, there would be increased administrative costs on the Welsh Government from the need to make changes through primary legislation. These have not been identified as they would be absorbed as part of the Welsh Government's current resource plans.

- 8.39 Retaining the existing legislative framework imposes significant limitations on the Welsh Government's ability to use the rates system effectively to support existing or emerging policy priorities. There would remain an opportunity cost to both the Welsh Government and ratepayers due to limitations to the timeliness of making primary legislation, in addition to administrative costs.

Benefits

- 8.40 The main benefit of retaining this option would be continuity for ratepayers and local authorities in their role administering existing arrangements.

Summary

- 8.41 While this option does not give rise to additional costs and provides some continuity, it retains the inflexibility to respond when the need for changes to the framework of reliefs and exemptions is identified.

Option 2 – Preferred Approach: To introduce powers for Welsh Ministers to confer vary or withdraw reliefs and exemptions.

Costs

- 8.42 This option will not result in any immediate increased or reduced expenditure for the Welsh Government, local authorities, other public or private bodies, and ratepayers.
- 8.43 The Act does not make provisions which will confer, vary or withdraw specific reliefs or exemptions. This would be a matter for regulations made under the powers the Act provides. A detailed analysis of the expected impacts of the subordinate legislation would be carried out as and when the powers are used.
- 8.44 Proposals for changes to reliefs and exemptions using these powers would be subject to consultation and regulations will be scrutinised by the Senedd. It is not possible to estimate any potential financial costs or benefits, given that this would depend on the specific nature of the changes made by regulations. Therefore, costs for this option have not been estimated in this regulatory impact assessment.

Benefits

- 8.45 The main beneficiaries from this option are ratepayers and the Welsh Government.
- 8.46 Adopting this option will enable the Welsh Government to implement any changes considered appropriate as a result of the planned review of reliefs to manage the overall landscape of reliefs and exemptions in line with wider policy objectives on an ongoing basis ensuring that support for ratepayers is targeted effectively.
- 8.47 This option will also ensure the non-domestic rates system is future-proofed, benefiting ratepayers by enabling a more adaptable and responsive approach to the design and implementation of reliefs and exemptions as economic conditions and priorities change. The powers will allow for more timely

development of support for ratepayers and adjustments to align with wider Government policy.

Summary

8.48 Option 2 is the preferred option. This option is cost neutral until such time as the powers are used, when some administration costs to local authorities may occur. There may also be costs to the Welsh Government in providing for additional support, or savings if reliefs or exemptions are reduced or removed. This option supports a more adaptable and responsive framework of reliefs and exemptions.

Non-Domestic Rates – Charitable Relief for Empty Properties

Description: The Welsh Government is committed to reducing the opportunities for avoidance of non-domestic rates. While avoidance is not illegal, it is behaviour that creates artificial arrangements to gain tax advantages by some ratepayers to the detriment of other ratepayers and it reduces the funds available for local services. A known method of non-domestic rates avoidance will be addressed by changing eligibility for full relief for empty properties when their next use is expected to be for charitable purposes.

- 8.49 The owner or leaseholder of an empty property can seek full relief from liability for their property while it is empty, by claiming that 'when next in use' the property will be used wholly or mainly for a charitable purpose. This means they are effectively exempt from paying non-domestic rates indefinitely.
- 8.50 The property does not actually have to be used for a charitable purpose in the future for the current owner or leaseholder to benefit from these arrangements while the property remains empty. As frequently highlighted by local authorities, there is concern that this rule can be open to misuse and rates avoidance.
- 8.51 The intention of the Act is to mitigate against this risk by strengthening the criteria required for empty properties to be eligible for full relief when next use is anticipated to be wholly or mainly used for charitable purposes.
- 8.52 Two options were considered as there is no other practical alternative course of action that would achieve the desired outcome. Consideration was given to removing charitable relief for unoccupied properties, but this approach would unfairly penalise legitimate charities with a genuine reason for claiming the relief.

Option 1 – Business as Usual: To retain the current criteria for relief.

Costs

- 8.53 Local authorities estimated in 2017 that the scale of total non-domestic rates avoidance generally resulted in the loss of between £10m to £20m of revenue each year. Given the resource intensive nature of the original data collection exercise, it has not been repeated since, although local authorities have confirmed that this type of avoidance is still taking place. While case numbers remain small, the increase appears significant in some local authorities, especially over the last 2-3 years.
- 8.54 Latest feedback from a small sample of local authorities, has identified a mixed picture with respect to the total income forgone for this type of relief. The scale varies depending on the size of the authority and the individual rateable values of the properties receiving relief. Consequently, there is year-on-year variation in the amount of non-domestic rates liability estimated to be avoided by exploiting this relief, which is not possible to predict. Local authority intelligence has previously suggested that a minority of cases which do exist are expected to be legitimate. It is, therefore, estimated that this

option would cost at least **£1m** annually in avoidance of non-domestic rates liability. There is uncertainty associated with this estimate, which broadly aligns with previous assessments that between 5% and 10% of the £10m to £20m of non-domestic rates revenue estimated to be lost annually could be attributed to avoidance of this type. There are no additional costs arising from this option.

Benefits

- 8.55 This option would have no impact on the ratepayers concerned and would retain continuity for local authority practitioners.

Summary

- 8.56 This option does not achieve the overall aim of minimising non-domestic rates avoidance. Revenue losses to local authorities for vital local government services would still occur and liability would continue to fall on ratepayers who are not engaged in avoidance activity.

Option 2 – Preferred Approach: Strengthen the criteria for relief for empty properties when the next use is anticipated to be wholly or mainly for charitable purposes.

Costs

- 8.57 The additional administrative costs of the option would fall to local authorities in reviewing the evidence for compliance with the criteria for relief in respect of any given case. There would also be a cost on relevant ratepayers in providing the required evidence.
- 8.58 Feedback from local authorities suggests that while time is taken to only award in genuine cases, the additional administration efforts are likely to be managed within their existing capacity, as the number of genuine cases able to satisfy the new criteria is anticipated to be low, requiring greater scrutiny of a smaller number of cases. The additional criteria are designed to reflect existing requirements already imposed on charities and will, therefore, be straightforward for ratepayers in genuine cases to satisfy.
- 8.59 Costs for taxpayers in providing additional evidence has been estimated using the Annual Survey of Hours and Earnings¹. An assumption has been made that an additional 30 mins would be added to the completion of an application for this type of relief. Using the rates for weekly income in Wales, this would equate to an additional cost of **£7.52** per application. Applications for this relief vary year to year and many existing cases are not legitimate, making it difficult to provide an estimate of how many applications will be received. The aggregate annual cost is therefore unknown.

Benefits

- 8.60 Local authorities have previously reported that a minority of cases where this relief has been claimed are expected to be legitimate. This option could therefore reduce revenue loss by at least **£1m** per year (reflecting the

¹ [Earnings and working hours - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/earnings)

estimated cost set out above in relation to Option 1). The total benefit of this option over ten years could be an estimated **£10m**. This money would support the provision of public services in Wales.

- 8.61 The strengthened criteria will ensure that full relief would still be granted in cases where a genuine charity has a legitimate interest in an unoccupied property.

Summary

- 8.62 Option 2 is the preferred option. While this option would require changes to the administrative processes of local authority practitioners and ratepayers, the benefit of saving an estimated **£10m** in revenue currently lost to avoidance, makes this the preferred approach.
- 8.63 This option also supports the Welsh Government's objective of reducing rates avoidance and acknowledges the role local authority officers have in applying local knowledge and expertise when considering such cases.

Non-Domestic Rates – Completion Notices

Description: The Act supports administrative improvements to the efficiency and operation of non-domestic rates in Wales. One administrative improvement identified and included in the Act is the completion notice process.

- 8.64 A gap has been identified in the completion notice procedure, in relation to buildings which have been removed from the rating list because they are temporarily unoccupiable (e.g. for refurbishment). The existing procedure for completion notices for new buildings, does not currently apply to properties previously shown on a rating list when they become occupiable again. This can delay their return to the rating list once the alterations are completed.
- 8.65 This provision extends the circumstances when a local authority may (and in some cases, must) serve a completion notice, specifically to buildings which, although not new in themselves, were temporarily unoccupiable. This would allow them to be returned to a list, using the same process as for new buildings. This change would then enable the local authority to notify the Valuation Office Agency to reinstate the affected property (hereditament) to the rating list.
- 8.66 A similar administrative improvement is being introduced in England under the Non-Domestic Rating Act 2023, which will provide consistency for ratepayers operating in Wales and England.
- 8.67 Two options were considered as there is no other practical alternative course of action that would achieve the outcome required.

Option 1 – Business as Usual: Local authorities continue to serve a completion notice only for a wholly new building.

Costs

- 8.68 There are no additional costs for the Welsh Government or any other public and private bodies in retaining this approach.
- 8.69 Under the current legislation, there is the potential for individual authorities to lose small amounts of revenue due to delays in returning properties to the rating list. While the cumulative amount of lost revenue has not been estimated, it has been identified as a potential ongoing risk to the tax-base.

Benefits

- 8.70 Retaining the current process would provide administrative continuity for local authorities, with respect to the circumstances in which they may issue a completion notice.

Summary

- 8.71 This option does not achieve the overall aim of improving the efficiency and operation of the non-domestic rates system. It would also leave Wales out of step with changes elsewhere. Small revenue losses to local authorities for vital local government services may continue to occur.

Option 2 – Preferred Approach: Extend the completion notices procedure to apply to temporarily unoccupied properties, that are removed from the rating list while alterations are made, and then become re-occupiable.

Costs

- 8.72 This option would result in modest additional administrative costs for local authorities, given a likely increase in the number of completion notices to be processed. The total number of notices served per year varies with the number of individual properties being altered or refurbished. Estimates from local authorities suggest this change will have a very minimal impact on the number of completion notices to be handled given the fluctuation of properties that are being renovated. No figure has been provided in terms of case number, rather the majority of local authorities have suggested a 'minimal' increase. As such, this activity will be covered by the local authority's current business as usual capacity.
- 8.73 Local authorities have suggested an opportunity cost of between **£20 to £100** per additional notice. As explained above, it has not been possible to estimate the number of additional compliance notices that will be issued in any year and so the aggregate cost is unknown at this stage.
- 8.74 There are no additional costs for the Valuation Office Agency associated with this option. The Valuation Office Agency is responsible for valuing all non-domestic properties. This option may result in the need to value some properties being brought to the attention of the Valuation Office Agency in a timelier manner, but the number of properties requiring a valuation will not change.

Benefits

- 8.75 This option supports the overall policy aim to streamline processes and create efficiencies within the non-domestic rates system. It also provides greater consistency for ratepayers operating in Wales and England.
- 8.76 Local authorities will benefit as the option removes any potential routes for loss of revenue due to delays in returning individual properties to the rating list, which in turn will support the provision of local public services. Benefits to ratepayers include the timely maintenance of the rating list ensuring greater certainty and clarity over their tax liability.

Summary

- 8.77 Option 2 is the preferred option. While this option does increase administration costs for local authorities, the change prevents loss of revenue through properties being absent from the rating lists. While local authorities have suggested the potential increase in the number of completion notices served under this option is difficult to estimate, it is expected to be very small.
- 8.78 A marginal opportunity cost of between **£20 to £100** per notice has been identified as an associated administration cost to local authorities. This option also maintains alignment with the non-domestic rates system in England,

which will provide greater consistency for ratepayers operating in both Wales and England.

Non-Domestic Rates – Simplification of Discretionary Relief

Description: Local authorities have discretion to decide who they grant non-domestic rates relief to and the level of support to provide (outside of statutory reliefs), subject to a timing restriction. Determinations about the awarding and varying of relief can only be made within six months of the end of the relevant financial year, which is inconsistent with the otherwise very broad discretionary powers of local authorities.

- 8.79 Discretionary relief consists of different types of support including top-up reductions for charitable occupations and community amateur sports clubs (in addition to statutory partial relief), non-profit making bodies, and ratepayers facing hardship, alongside wholly discretionary relief (any localised policies for reliefs). A percentage of the relief is paid for by the Welsh Government and by the local authority depending on the relief applied. If a discretionary relief is applied to a ratepayer's bill it reduces the total amount payable whilst directly impacting upon the level of funding available to local authorities for public services.
- 8.80 The existing six-month timing restriction on the awarding and varying of discretionary relief by local authorities will be removed.
- 8.81 It will also mirror the approach taken by the UK Government in the Non-Domestic Rating Act 2023.
- 8.82 Two options were considered as there is no other practical alternative course of action that would achieve the desired outcome. Consideration was given to extending, rather than removing, the timing restriction, but such an approach would remain incompatible with the otherwise broad discretion of local authorities.

Option 1 – Business As Usual: Retain the timing restriction.

Costs

- 8.83 There are no additional costs for the Welsh Government or any other public or private body in retaining this approach.
- 8.84 While amounts of discretionary relief provided by local authorities can vary year to year due to wider market and economic conditions, this option will not change when discretionary relief can be awarded. Local authorities provide data on the level of discretionary relief that is subject to partial funding by the Welsh Government, but additional discretionary relief may be granted and fully funded by the local authority, for which data is currently not available.
- 8.85 The latest data indicates that, across Wales, discretionary relief in 2021-22² totalled **£12m**, split between Welsh Government funding of **£5.6m** and local authority funding of **£6.4m**. For comparison, the seven-year all-Wales

² [Non-domestic rates, by NDR row description \(£ thousand\) \(gov.wales\)](#)

average figures are a total of **£9.9m**, split between Welsh Government funding of **£3.8m** and local authority funding of **£6.1m**.

- 8.86 There would be a small opportunity cost for those businesses that might be awarded relief if there were no time-limit in place.

Benefits

- 8.87 The main benefit of adopting this option is it provides continuity for local authorities, firstly, in terms of relief administration and secondly, greater financial certainty given the restricted time-limit for additional relief.

Summary

- 8.88 There are no additional costs associated with this option. While total discretionary relief will vary year on year, this option does not make any changes to the way it is awarded. It provides administrative continuity for local authorities.

Option 2 – The Preferred Approach: Provide local authorities with full discretion to provide relief, removing the timing restriction.

Costs

- 8.89 The removal of the six-month timing restriction (following the end of a financial year) would make it possible for additional costs to be incurred by local authorities and the Welsh Government, where more discretionary relief is allocated to ratepayers. This option would not change the way in which discretionary relief is calculated or funded.
- 8.90 Intelligence from local authorities suggests applications will remain at current levels. Therefore, there are no additional costs to local authorities in terms of issuing any additional guidance, communication or awareness raising nor any additional changes to the administration costs.
- 8.91 Evidence collected from local authorities estimates they will allocate up to an extra 5% per annum to ratepayers in this type of relief. Using the extra percentage provided by local authorities and the costs outlined above, from 2021-22³ and applying a seven-year average, this suggests £495,000 additional relief will be provided to ratepayers each year (starting in 2024-25). A nominal split of cost allocation of 25% to the Welsh Government (£124,000 pa) and 75% to local authorities (£371,000 pa) accounts for the different strands of relief which can be given and who is responsible for their funding.
- 8.92 Over 10 years this would equate to total estimated costs for the Welsh Government of **£1.24m** and **£3.71m** to local authorities.

Benefits

- 8.93 The estimated benefit to ratepayers is **£4.95m** additional relief being allocated over the ten-year appraisal period, based on the calculation outlined above.

³ Non-domestic rates (gov.wales)

- 8.94 Local authorities also benefit, with more local discretion and flexibility in applying discretionary relief policies equitably, as well as affected ratepayers, who will be able to receive relief they could not otherwise have been awarded.
- 8.95 This option also ensures ratepayers and local authorities across Wales benefit from the same parameters for the use of discretion as their counterparts in England, maintaining fairness and consistency across the non-domestic rates system.

Summary

- 8.96 Option 2 is the preferred option. The additional total cost to the Welsh Government and local authorities of this option is **£4.95m** over the ten-year period, which directly benefits ratepayers in allocated relief. It provides local authorities with more flexibility when applying discretionary relief equitably, ensuring it reaches those ratepayers who qualify for it.

Non-Domestic Rates – Power to Prescribe Differential Multipliers by Regulations

Description: Liability for non-domestic rates is determined by combining the rateable value of a hereditament (a unit of property with a rating assessment) with the multiplier, set annually by the Welsh Government. The multiplier acts as a key component in determining the liability of ratepayers, as it applies to the whole tax-base. It is subject to uprating by annual inflation in line with the Consumer Prices Index, unless the Welsh Government sets it at a different level by prescribing an alternative figure to use in place of this index.

- 8.97 Currently, a single multiplier applies to all hereditaments in Wales, with no mechanism for the Welsh Government to set different multipliers for different sectors of the tax-base. Primary legislation would currently be required to prescribe alternative multipliers for defined sectors of the tax-base, in response to policy priorities. This is not practically achievable, due to the limited time available annually for the setting of the multiplier.
- 8.98 The Welsh Ministers are provided with a regulation-making power to set different multipliers based on the description, rateable value or location of a hereditament on a local list, or the rateable value of a hereditament on the central list.
- 8.99 Alternative multipliers already exist elsewhere in the United Kingdom.

Option 1 – Business as Usual: To retain a single multiplier used across Wales, with no additional flexibility in subordinate legislative.

Costs

- 8.100 There would be no additional costs to local authorities, other public or private bodies, or ratepayers under this option.
- 8.101 While there would be no new costs to the Welsh Government from this option initially. If alterations to the multiplier were needed in the future, there would be increased administrative costs falling to the Welsh Government due to the need to make primary legislation. These have not been identified as they would be absorbed as part of the Welsh Government's current capacity.
- 8.102 Retaining the existing legislative framework would impose a significant limitation on the Welsh Government's ability to use the non-domestic rates system effectively to support existing or emerging policy priorities.

Benefits

- 8.103 The main benefit of this option is continuity for ratepayers and for local authorities in their role administering existing arrangements.

Summary

8.104 While this option does not incur any additional costs and provides some continuity, it retains the inflexibility to respond when the need for changes to the multiplier are identified.

Option 2 – Preferred Approach: Flexibility to prescribe alternative multipliers via regulations, according to the property description, rateable value, or geographical location.

Costs

8.105 This option would not result in any immediate increased or reduced expenditure for the Welsh Government, local authorities, other public or private bodies, and ratepayers.

8.106 The Act does not make specific provisions which will create alternative multipliers. This would be a matter for regulations made under the powers the Act provides. A detailed analysis of the expected impacts of any subordinate legislation would be carried out when the powers are used.

8.107 Proposals for the introduction of alternative multipliers using these powers would be subject to consultation and regulations would be scrutinised by the Senedd. It is not possible to estimate any potential financial costs or benefits, given that this would depend on the specific nature of the changes made by regulations. As the multiplier is a key determinant of ratepayers' liabilities, there would inevitably be varying impacts for different ratepayers depending on the parameters of the regulations. Impacts on ratepayers could materialise in the form of increases or decreases in liability. The cost associated with the future use of these additional powers is therefore unknown at this stage and has not been considered in this regulatory impact assessment. Any future cost implications would form part of a regulatory impact assessment for the relevant regulations.

Benefits

8.108 The main beneficiaries of this option are the Welsh Government and ratepayers.

8.109 Adopting this option would enable the Welsh Government to implement changes considered appropriate in introducing alternative multipliers and to manage them in line with wider policy objectives on an ongoing basis.

8.110 This option would also ensure the non-domestic rates system is future-proofed, benefiting ratepayers by enabling a more adaptable and responsive approach to the design and implementation of alternative multipliers.

8.111 The powers will allow for more timely development of support for ratepayers and for changes to be made in alignment with wider Government policy.

Summary

8.112 Option 2 is the preferred option. This option is cost neutral until such time as the powers are used, when some administration costs to local authorities may

occur. There may be costs to the Welsh Government in providing for additional support, or savings were alternative multipliers to be implemented. This option supports a more adaptable and responsive use of multipliers and would be more consistent with other areas within the UK.

Non-Domestic Rates – Provision of Information to Valuation Officers

Description: Currently, the Valuation Office Agency requests information from all ratepayers during the lead-up to non-domestic rates revaluations to enable the rating lists to be updated. There is no requirement for ratepayers to proactively notify the Valuation Office Agency of changes expected to affect property rateable values and liability during the life of a rating list. As a consequence, rating lists become increasingly inaccurate over time. This leads to a position where some ratepayers are not paying the correct amount of rates, possibly for some years. It can also result in more significant changes to individual rateable values when the periodic full revaluations take place.

- 8.113 The provisions impose duties on ratepayers and those who would be ratepayers if their hereditament were shown on a rating list. These include a general duty to supply the Valuation Office Agency with information that could affect the rateable value of a property or the identity of the liable person. Such information would be required to be provided within 60 days of the change.
- 8.114 Another duty requires an annual confirmation to be completed within 60 days of 30 April each year, to confirm that the information held by the Valuation Office Agency is correct and up to date. A compliance and appeals regime for failure to comply with the new duties will also be introduced.
- 8.115 The UK Government is pursuing similar goals in relation to England and has introduced a duty on ratepayers to provide certain information to the Valuation Office Agency in the Non-Domestic Rating Act 2023.
- 8.116 Two options were considered as there is no other practical alternative course of action that would achieve the outcome required.
- 8.117 It is not possible to disentangle the costs of these options from two key dependencies. Firstly, more frequent revaluations, which the information provision duties are designed to support, would be prohibitively costly to deliver without the reforms to information provision. Secondly, consistency with the approach being adopted for England (in relation to revaluation cycles and information provision) enables Wales to benefit from economies of scale and administrative efficiencies and ensures ratepayers operating in Wales and England are subject to similar requirements.

Option 1 – Business as Usual: The Valuation Office Agency collects information from ratepayers as part of revaluation exercises, with no requirement for information to be provided proactively, for example when circumstances change, during the life of the list.

Costs

- 8.118 Whilst the upfront cost of implementing a new system for information provision would not be incurred, this option could be expected to result in higher ongoing costs to the Valuation Office Agency to deliver three-yearly revaluations. There would be no efficiency gains in the processes by which the Valuation Office Agency requests and receives updated information from

ratepayers. The Valuation Office Agency would continue to maintain the existing approach for Wales and deliver changes to information provision for England, resulting in different approaches to collecting valuation evidence in Wales compared to England. Rating lists in Wales would continue to become out-of-date between revaluations, which could potentially result in modest changes to the revenue collected for public services: these variations are not possible to quantify as they would vary depending on the extent to which information is incorrect and would fluctuate between cycles. Ratepayers whose information is up to date could be at a relative disadvantage.

8.119 The costs to a ratepayer of supplying information to the Valuation Office Agency under this approach have been estimated by the Valuation Office Agency as **£15** per year. This figure takes into account the range of ratepayer situations, from larger businesses with a number of properties to smaller business with just one, as well as those ratepayers who pay an employee or third party (accountant, agent), to supply the information.

8.120 Total costs are based on the current number of 85,000 ratepayers (some ratepayers occupy multiple hereditaments). Over ten years, the estimated current total cost to ratepayers is **£12.7 million**.

Benefits

8.121 The main benefit in continuing with the current process is stability for ratepayers, offering certainty as to their obligations and responsibilities.

Summary

8.122 The additional medium and long-term costs associated with this option are not possible to estimate reliably given the dependencies set out above. While it provides stability for ratepayers, it does not support action to keep the rating lists updated or help improve revaluation processes.

Option 2 – Preferred Approach: Ratepayers would be required to provide information relevant to their identity and property to the Valuation Office Agency as changes affecting their property occur. There will also be a duty on ratepayers to complete an annual confirmation that the information held by the Valuation Office Agency is accurate. A penalty regime for non-compliance, and an associated appeal mechanism, would support these duties.

Costs

8.123 Once implemented the initial costs associated with this provision (in isolation) would be borne by ratepayers and by the Welsh Government (funding the associated administration by the Valuation Office Agency and the processing of any appeals by the Valuation Tribunal for Wales). To minimise the impact on ratepayers, the Valuation Office Agency will introduce an online service, designed to be straightforward and easy to use for all ratepayers, creating minimal additional burden whilst being practicable and cost-effective for ratepayers and the Valuation Office Agency.

8.124 This option will result in a short-term cost to the Welsh Government in paying for the establishment of the new online service by the Valuation Office Agency.

Over the medium and longer-term, the approach is expected to deliver efficiencies in information provision and to reduce the costs associated with more frequent revaluations. In practice, delivering three-yearly revaluations in the absence of this option would be more costly.

- 8.125 The current estimated cost to the Welsh Government of funding the Valuation Office Agency to establish and maintain the online service is **£15m** across the 10-year period covered by the Act RIA, averaging **£1.5m** per year. The cost profile is front loaded, reflecting the development and launch of the service over the first few years as highlighted in Table 8.3. These costs are subject to review and refinement during the development of the programme's lifecycle and the early stages of implementation. Cost projections are likely to remain at a similar scale, but annual costs are subject to change and differences may arise year on year. The cost profile is based on an assumption that the online service will launch during 2026-27, but this is subject to confirmation as the programme progresses. The completion of a revaluation in 2026 is not dependent on the launch of the service, as the Valuation Office Agency is already preparing to undertake that exercise under current arrangements. This option is intended to ensure the sustainability of more frequent revaluations over the longer-term.
- 8.126 The compliance burden on ratepayers would increase under this option, as they would be required to undertake a new duty. The additional cost for this, as estimated by the Valuation Office Agency, is **£35** per ratepayer for the first year of the new system (2026-27), falling to **£20** for each subsequent year. This is the average increase in the cost of compliance compared with the existing system described under Option 1. For some ratepayers, the cost of complying with this approach will not represent new or additional costs compared to those incurred currently. This cost takes into account both the duty to notify as changes occur as well as the annual confirmation, which will use the same IT system. The lower costs in the second year take into account the efficiency savings of ratepayers' familiarity with the process and systems. In total, the cost to ratepayers is estimated to be £2.975m in 2026-27 and £1.7m in subsequent years. As mentioned in Option 1, this figure takes into account the differing levels of property ownership and business/organisational structures. It also takes into account any initial adaptation ratepayers may need to make when transferring from one information collection system to another (online). This cost is outlined in Table 8.3.
- 8.127 There is no risk to ratepayers associated with the timing of launch of the online service and their ability to comply with the duties. It is intended that the service will be rolled out during the life of the 2026 rating lists, but the duties will not be commenced by the Welsh Government until we and the Valuation Office Agency are satisfied that ratepayers can reasonably be expected to comply. The readiness of the online service will be the most important consideration in that regard and will be informed by user testing. Once implemented, this provision has the ability to change the liability for some ratepayers as changes affecting their property are updated as they happen, rather than at each revaluation. It is difficult to quantify the extent of this

change as it would be dependent on the nature of property changes, which could increase or decrease the rateable values.

- 8.128 The Valuation Tribunal for Wales will hear any appeal cases brought against the new compliance regime. Using historic tribunal figures, the Valuation Tribunal for Wales has estimated an additional ten new cases a year from 2026-27, at a total estimate cost of **£600** per year. This is based on Valuation Tribunal for Wales's cost per case estimate of **£60**. The estimated total cost for Valuation Tribunal for Wales additional appeals would be **£4,000**.
- 8.129 There are no costs to local authorities under this provision. Any marginal costs to ratepayer in terms of appeal engagement (at appeal review stage) has been factored into the costing provided by the Valuation Office Agency.
- 8.130 Total costs for this option are outlined in Table 8.3.

Table 8.3 – Total estimated costs for provision of information to the Valuation Office Agency (£000)

Duty To Notify	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Welsh Government Costs	0	0	0	0	0	0	0	0	0	0	0
Valuation Office Agency Costs	2,500	2,000	4,000	500	1,500	1,500	0	1,500	1,500	0	15,000
Valuation Tribunal for Wales Costs	0	0	0	0	0.6	0.6	0.6	0.6	0.6	0.6	4
Local Authority Costs	0	0	0	0	0	0	0	0	0	0	0
Ratepayer Costs (all ratepayers)	0	0	2,975	1,700	1,700	1,700	1,700	1,700	1,700	1,700	14,875
Total	2,500	2,000	6,975	2,200	3,201	3,201	1,701	3,201	3,201	1,701	29,879

Benefits

8.131 The benefit would be improving the timeliness and accuracy, and therefore fairness, of each rating list, ensuring each list provides a better reflection of market conditions. Improving the accuracy of rating lists will strengthen the revaluation system, ensuring that valuations are made using better and more timely evidence and potentially reducing the need for ratepayers to challenge valuations. It will help ensure ratepayers pay the right tax at the right time and provide greater certainty as to their tax liability. This option would also ensure that the requirements on ratepayers in Wales and England are consistent and enable the Valuation Office Agency to implement comparable systems across both countries, maintaining economies of scale and enabling efficiencies in the delivery of rates reform, in particular more frequent revaluations.

Summary

8.132 Option 2 is the preferred option. This option will facilitate a new and more timely mechanism for ratepayers to provide information to the Valuation Office Agency that they are already expected to provide. Having access to up-to-date information on properties will also enable more accurate valuations and help the Valuation Office Agency deliver time and cost savings as processes develop and mature. This option also has the benefit of maintaining a consistent approach for ratepayers in Wales and England.

Non-Domestic Rates – Anti-Avoidance Provisions

Description: The Welsh Government is committed to reducing the opportunities for avoidance of non-domestic rates liability. While avoidance is not illegal, it is behaviour that creates artificial arrangements to gain tax advantages. It is important that the efforts of the considerable majority to pay what is due is not undermined by a minority intent on exploiting or abusing the system.

8.133 Tax avoidance behaviours are continually evolving in ways that are not possible to predict and non-domestic rates are no exception. Provisions to tackle emerging avoidance methods often require primary legislation, which inhibits timely counteraction of avoidance behaviours.

8.134 This provision will enable advantages gained from artificial avoidance arrangements to be counteracted, subject to a power for the Welsh Ministers to define in regulations the specific avoidance arrangements covered by the provisions. Penalties may also be imposed on liable persons who fail to pay an amount due in consequence of having made an artificial avoidance arrangement. The provisions will help the Welsh Government to address non-domestic rates avoidance, including behaviours that are not currently used or known about, but may emerge or be identified in future.

8.135 There are two possible options considered in this instance.

Option 1 – Business as Usual: To retain the current approach of waiting for an opportunity to address issues via primary legislation.

Costs

8.136 There would be no additional costs to local authorities, other public or private bodies, and ratepayers from this option.

8.137 While there would be no new costs to the Welsh Government from this option initially, if alterations to the landscape of were needed in the future, there would be increased administrative costs falling to the Welsh Government due to the making of primary legislation. These have not been identified as they would be absorbed as part of the Welsh Government's current capacity.

8.138 By retaining the existing legislative framework, it imposes a significant limitation on the Welsh Government's ability to respond in a timely manner to newly identified non-domestic rates avoidance behaviours.

Benefits

8.139 Retaining this option provides continuity for local authorities in their role administering existing arrangements.

Summary

8.140 While this option does not incur any additional costs and provides some continuity, it retains the inflexibility to respond when new avoidance arrangements are identified.

Option 2 – Preferred Approach: To provide for the counteraction of advantages arising from non-domestic rates avoidance arrangements that are artificial.

Costs

- 8.141 Local authorities estimated in 2017 that the scale of non-domestic rates avoidance generally was between £10m to £20m of revenue lost per year (amounting to 1-2% of non-domestic rates revenue). Given the resource intensive nature of the original data collection exercise, it has not been repeated since, although local authorities have confirmed that avoidance still takes place and methods evolve over time.
- 8.142 This option will not result in any immediate increased or reduced expenditure for local authorities, for other public or private bodies, or for ratepayers.
- 8.143 The Act does not identify specific behaviours which constitute avoidance arrangements. This will be a matter for regulations made under the powers the Act provides. A detailed analysis of the expected impacts will be carried out when any regulations are made under the powers.
- 8.144 Therefore, costs for this option have not been considered in this regulatory impact assessment.

Benefits

- 8.145 This provision provides Welsh Ministers with a future-proofed power so that avoidance arrangements, which continuously emerge and evolve, can be dealt with in a timely manner.
- 8.146 Proposals for anti-avoidance regulations using these powers would be subject to consultation and regulations will be scrutinised by the Senedd. Any anti-avoidance regulations brought forward would aim to reduce the amount of revenue lost through avoidance activity. The scale of such reductions would depend on the specific nature of the changes made by regulations. Regulations would seek to address issues identified by local authorities and other bodies with a view to ensuring revenue is not lost. Due to the ever-changing nature of avoidance, the scale of avoidance and any benefits of interventions are likely to vary.

Summary

- 8.147 Option 2 is the preferred option. This option is cost neutral until such time as the powers are used, when some administration costs to the Welsh Government and local authorities may occur, as well as increased revenue for public services through reduced avoidance. This option supports a more adaptable and responsive framework for responding to emerging avoidance methods.

Council Tax Provisions

8.148 This section outlines the policy options for the changes to the council tax system.

Council Tax – Regular Revaluations

Description: Implementing regular revaluation cycles with the flexibility to amend, delay and cancel a domestic property revaluation exercise.

8.149 Regular revaluations of domestic properties are essential to delivering the Welsh Government's Programme for Government and the previous Cooperation Agreement commitment to a fairer and more progressive council tax.

8.150 Currently, a revaluation of domestic properties in Wales can be initiated at the discretion of the Welsh Ministers using subordinate legislative powers but there is no fixed or firm schedule for revaluations. Only one revaluation exercise has occurred in Wales since the introduction of the council tax system in 1993 – the 2005 revaluation. Over time, the property markets change considerably, experience geographic variations, and properties themselves are modified.

8.151 Official statistics on [house price indicators](#) show that domestic property values in different areas of Wales do not move in the same direction at the same pace, leading to distortions in the fair distribution of council tax if it does not keep pace with measures of asset wealth. Research carried out by [the Institute for Fiscal Studies](#) highlighted the disadvantages of using out-of-date property valuations as a basis for the council tax system, and the negative impact this can have on the integrity of the local tax system and socio-economic conditions.

8.152 The introduction of a fixed and clear schedule of regular revaluation cycles every five years would ensure the tax-base is kept up-to-date and the tax distributed more accurately and fairly on a regular basis, with council tax liability being periodically redistributed amongst households according to property value, a key measure of wealth, affordability and broader socio-economic conditions. The provisions also introduce related flexibility to allow for changes to the length of the revaluation cycle in the future.

8.153 The Resolution Foundation noted in its [2023 The Economy 2030 Enquiry: Tax Planning](#) report that frequent, regular revaluations mean future changes in bills over time could be smaller, gradual and routine, with regular revaluations also allowing for a system where tax liabilities can be more readily related to property values.

8.154 The changes implemented in the Act will:

- require a new council tax valuation list to be compiled for each local authority in Wales every five years from 1 April 2028 onwards;

- provide the Welsh Ministers with a power through subordinate legislation to lengthen or shorten the cycle;
- provide the Welsh Ministers with a power through subordinate legislation to move a scheduled revaluation to a new date;
- provide the Welsh Ministers with a power to amend the date on which the Valuation Office Agency must publish a Draft Valuation List;
- provide the Welsh Ministers with a power to change references to Band D if the structure of the council tax bands requires amendment.

Option 1 – Business as Usual: Council tax revaluations may be initiated at the discretion of the Welsh Ministers using existing subordinate legislation powers.

Costs

8.155 There would be no additional costs to local authorities, or other public or private bodies as a result of this option. Costs would only occur if and when subordinate legislation were used to instigate a revaluation exercise. As highlighted by the Institute for Fiscal Studies research, there may be unquantified costs to taxpayers if property valuations are out of date, as some taxpayers may be paying a disproportionate amount of council tax compared to others. Similarly, there may be opportunity costs to local authority areas which might be able to generate more council tax revenue for local services if the tax-base were up to date.

Benefits

8.156 By maintaining a static tax-base, and therefore council tax bands, for long periods with infrequent non-cyclical revaluations, taxpayers and local authorities retain some element of stability and continuity between ad hoc revaluations.

Summary

8.157 Ad hoc revaluations could occur at the discretion of Ministers using subordinate legislative powers. While there may be some continuity for taxpayers and local authorities in retaining the current system, without regular revaluations of the tax-base, the council tax system would remain out of date and unfair.

Option 2 – Preferred Approach: Introduce statutory regular revaluation cycles for council tax, with revaluations taking place at least every five years to update the tax-base on a regular basis. Connected with this, there is a need for related powers for Welsh Ministers to amend the length of cycle, to delay or cancel a scheduled revaluation if the need arises; to change the deadline for publication of a Draft Valuation List by the Valuation Office Agency; and to change references to Band D.

Costs

8.158 Costs for regular revaluation cycles have been identified as falling into three distinct categories:

- the direct cost of carrying out revaluation exercises for all 1.5 million domestic properties in Wales;
- the implementation of the results of revaluations in terms of council tax administration;

- the initial increases following revaluations in time and effort in assisting taxpayers with queries and appeals.

8.159 The direct costs outlined above will fall to the Welsh Government, the Valuation Office Agency, the Valuation Tribunal for Wales and local authorities, with the Welsh Government funding the majority of the costs of the other bodies. Taxpayers may or may not see a change in their council tax bills as a result of a revaluation, but these effects will be unique to each five-yearly exercise depending on market conditions and are unquantifiable. Overall, the aim of each revaluation would be to redistribute council tax liability and the exercises would be expected to be revenue neutral.

Revaluation Exercise Costs

8.160 These costs will fall to the Welsh Government via the payment of funding to the Valuation Office Agency which is independent and the only body with statutory functions to carry out revaluation work. Costs are based on a revaluation of circa 1.5 million domestic properties in Wales and the Valuation Office Agency has provided estimates under a series of assumptions and caveats, working from both historic and current revaluation development work.

8.161 The estimated costs for the Valuation Office Agency to deliver a future revaluation exercise depend on the extent to which the Welsh Government may choose to reform the council tax system. The estimates provided are therefore on the basis of previous revaluation experience. Also, the estimates do not take into account any benefits in terms of model redesign, efficiency savings due to business changes or process improvements, stemming from the Valuation Office Agency's current development work. Therefore, costs may fluctuate as the programme of work and detail are better understood.

8.162 Given the above the Valuation Office Agency estimates that the total revaluation cost for the period of the Regulatory Impact Assessment is £25.7million. In line with the Act provision, it has been assumed the subsequent revaluation after 2028 will take place in 2033, and some of the 2033 costs for preparatory work are reflected.

8.163 The estimates include operational delivery costs and associated corporate costs as well as investment costs. However, these estimates do not factor in any associated overhead costs such as any additional estates capacity or any peripheral equipment in support of the necessary IT systems. Overheads would be applied in accordance with Managing Public Money with specific reference to the Valuation Office Agency's cost base. This would be calculated on an annual basis as part of the service level agreement between the Welsh Government and the Valuation Office Agency. Future budgets are under review and it is not possible at this stage to anticipate or estimate any associated overhead costs. Operational delivery costs include staffing with key activities covering research and analysis, ongoing data improvement and enhancement, ongoing sales verification, valuation, banding and handling customer contact. Investment costs include IT replacement, testing and maintenance.

Table 8.4: Estimated cost of a council tax revaluation for the Valuation Office Agency (£000)

Revaluation Costs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Valuation Office Agency	0	0	2,900	7,500	1,300	1,300	1,300	3,200	6,800	1,400	25,700

Council Tax Administration Costs

8.164 These costs will fall to local authorities to implement the results of the revaluation exercise, in relation to IT costs for any new software updates and process improvements. The costs are based on Welsh Government analysis, incorporating a small number of returns of a survey sent to all local authorities, asking for estimates on how the impacts would affect their council tax administration. Six local authorities returned a completed survey.

8.165 Those local authorities that did complete a questionnaire all indicated that the impacts of a revaluation on their council tax administration processes would be limited to additional IT infrastructure updates and testing, which will occur a year in advance of and during the revaluation year (in 2027-28 and 2028-29, and in 2032-33 and 2033-34). These costs have been included in Table 8.5.

Increased Engagement with Taxpayers Costs

8.166 Following a revaluation exercise, it is likely the amount of engagement with taxpayers will initially increase in both time and number of contacts. Over time, more frequent revaluations should produce more up-to-date and accurate tax-base which generates fewer queries. In assessing the costs of this engagement, two areas of potential increase have been identified: communication volumes to local authorities about council tax billing or support; and additional contact to the Valuation Office Agency and the Valuation Tribunal for Wales in relation to appeals about property valuations.

Engagement with Local Authorities

8.167 Contact with local authorities could take the form of visits to websites, telephone calls to a team or contact centre, notification via email or social media as well as face-to-face contact at local authority premises. As outlined in the 'Key Evidence, Assumptions and Uncertainties' section in Chapter 6 estimated costs for local authorities are based on Welsh Government analysis, guided by responses from a small number of local authorities.

8.168 Estimating the amount of additional engagement has been a challenge for local authorities as it could include council tax enquires as well as those wishing to challenge their bill or council tax band. To provide a potential number of contacts with a local authority, a percentage of households within each local authority has been considered. Table 8.6 outlines the range of potential appeals as a percentage of properties. Adding another 10% to 15% to this figure, to account for more general bill or rebanding enquires, gives a range of between 211,662 and 282,216 extra taxpayer queries or contacts as a result of a revaluation in 2028 and repeated in 2033.

8.169 The costs outlined in Table 8.5 includes additional staffing costs, website management, engagement events, communication and publicity material. There is no indication of how the staff capacity would be dealt with, either by recruiting additional staff on permanent or temporary contracts, or by using existing staff moved from other work areas on a temporary basis.

Table 8.5 – Estimated costs of increased engagement with taxpayers (£000)

Costs attributed to	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Local Authorities	0	0	0	1,316	1,261	0	0	0	1,316	1,261	5,154
Valuation Office Agency (appeals)	0	0	0	0	10,700	9,700	0	0	0	11,600	32,000
Valuation Tribunal for Wales	0	0	0	323	281	281	281	281	323	281	2,051
Total	0	0	0	1,639	12,242	9,981	281	281	1,639	13,142	39,205

Engagement with the Valuation Office Agency and the Valuation Tribunal for Wales about Property Valuations

8.170 Taxpayers have the opportunity to challenge their property valuation in certain circumstances. This comes into the Valuation Office Agency in the form of a proposal which may transmit to the Valuation Tribunal for Wales as an appeal. Evidence from the previous revaluation in 2005 and the creation of council tax in 1993 shows that following a valuation exercise, volumes of proposals and appeals increased. For 1993, proposals to the Valuation Office Agency, as a percentage of total properties in Wales at the time, was 7.4%, while for 2005, the proposal rate was 3.9%.

- 8.171 Future appeals cases have been estimated as outlined in Table 8.6, using the Valuation Office Agency's published [statistics](#) on the stock of council tax properties in 2023 of 1,470,580 properties. For the purposes of the regulatory impact assessment above evidence from previous valuation exercises, and additional evidence gathered from the Valuation Office Agency and the Valuation Tribunal for Wales, estimates for future appeal cases are based on an appeals rate ranging from 2% to 5%, with an average of 3.15%. This is on the assumption that the current proposals and appeals process does not change.
- 8.172 Evidence received from the Valuation Office Agency and the Valuation Tribunal for Wales suggests appeals volumes could remain fairly consistent from the 2023 revaluation onwards because of the shorter time elapsed between revaluations in the future. The additional costs attributed to processing the increased appeal volumes have been estimated on appeal rate increases of between 2% and 5%.
- 8.173 Evidence gathered from the Valuation Tribunal for Wales suggests appeals may be at the higher end of the range if the current property market conditions and the cost-of-living crisis prevail over a number of years into 2028. The Valuation Office Agency, however, has suggested appeals may be at the lower end of the range, based on previous revaluation figures from 2005.
- 8.174 However, the Valuation Office Agency caveats that there are many dependencies that could affect volumes e.g. any changes in taxpayer behaviours, the wider economic conditions at the time and any potential changes to the proposal and appeal regulations. There are plans to improve the availability of information which will make it easier for council taxpayers to check their valuations.
- 8.175 To be able to deal with the increased number of appeals, the Valuation Tribunal for Wales has estimated it will need to increase staff capacity. As included in the costs in Table 8.5, an estimated increase of four full-time clerks and one full-time administration staff would be needed, to cover the increased in the Valuation Tribunal for Wales' workload. The costs also include the additional staff training and IT equipment need to cover the increase in capacity.

Table 8.6 – Estimated numbers of appeals following revaluations in 2028

Appeals as a percentage of properties	2028
Average appeal cases per year (12/13 to 22/23)	1,970
Average 3.15%	44,007
Range – Min 2%	27,941
Range – Max 5%	69,853

8.176 Additional tribunals would need to sit to consider the increase in appeal cases, meaning more volunteer tribunal members would need to be recruited. The costs for running additional tribunals include the additional tribunal members' expenses, training and IT equipment. The estimated total cost for the Valuation Tribunal for Wales, as illustrated in Table 8.5, is **£2.1m**. This cost is spread over the period 2027-28 to 2033-34.

8.177 The Valuation Office Agency has estimated it would cost **£32m** over the period of the Regulatory Impact Assessment, to deal with the increased number of potential proposal and appeal stage cases and subsequent customer engagement. The costs incurred to cover the increased workload include capacity building, training and IT infrastructure/management.

Welsh Government Costs

8.178 As outlined in chapter 7 on the 'Structure of the Regulatory Impact Assessment, Principles and Caveats', particularly the fifth bullet point of section 7.2 changes in the Act which result in Welsh Government activity in terms of additional legislation or administration, will not see an increase in overall staff numbers. Instead, capacity will be allocated from existing staff by moving staff from other work areas on a temporary basis. These opportunity costs have not been quantified as internal management of staff is considered a business-as-usual activity.

Taxpayer Costs

8.179 The introduction of regular revaluation cycles will not in itself create a cost for taxpayers. Costs and benefits to taxpayers would only occur if the revaluation of the tax-base meant that changes to council tax systems were also developed. These costs and benefits have not been quantified as they will be unknown until a revaluation is carried out. Any changes to the council tax system at the time of a revaluation, would be subject to consultation and appropriate Senedd procedures and would be supported by a detailed impact assessment.

8.180 The total costs for this option are outlined in Table 8.7.

Table 8.7 – Total estimated costs of Option 2 – introduction of statutory regular revaluation cycles for council tax (£000)

Costs attributed to	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Local authorities	0	0	0	1,316	1,261	0	0	0	1,316	1,261	5,154
Valuation Office Agency (revaluation)	0	0	2,900	7,500	1,300	1,300	1,300	3,200	6,800	1,400	25,700
Valuation Office Agency (appeals)	0	0	0	0	10,700	9,700	0	0	0	11,600	32,000
Valuation Tribunal for Wales	0	0	0	323	281	281	281	281	323	281	2,051
Welsh Government	0	0	0	0	0	0	0	0	0	0	0
Taxpayers	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	2,900	9,139	13,542	11,281	1,581	3,481	8,439	14,542	64,905

Benefits

8.181 This option improves the fairness and accuracy of the council tax system by delivering regular revaluation cycles to keep the tax liability fairly distributed amongst taxpayers on a more regular basis. It would provide clarity for taxpayers, creating an expectation that council tax bills will track the market more closely. This approach would also avoid distortions which can occur when there are long periods between revaluations.

8.182 It would also clarify the future operational requirements for the Valuation Office Agency, the Valuation Tribunal for Wales, local authorities and advisory bodies.

8.183 Enshrining regular revaluations in primary legislation would provide additional transparency. It would also be more democratic to have in place regular council tax revaluations, which affect the vast majority of people in Wales, as the timing of future revaluations would not be left to Ministerial determination, as is currently the case. Regular revaluations would also provide regular opportunities for the Welsh Government to continue to meet its Programme for Government commitment to a fairer and more progressive council tax system. Banding options and tax rates can be amended and altered in increments to help minimise any adverse impacts to taxpayers, while still delivering the change needed.

Summary

8.184 Option 2 is the preferred approach. The costs identified would fall primarily to the Welsh Government, via its funding to the Valuation Office Agency, the Valuation Tribunal for Wales and local authorities. This option would impose a requirement on the Valuation Office Agency that a council tax revaluation should take place and that new lists should be compiled every five years in Wales. This would improve fairness and accuracy of the distribution of council tax liability, and provide clarity and certainty for taxpayers, the Valuation Office Agency, the Valuation Tribunal for Wales, local authorities and advisory bodies.

8.185 Regular revaluations will deliver the Programme for Government commitment by maintaining a fairer and more progressive council tax system. The total costs of Option 2 are considered proportionate in relation to the £2.6 billion annual revenue generated from the council tax system which helps to fund essential local services for communities in Wales.

Council Tax – Discounts and Disregards

8.186 The Act includes provisions which give the Welsh Ministers extended regulation-making powers in relation to discounts and the categories of people who are disregarded. The provisions confer flexibility on the Welsh Ministers to create and set council tax discounts and disregards under subordinate legislation powers. The Welsh Ministers will also have the power to allow councils vary discounts in their area in certain circumstances.

Powers for the Welsh Ministers to set council tax discounts and to prescribe the criteria for persons disregarded for the purposes of calculating council tax discount. Powers for the Welsh Ministers to allow councils in certain circumstances to disapply or reduce discounts in their area.

Description: The Act allows the Welsh Ministers greater flexibility to create and make changes to discounts and categories of disregards through new subordinate legislative powers.

8.187 The current arrangements concerning discounts, disregards, exemptions and premiums are complex and have grown incrementally since the inception of the council tax in 1993. They comprise the following:

- 24 categories of exemptions from council tax liability;
- 16 categories of disregarded persons, i.e. people who are not included when calculating the number of people living in a property for the purposes of determining the amount of council tax payable;
- discounts of 25% or 50% applied to the amount of council tax payable, including two statutory categories (single liable adult and empty property) and three classes of empty property where local discretion is permitted;
- Disabled Band Reduction, where the liability for dwellings adapted for use by a disabled person is reduced by one band;
- premiums applied to the amount of council tax payable on long-term empty dwellings and second homes at local discretion; and
- a general discretionary power for councils to reduce bills.

8.188 The current framework has become difficult for households to understand and for local authorities to administer. The legislative arrangements underpinning the framework are also a complex mix of primary and subordinate legislation powers, as well as powers for local authorities to make local changes. The Welsh Government is also constrained in its ability to change some of the discounts and disregarded categories through subordinate legislation. Historically, this has inhibited the Welsh Government's ability to make changes in response to emerging circumstances.

8.189 We are part way through a review of each category of council tax discount, disregarded person, exemption and premium to ensure the arrangements remain relevant to today's policy ambitions and help to achieve a fairer system.

8.190 We worked closely with local government, local organisations and networks that represent the people of Wales to consider and review each category. As well as a range of discussions, this has included a focussed working group of council practitioners. From this initial high-level review, four categories were prioritised for consideration as part of the Phase 2 consultation.

8.191 A further 11 categories were identified for further in-depth review over the remainder of the Senedd term with a view to amending legislation where necessary, including through making use of the new powers in the Act. We will also consider whether new categories of discounts or disregards are needed.

8.192 The provisions in the Act:

- retain the one-adult discount and discounts where residents fall to be disregarded, remove the empty property discount, removing the link so the empty property discount does not have to be double the percentage of the one-adult discount;
- provide powers for the Welsh Ministers to create new discounts;
- provide powers for the Welsh Ministers to set the level of and conditions of discounts and prescribe the criteria for persons to be disregarded for the purposes of calculating a council tax liability; and
- provide powers for the Welsh Ministers to allow councils in certain circumstances to disapply or reduce discounts.

8.193 The use of the powers will need to be carefully managed in terms of timing and the system of discounts, disregards and exemptions is currently under review. The powers provide additional legislative opportunity to implement any changes proposed as part of the review and the policy intention will be to introduce any reforms as part of a phased approach. Therefore, the first subordinate legislation brought forward under these powers would be introduced no earlier than 2025, coming into force in 2026.

Option 1 – Business as Usual: To retain the current complex system of discounts and disregards.

Costs

8.194 There would be no new costs to the Welsh Government or local authorities from this option. There is the possibility of unquantifiable costs to taxpayers due to the length of time it can take for legislative changes to be made to the current system, meaning potentially eligible taxpayers paying higher bills from the time a change is identified to when that change comes into force. There may also be opportunity costs arising from the inability to tailor discounts to particular needs.

8.195 For example, subordinate legislation came into force in 2019 to make eligible care leavers aged 24 or under residing in Wales exempt from council tax. However, the enabling powers did not enable the Welsh Ministers to make subordinate legislation to alleviate the joint and several liability of care leavers (or other persons) to pay council tax. Provisions were made in the Local

Government and Elections (Wales) Act 2021 to enable the Welsh Ministers to remove joint and several liability for care leavers in regulations: these changes were subsequently made in 2022, extending the time needed to deliver the policy objective in full and resulting in potential council tax costs for some eligible care leavers in the interim.

Benefits

8.196 The main benefit of this option is continuity. Many of the discounts and disregards have remained the same or very similar since 1993, the regime is understood by local authorities administering existing arrangements.

Summary

8.197 While this option does not give rise additional costs for the Welsh Government or local authorities and provides some continuity for local authority practitioners and taxpayers, it maintains the status quo. It retains the inability to respond promptly when the need for changes to current framework are identified. The complexity of the framework is also a barrier for potentially eligible taxpayers who may not apply for a discount or disregard because they do not understand the system. Option 1 also retains the complex legislative basis, which consists of a mix of primary and subordinate legislative powers which are difficult to navigate and leads to ambiguity in some of the current provisions.

Option 2 – Preferred Approach: Provide the Welsh Ministers with increased legislative flexibility relating to discounts and disregards to enable them to set, amend, create, vary and prescribe conditions for discounts and disregards. The Act retains the discount for households with only one liable adult, providing the Welsh Ministers with powers to set the level, set other council tax discounts and to set the criteria for persons to be disregarded for the purposes of calculating a council tax discount. Provide the Welsh Ministers with powers to allow councils in certain circumstances to disapply or reduce a discount.

Costs

8.198 Adopting this option would not incur initial additional expenditure for the Welsh Government or any other sector/organisation until such time as the powers are used. Therefore, costs for this option have not been considered in this regulatory impact assessment. The cost associated with providing the Welsh Minister's with these additional powers is therefore unknown at this stage.

8.199 The Act provides powers for the Welsh Ministers to set the level of the discount for properties with only one liable adult, to set other council tax discounts and prescribe the criteria for persons to be disregarded for the purposes of calculating council tax discount. It does not specify other interventions this option may be used for in the future. Any specific future proposals would be taken forward through subordinate legislation. A detailed analysis of the expected impacts of such subordinate legislation, including costs and benefits, would be carried out during the course of its development when the specific proposals have been identified.

8.200 Any changes to discounts and disregards using these powers would be subject to consultation and appropriate Senedd procedures and would be supported by the impact assessments.

Benefits

8.201 This option will enable the law to be adapted more readily to changing circumstances. Being able to amend or change the framework of discounts and disregards as appropriate and more promptly, allowing Ministers to respond to changing wider socio-economic conditions, would benefit taxpayers who become eligible for discounts and disregards, reducing their council tax bill.

8.202 It also has the benefit of simplifying the statute book, moving away from the complex composite procedures currently in place, which use a mixture of primary and subordinate legislative powers.

Summary

8.203 Option 2 is the preferred option as it will provide the Welsh Ministers with increased legislative flexibility relating to discounts and disregards. It offers the opportunity to simplify the arrangements in relation to Wales, providing clarity and removing the ambiguity that exists in some of the current provisions. It will also simplify the relevant legislation.

8.204 This option is cost neutral as there is no change to the current system until such time as the powers are used via subordinate legislation. Any change to the framework of discounts and disregards will be guided by stakeholder and taxpayer consultation and detailed impact assessment once the specific details have been finalised.

Council Tax – Council Tax Reduction Scheme

8.205 This section focuses on a provision which will make the administration of the scheme simpler and provide additional flexibility when dealing with in-year changes.

Description: The Welsh Government is committed to improving the Council Tax Reduction Scheme which provides support to low-income households. Our aim in the Local Government Finance (Wales) Act is to introduce changes to the legislation to make the scheme easier to administer, clearer to understand and one which allows a more flexible approach to dealing with in-year changes.

8.206 Currently each local authority is required to adopt its own local Council Tax Reduction Scheme based on national prescribed requirements set out in regulations made by the Welsh Ministers. While there are limited areas of local discretion, in practice this results in schemes which are broadly the same throughout Wales.

8.207 In the Phase 1 consultation, we consulted on a proposal to bring forward provisions to place a duty on the Welsh Ministers to establish a single national scheme, administered locally by local councils. The majority of responses to the consultation were in favour of this proposal.

8.208 The changes implemented by the Act:

- place the Welsh Ministers under a duty to set out a national reduction scheme through subordinate legislation with a duty on local authorities to administer the scheme at a local level;
- enable in-year changes to be made, allowing the Welsh Ministers to change the scheme to react to any unforeseeable events arising from changes in the economy or society, such as the cost-of-living crisis; and
- enable the Welsh Ministers to issue guidance to local authorities about the way the scheme should be applied.

8.209 The Welsh Government allocates £244m to local authorities each year to fund the Council Tax Reduction Scheme. The changes described in the Act will not affect this arrangement. The Welsh Government is reviewing the current council tax reduction scheme to identify ways in which it could be improved. The expectation is that regulations to reform the Council Tax Reduction Scheme would first be brought forward during 2026 at the earliest.

Option 1 – Business as Usual: To retain the legislation as is, with local authorities making annual local schemes in accordance with regulations prescribed by the Welsh Ministers.

Costs

8.210 This option would maintain the current position and there would be no new costs to the Welsh Government or local authorities.

Benefits

8.211 The current legislation has led to the successful administration of the scheme since 2013.

8.212 While the option of a national scheme might appear to lead to a loss of decision making at a local level, the duty to make a national scheme would reflect what already happens in practice.

Summary

8.213 This option maintains the status quo. While no additional costs would be occurred, this option does not support the overarching policy objective to introduce changes to the legislation to make the scheme administratively simpler, clearer to understand and one which allows a more flexible approach to dealing with in-year changes.

Option 2 – Preferred Approach: Place the Welsh Ministers under a duty to set out a national reduction scheme through subordinate legislation and places a duty on local authorities to administer that scheme at local level. This would enable in-year changes to be made to the scheme, allowing the Welsh Ministers to adapt the scheme to respond to any unplanned needs arising from changes in the economy or society, such as the cost-of-living crisis. It would also enable the Welsh Ministers to issue guidance to local authorities about the way the scheme should be applied.

Costs

8.214 This change will be cost neutral as the provisions in the Act would not change the requirement for a council to have a council tax reduction scheme and so would not incur additional expenditure for the Welsh Government or local councils.

8.215 The Act does not include the specific requirements relating to the scheme. As now, the scheme would be updated using existing powers to make subordinate legislation. The regulations setting out the national scheme are anticipated to be updated regularly, and a detailed analysis of the expected impacts would be carried out when the powers are used.

Benefits

8.216 This approach is administratively simpler, clearer to understand and allows a more flexible approach to dealing with in-year changes.

Summary

8.217 Option 2 is the preferred option as it provides a solution which simplifies the current legislative framework and ensures that a national scheme can be adopted. It also provides the intended flexibility to deal with in-year changes as needed.

8.218 The option is cost neutral as there will be no change to the content of the scheme. There would be benefits in eliminating some administration burden on local authorities and in enabling the scheme to be adapted more promptly when changes are needed in the future.

Summary of Costs and Benefits – Tables

This section provides tables outlining the monetarised costs and benefits discussed in this chapter.

Table 8.8 – Total estimated costs for non-domestic rates provisions (£000)

Act Provision	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Revaluation Total	1,500	1,500	0	0	0	1,500	1,500	0	331	0	6,331
Duty to Notify Total	2,500	2,000	6,975	2,200	3,201	3,201	1,701	3,201	3,201	1,701	29,879
Discretionary Relief Total	495	495	495	495	495	495	495	495	495	495	4,950
Total	4,495	3,995	7,470	2,695	3,696	5,196	3,696	3,696	4,027	2,196	41,160

Table 8.9 – Total estimated costs for council tax provisions (£000)

Council Tax	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Regular Revaluations	0	0	2,900	9,139	13,542	11,281	1,581	3,481	8,439	14,542	64,905
Total	0	0	2,900	9,139	13,542	11,281	1,581	3,481	8,439	14,542	64,905

Table 8.10 – Total estimated costs for the Act as a whole (£000)

Total Act Costs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-domestic Rates	4,495	3,995	7,801	2,695	3,365	5,527	3,696	3,696	4,027	1,865	41,160
Council Tax	0	0	2,900	9,139	13,542	11,281	1,581	3,481	8,439	14,542	64,905
Total	4,495	3,995	10,701	11,834	16,907	16,808	5,277	7,177	12,466	16,407	106,065

Tables 8.11 to 8.15 – Estimated costs allocated to individual stakeholders (£000)

Welsh Government	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-Domestic Rates Revaluation	0	0	0	0	0	0	0	0	0	0	0
Non-Domestic Rates Duty to Notify	0	0	0	0	0	0	0	0	0	0	0
Non-Domestic Rates Discretionary Relief	124	124	124	124	124	124	124	124	124	124	1,240
Council Tax Costs	0	0	0	0	0	0	0	0	0	0	0
Total	124	124	124	124	124	124	124	124	124	124	1,240

Valuation Office Agency Costs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-Domestic Rates Revaluation	1,500	1,500	0	0	0	1,500	1,500	0	0	0	6,000
Non-Domestic Rates Duty to Notify	2,500	2,000	4,000	500	1,500	1,500	0	1,500	1,500	0	15,000
Council Tax Regular Revaluation	0	0	2,900	7,500	12,000	11,000	1,300	3,200	6,800	13,000	57,700
Total	4,000	3,500	6,900	8,000	13,500	14,000	2,800	4,700	8,300	13,000	78,700

Valuation Tribunal for Wales Costs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-Domestic Rates Duty to Notify	0	0	0	0.6	0.6	0.6	0.6	0.6	0.6	0.6	4
Council Tax Regular Revaluation	0	0	0	323	281	281	281	281	323	281	2,051
Total	0	0	0	323.6	281.6	281.6	281.6	281.6	323.6	281.6	2,055

Local Authority Costs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-Domestic Rates Revaluation	0	0	0	0	0	0	0	0	331	0	331
Non-Domestic Rates Discretionary Relief	371	371	371	371	371	371	371	371	371	371	3,710
Council Tax Regular Revaluation	0	0	0	1,316	1,261	0	0	0	1,316	1,261	5,154
Total	371	371	371	1,687	1,632	371	371	371	2,018	1,632	9,195

Ratepayer Compliance Costs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-Domestic Rates Duty to Notify (Non-Cash)	0	0	2,975	1,700	1,700	1,700	1,700	1,700	1,700	1,700	14,875
Total	0	0	2,975	1,700	1,700	1,700	1,700	1,700	1,700	1,700	14,875

Table 8.16 – Total estimated benefits for the non-domestic rates provisions (£000)

Total Non-Domestic Rates Benefits	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Charitable Relief for Empty Properties	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
Discretionary Relief	495	495	495	495	495	495	495	495	495	495	4,950
Total	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	14,950

Tables 8.17 to 8.18 – Estimated benefits allocated to individual stakeholders (£000)

Local Authority Benefits	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-Domestic Rates Charitable Relief for Empty Properties	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000
Total	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	10,000

Ratepayer Benefits	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-Domestic Rates Discretionary Relief	495	495	495	495	495	495	495	495	495	495	4,950
Total	495	495	495	495	495	495	495	495	495	495	4,950

9. Integrated Impact Assessment

- 9.1 The Act provides a legal framework and structure to support the delivery of our overarching policy aims for local government finance reform.
- 9.2 In summary, the changes the Welsh Government propose will make the framework for local taxes more:
- closely aligned with changes in market conditions;
 - responsive to the evolving context for households, businesses and ratepayers; and
 - tailored to the needs of Wales by being established and maintained within devolved powers and structures.

Non-Domestic Rates

- 9.3 Non-domestic rates is an important part of the way we fund public services. All the revenue generated from [more than 125,000 non-domestic properties](#) in Wales – [over £1 billion every year](#) – is distributed to local government to help fund vital local services and pays for around 10% of their total cost. These services include many which are essential for businesses and other ratepayers to operate effectively and sustainably in Wales.

What is the Act doing and how does that align with the Programme for Government?

- 9.4 The Programme for Government sets out ambitions for a greener economy and a fairer, more equal society. These goals are supported by the provisions in the Act relating to non-domestic rates. These provisions, which have been explored in the non-domestic rates Integrated Impact Assessment, include:
- more frequent revaluation cycles, along with additional measures necessary to support this;
 - improving the flow of information between the Valuation Office Agency and ratepayers, taking advantage of modern digital services;
 - providing the Welsh Government with more flexible legislation to amend reliefs and exemptions in future years;
 - a review of reliefs and exemptions to ensure the arrangements align to our Programme for Government and any available support is targeted in the most effective way;
 - providing the Welsh Government with greater scope to vary the multiplier to help align annual increases with our economic development priorities;
 - improving the administration of valuation functions and rating lists to streamline processes and reduce the burden on government and ratepayers; and
 - further measures to ensure we can continue tackling rates avoidance.

How does it fit with the wellbeing goals?

- 9.5 To support our commitments to the Well-being of Future Generations (Wales) Act 2015, by safeguarding the future financial sustainability of local government through non-domestic rates reforms, the Welsh Government can assist local government partners to deliver our shared seven well-being goals. By strengthening the local government finance system in Wales, local government will be in a stronger and more sustainable position to deliver public services that can support the communities they serve.

Collaboration and involvement – who has been involved in helping identify impacts?

- 9.6 A 12-week consultation seeking views on reforming non-domestic rates in Wales ran from 21 September 2022 to 14 December 2022. The consultation built on the [statement](#) of 29 March 2022. A [summary of responses](#) was published on 9 February 2023. Following the consultation, the Welsh Government has continued to develop reform proposals and remains committed to introducing three-yearly revaluations and the changes required to support them.
- 9.7 A crucial aspect of local taxation in Wales is the role played by local government. Their experience and dedication are integral to the effective collection and administration of local taxes. The Welsh Government will continue to work in close partnership with local government to reform the rates system, drawing on their extensive expertise and local knowledge.

Specific impact assessments have been undertaken on the following topics:

Children's rights

- 9.8 Non-domestic rates is a business or organisational requirement associated with the occupancy and use of a property, rather than a direct tax on individual citizens. The link between non-domestic rates and children is, therefore, much less direct than other forms of local taxation (e.g. council tax) or wider taxation (e.g. income tax).
- 9.9 The changes to non-domestic rates will support articles 18, 19, 20, 22, 27, 29 and 31 of the [United Nations Convention on the Rights of the Child](#). They will support resilience of funding for services such as through local authority-led targeted intervention programmes, social services, child protection services operated by local authorities, schools and other local authority-led education provision, and parks, leisure and other recreational facilities. This list is not exhaustive.

Equality

- 9.10 Given the nature of non-domestic rates, the impacts on individuals tend to be indirect. Any 'knock on' effects can include changes to services due to organisational finances (e.g. a change in non-domestic rates liability or, in the case of public services, the level of funding received, could influence the way ratepayers or businesses deliver services) or wider economic impacts (e.g.

employment changes due to changes in business costs). To mitigate impacts to service users with protected characteristics, charitable relief is currently set at 80% for charities and organisations that deliver services helping remove barriers. The changes will also allow for greater flexibility to review and target relief and exemptions to areas needed and to better react to wider economic circumstances.

Rural proofing

- 9.11 All the funding generated by non-domestic rates is distributed to local authorities to help fund local services. While it is possible that the indirect impacts of changes to non-domestic rates, in terms of any changes to services, may be felt differently in rural areas, the direct impacts of the changes will be equitable and consistent regardless of the location and reflect changing economic conditions across Wales. More legislative flexibility will allow the Welsh Government and local authorities to be more adaptive to national and local economic changes, with increased flexibility to target specific areas (e.g. different types of support).

Data protection

- 9.12 Changes impacting upon data processing arrangements are primarily focused on the Act provisions enabling more frequent non-domestic rates revaluations. Revaluations occur at a given point in time, with the Valuation Office Agency assessing every property in the tax-base to assign an up-to-date value on which the tax liability will be based. A duty is introduced to require ratepayers (non-domestic rates taxpayers) to provide information relevant to their property, via a different mechanism and in a timelier manner than they do currently, to assist the Valuation Office Agency in undertaking its functions. The information provided to the Valuation Office Agency will be in line with that already collected, but updates will be required in a timely manner when that information changes. The Welsh Government is not proposing new data-sharing arrangements which would require it to process personal data outside existing arrangements.

Welsh language

- 9.13 All the funding generated by non-domestic rates is distributed to local authorities to help fund local services. Safeguarding the local government finance system through the Act provisions will provide local authorities with tools to offer appropriate public services, including the delivery of Welsh language or bilingual services and the operation of Welsh-medium schools and services. The Welsh Government anticipates these indirect impacts and outcomes will continue to support our ambitions to see the Welsh language thrive in Wales.
- 9.14 The Welsh Government is committed to delivering all our policy objectives through both languages in Wales. Delivery partners such as the Valuation Office Agency is also committed to providing services and communicating with taxpayers and interested parties bilingually, as per its [Welsh language scheme](#).

Biodiversity

- 9.15 Non-domestic rates is a local tax on the owner or occupier (ratepayer) of non-domestic property, typically a business or other ratepayer. It is based on property valuations and is applied in a consistent way across properties. As such, biodiversity is not an integral aspect of the decision-making. Parks, open spaces, most undeveloped land, and most watercourses are exempt from non-domestic rates.

Socio-economic duty

- 9.16 The proposals for non-domestic rates reform are not anticipated to directly or indirectly exacerbate inequality of outcome experienced as a result of socio-economic disadvantage, or directly improve outcomes for people who experience socio-economic disadvantage. However, as non-domestic rates contributes more than £1 billion annually in revenue for public services in Wales, actions to improve the fairness and efficiency of the system have the potential to support the stability of local economies and public services. This may have an indirect role in improving outcomes for people who experience socio-economic disadvantage, people who may be employed by businesses or other ratepayers within the tax-base and people who benefit from the public services it helps to support.

Justice

- 9.17 The non-domestic rates reforms, including shortened revaluation cycles, may have a potential impact on volumes of appeals heard by the Valuation Tribunal for Wales, the Upper Tribunal, the Magistrates' Court and the Crown Court. The increased frequency of revaluations in Wales could reduce the volume of non-domestic rates appeals over time. As non-domestic hereditaments (units of property with a rating assessment) will be more frequently valued in line with prevailing market and economic conditions, there may be reduced volumes of appeals against rateable values.
- 9.18 Specific proposals introducing a duty on ratepayers to notify the Valuation Office Agency of certain changes may increase the impact of the non-domestic rates system on the justice system. The implementation of a new civil penalty and criminal sanctions, as part of a compliance regime for the duty to notify, would impact upon the workings of the justice system. However, the impact on the justice system is anticipated to be low, as the policy changes relate to non-compliance and are anticipated on being used infrequently. Penalties would apply in limited circumstances and would be enforced on a discretionary basis by the Valuation Office Agency, with appeals against penalties being heard by the Valuation Tribunal for Wales (and by the Upper Tribunal, once the necessary consequential amendments are made). It is considered very unlikely that criminal prosecutions will be brought forward as a result of the new duties.
- 9.19 The anti-avoidance provisions have the potential to impact upon the workings of the justice system in the future, although there will be no immediate impacts. The impact would be assessed when regulations are made specifying the type of behaviour which constitutes an artificial avoidance arrangement.

Council Tax

- 9.20 Council tax provides approximately £2.6 billion a year towards the £10 billion cost of essential local services delivered across Wales. There are hundreds of local services part-funded through council tax, not just those of councils, but police and fire services too.

What is the Act doing and how does that align with the Programme for Government?

- 9.21 The Welsh Government is committed to creating a fairer and more progressive council tax in its Programme for Government 2021 to 2026 and in the previous Co-operation Agreement: 2021. The council tax Integrated Impact Assessment concentrates on the parts of the reform programme that form provisions relating to council tax in the Act. These provisions involve:
- the introduction of statutory regular revaluation cycles of the tax base (at least every 5 years);
 - a review of the current discounts and disregards schedule as well as giving Welsh Ministers the powers to amend, create, remove, change discounts and disregards;
 - a review of the current council tax reduction scheme and introduce flexibility to make in-year changes to the scheme;
 - providing the Welsh Ministers with a power to change references to Band D if the structure of the council tax bands requires amendment.
- 9.22 The purpose of the council tax provisions in the Act are to help support a fairer distribution of the tax burden, while maintaining the delivery of public services supported by council tax revenue.

How does it fit with the wellbeing goals?

- 9.23 Achieving a fairer council tax is one action the Welsh Government can take towards making Wales a more equal nation. Analysis undertaken by the [Institute for Fiscal Studies](#) illustrates how council tax reform can have positive impacts on communities and reduce wealth inequalities. To support our commitments under the Well-being of Future Generations (Wales) Act 2015, by safeguarding the future financial sustainability of local government through council tax reforms, we can assist our local government partners to deliver our shared seven well-being goals. By strengthening the local government finance system in Wales, local government will be in a stronger and more sustainable position to deliver public services and to develop their services to support the communities they serve.

Collaboration and involvement – who has been involved in helping identify impacts?

- 9.24 In creating a fairer and more progressive council tax, the Welsh Government has chosen to phase the consultation and engagement over a period time, to ensure changes to the council tax system are undertaken in collaboration with representative organisations.
- 9.25 A [Phase 1 consultation](#) which ran from July to October 2022 sought views from the public and stakeholders on the ambitions for creating a fairer and more progressive system, including the provisions in the Act. 1,024 responses were received. A [summary of responses](#) to this consultation was published in December 2022.
- 9.26 Following the Phase 1 consultation, a [Phase 2 consultation](#) was launched in November 2023 to seek views on the scale and pace of council tax reform. 1,676 responses were received. A [statement](#) by the Cabinet Secretary for Finance, Constitution and Cabinet Office was issued on 15 May 2024 outlining the way forward, with five-yearly revaluations beginning from 2028. A [summary of responses](#) was also published on this date.
- 9.27 Both consultations were widely publicised through activity in the Senedd, on social media channels, in press articles, television and radio coverage at both national and UK levels, and through a number of stakeholder organisations.
- 9.28 The proposals were informed by consultation and engagement with partner and stakeholder organisations. This included a range of formalised groups with local government and sub-groups on specific topics, which takes place on an ongoing basis. Our engagement spans elected members representing communities, as well as officers and practitioners of varying specialisations.

Specific impact assessments have been undertaken on the following topics:

Children's rights

- 9.29 The public services funded by council tax revenue support the development of children and improve their quality of life, maintaining or improving the provision of education and care, alongside hundreds of other council services from which families benefit, including recreational services and housing. The Act provisions aim to sustain an important funding stream for public services in Wales through a progressive, up-to-date council tax system. Such services are essential to the maintenance of living in a safe and nurturing environment, and to aid children who need additional support from authorities. The following articles of the [United Nations Convention on the Rights of the Child](#) will be supported, or furthered advanced, by the security of local government income: 18, 19, 20, 23, 26, 27, 29 and 31.

Equality

- 9.30 The purpose of the provisions in the Act is to help support a fairer distribution of the tax burden, while maintaining the delivery of public services supported by council tax revenue. The Act enables Welsh Ministers to amend, create,

remove and make changes to discounts and disregards, and have the ability to make in-year changes to the Council Tax Reduction Scheme as wider conditions dictate, targeting mitigation where it is most needed. Such an outcome could improve the experiences for all citizens, including those with protected characteristics.

Rural proofing

- 9.31 Council tax reform aims to reduce the tax liability placed on households with lower wealth or at a socio-economic disadvantage. The reforms will be applied consistently across Wales but may have a different impact in rural communities compared to other areas. In rural areas, the availability of affordable housing and potential for dispersal of Welsh language communities may be more significant issues than in other areas. The Welsh Government is conscious of the potential impact that regular revaluations may have on low socio-economic households if their council tax bills increase as a result. The reviews of our Council Tax Reduction Scheme and the range of discounts, disregards, exemptions and premiums will ensure households that experience socio-economic disadvantage can access appropriate financial support.

Data protection

- 9.32 The provisions in this Act do not seek to change the existing data-sharing arrangements and governance the Welsh Government has with local authorities and any other organisations required to maintain the system.

Welsh language

- 9.33 Safeguarding the local government finance system, through the provisions in the Act, will provide local authorities with the tools to deliver appropriate public services, including the delivery of Welsh language or bilingual services and the operation of Welsh-medium schools and services. The Welsh Government anticipates these indirect impacts and outcomes will continue to support our ambitions to see the Welsh language thrive in Wales.
- 9.34 The Welsh Government is committed to delivering the effects of the Act provisions through both languages. Delivery partners such as the Valuation Office Agency are also committed to providing services and communicating with taxpayers and interested parties bilingually, as set out in their Welsh language scheme.

Biodiversity

- 9.35 Council tax is a local tax on the owner or occupier of domestic property (property used as living accommodation). It is based on property valuations and is applied in a consistent way across properties. As such, biodiversity is not an integral aspect of the decision-making in relation to the provisions in the Act. The reforms will however help to maintain a stable local government finance system and local authorities may opt to use some of their resources to support biodiversity.

Socio-economic duty

- 9.36 The Act aims to safeguard the resilience of the local government finance system to ensure these services remain sustainable, effective, and robust for current and future generations. Such an outcome could improve the experiences for service users, including those from disadvantaged socio-economic backgrounds.
- 9.37 A system with regular revaluations taking place every five years, with the flexibility to amend, reschedule or cancel a property revaluation exercise will help to mitigate against significant shifts in council tax bills in the future.
- 9.38 However, while property value remains a good indicator of relative wealth and ability to pay council tax, it is not perfect. The reviews of the Council Tax Reduction Scheme and of the range of discounts, disregards, exemptions and premiums, will ensure households who experience socio-economic disadvantage can access appropriate financial support.

Justice

- 9.39 The Act includes provision for adopting a 5-year revaluation cycle for domestic dwellings in Wales; this may have a potential impact on volumes of appeals heard by the Valuation Tribunal for Wales. The impact on the justice system is anticipated to be manageable as the Act relates to existing and long-standing judicial procedures. The Welsh Government is not creating new criminal offences or major changes to the appeals system.
- 9.40 The implementation of a 5-yearly cycle of council tax revaluations in Wales could stabilise the volume of council tax banding (and other) appeals over time. As domestic dwellings will be consistently revalued and rebanded in accordance with the market at the time, there may be reduced volumes of properties moving between bands and therefore less likelihood that council taxpayers would appeal.
- 9.41 However, the Valuation Tribunal for Wales is likely to see an increase in council tax appeals within the 12 months following a revaluation exercise. The Valuation Tribunal for Wales has identified additional staffing (and associated IT/training provision) would be needed to manage the corresponding increase in tribunals needed to meet demand. Additional tribunal members would also need to be recruited to ensure all tribunals had a sustainable and consistent pool of volunteers to assess appeal cases. The potential cost implication outlined by the Valuation Tribunal for Wales in relation an increase in appeals has been assessed as part of the regulatory impact assessment.
- 9.42 Changes in relation to Council Tax Reduction Schemes restate existing provisions relating to judicial review in relation to Wales.

10. Competition Assessment

- 10.1 The current local taxation system operates on the basis of hereditaments (units of property with a valuation assessment) being defined as domestic or non-domestic. Domestic hereditaments are subject to council tax and as such have not been considered as part of this competition assessment.
- 10.2 Non-domestic rates, often referred to as 'business rates', are levied on owners or occupiers of non-domestic hereditaments (a unit of property with a rating assessment which broadly speaking, reflects the annual rental value). There are over 125,000 hereditaments in Wales liable for non-domestic rates.
- 10.3 The rating list includes hereditaments such as major transport and utilities infrastructure (e.g. airports, telecommunications networks, infrastructure for gas, electricity and water supply). Not all ratepayers are businesses – there are other types of ratepayers and organisations which are also liable for non-domestic rates, but all sectors of business are subject to non-domestic rates if they have a commercial property. Given the range of business sectors and other type of ratepayers liable for non-domestic rates, the system has been designed to be applied uniformly and consistently across all hereditaments. The analysis for the competition filter test reflects this application.
- 10.4 The Act itself is not expected to change the fundamental requirements on businesses.

The Competition Filter Test

Question	Answer: Yes or No
Q1: In the market(s) affected by the new regulation, does any firm have more than 10% market share?	No
Q2: In the market(s) affected by the new regulation, does any firm have more than 20% market share?	No
Q3: In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share?	No
Q4: Would the costs of the regulation affect some firms substantially more than others?	No
Q5: Is the regulation likely to affect the market structure, changing the number or size of firms?	No
Q6: Would the regulation lead to higher set-up costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q7: Would the regulation lead to higher ongoing costs for new or potential suppliers that existing suppliers do not have to meet?	No
Q8: Is the sector characterised by rapid technological change?	No
Q9: Would the regulation restrict the ability of suppliers to choose the price, quality, range or location of their products?	No

Conclusion from results of the competition filter test

- 10.5 A competition assessment has been undertaken and concluded that this Act will have no direct impacts on products or services that would affect market competition.
- 10.6 The non-domestic rates provisions will be universally applied to a wide range of sectors in a uniform and consistent way. The benefits of the provisions will also be felt across all business sectors. The Act's intent is to support wider local government finance reform in its aim to increase fairness, improve efficiency and be more responsive to changing socio and economic conditions.
- 10.7 Due consideration will be given to competition assessments for any subsequent subordinate legislation as identified and if required. If new information comes to light, the results of this test should be checked and reconfirmed by re-applying the filter test.

11. Post Implementation Review

- 11.1 The Act provides the legislative framework which will help to deliver a major package of reforms to local government finance, specifically non-domestic rates and council tax.
- 11.2 The programme of reforms, of which this Act forms a part, is based on extensive research conducted over the Fifth Senedd Term and draws on the outcomes of numerous consultations. Expert input from renowned institutions has been used to fully explore the impacts of the different policy options. Detailed policy implementation will be developed with practitioners and working groups to ensure they are fit for purpose, drawing on practical experience and local knowledge.
- 11.3 The Act strengthens the powers available to Welsh Ministers, by providing them with a range of powers. It includes measures to ensure liability is continually and fairly distributed and to improve responsiveness to wider changing economic conditions.
- 11.4 The Welsh Government has consulted extensively with a number of stakeholders that have formed part of the evidence informing the Act. We will continue to work with our stakeholders and local authorities to monitor and evaluate the impact of local government finance reform.
- 11.5 For all of the provisions within the Act, the Welsh Government will ensure continuous assessments of how the legislation has taken effect and influenced the policy intent. The Welsh Government will undertake a post-implementation review of the operation and impact of the Act before the end of the Seventh Senedd Term. This will include consideration of the relevant subordinate legislation making powers.

Administrative Data

- 11.6 Activity to monitor the implementation of the Act will wherever possible be aligned to other relevant work. Extensive and relevant administration data routinely collected by the Welsh Government and partners will be utilised in the monitoring and evaluation of the legislation.
- 11.7 In respect of the topics covered in the Act, some examples of existing data sources include Valuation Office Agency property data, local authority records, Office for National Statistics administration and performance data, public attitudes surveys, statistical collections). The Welsh Government will continue to build on these data assets and analyse impact of changes as they emerge.

12. Affordability Assessment

Approach

- 12.1 While the regulatory impact assessment assesses social value and includes cultural, social and environmental impacts alongside economic costs and benefits, this affordability assessment is a purely financial assessment. As such, only cash costs and cash-releasing benefits are included. Any environmental, social, cultural and wider economic costs and benefits identified in the Act's regulatory impact assessment have been removed from this affordability assessment.
- 12.2 The affordability assessment considers the same time period as the regulatory impact assessment, 2024-25 to 2033-34.
- 12.3 The regulatory impact assessment identified a number of opportunity costs associated with the time spent by existing members of staff on activities related to the implementation of the Act. Since these opportunity costs do not represent an additional financial outlay to the organisations concerned, they not been included in this affordability assessment.
- 12.4 The cash costs and cash-releasing benefits in this assessment have been adjusted to reflect anticipated inflation during the appraisal period. This adjustment has been made on the basis of the GDP deflator projections included in the Office for Budget Responsibility (OBR) Economic and Fiscal Outlook⁴ which was published in March 2024. The OBR's projections extended only to 2027-28 and so the average of the OBR's projections has been used for the remainder of the appraisal period. Although inflation is currently falling, there remains a degree of uncertainty as to its future path. The Welsh Government will continue to monitor the impact of inflation on the financial costs of the Act.
- 12.5 Unless otherwise stated, all costs have been rounded to the nearest £1,000. Some of the totals in tables may not sum due to this rounding.
- 12.6 It should be noted that while costs have been allocated to individual organisation and delivery partners, the Welsh Government will be responsible for funding any additional budget requirements, especially in regard to the Valuation Office Agency and the Valuation Tribunal for Wales.
- 12.7 The costs should be regarded in the context of the scale of the local taxes which generate over £3 billion a year towards the funding of local public services in Wales.
- 12.8 The financial benefits of the Act have also been assessed and the net cost, after benefits have been taken into account, is included to provide a full picture of the final budget requirements.

⁴ [Economic and fiscal outlook – March 2024](#)

Bodies

Valuation Office Agency

12.9 The Valuation Office Agency cost estimates represent the largest proportion of financial implications which arise as a result of the Act. A summary is given in the following table.

Table 12.1 – Estimated Valuation Office Agency costs (£000)

Valuation Office Agency Costs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Total Costs	4,000	3,500	6,900	8,000	13,500	14,000	2,800	4,700	8,300	13,000	78,700
Total Adjusted for Inflation	4,064	3,592	7,165	8,449	14,485	15,308	3,120	5,336	9,603	15,326	86,448

- 12.10 The costs identified in the regulatory impact assessment are driven largely by the requirements to introduce regular council tax valuation cycles and to support more frequent non-domestic rates revaluations. The Act creates a duty to deliver regular council tax revaluations from 2028 and more frequent, three-yearly, non-domestic rates revaluations from 2026. The Valuation Office Agency will also provide the ICT processes to oversee and manage the duty placed on ratepayers to notify the Valuation Office Agency of relevant changes to rateable properties.
- 12.11 Funding discussions between the Valuation Office Agency and the Welsh Government are managed through quarterly Service Level Agreement meetings. As the Welsh Government's programme of local tax reform has progressed, the requirements of the Valuation Office Agency in relation to valuation have become clearer.
- 12.12 To ensure there is sufficient funding to meet the valuation requirements and to allow Valuation Office Agency to plan and manage its activities, an annual baseline budget has been agreed for a programme of key tax-base management activities and the associated administration the Valuation Office Agency will undertake, including the costs attributed to the Act.
- 12.13 The Valuation Office Agency's forecast includes a level of uncertainty, with fluctuations being driven by revaluation cycles, wider reform work and future business developments. However, while valuation costs may vary year-on-year, the establishment of a baseline level of funding provides a realistic and stable basis for planning purposes and service level agreement discussions in the short to medium term.
- 12.14 The Valuation Office Agency is committed to working closely with the Welsh Government to manage costs each year, with annual financial planning meetings taking place well in advance of processes to set future budgets.

- 12.15 As described in the regulatory impact assessment, Part 2, Chapter 8 [8.25 and 8.181], the costs are set against a range of benefits, especially to council taxpayers and ratepayers, by providing more accurate billing and mitigating the impacts of wider market fluctuations. Interdependences between reforms introduced in the Act, e.g. more revaluations, information-sharing and process improvement, also allow for efficiency savings, which will be reflected in future Valuation Office Agency service level agreements discussions as they emerge.
- 12.16 The benefits described, coupled with the continued careful management of the Valuation Office Agency budget by the Welsh Government and internal discussions to consider future funding arrangements mean that, in our assessment, the overall costs are affordable.

Valuation Tribunal for Wales

- 12.17 The costs attributed to the Valuation Tribunal for Wales identified in the regulatory impact assessment are largely driven by council tax revaluation requirements, engagement with taxpayers and management of appeal tribunals. As Table 12.2 highlights, the majority of the costs occur after 2028-29, as a result of the provision to introduce regular five-yearly council tax revaluation cycles from 2028.

Table 12.2 – Estimated Valuation Tribunal for Wales costs (£000)

Valuation Tribunal for Wales Costs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Total Costs	0	0	0	324	282	282	282	282	324	282	2,055
Total Adjusted for Inflation	0	0	0	342	302	308	314	320	374	332	2,292

- 12.18 Given the potential increase in taxpayer interaction which might arise from a council tax revaluation, the Valuation Tribunal for Wales has considered its needs to ensure it is sufficiently equipped to carry out the additional judicial functions and allow for expansion of its operations.
- 12.19 The costs arise largely from an anticipated increase in council tax appeals and the increased staffing, training and ICT costs associated with this workload. It also includes the management and organisation of additional appeals tribunals and associated tribunal member costs.
- 12.20 Like the Valuation Office Agency, the Valuation Tribunal for Wales has an agreed annual baseline budget with the Welsh Government which takes account of the key responsibilities of the Valuation Tribunal for Wales and the associated administration it undertakes, including the costs attributed to the Act. The Valuation Tribunal for Wales is working closely with the Welsh Government to manage costs each year, with annual financial planning meetings taking place well in advance of the processes to set future budgets.

12.21 As described in the regulatory impact assessment, Part 2, Chapter 8 [8.28 and 8.181], the costs are set against a range of benefits, especially the benefits to council taxpayers as a result of regular revaluations. The benefits described, coupled with the continued careful management of the Valuation Tribunal for Wales budget by the Welsh Government and internal discussions to consider future funding arrangements mean that, in our assessment, the overall costs are affordable.

Local Authorities

12.22 Local authority costs are focused on the administration of non-domestic rates and council tax billing and a potential increase in staff resource due to a rise in engagement with council taxpayers and ratepayers. The majority of the costs outlined in the regulatory impact assessment allocated to local authorities are considered to be opportunity costs, due to the likelihood that staff capacity will be moved to priority areas from elsewhere at times of high activity. These are therefore not reflected in Table 12.3.

12.23 Savings have also been identified which help to offset the costs and it is likely that further savings will be identified once ratepayers and council taxpayers become more familiar with the changes to the non-domestic rates and council tax systems, meaning less engagement will be required.

Table 12.3 – Estimated local authority costs (£000)

Local Authority Costs	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Total Costs	371	371	371	371	371	371	371	371	371	371	3,710
Total Adjusted for Inflation	377	381	385	392	398	406	413	421	429	437	4,040

12.24 The total costs allocated to local authorities in the regulatory impact assessment relate to the estimated additional non-domestic rates discretionary relief local authorities will be able to award as a consequence of powers in the Act. The local authority element of such relief would be funded from their own budgets and would be managed by individual authorities. The exact amount of relief awarded will vary across local authorities in amounts and from year to year, depending on the choices of each authority. These costs represent a direct benefit to ratepayers.

The Welsh Government

12.25 As outlined above, increases to any additional Valuation Office Agency and Valuation Tribunal for Wales funding required as a consequence of the Act will be managed by the Welsh Government and the costs are summarised in the entries for each organisation. This section deals only with the costs directly attributed to the Welsh Government.

12.26 The majority of the additional costs related to funding the Valuation Office Agency and Valuation Tribunal for Wales are expected to be met from in existing allocated budgets with periodic increases associated with revaluation cycles being funded through reprioritisation.

12.27 The costs summarised in the Table 12.4 relate to the Welsh Government's contribution to the estimated additional non-domestic rates discretionary relief local authorities will be able to award as a consequence of powers in the Act. The exact amount of relief awarded will vary across local authorities in amounts and from year to year.

Table 12.4 Estimated Welsh Government costs (£000)

Welsh Government	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Total Costs	124	124	124	124	124	124	124	124	124	124	1,240
Total Adjusted for Inflation	126	127	129	131	133	136	138	141	143	146	1,350

12.28 These costs represent a direct benefit to ratepayers and will be managed in a similar way to existing discretionary relief. They are modest in comparison to the size of the non-domestic rating pool and are considered affordable.

Benefits

12.29 The local authority and Welsh Government costs should be considered in the context of the financial benefits realised by the Act. These are outlined in the following table.

Table 12.5 – Estimated total financial benefits (£000)

Total Benefits	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-domestic rates	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	14,950
Total Benefits	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	14,950
Total Adjusted for Inflation	1,519	1,534	1,553	1,579	1,604	1,635	1,666	1,697	1,730	1,762	16,278

12.30 The financial benefits comprise direct benefits for ratepayers (£4.95m) and revenue saved due to a reduction in non-domestic rates avoidance (£10m).

Summary

- 12.31 Non-domestic rates and council tax generate over £3 billion a year in revenue which helps to fund essential local services for communities in Wales. The total costs of implementing the Act and the net costs after benefits are offset are summarised in Table 12.5. As outlined in the regulatory impact assessment, the changes to be implemented will ensure both systems remain as efficient and effective as possible, as well as improving fairness for council taxpayers and ratepayers.
- 12.32 It is anticipated there will be long-term savings to the Welsh Government and stakeholders as a consequence of the Act's provisions, which will emerge over the ten-year appraisal period.
- 12.33 We acknowledge that against the current economic backdrop, difficult decisions regarding public expenditure have to be made. The majority of the costs will be supported through existing budgets and, based on the information outlined here, it is our assessment that the Act will be affordable over the appraisal period.

Table 12.6 – Estimated costs: total and net costs of implementing the Act (£000)

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	Total
Non-Domestic Rates Costs	4,495	3,995	7,801	2,695	3,365	5,527	3,696	3,696	4,027	1,865	41,160
Council Tax Costs	0	0	2,900	9,139	13,542	11,281	1,581	3,481	8,439	14,542	64,905
Total Costs	4,495	3,995	10,701	11,834	16,907	16,808	5,277	7,177	12,466	16,407	106,065
Total Costs Adjusted for Inflation	4,567	4,100	11,113	12,498	18,141	18,378	5,879	8,148	14,422	19,342	116,587
Total Benefits	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	14,950
Benefits Adjusted for Inflation	1,519	1,534	1,553	1,579	1,604	1,635	1,666	1,697	1,730	1,762	16,278
Net Act Costs	3,000	2,500	9,206	10,339	15,412	15,313	3,782	5,682	10,971	14,912	91,115
Net Costs Adjusted for Inflation	3,048	2,565	9,560	10,919	16,537	16,743	4,213	6,451	12,692	17,579	100,309

ANNEX 1: Explanatory Notes

The explanatory notes to the Local Government Finance (Wales) Act 2024 can be found here: [Local Government Finance Act Wales 2024 - Explanatory Notes \(legislation.gov.uk\)](https://legislation.gov.uk/ukpga/2024/12/explanatory/notes)

ANNEX 2: Index of Standing Order requirements

Standing order		Section	Pages/ paragraphs
26.6(ii)	Set out the policy objectives of the Bill	Part 1, Chapter 3 - Purpose and intended effect of the legislation	Pages 5 - 25
26.6(iii)	Set out whether alternative ways of achieving the policy objectives were considered and, if so, why the approach taken in the Bill was adopted	Part 1, Chapter 3 Part 2, Chapter 8, Regulatory Impact Assessment	Paragraphs 3.4 – 3.12 (for information on options which were explored for achieving the policy objectives). Paragraph 3.4 on the various options which were explored as part of the comprehensive research programme which was started in 2017 and culminated in the publication of Reforming Local Government Finance in Wales: Summary of Findings in February 2021. Paragraph 3.8 for the research programme which considered alternative forms of local tax such as a local land value tax, local taxes based on income, or modernising the existing non-domestic rates and council tax systems. Pages 52-99.

Standing order		Section	Pages/ paragraphs
26.6(iv)	Set out the consultation, if any, which was undertaken on: (a) the policy objectives of the Bill and the ways of meeting them; (b) the detail of the Bill, and (c) a draft Bill, either in full or in part (and if in part, which parts)	Part 1, Chapter 4 – Consultation	Pages 26 - 30. Paragraph 4.1 for a summary of consultation with external stakeholders. Paragraph 4.2 for a summary of research projects undertaken with external stakeholders. Paragraph 4.3 for engagement with the Partnership Council for Wales and its sub-groups. Paragraphs 4.4 - 4.8 for a summary of consultations on non-domestic rates. Paragraphs 4.9 - 4.14 for a summary of consultations on council tax. Pages 101 and 105. Paragraph 9.6 for consultation on non-domestic rates. Paragraphs 9.25 and 9.26 for consultation on council tax.
26.6(v)	Set out a summary of the outcome of that consultation, including how and why any draft Bill has been amended	Part 1, Chapter 4 – Consultation	Pages 26 – 30 for a summary of previous consultations of relevance to the Bill.

Standing order		Section	Pages/ paragraphs
26.6(vi)	If the Bill, or part of the Bill, was not previously published as a draft, state the reasons for that decision	Part 1, Chapter 4 – Consultation	Paragraph 4.16 for the reasoning.
26.6(vii)	Summarise objectively what each of the provisions of the Bill is intended to do (to the extent that it requires explanation or comment) and give other information necessary to explain the effect of the Bill	Annex 1 – Explanatory Notes	Pages 117 – 134.
26.6(viii)	Set out the best estimates of: (a) the gross administrative, compliance and other costs to which the provisions of the Bill would give rise; (b) the administrative savings arising from the Bill; (c) net administrative costs of the Bill's provisions; (d) the timescales over which such costs and savings would be expected to arise; and (e) on whom the costs would fall	Part 2, Chapters 6 & 8 – Regulatory Impact Assessment	Pages 45 – 49 for the summary. Pages 52 - 99 for detailed options, including costs and benefits.
26.6(ix)	Any environmental and social benefits and dis-benefits arising from the Bill that cannot be quantified financially	Part 2, Chapter 9 – Integrated Impact Assessment	Paragraphs 9.5, 9.11, 9.15 and 9.16 for non-domestic rates. Paragraphs 9.23, 9.29, 9.33 and 9.34 for council tax.
26.6(x)	Where the Bill contains any provision conferring power to make subordinate legislation, set out, in relation to each such provision:	Part 1, Chapter 5 - Power to make subordinate legislation	Pages 31 – 44.

Standing order		Section	Pages/ paragraphs
	(a) the person upon whom, or the body upon which, the power is conferred and the form in which the power is to be exercised; (b) why it is considered appropriate to delegate the power; and (c) the Senedd procedure (if any) to which the subordinate legislation made or to be made in the exercise of the power is to be subject, and why it was considered appropriate to make it subject to that procedure (and not to make it subject to any other procedure);		
26.6(xi)	Where the Bill contains any provision charging expenditure on the Welsh Consolidated Fund, incorporate a report of the Auditor General setting out his or her views on whether the charge is appropriate	The requirement of Standing Order 26.6(xi) does not apply to this Bill (see paragraph 6.2)	
26.6(xii)	Set out the potential impact (if any) on the justice system in England and Wales of the provisions of the Bill (a 'justice impact assessment'), in accordance with section 110A of the Act.	Part 2, Chapter 9 – Integrated Impact Assessment	Page 103 for non-domestic rates, paragraphs 9.17 – 9.19. Page 107 for council tax, paragraphs 9.39 – 9.42.
26.6B	Where provisions of the Bill are derived from existing primary legislation, whether for the purposes of amendment or consolidation, the Explanatory Memorandum must be accompanied by a table of derivations that explain clearly how the Bill relates to the existing legal framework.	Annex 2 –Table of Derivations .	Pages 140 – 141.
26.6C	Where the Bill proposes to significantly amend existing primary legislation, the Explanatory Memorandum must be accompanied by a schedule setting out the wording of existing	Annex 3 – Schedule of Amendments	Pages 142 – 303.

Standing order		Section	Pages/ paragraphs
	legislation amended by the Bill, and setting out clearly how that wording is amended by the Bill.		

ANNEX 3: Table of derivations

The following table is intended to provide information on the derivation of the provisions of the Local Government Finance (Wales) Act 2024 (“the Act”). The table does not provide definitive or exhaustive guidance and should be read in conjunction with the Act and with the explanatory notes to the Act. While care has been taken to ensure that the document is as accurate as reasonably practicable, it does not purport to be, and should not be relied on as, authoritative.

KEY TO ABBREVIATIONS

LGFA 1988 Local Government Finance Act 1988
 LGFA 1992 Local Government Finance Act 1992

SECTION/ PARAGRAPH	CORRESPONDING REFERENCE IN EXISTING LEGISLATION	SUBSTANTIVE CHANGE
Part 1: Non-Domestic Rating		
1	New	NA
2	Section 41ZA of LGFA 1988 is largely derived from section 41 of that Act, and also, in part, from section 41A of that Act, but reduces the interval for compiling local non-domestic rating lists from 5 to 3 years and introduces a requirement for billing authorities to store draft and compiled lists electronically	Yes
3	Section 52ZA of LGFA 1988 is largely derived from section 52 of that Act but reduces the interval for compiling central non-domestic rating lists from 5 to 3 years and introduces a requirement for billing authorities to store draft and compiled lists electronically	Yes
4 and 5	New	NA
6	Paragraph 2(3) of Schedule 4ZB to LGFA 1988 is derived from paragraph 2(2) of that Schedule, but provides for additional conditions to be met by the relevant ratepayer	Yes
7 to 9	New	NA
10	Partly derived from Schedule 7 to LGFA 1988 but also introduces	Yes

	new delegated powers in relation to non-domestic multipliers	
11	Amendments to Schedule 4ZA, 4ZB and 5A to the LGFA 1988 are partly derived from existing provisions in those Schedules	No
12 and 13	New	NA
14	Section 143A of LGFA 1988 is largely derived from section 143 of that Act but also includes references to the new powers introduced in sections 4, 5, 9, 10, and 13 of the Act	No
15	New	NA
Part 2: Council Tax		
16	New	NA
17	Section 5(4B) and (4C) of LGFA 1992 is derived from section 5(4) and (4A) respectively	No
18 to 19	New	NA
20	Section 22B(10A) of LGFA 1992 is partly derived from section 22B(10) of LGFA 1992	No
Part 3: General		
21 to 24	New	NA
Schedule	New provisions apart from amendments contained in paragraph 1(9) which are largely derived from section 55(1) and (7A) of LGFA 1988, and amendments contained in paragraph 1(23)(d) which are largely derived from paragraph 8 of Schedule 9 to LGFA 1988	No

ANNEX 4: Schedule of amendments

AMENDMENTS TO BE MADE BY THE LOCAL GOVERNMENT FINANCE (WALES) ACT 2024

This document is intended to show how the provisions of the following Acts, as they applied in relation to Wales on 16 September 2024, would look as amended by the Local Government Finance (Wales) Act 2024.

- Local Government Finance Act 1988
- Local Government and Housing Act 1989
- Local Government (Wales) Act 1994
- Local Government and Rating Act 1997
- Local Government Act 2003
- Business Rate Supplements Act 2009
- Growth and Infrastructure Act 2013
- Environment (Wales) Act 2016
- Local Government and Elections (Wales) Act 2021
- Non-Domestic Rating (Lists) Act 2021
- Non-Domestic Rating Act 2023
- Local Government Finance Act 1992

Material to be deleted by the Local Government Finance (Wales) Act is in strikethrough, e.g. ~~omitted material looks like this~~. Material to be added by the Local Government Finance (Wales) Act is underlined, e.g. added material looks like this. References to the relevant amending provisions of the Act are provided in the right hand column on each page.

A number of related provisions from the Acts, although not being amended, are included to aid understanding of the amendments.

Warning

This text has been prepared by officials of the Local Government, Housing, Climate Change and Rural Affairs Group of the Welsh Government. Although efforts have been taken to ensure that it is accurate, it should not be relied on as a definitive text of the Act.

It has been produced solely to help people understand the effect of the Local Government Finance (Wales) Act 2024. It is not intended for use in any other context.

Non-domestic rates provisions impacting the Local Government Finance Act 1988

Local Government Finance Act 1988	Amended by
PART III NON-DOMESTIC RATING <i>Local rating</i> 41 Local rating lists: <u>England</u> (1) In accordance with this Part the valuation officer for a billing authority <u>in England</u> shall compile, and then maintain, lists for the authority (to be called its local non-domestic rating lists). (2) A list must be compiled on 1 April 1990 and on 1 April in every fifth year afterwards, subject to subsection (2A). (2A) In the case of a billing authority in England But— (a) subsection (2) does not require a list to be compiled on 1 April 2015 and on 1 April in every fifth year afterwards, and (b) a list must instead be compiled on 1 April 2017, on 1 April 2023 and on 1 April in every third year afterwards. (3) A list shall come into force on the day on which it is compiled and shall remain in force until the next one is compiled. (4) Before a list is compiled the valuation officer must take such steps as are reasonably practicable to ensure that it is accurately compiled on 1 April concerned. (5) Not later than 31 December preceding a day on which a list is to be compiled the valuation officer shall send to the authority a copy of the list he proposes (on the information then before him) to compile. (6) As soon as is reasonably practicable after receiving the copy the authority shall deposit it at its principal office and take such steps as it thinks most suitable for giving notice of it. (6A) As soon as is reasonably practicable after compiling a list the valuation officer shall send a copy of it to the authority. (6B) As soon as is reasonably practicable after receiving the copy the authority shall deposit it at its principal office.	Section 2(2)

(7) A list must be maintained for so long as is necessary for the purposes of this Part, so that the expiry of the period for which it is in force does not detract from the duty to maintain it. (8) In compiling and maintaining the list which must be compiled on 1 April 1990, the valuation officer may take into account information obtained under section 82 or 86 of the 1967 Act. (9) This section in its application to Wales is subject to section 54A (postponement of compilation of Welsh lists for 2015 onwards).	
<u>41ZA Local rating lists: Wales</u> <u>(1) The valuation officer for a billing authority in Wales must compile lists for the authority (to be called its local non-domestic rating lists) in accordance with this Part.</u> <u>(2) A list must be compiled on 1 April in each revaluation year.</u> <u>(3) Revaluation years are 2026 and every third year afterwards.</u> <u>(4) A list comes into force on the day on which it is compiled and remains in force until the next list is compiled.</u> <u>(5) Before a list is compiled the valuation officer must take such steps as are reasonably practicable to ensure that it is accurately compiled on 1 April concerned.</u> <u>(6) No later than 31 December preceding a day on which a list is to be compiled, the valuation officer must send to the authority a copy of the list proposed to be compiled (on the information then before the officer).</u> <u>(7) The authority must keep a copy of the proposed list electronically and must take such steps as it thinks suitable for giving notice of it.</u> <u>(8) As soon as is reasonably practicable after compiling a list, the valuation officer must send a copy of it to the authority.</u> <u>(9) The authority must keep a copy of the list electronically.</u> <u>(10) The valuation officer must maintain a list within subsection (11) for so long as is necessary for the purposes of this Part, whether or not the list is still in force.</u> <u>(11) A list is within this subsection if it was—</u> <u>(a) compiled under this section, or</u> <u>(b) required to be compiled on 1 April 1990, 1 April 1996, 1 April 2000, 1 April 2005, 1 April 2010, 1 April 2017 or 1 April 2023.</u>	Section 2(3)

<u>(12) In maintaining the list that was required to be compiled on 1 April 1990, the valuation officer may take into account information obtained under section 82 or 86 of the 1967 Act.</u>	
41A Local non-domestic rating lists for Welsh billing authorities. (1) Every new valuation officer shall, on 1st April 1996, compile a list (“the amalgamated list”) for the new billing authority for which he is appointed, based on the information provided for him under this section. (2) The amalgamated list shall contain the information which was included in the local non-domestic rating lists compiled on 1st April 1995 for the old billing authorities (“the current lists”) so far as that information is relevant. (3) The amalgamated list shall also include the information which was included in any current list by way of an alteration, so far as that information is relevant. (4) A new valuation officer’s amalgamated list shall be treated, for the purposes of this Act, as the local non-domestic rating list for his new billing authority and shall be deemed to have come into force on 1st April 1995. (5) Where an amalgamated list contains information which is derived from any alteration made to any list or lists from which it is derived, the amalgamated list shall be treated as having been varied on the date on which the alteration was made. (6) Subsections (2) to (6B) of section 41 above shall not apply in relation to an amalgamated list. (7) Every valuation officer shall— (a) on or before 15th October 1995, provide the appropriate new valuation officer with the information recorded in his local non-domestic rating list as at 30th September 1995, so far as it is relevant; and (b) on 31st March 1996, provide the appropriate new valuation officer with the information recorded in his local non-domestic rating list as at that date, so far as it is relevant. (8) A new valuation officer receiving any information under subsection (7)(a) above shall send a copy of it to his new billing authority as soon as is reasonably practicable. (9) As soon as is reasonably practicable after compiling an amalgamated list, a new valuation officer shall send a copy of it to his new billing authority.	Paragraph 1(2) of Schedule 1

(10) A new billing authority receiving a copy of an amalgamated list under subsection (9) above shall, as soon as is reasonably practicable, deposit it at its principal office. (11) In this section— “old authority” has the same meaning as in the Local Government (Wales) Act 1994; “old billing authority” means a billing authority which is an old authority; “new billing authority” means a billing authority which is a new principal council; “new principal council” has the same meaning as in the Local Government (Wales) Act 1994; “valuation officer” means a valuation officer for an old billing authority; and “new valuation officer” means a valuation officer for a new billing authority. (12) For the purposes of this section— (a) references to a valuation officer’s local non-domestic rating list are references to the local non-domestic rating list maintained by him under this Act; (b) a new valuation officer’s area is the area of the new billing authority for which he is appointed; (c) the appropriate new valuation officer, in relation to any information which relates to any hereditament is the new valuation officer for the new billing authority in whose area the hereditament is situated; and (d) information is relevant in relation to a new valuation officer, or his area, if it relates to a hereditament which is in his area.	
46A Unoccupied hereditaments: new buildings. (1) Schedule 4A below (which makes provision with respect to the determination of a day as the completion day in relation to a new building) shall have effect. (2) Where— (a) a completion notice is served under Schedule 4A below, and (b) the building to which the notice relates is not completed on or before the relevant day, then for the purposes of section 42 above and Schedule 6 below the building shall be deemed to be completed on that day.	

(3) For the purposes of subsection (2) above the relevant day in relation to a completion notice is—

- (a) where an appeal against the notice is brought under paragraph 4 of Schedule 4A below, the day stated in the notice, and
- (b) where no appeal against the notice is brought under that paragraph, the day determined under that Schedule as the completion day in relation to the building to which the notice relates.

(4) Where—

- (a) a day is determined under Schedule 4A below as the completion day in relation to a new building, and
- (b) the building is not occupied on that day,

it shall be deemed for the purposes of section 45 above to become unoccupied on that day.

(5) Where—

- (a) a day is determined under Schedule 4A below as the completion day in relation to a new building, and
- (b) the building is one produced by the structural alteration of an existing building,

the hereditament which comprised the existing building shall be deemed for the purposes of section 45 above to have ceased to exist, and to have been omitted from the list, on that day.

(6) In this section—

- (a) “building” includes part of a building, and
- (b) references to a new building include references to—

- (i) a building produced by the structural alteration of an existing building where the existing building is comprised in a hereditament which, by virtue of the alteration, becomes, or becomes part of, a different hereditament or different hereditaments;

- (ii) a building situated in England which a hereditament shown in a list comprises or includes or which a hereditament that was previously shown (but is no longer shown) in a list comprised or included and that has been subject to alterations;

- (iii) part of a building situated in England and added to an existing building which a

hereditament shown in a list comprises or includes or which a hereditament that was previously shown (but is no longer shown) in a list comprised or included. <u>(iv) a building that has been subject to alterations where the building is comprised in a hereditament situated in Wales that was (but is no longer) shown in a list.</u>	Section 7(2)
47 Discretionary relief. (1) Where the condition mentioned in subsection (3) below is fulfilled for a day which is a chargeable day within the meaning of section 43 or 45 above (as the case may be)— (a) the chargeable amount for the day shall be such as is determined by, or found in accordance with rules determined by, the billing authority concerned, and (b) regulations under section 58 below or any provision of or made under Schedule 4ZA, 4ZB or 7A below (as the case may be) shall not apply as regards the day. (2). . . (3) The condition is that, during a period which consists of or includes the chargeable day, a decision of the billing authority concerned operates to the effect that this section applies as regards the hereditament concerned. (3A). . . (3B). . . (3C). . . (3D). . . (4) A determination under subsection (1)(a) above— (a) must be such that the chargeable amount for the day is less than the amount it would be apart from this section; (b) may be such that the chargeable amount for the day is 0; (c) may be varied by a further determination of the authority under subsection (1)(a) above. (5) In deciding what the chargeable amount for the day would be apart from this section the effect of any regulations under section 58 below and of any provision of or made under Schedule 7A below shall be taken into account but anything which has been done or could be done under section 49 below shall be ignored.	

(5A) So far as a decision under subsection (3) above would have effect where neither paragraph 2 of Schedule 4ZA nor subsection (5B) of this section apply, the billing authority may make the decision only if it is satisfied that it would be reasonable for it to do so, having regard to the interests of persons liable to pay council tax set by it.

(5B) This subsection applies on the chargeable day if—

(a) all or part of the hereditament is occupied for the purposes of one or more institutions or other organisations—

(i) none of which is established or conducted for profit, and

(ii) each of whose main objects are charitable or are otherwise philanthropic or religious or concerned with education, social welfare, science, literature or the fine arts, or

(b) the hereditament—

(i) is wholly or mainly used for purposes of recreation, and

(ii) all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

(5C) A billing authority in England, when making a decision under subsection (3) above, must have regard to any relevant guidance issued by the Secretary of State.

(5D) A billing authority in Wales, when making a decision under subsection (3) above, must have regard to any relevant guidance issued by the Welsh Ministers.

(6) A decision under subsection (3) above may be revoked by a further decision of the authority.

(6A) A decision under subsection (3) by a billing authority in England is invalid as regards a day if—

(a) the day falls before the end of the financial year beginning on 1 April 2022, and

(b) the decision is made more than six months after the end of the financial year in which the day falls.

(6B) A decision under subsection (3) by a billing authority in Wales is invalid as regards a day if –

(a) the day falls before the end of the financial year beginning on 1 April 2023, and

Section 8(2)

<u>(b) the decision is made more than six months after the end of the financial year in which the day falls.</u> (7) A decision under subsection (3) above by a billing authority in Wales is invalid as regards a day if made more than six months after the end of the financial year in which the day falls. (8) The Secretary of State <u>appropriate national authority</u> may make regulations containing provision— (a) requiring notice to be given of any determination or decision; (b) limiting the power to revoke a decision or vary a determination; (c) as to other matters incidental to this section. (8A) This section does not apply where the hereditament is an excepted hereditament. (9) A hereditament is an excepted hereditament if all or part of it is occupied (otherwise than as trustee) by (a) a billing authority; or (b) a precepting authority, other than the Receiver for the Metropolitan Police District or charter trustees; or (c) a functional body, within the meaning of the Greater London Authority Act 1999. (10) This section does not apply where the hereditament is zero-rated under paragraph 2 of Schedule 4ZB.	Section 8(3) Paragraph 1(5) of Schedule 1
52 Central rating lists <u>for England</u>. (1) In accordance with this Part the central valuation officer shall compile, and then maintain, lists <u>for England</u> (to be called central non-domestic rating lists). (2) A list must be compiled on 1 April 1990 and on 1 April in every fifth year afterwards, subject to subsection (2A). (2A) In the application of this section to England But— (a) subsection (2) does not require a list to be compiled on 1 April 2015 and on 1 April in every fifth year afterwards, and (b) a list must instead be compiled on 1 April 2017, on 1 April 2023 and on 1 April in every third year afterwards.	Section 3(2)

(3) A list shall come into force on the day on which it is compiled and shall remain in force until the next one is compiled. (4) Before a list is compiled the central valuation officer must take such steps as are reasonably practicable to ensure that it is accurately compiled on 1 April concerned. (5) Not later than 31 December preceding a day on which a list is to be compiled the central valuation officer shall send to the Secretary of State a copy of the list he proposes (on the information then before him) to compile. (6) As soon as is reasonably practicable after receiving the copy the Secretary of State shall deposit it at his principal office. (6A) As soon as is reasonably practicable after compiling a list the central valuation officer shall send a copy of it to the Secretary of State. (6B) As soon as is reasonably practicable after receiving the copy the Secretary of State shall deposit it at his principal office. (7) A list must be maintained for so long as is necessary for the purposes of this Part, so that the expiry of the period for which it is in force does not detract from the duty to maintain it. (8) This section in its application to Wales is subject to section 54A (postponement of compilation of Welsh lists for 2015 onwards).	
<u>52ZA Central rating lists for Wales</u> <u>(1) The central valuation officer must compile lists for Wales (to be called central non-domestic rating lists) in accordance with this Part.</u> <u>(2) A list must be compiled on 1 April in each revaluation year.</u> <u>(3) Revaluation years are 2026 and every third year afterwards.</u> <u>(4) A list comes into force on the day on which it is compiled and remains in force until the next list is compiled.</u> <u>(5) Before a list is compiled the central valuation officer must take such steps as are reasonably practicable to ensure that it is accurately compiled on 1 April concerned.</u>	Section 3(3)

<u>(6) No later than 31 December preceding a day on which a list is to be compiled, the central valuation officer must send to the Welsh Ministers a copy of the list proposed to be compiled (on the information then before the officer).</u> <u>(7) The Welsh Ministers must keep a copy of the proposed list electronically.</u> <u>(8) As soon as is reasonably practicable after compiling a list, the central valuation officer must send a copy of it to the Welsh Ministers.</u> <u>(9) The Welsh Ministers must keep a copy of the list electronically.</u> <u>(10) The central valuation officer must maintain a list within subsection (11) for so long as is necessary for the purposes of this Part, whether or not the list is still in force.</u> <u>(11) A list is within this subsection if it was—</u> <u>(a) compiled under this section, or</u> <u>(b) required to be compiled on 1 April 1990, 1 April 1995, 1 April 2000, 1 April 2005, 1 April 2010, 1 April 2017 or 1 April 2023.</u>	
54A Postponement of compilation of Welsh lists for 2015 onwards (1) The Welsh Ministers may by order provide that the lists to which this section applies must be compiled on a date specified in the order (“the specified date”) rather than on 1 April 2015. (2) The lists to which this section applies are— (a) each local non-domestic rating list that would otherwise have to be compiled on 1 April 2015 for a billing authority in Wales, and (b) the central non-domestic rating list that would otherwise have to be compiled for Wales on that date. (3) The specified date must be 1 April in 2016, 2017, 2018, 2019 or 2020; and the same date must be specified for each list to which this section applies. (4) If an order has effect under this section, section 41 (local rating lists) applies in relation to billing authorities in Wales as if subsection (2)—	Paragraph 1(8) of Schedule 1

(a) did not require a list to be compiled on 1 April 2015 and on 1 April in every fifth year afterwards, but (b) instead required a list to be compiled on the specified date, on 1 April 2023 and on 1 April in every fifth year afterwards. (5) If an order has effect under this section, section 52 (central rating lists) applies in relation to Wales as if subsection (2)— (a) did not require a list to be compiled on 1 April 2015 and on 1 April in every fifth year afterwards, but (b) instead required a list to be compiled on the specified date, on 1 April 2023 and on 1 April in every fifth year afterwards.	
<u>54AB Power to amend revaluation year: Wales</u> <u>(1) The Welsh Ministers may by regulations amend sections 41ZA(3) and 52ZA(3) so as to —</u> <u>(a) substitute a different year for the year that is for the time being specified as the revaluation year;</u> <u>(b) insert a reference to a different year from the year that would otherwise be the revaluation year;</u> <u>(c) substitute a different interval between revaluation years for the interval that is for the time being specified there;</u> <u>(d) make other amendments to section 41ZA(3) or 52ZA(3) that are consequential on, or incidental to, the amendments made under paragraph (a), (b) or (c).</u> <u>(2) If regulations are made —</u> <u>(a) under subsection (1)(a) or (b), they must specify the same year in both sections 41ZA(3) and 52ZA(3);</u> <u>(b) under subsection (1)(c), they must specify the same year or interval in both sections 41ZA(3) and 52ZA(3).</u> <u>(3) Where regulations under subsection (1)(c) substitute a different interval, the Welsh Ministers must by regulations also amend the period of years specified in section 58(10)(a) so that it is the same as that interval.</u>	Section 4
55 Alteration of lists. (1) The Secretary of State may make regulations providing that where a copy of a list has been sent under section 41(5) or 52(5) above and the valuation officer alters the list before it comes into force—	

ensure the person checks the accuracy and completeness of any information on which any decision by the valuation officer has been based and gives the valuation officer an opportunity to consider the results of those checks and alter the list); (b) provision restricting the circumstances in which any of those steps may be taken and provision about the timing of any step; (c) provision for valuation officers to impose financial penalties on persons who, in, or in connection with, proposals for the alteration of the list, knowingly, recklessly or carelessly provide information which is false in a material particular. (4B) If provision is made by virtue of subsection (4A)(c)— (a) the maximum amount of any penalty that may be specified in, or determined in accordance with, the regulations is £500; (b) the regulations must require any sum received by a valuation officer by way of penalty to be paid into the appropriate fund; (c) the regulations may include provision for any penalty to be recovered by the valuation officer concerned as a civil debt due to the officer; (d) the regulations must include provision enabling a person on whom a financial penalty is imposed to appeal against the imposition of the penalty or its amount to the valuation tribunal. (5) The regulations may include provision that, where there is a disagreement between a valuation officer and another person making a proposal for the alteration of a list— (a) about the validity of the proposal; or (b) about the accuracy of the list, an appeal may be made to a valuation tribunal. (5A) In relation to a proposal made by a person to alter an English list or a Welsh list, the provision that may be included in regulations by virtue of subsection (5) includes provision— (a) about the grounds on which an appeal may be made; (b) about the matters which are not to be taken into account by the valuation tribunal as part of an appeal;	
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(c) about the circumstances in which new evidence may be admitted on an appeal, and about the conduct of an appeal in relation to such evidence; (d) about the payment of fees by ratepayers in relation to appeals, the payment of those fees into the appropriate fund and the circumstances in which those fees are to be refunded. This subsection is without prejudice to the powers to make regulations conferred by Part 3 of Schedule 11 (tribunals: procedure, orders, etc). (6) The regulations may include— (a) provision as to the period for which or day from which an alteration of a list is to have effect (including provision that it is to have retrospective effect); (b) provision requiring the list to be altered so as to indicate the effect (retrospective or otherwise) of the alteration; (c) provision requiring the valuation officer to inform prescribed persons of an alteration within a prescribed period; (d) provision requiring the valuation officer to keep for a prescribed period a record of the state of the list before the alteration was made. (7) The regulations may include provision as to financial adjustments to be made as a result of alterations, including— (a) provision requiring payments or repayments to be made, with or without interest, and (c) provision as to the recovery (by deduction or otherwise) of sums due. <u>(7A) In relation to England,</u> the regulations may include provision that— (a) where a valuation officer for a billing authority has informed the authority of an alteration of a list a copy of which has been deposited by the authority under section 41(6B) or 41A(10) above, the authority must alter the copy accordingly; (b) where the central valuation officer has informed the Secretary of State of an alteration of a list a copy of which has been deposited under section 52(6B) above, the Secretary of State must alter the copy accordingly. <u>(7AA) In relation to Wales,</u> the regulations may include provision that—	Paragraph 1(9)(c) of Schedule 1 Paragraph 1(9)(d) of Schedule 1
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<u>(a) where a valuation officer for a billing authority has informed the authority of an alteration of a local non-domestic rating list compiled by the officer, the authority must alter its copy of the list accordingly;</u> <u>(b) where the central valuation officer has informed the Welsh Ministers of an alteration of a central non-domestic rating list compiled for Wales, the Welsh Ministers must alter their copy of the list accordingly.</u> (7B) For the purposes of subsections (4B)(b) and (5A)(d) “the appropriate fund” means— (a) where the provision made by virtue of subsection (4A)(c) or (5) is in relation to a proposal to alter an English list, the Consolidated Fund, and (b) where the provision made by virtue of subsection (4A)(c) or (5) is in relation to a proposal to alter a Welsh list, the Welsh Consolidated Fund. (8) In this section— “English list” means— (a) a local non-domestic rating list that has to be compiled for a billing authority in England, or (b) the central non-domestic rating list that has to be compiled for England; “valuation tribunal” means— (a) in relation to England, the Valuation Tribunal for England; (b) in relation to Wales, a valuation tribunal established under paragraph 1 of Schedule 11; “Welsh list” means— (a) a local non-domestic rating list that has to be compiled for a billing authority in Wales, or (b) the central non-domestic rating list that has to be compiled for Wales.	
58 Special provision for 1995 onwards. (1) In relation to any relevant period the Secretary of State <u>Welsh Ministers</u> may make regulations under this section.	Paragraph 1(10)(a) of Schedule 1

securing (so far as practicable) that the aggregate amount payable to him <u>them</u> and all billing authorities by way of non-domestic rates as regards a particular financial year does not exceed that which it would in his <u>their</u> opinion be likely to be apart from the regulations. (10) For the purposes of this section— (a) a relevant period is a period of five <u>three</u> years beginning on any 1 April (other than 1 April 1990) on which lists must be compiled; (b) a relevant financial year, as regards regulations relating to a relevant period, is a financial year falling within the period.	Paragraph 1(10)(d) of Schedule 1
<u><i>Anti-avoidance: Wales</i></u> <u>63F Artificial non-domestic rating avoidance arrangements: introduction</u> <u>(1) This section and sections 63G to 63M make provision in relation to Wales about counteracting advantages, in respect of liability to non-domestic rating, from artificial non-domestic rating avoidance arrangements.</u> <u>(2) For the purposes of this section and sections 63G to 63M, an arrangement is an “artificial non-domestic rating avoidance arrangement” if –</u> <u>(a) in consequence of the arrangement, a person obtains or will obtain an advantage in relation to non-domestic rating (see section 63G), and</u> <u>(b) the arrangement is artificial (see section 63H).</u> <u>(3) For the purposes of this section and sections 63G to 63M, “an arrangement” includes (among other things) any action, event, agreement, operation, promise, scheme, transaction, understanding or undertaking (whether legally enforceable or not), and references to an arrangement are to be read as including –</u> <u>(a) a series of arrangements, and</u> <u>(b) any part or stage of an arrangement comprised of more than one part or stage.</u>	Section 13
<u>63G Meaning of “advantage”</u>	Section 13

<u>For the purposes of sections 63F to 63M, “an advantage” means avoidance or reduction of liability to non-domestic rating, by means of (among other things) –</u> <u>(a) avoidance of an assessment;</u> <u>(b) remission;</u> <u>(c) relief (or increased relief);</u> <u>(d) repayment (or increased repayment);</u> <u>(e) deferral of a payment.</u>	
<u>63H Meaning of “artificial”</u> <u>(1) For the purposes of sections 63F to 63M, an arrangement is artificial if –</u> <u>(a) it is of a type specified by the Welsh Ministers by regulations, and</u> <u>(b) where subsection (3) applies, no determination has been made in relation to the (particular) arrangement.</u> <u>(2) The regulations may only specify a type of arrangement if making an arrangement of that type would not be a reasonable course of action in relation to the provisions of enactments relating to non-domestic rating, having regard in particular to –</u> <u>(a) whether the substantive results of arrangements of that type are inconsistent with—</u> <u>(i) any principles on which those provisions are based (whether express or implied), and</u> <u>(ii) the policy objectives of those provisions;</u> <u>(b) whether arrangements of that type are intended to exploit any shortcomings in those provisions;</u> <u>(c) whether arrangements of that type lack economic or commercial substance (other than obtaining an advantage in relation to non-domestic rating).</u> <u>(3) The regulations may provide that a particular arrangement of a type specified under subsection (1)(a) is not artificial if a determination to that effect is made, in</u>	Section 13

<u>accordance with the regulations and having regard to all the circumstances, by –</u> <u>(a) a billing authority, in connection with the authority’s local non-domestic rating list;</u> <u>(b) the Welsh Ministers, in connection with a central non-domestic rating list for Wales.</u> <u>(4) In this section “enactments relating to non-domestic rating” means—</u> <u>(a) this Act,</u> <u>(b) the Business Rate Supplements Act 2009 (c. 7), and</u> <u>(c) any subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)) made under those Acts.</u>	
<u>63I Liability to non-domestic rating: local lists</u> <u>(1) Subsections (2) to (5) apply if, in connection with a billing authority in Wales’ local non-domestic rating list, an artificial non-domestic rating avoidance arrangement has been made.</u> <u>(2) The billing authority must, from the relevant date –</u> <u>(a) treat the ratepayer as liable under section 43 or 45 to pay the chargeable amount for a chargeable day that would have been, or would be, payable in respect of that day in the absence of the arrangement, or</u> <u>(b) treat as liable the person who would have been, or would be, the ratepayer in the absence of the arrangement (and treat them as liable under section 43 or 45 to pay the chargeable amount for a chargeable day that would have been, or would be, payable in respect of that day in the absence of the arrangement).</u> <u>(3) The provisions of this Act apply in relation to the persons mentioned in subsection (2)(a) and (b) as if they were liable under section 43 or 45.</u> <u>(4) In subsection (2), “the relevant date” means the later of –</u>	Section 13

<u>(a) the day the arrangement mentioned in subsection (1) is made;</u> <u>(b) the day the applicable regulations come into force;</u> <u>(c) a day provided for in those regulations.</u> <u>(5) In subsection (4)(b), “the applicable regulations” means the regulations under section 63H(1)(a) that specify the type of arrangement within which the arrangement mentioned in subsection (1) falls.</u>	
<u>63J Liability to non-domestic rating: central lists</u> <u>(1) Subsections (2) to (5) apply if, in connection with a central non-domestic rating list for Wales, an artificial non-domestic rating avoidance arrangement has been made.</u> <u>(2) The Welsh Ministers must, from the relevant date –</u> <u>(a) treat the ratepayer as liable under section 54 to pay the chargeable amount for a chargeable day that would have been, or would be, payable in respect of that day in the absence of the arrangement, or</u> <u>(b) treat as liable the person who would have been, or would be, the ratepayer in the absence of the arrangement (and treat them as liable under section 54 to pay the chargeable amount for a chargeable day that would have been, or would be, payable in respect of that day in the absence of the arrangement).</u> <u>(3) The provisions of this Act apply in relation to the persons mentioned in subsection (2)(a) and (b) as if they were liable under section 54.</u> <u>(4) In subsection (2), “the relevant date” means the later of –</u> <u>(a) the day the arrangement mentioned in subsection (1) is made;</u> <u>(b) the day the applicable regulations come into force;</u> <u>(c) a day provided for in those regulations.</u> <u>(5) In subsection (4)(b), “the applicable regulations” means the regulations under section 63H(1)(a) that specify the type</u>	Section 13

<u>of arrangement within which the arrangement mentioned in subsection (1) falls.</u>	
<u>63K Liability to non-domestic rating: notification</u> <u>(1) The billing authority must give notice to a person who is to be treated as liable in accordance with section 63I.</u> <u>(2) The Welsh Ministers must give notice to a person who is to be treated as liable in accordance with section 63J.</u> <u>(3) A notice under subsection (1) or (2) must set out—</u> <u>(a) the reasons for treating the person as liable,</u> <u>(b) information about requiring a review under subsection (4), and</u> <u>(c) information about the right of appeal under section 63L.</u> <u>(4) A person who receives a notice under subsection (1) or (2) may require a review of it by making a request in writing to the billing authority or the Welsh Ministers (as the case may be) within 30 days beginning with the date of the notice under subsection (1) or (2).</u> <u>(5) The review must conclude that the notice under subsection (1) or (2) is to be either –</u> <u>(a) confirmed, or</u> <u>(b) withdrawn (in which case the arrangement subject to the notice is to be taken as not having been an artificial non-domestic rating avoidance arrangement).</u> <u>(6) The billing authority or the Welsh Ministers must notify the person of the conclusion of the review and their reasoning within 30 days beginning with the day on which the request was made under subsection (4).</u> <u>(7) Notices under this section must be in writing.</u>	Section 13
<u>63L Appeals to valuation tribunal</u> <u>(1) This section applies where a person is given a notice under section 63K(1) or (2) that is confirmed in accordance with section 63K(5).</u>	Section 13

<u>(2) The person may appeal to a valuation tribunal established under paragraph 1 of Schedule 11 within 30 days beginning with day on which the billing authority or the Welsh Ministers notify the person of their conclusions in accordance with section 63K(6).</u> <u>(3) The valuation tribunal may confirm the notice or require it to be withdrawn (in which case the arrangement subject to the notice is to be taken as not having been an artificial non-domestic rating avoidance arrangement).</u>	
<u>63M Penalties</u> <u>(1) The Welsh Ministers may by regulations make provision for the imposition of a financial penalty where –</u> <u>(a) a person has been given a notice under section 63K(1) or (2) and it has not been withdrawn,</u> <u>(b) the time limit for requesting a review under section 63K(4) has expired and, if a review has been requested, the time limit for appealing under section 63L has expired, and</u> <u>(c) the person has failed to pay an amount due to a billing authority or the Welsh Ministers in consequence of having made an artificial non-domestic rating avoidance arrangement.</u> <u>(2) The maximum penalty that may be specified in the regulations is £500 plus 3% of the rateable value of the hereditament on the date of the notice under section 63K(1) or (2).</u> <u>(3) The artificial non-domestic rating avoidance arrangement is to be ignored when determining the rateable value of the hereditament for the purposes of subsection (2).</u> <u>(4) Any sum received by way of penalty under this section is to be paid into the Welsh Consolidated Fund.</u> <u>(5) The regulations may make further provision in relation to the collection and enforcement of penalties under this section.</u> <u>(6) The Welsh Ministers may by regulations amend subsection (2) by substituting a different amount for the penalty for the time being specified in that subsection.</u>	Section 13

67 Interpretation: other provisions. <u>(12A) References to “the appropriate national authority” are –</u> (a) <u>in relation to England, to the Secretary of State;</u> (b) <u>in relation to Wales, to the Welsh Ministers.</u>	Paragraph 1(16) of Schedule 1
PART XI MISCELLANEOUS AND GENERAL 140 Separate administration in England and Wales. (1) Parts III and V shall be read as applying separately, and be administered separately, in England and Wales. (2) In particular, for England and Wales respectively— (a) separate central non-domestic rating lists shall be compiled and maintained. (3) Parts III and V shall be construed accordingly so that (for instance) references to authorities shall be read as references to those in England or Wales, as the case may be. (4) Any power conferred by this Act on the Secretary of State or the Treasury may be exercised differently for England and Wales, whether or not it is exercised separately; and this shall not prejudice the generality of section 143(1) below <u>sections 143(1) and 143(A)(2)(b).</u>	Paragraph 19(3) of Schedule 1
141 Payments to and from authorities. (1) The Secretary of State may make regulations in relation to any case where— (a) he is liable to pay to a receiving authority at any time an amount or amounts under one or more of the first relevant provisions, and (b) the authority is liable to pay to him at the same time an amount or amounts under one or more of the second relevant provisions. (2) The regulations may provide that if the total of the amount or amounts mentioned in subsection (1)(a) above exceeds the total of the amount or amounts mentioned in subsection (1)(b) above, he may set off the latter in paying the former. (3) The regulations may provide that if the total of the amount or amounts mentioned in subsection (1)(b) above exceeds the total of the amount or amounts mentioned in subsection (1)(a) above, the authority shall set off the latter in paying the former. (4) The regulations may provide that if the total of the amount or amounts mentioned in subsection (1)(a) above is the same	

as the total of the amount or amounts mentioned in subsection (1)(b) above no payment need be made in respect of the former or the latter. (5) Without prejudice to section 143(2) below <u>sections 143(2) and 143A(3)</u>, the regulations may include provision— (a) treating any liability mentioned in subsection (1) above as discharged accordingly; (b) requiring prescribed provisions of this Act (such as sections 79(2), 84H(2) and 86B(2)...) to be read subject to the regulations; (c) requiring prescribed provisions of this Act (such as paragraph 2 of Schedule 7B or paragraph 2 of Schedule 8) to be read as if references to sums received or payments made were to sums or payments which would have been received or made apart from the regulations. (6) Each of the following is a receiving authority— (a) a billing authority, and (b) a major precepting authority. (7) The first relevant provisions are sections 83, 84C, 84K, 84N and 86B... above, regulations under section 99(3) above, regulations made under paragraph 7 of Schedule 7B below, paragraphs 14(2), (9) and (10), 17(7) and (8) and 27(1) of that Schedule, regulations made under paragraph 28 of that Schedule, paragraph 30(6) of that Schedule, regulations made under paragraph 33 of that Schedule, regulations made under paragraph 42 of that Schedule, paragraph 5(10) and (14) of Schedule 8 below, regulations made for the purpose mentioned in paragraph 4(7) of that Schedule, regulations made under paragraph 5(15) or 6(5) of that Schedule and paragraphs 12 and 15 of that Schedule. (8) The second relevant provisions are sections 83, 84C, 84K and 84N above, regulations under section 99(3) above, paragraph 6 of Schedule 7B below, regulations made under paragraph 7 of that Schedule, paragraphs 14(1), (6) and (7), 17(4) and (5) and 24(1) of that Schedule, regulations made under paragraph 28 of that Schedule, regulations made under paragraph 33 of that Schedule, regulations made under paragraph 42 of that Schedule, paragraph 5 of Schedule 8 below, regulations made under sub-paragraph (15) of that paragraph and paragraphs 12 and 15 of that Schedule.	Paragraph 19(4) of Schedule 1
143 Orders and regulations.	Paragraph 19(5) of Schedule 1

<u>(A1) This section applies in respect of powers to make an order or regulations under this Act except where section 143A applies.</u> (1) The power to make an order or regulations under this Act may be exercised differently in relation to different areas or in relation to other different cases or descriptions of case. (2) An order or regulations under this Act may include such supplementary, incidental, consequential or transitional provisions as appear to the Secretary of State the Minister of Agriculture, Fisheries and Food, the Treasury or the Welsh Ministers <u>or the Treasury</u> (as the case may be) to be necessary or expedient. (3) Subject to subsections (3C) <u>(3D)</u> to (9E) below, the power to make an order or regulations under this Act shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of either House of Parliament or, in the case of an order or regulations made by the Welsh Ministers, of the National Assembly for Wales. (3ZA) . . . (3A) . . . (3B) . . . (3C) The power to make an order under section 54A is exercisable by statutory instrument, and no such order is to be made unless a draft of the order has been laid before and approved by resolution of the National Assembly for Wales. (3D) Any power to make regulations conferred by section 55 (alteration of non-domestic rating lists) is exercisable by statutory instrument. (3E) A statutory instrument which contains (whether alone or with other provision) regulations made by virtue of section 55(4A)(c) or (4B) (alteration of non-domestic rating lists: financial penalties) may not be made unless— (a) where those regulations relate to a proposal to alter an English list, a draft of the instrument has been laid before and approved by a resolution of each House of Parliament; (b) where those regulations relate to a proposal to alter a Welsh list, a draft of the instrument has been	
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laid before and approved by a resolution of the National Assembly for Wales. <u>a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.</u> (3F) Any other statutory instrument containing regulations under section 55 is— (a) in the case of regulations relating to England, subject to annulment in pursuance of a resolution of either House of Parliament; (b) in the case of regulations relating to Wales, subject to annulment in pursuance of a resolution of the National Assembly for Wales. <u>subject to annulment in pursuance of a resolution of either House of Parliament.</u> (3G) In subsection (3E), “English list” and “Welsh list” have the same meaning as in section 55. (4) The power to make regulations under section 58 above shall be exercisable by statutory instrument, and no such regulations shall be made unless a draft of them has been laid before and approved by resolution of each House of Parliament. (4ZA) The power to make regulations under section 63A or 66A shall be exercisable by statutory instrument, and no such regulations shall be made unless— (a) in the case of regulations relating to England, a draft of the regulations has been laid before and approved by resolution of each House of Parliament; (b) in the case of regulations relating to Wales, a draft of the regulations has been laid before and approved by resolution of the National Assembly for Wales. <u>a draft of the regulations has been laid before and approved by a resolution of each House of Parliament.</u> (4B) The power to make regulations under section 74 above, so far as they are made in relation to a combined authority by virtue of subsection (8) of that section, shall be exercisable by statutory instrument, and no such regulations shall be	
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made unless a draft of them has been laid before and approved by a resolution of each House of Parliament.

(4C) The power to make regulations under section 74 above, so far as they are made in relation to a combined county authority by virtue of subsection (15) of that section, are to be exercisable by statutory instrument, and no such regulations are to be made unless a draft of them has been laid before and approved by a resolution of each House of Parliament.

(5) As regards the power to make regulations under section 75, 91(3C) or 118 above other than regulations relating to an internal drainage board, subsection (3) above shall have effect without the words from “subject” to the end.

(6) As regards the power to make an order under section 150 below, subsection (3) above shall have effect without the words from “subject” to the end.

(7A) The power to make regulations under paragraph 3(3) or 6(3) of Schedule 4ZA is exercisable by statutory instrument, and a statutory instrument containing any such regulations may not be made—

~~(a) in the case of regulations relating to England, unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament;~~

~~(b) in the case of regulations relating to Wales, unless a draft of the instrument has been laid before and approved by resolution of Senedd Cymru.~~

unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

(7B) The power to make regulations under paragraph 8(1)(d)(ii) or 10(9) of Schedule 4ZA is exercisable by statutory instrument, and a statutory instrument containing any such regulations may not be made unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament.

(7C) The power to make regulations under paragraph 1(2) or 3(9) of Schedule 4ZB is exercisable by statutory instrument, and a statutory instrument containing any such regulations may not be made—

(a) in the case of regulations relating to England, unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament; (b) in the case of regulations relating to Wales, unless a draft of the instrument has been laid before and approved by resolution of Senedd Cymru. <u>unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.</u> (7D) The power to make regulations under paragraph 3(6) of Schedule 4ZB is exercisable by statutory instrument, and a statutory instrument containing any such regulations may not be made unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament. (7E) The power to make regulations under paragraph 3(4) of Schedule 5A is exercisable by statutory instrument, and a statutory instrument containing any such regulations may not be made— (a) in the case of regulations relating to England, unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament; (b) in the case of regulations relating to Wales, unless a draft of the instrument has been laid before and approved by resolution of Senedd Cymru. <u>unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.</u> (7F) The power to make regulations under paragraph 6(8) of Schedule 5A is exercisable by statutory instrument, and a statutory instrument containing any such regulations may not be made unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament. (8) The power to make an order under paragraph 3 of Schedule 6 below shall be exercisable by statutory instrument, and no such order shall be made unless a draft of it has been laid before and approved by resolution of each House of Parliament.	
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(9) The powers to make regulations under paragraph A10(4)(b) ~~or 5(13A)~~ of Schedule 7 are exercisable as mentioned in that Schedule.

(9A) The power to make an order under paragraph 5 of Schedule 7A below shall be exercisable by statutory instrument, and no such order shall be made unless a draft of it has been laid before and approved by resolution of each House of Parliament.

~~(9AZA) The power of the Welsh Ministers to make regulations under paragraph 5(1D)(c) of Schedule 9 shall be exercisable by statutory instrument, and no such regulations shall be made by them unless a draft of the regulations has been laid before and approved by resolution of Senedd Cymru.~~

(9AZB) The power of the Commissioners for His Majesty's Revenue and Customs to make an order under paragraph 5FA of Schedule 9 is exercisable by statutory instrument, and such an order may not be made by the Commissioners unless a draft of it has been laid before and approved by a resolution of each House of Parliament.

(9AA) The power of the Secretary of State to make regulations under paragraph 5FB of Schedule 9 shall be exercisable by statutory instrument, and no such regulations shall be made by him unless a draft of the regulations has been laid before and approved by resolution of each House of Parliament.

~~(9AB) The power of the Welsh Ministers to make regulations under paragraph 6AA(1) or (5) of Schedule 9 shall be exercisable by statutory instrument, and no such regulations shall be made by them unless a draft of the regulations has been laid before and approved by resolution of Senedd Cymru.~~

(9C) Any power to make regulations conferred by Schedule 7B (local retention of non-domestic rates) is exercisable by statutory instrument.

(9D) A statutory instrument containing regulations under any of the following provisions of that Schedule (whether alone or with other provision) may not be made unless a draft of the instrument has been laid before and approved by resolution of each House of Parliament—

(a) paragraph 9 (regulations about payments by billing authorities to major precepting authorities); (b) paragraph 11 (regulations about payments by billing authorities to major precepting authorities out of deductions from central share payments); (c) paragraph 22 (regulations about calculation of levy payments); (d) paragraph 25 (regulations about calculation of safety net payments); (e) paragraph 30 (regulations about distribution of remaining balance); (f) paragraph 39 or 40 (regulations about designated areas or classes of hereditament), if the regulations contain provision within paragraph 41 (payments to relevant authorities). (9E) Any other statutory instrument containing regulations under that Schedule is subject to annulment in pursuance of a resolution of either House of Parliament. (10) Before he makes regulations under section 75 or 118 above other than regulations relating to an internal drainage board, the Secretary of State shall, by means of a notice in a newspaper or newspapers, take such steps as he thinks reasonably practicable to bring the contents of the proposed regulations to the notice of persons likely to be affected. (11) An order under paragraph 3 of Schedule 6 below shall, if apart from the provisions of this subsection it would be treated for the purposes of the standing orders of either House of Parliament as a hybrid instrument, proceed in that House as if it were not such an instrument.	
<u>143A Orders and regulations of the Welsh Ministers</u> <u>(1) This section applies in respect the powers of the Welsh Ministers to make an order or regulations under this Act.</u> <u>(2) Any power to which this section applies —</u> <u>(a) is exercisable by statutory instrument, and</u>	Section 14

<u>(b) may be exercised differently in relation to different areas or in relation to other different cases or descriptions of case.</u> <u>(3) An order or regulations made under powers to which this section applies may include such supplementary, incidental, consequential, transitional or saving provisions as appear to the Welsh Ministers to be necessary or expedient.</u> <u>(4) Subject to subsections (5) and (6), a statutory instrument containing an order or regulations made by the Welsh Ministers under powers to which this section applies is subject to annulment in pursuance of a resolution of Senedd Cymru.</u> <u>(5) The Welsh Ministers may not make a statutory instrument containing an order or regulations under the following provisions unless a draft of the instrument has been laid before, and approved by a resolution of, Senedd Cymru—</u> <u>(a) section 54AB(1);</u> <u>(b) section 55(4A)(c) or (4B);</u> <u>(c) section 58;</u> <u>(d) section 63A;</u> <u>(e) section 63H;</u> <u>(f) section 63M(1) or (6);</u> <u>(g) section 66A;</u> <u>(h) in Schedule 4ZA, paragraphs 3(3), 6(3), 8A(2)(b)(i), 8B(2), 8C, 9A and 10(6A);</u> <u>(i) in Schedule 4ZB, paragraphs 1(2), 2A(2)(b)(i), 2B(2), 2C, 2E, 3(5A) and 3(9);</u> <u>(j) paragraph 20A of Schedule 5;</u> <u>(k) in Schedule 5A, paragraphs 3(4), 4A(2)(b)(i), 4B(2), 4C, 5B and 6(5A);</u> <u>(l) paragraph 3 of Schedule 6.</u> <u>(m) Part A2 of Schedule 7;</u>	
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<u>(n) in Schedule 9, paragraphs 5(1D)(c), 5FB, 6AA(1) and 6AA(6).</u> <u>(6) Subsection (4) does not apply to a statutory instrument containing only regulations under section 75 or 118 other than regulations relating to an internal drainage board.</u> <u>(7) But before making regulations under section 75 or 118 other than regulations relating to an internal drainage board, the Welsh Ministers must take such steps as they think reasonably practicable to bring the contents of the proposed regulations to the notice of persons likely to be affected.</u>	
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(b) the ratepayer is a registered club for the purposes of Chapter 9 of Part 13 of the Corporation Tax Act 2010 (community amateur sports clubs) and the hereditament is wholly or mainly used— (i) for the purposes of that club, or (ii) for the purposes of that club and of other such registered clubs. <i>Improvement rate relief</i> 3— (1) This paragraph applies where— (a) the chargeable day falls within the period of one year beginning with the day on which qualifying improvement works are completed, (b) on the day concerned any other conditions prescribed by the appropriate national authority in regulations are satisfied, and (c) the day concerned falls before 1 April 2029. (2) “Qualifying improvement works” has the meaning given by the appropriate national authority in regulations. (3) The appropriate national authority may by regulations— (a) amend paragraph (a) of sub-paragraph (1) to substitute a longer period for the period for the time being specified in that paragraph; (b) amend paragraph (c) of that sub-paragraph to substitute a later date for the date for the time being specified in that paragraph. (4) For the consequence of this paragraph applying, see the definitions of “A” and “G” in paragraph 10. <i>Small business rate relief</i> 4— (1) Where this paragraph applies, the chargeable amount for a chargeable day is to be calculated <u>in accordance with the formula—</u> $\frac{AxM}{CxE}$	
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(a) in relation to England, in accordance with the formula— $A \times M$ $C \times E$ (b) in relation to Wales, in accordance with the formula— $A \times B$ $C \times E$ (2) This paragraph applies — (a) in relation to England, where on the day concerned any conditions prescribed by the Secretary of State in regulations are satisfied. (b) in relation to Wales, where— (i) the rateable value of the hereditament shown in the local non-domestic rating list for the first day of the chargeable financial year is not more than any amount prescribed by the Welsh Ministers in regulations, and (ii) on the day concerned any conditions prescribed by the Welsh Ministers in regulations are satisfied. (3) If a ratepayer makes an application in order to satisfy a condition prescribed under sub-paragraph (2)(a) and the ratepayer— (a) makes a statement in the application which the ratepayer knows to be false in a material particular, or (b) recklessly makes a statement in the application which is false in a material particular, the ratepayer is liable on summary conviction to imprisonment for a term not exceeding 3 months or to a fine not exceeding level 3 on the standard scale or to both. PART 3 FULL RELIEFS <i>Introduction</i> 5— Where any paragraph in this Part of this Schedule applies in relation to a hereditament on a chargeable day, the chargeable amount for the day concerned is zero. <i>Heat networks rate relief</i>	Section 11(2)(c)
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6—

(1) This paragraph applies where—

- (a) on the day concerned the hereditament is wholly or mainly used for the purposes of a heat network,
- (b) on the day concerned any conditions prescribed by the appropriate national authority in regulations are satisfied, and
- (c) the day concerned falls before 1 April 2035.

(2) “Heat network” has the meaning given in regulations by the appropriate national authority.

(3) The appropriate national authority may by regulations amend paragraph (c) of sub-paragraph (1) to substitute a later date for the date for the time being specified in that paragraph.

Public lavatories rate relief

7—

This paragraph applies where, on the day concerned, the hereditament consists wholly or mainly of public lavatories.

Rural rate relief

8—

(1) This paragraph applies where—

- (a) the hereditament is situated in England,
- (b) on the day concerned the hereditament is within a settlement identified in the billing authority’s rural settlement list for the chargeable financial year,
- (c) at the beginning of that year, A, in relation to the hereditament, is not more than any amount prescribed by the Secretary of State in regulations, and
- (d) on the day concerned—
 - (i) the whole or part of the hereditament is used as a qualifying post office, a qualifying general store or a qualifying food store, or
 - (ii) any conditions prescribed by the Secretary of State in regulations are satisfied.

(2) Sub-paragraphs (3) to (7) apply for the purposes of sub-paragraph (1). (3) A hereditament, or part of a hereditament, is used as a qualifying post office on any day in a chargeable financial year if— (a) it is used for the purposes of a universal service provider (within the meaning of Part 3 of the Postal Services Act 2011) and in connection with the provision of a universal postal service (within the meaning of that Part), and (b) no other hereditament, or part of a hereditament, in the settlement concerned is so used. (4) A hereditament, or part of a hereditament, is used as a qualifying general store on any day in a chargeable financial year if— (a) a trade or business consisting wholly or mainly of the sale by retail of both food for human consumption (excluding confectionery) and general household goods is carried on there, and (b) such a trade or business is not carried on in any other hereditament, or part of a hereditament, in the settlement concerned. (5) A hereditament, or part of a hereditament, is used as a qualifying food store on any day in a chargeable financial year if a trade or business consisting wholly or mainly of the sale by retail of food for human consumption (excluding confectionery and excluding the supply of food in the course of catering) is carried on there. (6) The supply of food in the course of catering includes— (a) any supply of food for consumption on the premises on which it is supplied, or (b) any supply of hot food for consumption off those premises. (7) “Hot food” means food which, or any part of which— (a) has been heated for the purposes of enabling it to be consumed at a temperature above the ambient air temperature, and (b) is at the time of supply above that temperature.	
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(8) Where a hereditament or part of a hereditament is used as a qualifying general store or qualifying post office on any day in a chargeable financial year, it is not to be treated as ceasing to be so used on any subsequent day in that year merely because the condition in sub-paragraph (3)(b) or (4)(b) ceases to be satisfied. <u>PART 3A</u> <u>POWERS TO CONFER, VARY AND WITHDRAW RELIEFS: WALES</u> <i><u>Power to confer additional partial reliefs</u></i> <u>8A—</u> <u>(1) Where this paragraph applies in relation to a hereditament, the chargeable amount for a chargeable day is to be calculated in accordance with the formula –</u> $\frac{AxM}{C} - F$ <u>(2) This paragraph applies in relation to a hereditament where –</u> <u>(a) the hereditament is situated in Wales, and</u> <u>(b) on the day concerned, in relation to the hereditament –</u> <u>(i) conditions prescribed by the Welsh Ministers in regulations are satisfied, and</u> <u>(ii) F is an amount that is greater than 0 but less than the sum of –</u> $\frac{AxM}{C}$ <u>(3) Regulations under sub-paragraph (2)(b)(i) may –</u> <u>(a) prescribe more than one condition or set of conditions that may be satisfied such that this paragraph applies;</u> <u>(b) make provision about the application of more than one condition or set of conditions in relation to a hereditament.</u> <i><u>Power to confer additional full reliefs</u></i> <u>8B—</u> <u>(1) Where this paragraph applies in relation to a hereditament the chargeable amount for a chargeable day is zero.</u> <u>(2) This paragraph applies where the hereditament is situated in Wales, and where, on the day concerned,</u>	Section 5(2)(a)
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(11) Sub-paragraph (10) does not restrict what may otherwise be done under section 143(1). 11 For the purposes of this Schedule, “the appropriate national authority” is— (a) in relation to England, the Secretary of State; (b) in relation to Wales, the Welsh Ministers.	Paragraph 1(17) of Schedule 1
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will be wholly or mainly used for charitable purposes (whether of that charity or of that and other charities), or (b) the ratepayer is a registered club for the purposes of Chapter 9 of Part 13 of the Corporation Tax Act 2010 (community amateur sports clubs) and it appears that when next in use the hereditament will be wholly or mainly used— (i) for the purposes of that club and that club will be such a registered club, or (ii) for the purposes of two or more clubs including that club, and each of those clubs will be such a registered club. <u>(3) This paragraph applies in relation to Wales where—</u> <u>(a) on the day concerned, the ratepayer is a charity or trustees for a charity,</u> <u>(b) the billing authority is satisfied that—</u> <u>(i) the hereditament is unoccupied on the day concerned for a reason related to the charitable purposes of the charity (or of that and other charities), and</u> <u>(ii) when next in use the hereditament will be wholly or mainly used for the charitable purposes of the charity (or of that and other charities), and</u> <u>(c) the trustees for the charity have provided the billing authority with a copy of—</u> <u>(i) the charity's most recent accounts as set out in sub-paragraph (4), and</u> <u>(ii) if an annual report is required to be prepared under section 162(1) or 168(3) of the Charities Act 2011, the charity's most recent report.</u> <u>(4) The accounts of a charity referred to in sub-paragraph (3)(c)(i) are—</u> <u>(a) in the case of a charitable company, its annual accounts prepared under Part 16 of the Companies</u>	Section 6(3)
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<u>Act 2006 in relation to which any of the following conditions is satisfied—</u> <u>(i) they have been audited,</u> <u>(ii) they have been examined by an independent examiner under section 145(1)(a) of the Charities Act 2011, or</u> <u>(iii) they relate to a year in respect of which the company is exempt from audit under Part 16 of the Companies Act 2006 and neither section 144(2) nor section 145(1) of the Charities Act 2011 applies;</u> <u>(b) in the case of an exempt charity, the accounts audited in pursuance of any statutory or other requirement or, if its accounts are not required to be audited, the accounts prepared in respect of the charity;</u> <u>(c) in the case of all other charities, the statement of accounts prepared under section 132(1) of the Charities Act 2011 or the account and statement prepared under section 133 of that Act.</u> <u>(5) The reference in sub-paragraph (3)(c)(i) to a charity's accounts includes, in relation to a charity whose trustees have prepared group accounts under section 138(2) of the Charities Act 2011, those group accounts.</u> <u>(6) The reference in sub-paragraph (3)(c) to “most recent” in relation to a charity's accounts and report means most recently prepared, audited or examined (as the case may be) before the day concerned.</u> <u>(7) In sub-paragraphs (4) and (5)—</u> <u>“charitable company” has the meaning given by section 193 of the Charities Act 2011;</u> <u>“exempt charity” has the meaning given by section 22(1) of the Charities Act 2011;</u> <u>“group accounts” has the meaning given by section 142 of the Charities Act 2011.</u> <u>(8) This paragraph also applies in relation to Wales where—</u>	
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<u>(a) on the day concerned, the ratepayer is a registered club for the purposes of Chapter 9 of Part 13 of the Corporation Tax Act 2010 (community amateur sports clubs), and</u> <u>(b) the billing authority is satisfied that when next in use the hereditament will be wholly or mainly used—</u> <u>(i) for the purposes of that club and that club will be such a registered club, or</u> <u>(ii) for the purposes of two or more clubs including that club, and each of those clubs will be such a registered club.</u> <u>PART 2A</u> <u>POWERS TO CONFER, VARY AND WITHDRAW RELIEFS:</u> <u>WALES</u> <i><u>Power to confer partial reliefs: Wales</u></i> <u>2A—</u> <u>(1) Where this paragraph applies in relation to a hereditament, the chargeable amount for a chargeable day is to be calculated in accordance with the formula –</u> $\frac{AxM}{C} - F$ <u>(2) This paragraph applies in relation to a hereditament where –</u> <u>(a) the hereditament is situated in Wales, and</u> <u>(b) on the day concerned, in relation to the hereditament –</u> <u>(i) conditions prescribed by the Welsh Ministers in regulations are satisfied, and</u> <u>(ii) F is an amount that has a value that is greater than 0 but less than the sum of –</u> $\frac{AxM}{C}$ <u>(3) Regulations under sub-paragraph (2)(b)(i) may –</u> <u>(a) prescribe more than one condition or set of conditions that may be satisfied such that this paragraph applies;</u> <u>(b) make provision about the application of more than one condition or set of conditions in relation to a hereditament.</u>	Section 5(3)(a)
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Power to confer additional full reliefs

2B—

(1) Where this paragraph applies in relation to a hereditament in Wales the chargeable amount for a chargeable day is zero.

(2) This paragraph applies where the hereditament is situated in Wales, and where, on the day concerned, conditions prescribed by the Welsh Ministers in regulations are satisfied.

(3) Regulations under sub-paragraph (2) may prescribe more than one condition or set of conditions that may be satisfied such that this paragraph applies.

Power to vary or withdraw reliefs

2C—

The Welsh Ministers may by regulations amend or repeal any provision in Part 2 of this Schedule for the purposes of varying or withdrawing, in relation to a hereditament in Wales, a relief set out in that Part.

PART 2B

CASES WHERE MORE THAN ONE RELIEF APPLIES: WALES

2D—

(1) In relation to a hereditament in respect of which paragraph 2 and any of paragraphs 2A or 2B apply, the chargeable amount for a chargeable day is to be calculated in accordance with paragraph 2.

(2) But if paragraph 2 does not apply in relation to a hereditament in respect of which paragraphs 2A and 2B apply, the chargeable amount for a chargeable day is to be calculated in accordance with paragraph 2B.

2E—

The Welsh Ministers may by regulations amend paragraph 2D for the purpose of providing for the calculation of the chargeable amount in relation to any hereditament in Wales in respect of which more than one paragraph in Parts 2 and 2A of this Schedule apply.

PART 3

INTERPRETATION

3—

(1) This paragraph applies for the purposes of this Schedule.

(7) Regulations under sub-paragraph (6) may prescribe different multipliers for a given provision by reference to (among other things)— (a) the value of A (on the first day of a chargeable financial year or for a chargeable day) in relation to hereditaments; (b) the location of hereditaments; (c) the local non-domestic rating list in which hereditaments are shown; (d) the use of hereditaments; (e) the physical characteristics of hereditaments; (f) ratepayers in respect of hereditaments falling within prescribed descriptions. (8) Sub-paragraph (7) does not restrict what may otherwise be done under section 143(1). (9) “N” is a number (greater than one but not greater than two) prescribed by the appropriate national authority in regulations. 4— For the purposes of this Schedule, “the appropriate national authority” is— (a) in relation to England, the Secretary of State; (b) in relation to Wales, the Welsh Ministers.	Paragraph 1(18) of Schedule 1
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Please note: this document has been prepared solely to assist people in understanding the Local Government Finance (Wales) Act 2024. It should not be relied on for any other purpose.

<u>(2) The purpose is to confer, vary or withdraw an exemption from the chargeable amount for a chargeable day.</u>	
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SCHEDULE 5A CENTRAL RATING: CHARGEABLE AMOUNT PART I CHARGEABLE AMOUNT BEFORE ANY RELIEFS 1— (1) Subject to the following provisions of this Schedule, the chargeable amount for a chargeable day is to be calculated <u>in accordance with the formula—</u> $\frac{A \times M}{C}$ (a) in relation to England, in accordance with the formula— $\frac{A \times M}{C}$ (b) in relation to Wales, in accordance with the formula— $\frac{A \times B}{C}$ PART 2 RELIEFS <i>Charitable rate relief</i> 2— (1) This paragraph applies where— (a) for any day in a chargeable financial year a person’s name is shown in a central non-domestic rating list in force for the year, and (b) on the day concerned— (i) the person is a charity or trustees for a charity, and (ii) the charitable purpose test is satisfied in relation to any description of hereditament shown against the person’s name in the list. (2) For the purposes of sub-paragraph (1)(b) the charitable purpose test is satisfied in relation to a description of hereditament if— (a) in a case where there is only one hereditament falling within the description, the hereditament is wholly or mainly used for charitable purposes	Section 11(4)(a)
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(whether of the charity mentioned in sub-paragraph (1)(b)(i) or of that charity and other charities), or (b) in a case where there is more than one hereditament falling within the description, those hereditaments are, taken together, wholly or mainly so used. (3) For the purposes of sub-paragraph (1)(b) the charitable purpose test is also satisfied in relation to a description of hereditament if— (a) in a case where there is only one hereditament falling within the description— (i) a certification under paragraph 4(1)(b) has effect in relation to the hereditament (“the unoccupied hereditament”), and (ii) it appears that when next in use the unoccupied hereditament will be wholly or mainly used for charitable purposes (whether of the charity mentioned in sub-paragraph (1)(b)(i) or of that charity and other charities), or (b) in a case where there is more than one hereditament falling within the description— (i) a certification under paragraph 4(1)(b) has effect in relation to at least one of those hereditaments (“the unoccupied hereditaments”), and (ii) it appears that all the hereditaments falling within the description, taken together, are (or, in the case of the unoccupied hereditaments, when next in use will be) used for charitable purposes (whether of the charity mentioned in sub-paragraph (1)(b)(i) or of that charity and other charities). (4) Where this paragraph applies, the chargeable amount for the day concerned in respect of the description of hereditament is to be calculated <u>in accordance with the formula—</u> <u>AxM</u> <u>Cx5</u>	Section 11(4)(b)
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(a) paragraph (d) of sub-paragraph (1) to substitute a later date for the date for the time being specified in that paragraph; (b) sub-paragraph (2) to substitute a longer period for the period for the time being specified in that paragraph. (5) For the consequence of this paragraph applying, see the definitions of “A” and “G” in paragraph 6. <i>Unoccupied hereditaments rate relief</i> 4— (1) This paragraph applies where for any day in a chargeable financial year— (a) a person’s name is shown in an English central non-domestic rating list in force for the year, (b) the central valuation officer has certified that one or more hereditaments falling within a description of hereditament shown against the person’s name in the list is unoccupied, and (c) any of the hereditaments so certified falls within a class prescribed by the Secretary of State in regulations. (2) This sub-paragraph applies if for the day concerned, every hereditament falling within that description of hereditament— (a) has been certified by the central valuation officer as unoccupied, and (b) falls within a class prescribed by the Secretary of State in regulations under sub-paragraph (1)(c). (3) Where sub-paragraph (2) applies the chargeable amount for the day concerned in respect of that description of hereditament is zero. (4) Where sub-paragraph (2) does not apply, the chargeable amount for the day concerned in respect of that description of hereditament is to be calculated in accordance with the formula— $\frac{(A-U) \times M}{C}$	
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(5) Regulations under sub-paragraph (1)(c) may prescribe a class by reference to such factors as the Secretary of State sees fit, including (among other things)— (a) the physical characteristics of the hereditaments; (b) the fact that hereditaments have been unoccupied at any time preceding the chargeable day; (c) the fact that the persons in relation to whom descriptions of hereditaments are shown fall within prescribed descriptions. (6) Sub-paragraph (5) does not restrict what may otherwise be done under section 143(1). (7) The Secretary of State may by regulations make provision imposing duties or conferring powers on the central valuation officer in relation to the certification of hereditaments as unoccupied. (8) In this paragraph, “English central rating list” means a central non-domestic rating list compiled for England. <u>PART 2A</u> <u>POWERS TO CONFER, VARY AND WITHDRAW RELIEFS: WALES</u> <i><u>Power to confer additional partial reliefs: Wales</u></i> <u>4A—</u> <u>(1) Where this paragraph applies in relation to a hereditament, the chargeable amount for a chargeable day is to be calculated in accordance with the formula —</u> $\frac{AxM}{C} - F$ <u>(2) This paragraph applies in relation to a hereditament where —</u> <u>(a) the hereditament is situated in Wales, and,</u> <u>(b) on the day concerned, in relation to the hereditament —</u> <u>(i) conditions prescribed by the Welsh Ministers in regulations are satisfied, and</u>	Section 5(4)(a)
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<u>(ii) F is an amount that is greater than 0 but less than the sum of –</u> $\frac{AxM}{C}$ <u>(3) Regulations under sub-paragraph (2)(b)(i) may –</u> <u>(a) prescribe more than one condition or set of conditions that may be satisfied such that this paragraph applies;</u> <u>(b) make provision about the application of more than one condition or set of conditions in relation to a hereditament.</u> <u>Power to confer additional full reliefs</u> <u>4B—</u> <u>(1) Where this paragraph applies in relation to a hereditament the chargeable amount for a chargeable day is zero.</u> <u>(2) This paragraph applies where the hereditament is situated in Wales, and where, on the day concerned, conditions prescribed by the Welsh Ministers in regulations are satisfied.</u> <u>(3) Regulations under sub-paragraph (2) may prescribe more than one condition or set of conditions that may be satisfied such that this paragraph applies.</u> <u>Power to vary or withdraw reliefs</u> <u>4C—</u> <u>The Welsh Ministers may by regulations amend or repeal any provision in Part 2 of this Schedule for the purpose of varying or withdrawing, in relation to a hereditament in Wales, a relief set out in that Part;</u> PART 3 CASES WHERE MORE THAN ONE RELIEF APPLIES <u>5—</u> <u>(1) This paragraph applies if—</u> <u>(a) for any day in a financial year any description of hereditament is shown against a person's name in a central non-domestic rating list in force for the year the central non-domestic rating list in force for the year in relation to England, and</u>	Section 5(4)(b)
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(b) paragraphs 2 and 4 apply in relation to that description of hereditament for that day. (2) The chargeable amount for that day in respect of that description of hereditament is to be calculated in accordance with paragraph 2. 5A— <u>(1) This paragraph applies if —</u> (a) <u>for any day in a financial year any description of hereditament is shown against a person's name in the central non-domestic rating list in force for the year in relation to Wales, and</u> (b) <u>more than one of paragraphs 2, 4A and 4B apply in relation to that description of hereditament for that day.</u> <u>(2) If paragraph 4B and any of paragraphs 2 or 4A apply in relation to that description of hereditament for that day, the chargeable amount for that day is to be calculated in accordance with paragraph 4B.</u> <u>(3) But if paragraph 4B does not apply in relation to that description of hereditament for that day, the chargeable amount for that day is to be calculated in accordance with paragraph 2.</u> 5B— <u>The Welsh Ministers may by regulations amend paragraph 5A for the purpose of providing for the calculation of the chargeable amount in relation to any description of hereditament in Wales in respect of which more than one paragraph in Parts 2 and 2A of this Schedule apply.</u> PART 4 INTERPRETATION 6— (1) This paragraph applies for the purposes of this Schedule. (2) “A” is— (a) where the day concerned is a day on which paragraph 3 applies, the rateable value shown for the day in the central non-domestic rating list in force for the year against the ratepayer's name minus G;	Section 5(4)(c)
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<u>(b) in relation to Wales, the non-domestic rating multiplier calculated under Schedule 7 as regards the hereditament for the financial year.</u> (9) Regulations under sub-paragraph (8) may prescribe different multipliers for a given provision by reference to (among other things)— (a) the value of A (on the first day of a chargeable financial year or for a chargeable day) in relation to hereditaments; (b) the location of hereditaments; (c) the use of hereditaments; (d) the physical characteristics of hereditaments; (e) ratepayers in respect of hereditaments falling within prescribed descriptions. (10) Sub-paragraph (9) does not restrict what may otherwise be done under section 143(1). (11) “U”, in relation to unoccupied hereditaments rate relief, is the total rateable value of the hereditaments falling within the description mentioned in paragraph 4(1)(b) which, for the chargeable day— (a) have been certified by the central valuation officer as unoccupied, and (b) fall within a class prescribed by the Secretary of State in regulations under paragraph 4(1)(c). 7— For the purposes of this Schedule, “the appropriate national authority” is— (a) in relation to England, the Secretary of State; (b) in relation to Wales, the Welsh Ministers. 8— Where, in a central non-domestic rating list compiled for England, more than one description of relevant non-domestic hereditament is shown against the ratepayer’s name for a chargeable day—	Paragraph 1(21) of Schedule 1
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(a) the reference in paragraph 1 to the chargeable amount for a chargeable day is to be read as a reference to the chargeable amount for a chargeable day in respect of a description of hereditament shown against the ratepayer’s name for that day, and (b) paragraph 6 of this Schedule has effect as if for sub-paragraph (2) there were substituted— “(2) “A” is— (a) where the day concerned is a day to which paragraph 3 applies, the rateable value shown for the day in the list against the ratepayer’s name in relation to that description of hereditament minus G. (b) in any other case, the rateable value shown for the day in the list against the ratepayer’s name in relation to that description of hereditament.”	
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SCHEDULE 7 NON-DOMESTIC RATING: MULTIPLIERS <u>PART A2</u> <u>NON-DOMESTIC RATING MULTIPLIERS: WALES</u> <u>Introduction</u> <u>A13—</u> <u>This Part of this Schedule has effect to determine, in relation to Wales, the non-domestic rating multiplier for each chargeable financial year.</u> <u>Calculation of non-domestic rating multiplier: revaluation years</u> <u>A14—</u> <u>(1) The non-domestic rating multiplier for a revaluation year is to be calculated in accordance with the formula—</u> $\frac{Ax BxD}{Cx E}$ <u>(2) In sub-paragraph (1)—</u> <u>(a) “A” is the non-domestic rating multiplier for the financial year preceding the year concerned;</u> <u>(b) “B” is the consumer prices index for September of the financial year preceding the year concerned;</u> <u>(c) “C” is—</u> <u>(i) the consumer prices index for September of the financial year which precedes that preceding the year concerned, or</u> <u>(ii) where the base month for the consumer prices index for September of the financial year which precedes that preceding the year concerned (the first year) differs from that for the index for September of the year which precedes the year concerned (the second year), the figure which the Welsh Ministers calculate would have been the consumer prices index for September of the first year if the base month for that index had been the same as the base month for the index for September of the second year;</u> <u>(d) “D” is the number of whole pounds in the Welsh Ministers' estimate of the total of the appropriate</u>	Section 10
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<u>rateable values of all appropriate hereditaments, where—</u> <u>(i) appropriate rateable values are those which will be shown in lists for the last day of the financial year preceding the year concerned once all alterations to those lists have been made, and</u> <u>(ii) appropriate hereditaments are those which will be shown in lists for that day once all alterations to those lists have been made;</u> <u>(e) “E” is the number of whole pounds in the Welsh Ministers' estimate of the total of the appropriate rateable values of all appropriate hereditaments, where—</u> <u>(i) appropriate rateable values are those which will be shown in lists for the first day of the financial year concerned once all alterations to those lists have been made (including rateable values which will be shown in lists for a later day as a result of any alterations of the lists because of the inaccuracy of the lists for that first day), and</u> <u>(ii) appropriate hereditaments are those which will be shown in lists for that first day once all alterations to those lists have been made.</u> <u>(3) The Welsh Ministers must make estimates under sub-paragraphs (2)(d) and (e) on the basis of information available to them on such date as they determine.</u> <u>(4) But this paragraph does not apply for the purposes of –</u> <u>(a) Schedule 4ZA and 4ZB, in respect of a hereditament of a description specified in regulations under paragraph A16(1)(a);</u> <u>(b) Schedule 5A, in respect of an amount of a rateable value shown against the name of a designated person in the central non-domestic rating list specified in regulations under paragraph A16(1)(b).</u> <u>Calculation of non-domestic rating multiplier: other years</u> <u>A15—</u> <u>(1) The non-domestic rating multiplier for a chargeable financial year other than a revaluation year is—</u>	
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<u>(a) the default amount, or</u> <u>(b) if the Welsh Ministers make an adjustment to that amount under sub-paragraph (4), that amount as adjusted.</u> <u>(2) The default amount is to be calculated in accordance with the formula—</u> $\frac{A \times B}{C}$ <u>(3) In sub-paragraph (2), “A”, “B” and “C” have the meanings given in paragraph A14.</u> <u>(4) The Welsh Ministers may make an adjustment to the default amount to reflect the extent to which their last estimate of the total mentioned in paragraph A14(2)(d) or (e) appears to them to differ from the actual total.</u> <u>(5) But this paragraph does not apply for the purposes of –</u> <u>(a) Schedule 4ZA and 4ZB, in respect of a hereditament of a description specified in regulations under paragraph A16(1)(a);</u> <u>(b) Schedule 5A, in respect of an amount of a rateable value shown against the name of a designated person in the central non-domestic rating list specified in regulations under paragraph A16(1)(b).</u> <u>Calculation of differential multipliers</u> <u>A16—</u> <u>(1) The Welsh Ministers may by regulations provide that the non-domestic rating multiplier for a chargeable financial year in respect of—</u> <u>(a) a description, specified in regulations, of hereditaments on local non-domestic rating lists, or</u> <u>(b) an amount (or amounts), of a rateable value shown against the name of a designated person in the central non-domestic rating list,</u> <u>is to be calculated in accordance with the formula—</u> $M \times N$ <u>(2) In sub-paragraph (1)—</u> <u>(a) “M” is the non-domestic rating multiplier for the financial year under paragraph A14 or A15 (as the case may be);</u>	
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<u>(b) “N” is a number prescribed by the Welsh Ministers in regulations.</u> <u>(3) Regulations under this paragraph may prescribe different values for N in relation to –</u> <u>(a) different specified descriptions of hereditaments on local non-domestic rating lists;</u> <u>(b) different specified amounts of rateable values shown against the names of designated person ratepayer in the central non-domestic rating list.</u> <u>(4) But regulations under this paragraph may only specify descriptions of hereditaments on local non-domestic rating lists by reference to one or more of—</u> <u>(a) the rateable value shown in the list for—</u> <u>(i) the chargeable day concerned, or</u> <u>(ii) the first day of the financial year,</u> <u>as regards a hereditament;</u> <u>(b) the location shown in the list as regards a hereditament;</u> <u>(c) any description shown in the list for—</u> <u>(i) the chargeable day concerned, or</u> <u>(ii) the first day of the financial year,</u> <u>as regards a hereditament.</u> <u>(5) Regulations under sub-paragraph (1)(b) may specify an amount of a rateable value by reference to a range of amounts.</u> <u>Calculation of differential multipliers: supplementary</u> <u>A17—</u> <u>(1) Where paragraph 3 of Schedule 4ZA (improvement relief) applies in respect of a hereditament, regulations under paragraph A16 apply in respect of that hereditament as though the amount of the rateable value shown for the day in respect of the hereditament under section 42(4) is that rateable value minus G.</u> <u>(2) Where paragraph 3 of Schedule 5A (improvement relief) applies, regulations under paragraph A16 apply in respect of the amount of the rateable value shown for the day against the name of a ratepayer under section 53(3) as</u>	
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though the amount shown for that day is that rateable value minus G.

(3) In sub-paragraphs (1) and (2), “G” is the amount prescribed, or calculated in accordance with provision prescribed, by the Welsh Ministers under paragraph 10(7) of Schedule 4ZA or paragraph 6(6) of Schedule 5A (as the case may be).

(4) If—

(a) regulations are made under paragraph A16(3)(a), and

(b) more than one of the descriptions in the regulations applies in respect of a hereditament,

that hereditament is to be treated as though only the description in respect of which the value of N is lowest applies.

Welsh Ministers power to alter the calculations for non-domestic rating multipliers.

A18—

The Welsh Ministers may by regulations amend, repeal or disapply paragraph A14 or A15 so as to—

(a) substitute for references to the consumer prices index references to another index, or

(b) provide that—

(i) B is a figure specified or described in (or calculated in a manner specified in) the regulations;

(ii) C is a figure so specified or described (or so calculated).

Making and giving notice of calculations etc.

A19—

(1) The Welsh Ministers must, in advance of each chargeable financial year—

(a) calculate for that year—

(i) the non-domestic rating multiplier under paragraph A14 or A15 (as the case may be), and

<u>(ii) if regulations under paragraph A16 are in force, the non-domestic rating multiplier under that paragraph, and</u> <u>(b) as soon as is reasonably practicable after doing so, serve on each billing authority a notice stating the non-domestic rating multipliers as calculated under paragraph (a).</u> <u>(2) In calculating a multiplier, a part of a whole (if any) is to be calculated to three decimal places only.</u> <u>(3) The notice must show how any calculation has been made and contain details of any estimates or adjustments that have been made.</u> <u>(4) Where the financial year is one for which the Welsh Ministers have calculated a figure for C under paragraph A14(2)(c)(ii), the notice must contain the figure they have calculated.</u> <u>(5) Where the financial year is a revaluation year, the notice must specify the date determined under paragraph A14(3) for the purpose of making estimates under paragraph A14(2)(d) and (e).</u> <u>(6) A calculation made by the Welsh Ministers under this paragraph is invalid if made at a time when regulations under paragraph A18 which are effective in relation to the year have not come into force.</u> <u><i>Interpretation</i></u> <u>A20—</u> <u>(1) In this Part—</u> <u>(a) “the consumer prices index” means the general index of consumer prices (for all items) published by the Statistics Board or, if that index is not published for a relevant month, any substituted index or index figures published by the Board;</u> <u>(b) “the base month” for the consumer prices index for September of a particular year is the month for which the consumer prices index is taken to be 100 and by reference to which the index for the September in question is calculated.</u> <u>(2) In this Part “revaluation year” means a chargeable financial year at the beginning of which new lists must be compiled (see sections 41ZA(3) and 52ZA(3)).</u>	
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PART I NON-DOMESTIC RATING MULTIPLIERS: WALES <i>Introduction</i> 1— (1) This Part of this Schedule has effect to determine, in relation to Wales, the non-domestic rating multiplier for each chargeable financial year. (2) In this Part of this Schedule “the Assembly” means the National Assembly for Wales. 3B— (1) The non-domestic rating multiplier for a chargeable financial year shall be calculated in accordance with this paragraph if the year is not one at the beginning of which new lists must be compiled. (2) An amount shall be found in accordance with the formula— $\frac{A \times B}{C}$ (3) Subject to sub-paragraph (5) below, that amount may be adjusted by the Welsh Ministers to reflect the extent to which their last estimate of the total mentioned in paragraph 5(6) or (7) below appears to them to differ from the actual total. (4) The amount under sub-paragraph (2) above or, if an adjustment is made under sub-paragraph (3) above, the adjusted amount shall be the non-domestic rating multiplier for the year. (5) No adjustment may be made under sub-paragraph (3) above for a chargeable financial year beginning before 2006. 4B— The non-domestic rating multiplier for a chargeable financial year shall be calculated in accordance with the following formula if the year is one at the beginning of which new lists must be compiled— $\frac{A \times B \times D}{C \times E}$ 5— (1) This paragraph applies for the purposes of paragraphs 3B and 4B above. (2A) A is the non-domestic rating multiplier for the financial year preceding the year concerned.	Paragraph 9(5) of Schedule 1
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~~(5A) B is the consumer prices index for September of the financial year preceding the year concerned.~~

~~(5AA) C is the consumer prices index for September of the financial year which precedes that preceding the year concerned."~~

~~(5B) But where the base month for the consumer prices index for September of the financial year which precedes that preceding the year concerned (the first year) differs from that for the index for September of the year which precedes the year concerned (the second year), C is the figure which the Welsh Ministers calculate would have been the consumer prices index for September of the first year if the base month for that index had been the same as the base month for the index for September of the second year.~~

~~(6) D is the number of whole pounds in the Welsh Ministers' estimate of the total of the appropriate rateable values of all appropriate hereditaments, where—~~

~~(a) appropriate rateable values are those which will be shown in lists for the last day of the financial year preceding the year concerned once all alterations to those lists have been made;~~

~~(b) appropriate hereditaments are those which will be shown in lists for that day once all alterations to those lists have been made.~~

~~(7) E is the number of whole pounds in the Welsh Ministers' estimate of the total of the appropriate rateable values of all appropriate hereditaments, where—~~

~~(a) appropriate rateable values are those which will be shown in lists for the first day of the financial year concerned once all alterations to those lists have been made;~~

~~(b) appropriate hereditaments are those which will be shown in lists for that first day once all alterations to those lists have been made.~~

~~(7A) The reference in sub-paragraph (7)(a) above to rateable values which will be shown in lists for the first day of the financial year concerned once all alterations to those lists have been made includes a reference to rateable values which will be shown in lists for a later day as a result of any alterations of the lists because of the inaccuracy of the lists for that first day.~~

~~(9A) References in sub-paragraphs (5A) to (5B) the consumer prices index are to the general index of consumer prices (for all items) published by the Statistics Board or, if~~

~~that index is not published for a relevant month, any substituted index or index figures published by the Board.~~

~~(9B) For the purposes of sub-paragraph (5B) the base month for the retail consumer prices index for September of a particular year is the month for which the consumer prices index is taken to be 100 and by reference to which the index for the September in question is calculated.~~

~~(10) Estimates under sub-paragraphs (6) and (7) above shall be made on the basis of information available to the Welsh Ministers on such date as they determine.~~

~~(11) In relation to Wales, in calculating a multiplier a part of a whole (if any) shall be calculated to three decimal places only—~~

~~(a) adding one thousandth where (apart from this sub-paragraph) there would be more than five ten-thousandths, and~~

~~(b) ignoring the ten-thousandths where (apart from this sub-paragraph) there would be five, or less than five, ten-thousandths.~~

~~(13A) The Welsh Ministers may by regulations amend, repeal or disapply sub-paragraphs (5A), (5AA), (5B), (9A) and (9B) so as to—~~

~~(a) substitute for references to the consumer prices index references to another index, or~~

~~(b) provide that—~~

~~(i) B is a figure specified or described in (or calculated in a manner specified in) the regulations;~~

~~(ii) C is a figure so specified or described (or so calculated).~~

~~(13B) The power to make regulations under sub-paragraph (13A) shall be exercisable by statutory instrument.~~

~~(13C) A statutory instrument containing regulations under sub-paragraph (13A) may not be made unless a draft of the instrument has been laid before and approved by resolution of Senedd Cymru.~~

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~~(1A) The Welsh Ministers shall calculate the non-domestic rating multiplier for a chargeable financial year and, as soon as is reasonably practicable after doing so, shall serve on each billing authority a notice stating the multiplier as so calculated.~~

(1B) The notice must show how any calculation has been made and contain details of any estimates or adjustments that have been made. (2A) Where the financial year is one for which the Welsh Ministers have calculated a figure for C under paragraph 5(5B), the notice must contain the figure they have calculated. (3) Where the financial year is one at the beginning of which new lists must be compiled, the notice must specify the date determined under paragraph 5(10) above for the purpose of making estimates under paragraph 5(6) and (7) above. (4B) A calculation made by the Welsh Ministers under this paragraph is invalid unless one or both of the following conditions is fulfilled— (a) it is made after the Assembly has approved by resolution the local government finance report for the year or, where the Welsh Ministers are making two local government finance reports for the year, it is made after the Assembly has approved by resolution both of those reports; (b) it is made on or after 1 March in the preceding financial year. (4C) A calculation made by the Welsh Ministers under this paragraph is also invalid if made at a time when regulations made under paragraph 5(13A) which are effective in relation to the year have not come into force.	
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SCHEDULE 7A NON-DOMESTIC RATING: 1990-95 <i>Regulations</i> 10— (1) The Secretary of State may make regulations containing rules about the determination under section 45 or 54 above of a chargeable amount for a transitional day. (2) The rules may make provision which he considers to be equivalent to that made by or under paragraphs 1 to 9 above, subject to any modifications he thinks fit. 11— (1) The Secretary of State may make regulations containing rules supplementing or modifying or excluding, for any case he considers appropriate and to such extent as he considers appropriate, any relevant provision. (2) For the purpose of the determination under section 43, 45 or 54 above of a chargeable amount for a transitional day, the Secretary of State may make regulations applying any relevant provision (subject to any modifications he thinks fit) to any case— (a) where he considers it appropriate to do so, and (b) where the relevant provision would not (whether by virtue of regulations under sub-paragraph (1) above or otherwise) apply apart from the regulations under this sub-paragraph. (3) A relevant provision is a provision made by or under paragraphs 1 to 9 above or by regulations under paragraph 10 above. 12— Without prejudice to the generality of sections 143(1) and (2) above <u>sections 143(1) and (2) and 143A(2)(b) and (3)</u> and paragraphs 10 and 11 above, regulations under those paragraphs may include provision— (a) imposing duties and conferring powers on valuation officers (whether as regards determinations, certificates or otherwise) in relation to the ascertainment of rateable values; (b) as to appeals relating to things done or not done by such officers.	Paragraph 19(6) of Schedule 1
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<u>(c) in relation to a hereditament situated in Wales, such longer period as may be agreed with the valuation officer.</u> 4K— P must, within the period of 60 days beginning with 30 April each year, provide confirmation (“annual confirmation”) to the valuation officer that— (a) P has provided all notifiable information required to be provided under paragraph 4J relating to changes occurring in the most recent complete financial year, or (b) P was not required to provide any such notifiable information. 4L— For the purposes of paragraphs 4J and 4K, P must provide the notifiable information or annual confirmation (as the case may be) to the valuation officer— (a) using the online facility provided by the valuation officer for use in connection with the provision of notifiable information or annual confirmation (as the case may be) under that paragraph, or (b) in another manner agreed with the valuation officer. 4M— (1) A valuation officer may serve a notice (an “information notice”) on a person who is an owner or occupier of a hereditament situated in England requesting that the person supplies to the officer information— (a) which is specified in the information notice, and (b) which the officer reasonably believes will assist the officer in carrying out functions conferred or imposed on the officer by or under this Part. (2) An information notice under sub-paragraph (1) must state that the officer believes the information requested will assist them in carrying out functions conferred or imposed on them by or under this Part. (3) A person on whom an information notice is served must provide the information requested in such form and manner as is specified in the notice within the period of 60 days beginning with the day on which the notice is served.	Section 12(5)
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<i>Information to be provided to valuation officer or billing authority: Wales</i> 5— (1) A valuation officer may serve a notice on a person who is an owner or occupier of a hereditament situated in Wales requesting him to supply to the officer information— (a) which is specified in the notice, and (b) which the officer reasonably believes will assist him in carrying out functions conferred or imposed on him by or under this Part. (1A) A notice under sub-paragraph (1) must state that the officer believes the information requested will assist him in carrying out functions conferred or imposed on him by or under this Part. (1B) A billing authority in Wales may serve a notice on a person to whom sub-paragraph (1D) applies, requesting the person to supply to the authority information— (a) which is specified in the notice, (b) which relates to a hereditament in the authority's area specified in the notice, and (c) which the authority reasonably believes will assist it in carrying out functions conferred or imposed on it by or under this Part. (1C) A notice under sub-paragraph (1B) must state that the billing authority believes the information will assist it in carrying out functions conferred or imposed on it by or under this Part. (1D) This sub-paragraph applies to— (a) a person who is an owner of the hereditament specified in the notice under sub-paragraph (1B); (b) a person who is an occupier of such a hereditament; (c) a person who, in relation to the hereditament specified in the notice under sub-paragraph (1B), is carrying on a business of a description specified in regulations made by the Welsh Ministers. (2) A person on whom a notice is served under sub-paragraph (1) shall supply the information requested in such form and manner as is specified in the notice. (2A) A person on whom a notice is served under sub-paragraph (1B) must supply the information requested in the form and manner specified in the notice.	Paragraph 13(2)(a) of Schedule 1 Paragraph 13(2)(b) of Schedule 1
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(3) . . . (4) If a notice has been served on a person under sub-paragraph (1), and in supplying information in purported compliance with sub-paragraph (2) above he makes a statement which he knows to be false in a material particular or recklessly makes a statement which is false in a material particular, he shall be liable on summary conviction to imprisonment for a term not exceeding 3 months or to a fine not exceeding level 3 on the standard scale or to both. (5) If a notice has been served on a person under sub-paragraph (1B), and in supplying information in purported compliance with sub-paragraph (2A) the person makes a statement knowing it to be false in a material particular or recklessly makes a statement which is false in a material particular, the person is liable on summary conviction to a fine not exceeding level 3 on the standard scale. <i>Information to be provided to valuation officer: penalties: England</i> 5ZC— (1) Where a person (“P”) fails to comply with a valuation notification requirement (including where P makes a false statement in purported compliance with the requirement), P is liable to a penalty the amount of which is determined in accordance with paragraph 5ZD(1). (2) Where P knowingly or recklessly makes a false statement in purported compliance with a valuation notification requirement, P commits an offence and is liable on summary conviction to imprisonment for a term not exceeding 3 months or to a fine not exceeding level 3 on the standard scale or to both (but see sub-paragraph (7)). (3) A valuation officer may, if satisfied beyond reasonable doubt that P has committed an offence under sub-paragraph (2), determine that P is instead liable to a penalty the amount of which is determined in accordance with paragraph 5ZD(2) (see also sub-paragraphs (9) and (10) of this paragraph). (4) Where P is liable to a penalty under sub-paragraph (1) or (3), the valuation officer may serve a notice (a “penalty notice”) on P stating— (a) the valuation notification requirement with which P has failed to comply,	Paragraph 13(2)(c) of Schedule 1
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(b) that P is liable to a penalty under sub-paragraph (1) or (3) (as the case may be), (c) the amount of the penalty, (d) the period within which the penalty must be paid, (e) in a case where P is liable to a penalty under sub-paragraph (1), the effect of paragraph 5ZD(3), (f) that P has a right to require a review under paragraph 5BD, and (g) that P has a right of appeal under paragraph 5BE. <u>(4A) If a penalty notice is served under sub-paragraph (4) in relation to a hereditament situated in Wales, the notice must include an explanation of the effect of paragraph 5BD(9).</u> (5) A penalty notice may be served in relation to one or more liabilities under this paragraph. (6) A penalty imposed under sub-paragraph (1) or (3) must be paid within the period of 30 days beginning with the date of the penalty notice (but see paragraph 5BF(1) and (2)). (7) Where a penalty notice is served on P in relation to a liability under sub-paragraph (3) in respect of a false statement— (a) no criminal proceedings for an offence under sub-paragraph (2) may be instituted against P, and no further penalty notice may be served, in respect of the false statement before the end of the period within which the liability under sub-paragraph (3) may be discharged as a result of payment or remittance of the penalty; (b) if the liability under sub-paragraph (3) is discharged (for any reason), then in respect of the false statement— (i) no criminal proceedings for an offence under sub-paragraph (2) may be instituted against P (and P may not at any time be convicted of an offence under that sub-paragraph in any proceedings that have already been instituted); (ii) no further penalty notice may be served on P in relation to liability under sub-paragraph (3) in respect of the false statement; (c) if the liability under sub-paragraph (3) is discharged as a result of the payment of the penalty,	Section 12(6)
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then, in respect of the false statement, any penalty notice previously served on P in relation to liability under sub-paragraph (1) which has not been discharged ceases to have effect. (8) The discharge of liability under sub-paragraph (3) in respect of a false statement as a result of the remittance of a penalty does not prevent a penalty notice being served in relation to any liability under sub-paragraph (1) in respect of that false statement. (9) Sub-paragraph (10) applies where— (a) a penalty notice is served on P in relation to a liability under sub-paragraph (1) in respect of a false statement, (b) P’s liability under that sub-paragraph has been discharged as a result of P paying the penalty, and (c) either— (i) P is subsequently convicted of an offence under sub-paragraph (2) in respect of the false statement, or (ii) a penalty notice (“the subsequent penalty notice”) is subsequently served on P in relation to a liability under sub-paragraph (3) in respect of the false statement. (10) The sentence on conviction, or the amount of the penalty stated in the subsequent penalty notice, must reflect the amount of the penalty paid by P in discharging P’s liability under sub-paragraph (1). (11) For the purposes this paragraph and in paragraphs 5ZD and 5ZE— “false statement” means a statement made by P which is false in a material particular; “valuation notification requirement” means a requirement under paragraph 4J to 4M. 5ZD— (1) Where P is liable to a penalty under paragraph 5ZC(1), the maximum amount of the penalty is the greater of— (a) 2% of the rateable value shown in a list compiled under this Part or, if greater, of the actual rateable value of the hereditament concerned for the day on which the liability to the penalty arises, and	
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(b) £900. (2) Where P is liable to a penalty under paragraph 5ZC(3), the maximum amount of the penalty is the sum of— (a) 3% of the rateable value shown in a list compiled under this Part or, if greater, of the actual rateable value of the hereditament concerned for the day on which the liability to the penalty arises, and (b) £500. (3) Where P is liable to a penalty under paragraph 5ZC(1) and fails to comply with the valuation notification requirement within the period of 30 days beginning with the day on which the penalty notice is served, P is liable to a maximum further penalty of £60 for each day on which the failure continues after the end of that period (but see sub-paragraph (4)). (4) P's total liability under sub-paragraph (3) may not exceed £1,800. 5ZE— (1) For the purposes of paragraph 5ZD— (a) the “actual rateable value” of a hereditament is the rateable value of the hereditament that, disregarding any matter within sub-paragraph (2), would be shown in a list compiled under this Part for the day on which the liability to the penalty arises if P had complied with all valuation notification requirements; (b) the “hereditament concerned” is the hereditament in relation to which the valuation notification requirement applies to P; (c) a list compiled under this Part is to be used to find the rateable value of the hereditament for the day concerned. (2) A matter is within this sub-paragraph if— (a) a change occurs in relation to it at any time during the period beginning with the specified day and ending with the day on which the liability to the penalty arises, and (b) the change results or would result in a reduction in the rateable value of the hereditament shown in a list compiled under this Part for the day concerned.	
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(3) For the purposes of sub-paragraph (2) the “specified day” is— (a) where the penalty notice is served in respect of a failure by P to provide notifiable information under paragraph 4J, the first day of the notification period (within the meaning of that paragraph), or (b) where the penalty notice is served in respect of a failure by P to provide information that is— (i) required by an information notice under paragraph 4M(1), but (ii) not required to be provided under paragraph 4J, the day on which the information notice is served. 5ZF— A valuation officer may mitigate or remit any penalty imposed under paragraph 5ZC or 5ZD. <i>Information to be provided to valuation officer or billing authority: penalties: Wales</i> 5A— (1) If a person on whom a notice is served under paragraph 5(1B) above fails to comply with paragraph 5(2) or (2A) within the period of 5660 days beginning with the day on which the notice is served, he shall be liable to a penalty of £100. (2) Where a person becomes liable to a penalty under sub-paragraph (1) above, the valuation officer or, as the case may be, billing authority concerned <u>billing authority</u> shall serve on him a notice (a “penalty notice”) stating— (a) that he has failed to comply with paragraph 5(2) or (2A) above within the period mentioned in sub-paragraph (1) above, (b) that he is liable to a penalty of £100, (c) the effect of sub-paragraphs (3) and (4) below, and (d) that he has a right of appeal under paragraph 5C below. (3) If the person on whom a penalty notice is served fails to comply with paragraph 5(2) or (2A) within the period of 21 days beginning with the day on which the notice is served, he shall be liable— (a) to a further penalty of £100, and	Paragraph 13(2)(d) of Schedule 1 Paragraph 13(2)(e)(i) of Schedule 1 Section 12(7) Paragraph 13(2)(e)(ii) and (iii) of Schedule 1 Paragraph 13(2)(e)(iv) of Schedule 1
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(5) The reviewing officer must have regard to anything done by P or the issuing officer in connection with the decision to serve the penalty notice.

(6) Otherwise, the nature and extent of the review are to be such as appear appropriate to the reviewing officer in the circumstances.

(7) The review must conclude that the penalty is to be—

(a) confirmed,

(b) mitigated, or

(c) remitted.

(8) The reviewing officer must notify P of the conclusions of the review and their reasoning within the period of 45 days beginning with the day on which P gave the notice under sub-paragraph (2).

(9) Where a review is required to be carried out under this paragraph but the reviewing officer does not give notice to P within the time period specified in sub-paragraph (8), the reviewing officer is deemed to have notified P that the penalty is confirmed.

(10) In this paragraph and paragraph 5BE—

“issuing officer” means the valuation officer who served the notice;

“reviewing officer” means a valuation officer other than the officer who served the notice.

5BE—

(1) This paragraph applies where a reviewing officer notifies, or is deemed to have notified, P of the conclusions of a review in accordance with paragraph 5BD.

(2) P may appeal to the valuation tribunal within the period of 30 days beginning with the day on which the reviewing officer notifies, or is deemed to have notified, P of the conclusions of the review.

(3) On an appeal under this paragraph the valuation tribunal may mitigate or remit a penalty arising under paragraph 5ZC(1) if it is satisfied— (a) that P had a reasonable excuse for not complying with the requirement mentioned in that sub-paragraph, or (b) that P has in fact complied with that requirement (including by virtue of P not in fact being required to make a notification or provide any information (as the case may be)); (4) On an appeal under this paragraph the valuation tribunal must remit a penalty arising under paragraph 5ZC(3) unless it is satisfied beyond reasonable doubt that P knowingly or recklessly made a false statement (within the meaning of that paragraph). (5) In this paragraph “valuation tribunal” means the Valuation Tribunal for England. <u>(5) In this paragraph “valuation tribunal” means—</u> <u>(a) for the purposes of an appeal relating to a hereditament situated in England, the Valuation Tribunal for England;</u> <u>(b) for the purposes of an appeal relating to a hereditament situated in Wales, a valuation tribunal established under paragraph 1 of Schedule 11.</u> 5BF— (1) Sub-paragraph (2) applies, in relation to a penalty imposed under paragraph 5ZC(1) or (3), where P— (a) requires a review under paragraph 5BD, or (b) appeals to the valuation tribunal under paragraph 5BE. (2) The period within which the penalty must be paid is extended by the period— (a) beginning with the day on which P requires a review or appeals to the valuation tribunal, and	Paragraph 13(2)(h) of Schedule 1
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(A1) The Secretary of State <u>appropriate national authority</u> may by regulations make provision in relation to notices served under paragraphs 4M and 5ZC. (1) The Welsh Ministers may by regulations make provision in relation to notices served under paragraphs 5 and 5A above. (1A) The Commissioners for His Majesty's Revenue and Customs may by regulations make provision in relation to notices served under paragraph 5ZA. (1B) The Commissioners for His Majesty's Revenue and Customs must consult the Welsh Ministers before making regulations under sub-paragraph (1A) if and to the extent that the regulations make provision in relation to Wales. (2) The provision that may be made by regulations under this paragraph includes— (a) provision enabling an officer of His Majesty's Revenue and Customs (including a valuation officer) to request or obtain information for the purpose of identifying the owner or occupier of a hereditament; (aa) provision enabling a billing authority in Wales to request or obtain information for the purpose of identifying a person to whom paragraph 5(1D) above applies; (b) provision enabling a notice to be served on a person either by name or by such description as may be prescribed.	Paragraph 13(2)(m) of Schedule 1
5FB— The Secretary of State <u>appropriate national authority</u> may by regulations amend paragraph 5ZC or 5ZD to increase or decrease the amount of any penalty under those paragraphs. 5G— The Welsh Ministers may by order amend paragraph 5A above to increase or decrease the amount of any penalty under that paragraph. 5H— Where an officer of His Majesty's Revenue and Customs (including a valuation officer) requires the name or address of a person on whom a notice under paragraph 4M, 5, 5ZA,	Paragraph 13(2)(n) of Schedule 1

and place and without payment being sought; but the information may be in documentary or other form, as the person or authority of whom the requirement is made thinks fit. (7) Where access is given under this paragraph to information in documentary form the person to whom access is given may— (a) make copies of (or of extracts from) the document; (b) require a person having custody of the document to supply to him a photographic copy of (or of extracts from) the document. (8) Where access is given under this paragraph to information in a form which is not documentary the person to whom access is given may— (a) make transcripts of (or of extracts from) the information; (b) require a person having control of access to the information to supply to him a copy in documentary form of (or of extracts from) the information. (9) If a reasonable charge is required for a facility under sub-paragraph (7) or (8) above, the sub-paragraph concerned shall not apply unless the person seeking to avail himself of the facility pays the charge. (10) If without reasonable excuse a person having custody of a document containing, or having control of access to, information access to which is sought under this paragraph— (a) intentionally obstructs a person in exercising a right under sub-paragraph (1), (2), (3), (4), (5), (7)(a) or (8)(a) above, or (b) refuses to comply with a requirement under sub-paragraph (7)(b) or (8)(b) above, he shall be liable on summary conviction to a fine not exceeding level 1 on the standard scale. <u>8A—</u> <u>(1) A person may require a valuation officer of a billing authority in Wales to give access to such information as will enable the person to establish what is the state of a list, or has been its state at any time since it came into force, if—</u> <u>(a) the officer is maintaining the list, and</u>	Paragraph 1(23)(d) of Schedule 1
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<u>(b) the list is in force or has been in force at any time in the preceding 5 years.</u> <u>(2) A person may require a billing authority in Wales to give access to such information as will enable the person to establish—</u> <u>(a) what is the state of the authority’s copy of a local non-domestic rating list, or</u> <u>(b) what has been its state at any time since the list was compiled,</u> <u>if the list is in force or has been in force at any time in the preceding 5 years.</u> <u>(3) A person may require the Welsh Ministers to give access to such information as will enable the person to establish—</u> <u>(a) what is the state of the Welsh Ministers’ copy of a central non-domestic rating list, or</u> <u>(b) what has been its state at any time since the list was compiled,</u> <u>if the list is in force or has been in force at any time in the preceding 5 years.</u> <u>(4) A person may require a billing authority in Wales to give access to such information as will enable the person to establish what is the state of a copy of a proposed local non-domestic rating list if—</u> <u>(a) the authority is keeping the copy under section 41ZA(7), and</u> <u>(b) the list itself is not yet in force.</u> <u>(5) A person may require the Welsh Ministers to give access to such information as will enable the person to establish what is the state of a copy of a proposed central non-domestic rating list if—</u> <u>(a) the Welsh Ministers are keeping the copy under section 52ZA(7), and</u> <u>(b) the list itself is not yet in force.</u>	
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(6) A requirement under sub-paragraphs (1) to (5) must be complied with at a reasonable time and place.

(7) Where access is given under this paragraph to information in documentary form the person to whom access is given may—

(a) make copies of the document or of parts of the document;

(b) require a person having custody of the document to supply a photographic copy of it or of parts of it.

(8) Where access is given under this paragraph to information in a form that is not documentary the person to whom access is given may—

(a) make transcripts of (or of extracts from) the information;

(b) require a person having control of access to the information to supply a copy in documentary form of (or of extracts from) the information.

(9) No payment may be required for giving access to information under sub-paragraphs (1) to (5), but a reasonable charge may be required for a facility under sub-paragraph (7) or (8), and if it is required, the sub-paragraph concerned does not apply unless the charge is paid.

(10) If without reasonable excuse a person having custody of a document containing, or having control of access to, information access to which is sought under this paragraph—

(a) intentionally obstructs a person in exercising a right under sub-paragraph (1), (2), (3), (4), (5), (7)(a) or (8)(a), or

(b) refuses to comply with a requirement under sub-paragraph (7)(b) or (8)(b),

that person is liable on summary conviction to a fine not exceeding level 1 on the standard scale.

SCHEDULE 11 TRIBUNALS PART 2 VALUATION TRIBUNALS: WALES <i>Jurisdiction</i> 2— The tribunals shall exercise the jurisdiction conferred on them by— (a) section 23 above; (b) regulations under section 55 above. <u>(ba) section 63L;</u> (c) paragraph 4 of Schedule 4A above. <u>(cza) paragraph 5BB of Schedule 9;</u> <u>(czb) paragraph 5BE of Schedule 9;</u> (ca) paragraph 5C of Schedule 9 above; (cb) regulations under paragraph 6AA of Schedule 9 above; (cc) paragraph 7A of Schedule 9 above; (d) section 16 of the 1992 Act; (e) regulations under section 24 of that Act; (f) paragraph 3 of Schedule 3 to that Act. PART 3 PROCEDURE, ORDERS ETC <i>Appeals</i> 11 (1) Regulations under paragraph A19 or paragraph 1 above may include provision that— (a) an appeal shall lie to the High Court on a question of law arising out of a decision or order which is given or made by a tribunal on an appeal under section 23 above, section 16 of the 1992 Act, paragraph 3 of Schedule 3 to that Act or regulations under section 24 of that Act; (b) an appeal shall lie to the Upper Tribunal in respect of a decision or order which is given or made by a tribunal on an appeal under paragraph 4 of Schedule 4A above or regulations under section 55 above.	Paragraph 18(2) of Schedule 1 Paragraph 13(3)(a) of Schedule 1
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<u>(1A) Regulations under paragraph 1 may also include provision that an appeal lies to the Upper Tribunal in respect of a decision or order given or made by a tribunal established under that paragraph on an appeal under section 63L or paragraph 5BB, 5BE, 5C or 6AA of Schedule 9.</u> (2) The regulations may include— (a) provision as to the persons who may appeal to the High Court or the Upper Tribunal; (b) provision authorising or requiring an appeal to the High Court or the Upper Tribunal to be dismissed if it is not initiated within a prescribed time; (c) provision as to the powers of the High Court or the Upper Tribunal on an appeal to it (which may include provision allowing the tribunal's decision or order to be confirmed, varied, set aside, revoked or remitted, and provision allowing the making of any order the tribunal could have made); (d) provision requiring a charging authority, the community charges registration officer for a charging authority, a billing authority, the valuation officer or listing officer for a billing authority, or the central valuation officer, to act in accordance with any order made by the High Court or the Upper Tribunal, and provision that paragraph 9, 10 or 10A above is to have effect subject to such a requirement.	Paragraph 13(3)(b) and (c) of Schedule 1 Paragraph 18(2)(b) of Schedule 1
PART 4 MISCELLANEOUS <i>General</i> 16— (1) Without prejudice to section 143(1) above <u>sections 143(1) and 143A(2)(b)</u>, regulations under this Schedule may make different provision for cases where valuation tribunals exercise jurisdiction conferred on them by or under different provisions of this Act or the 1992 Act.	Paragraph 19(7) of Schedule 1

Please note: this document has been prepared solely to assist people in understanding the Local Government Finance (Wales) Act 2024. It should not be relied on for any other purpose.

(2) Without prejudice to section 143(2) above <u>sections 143(2) and 143A(3)</u> , regulations under this Schedule may include provision amending, adapting, repealing or revoking any provision of or made under the 1967 Act or any other Act.	
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Non-domestic rates provisions impacting Acts other than the Local Government Finance Act 1988

Local Government and Housing Act 1989	Amended by
SCHEDULE 5 LOCAL GOVERNMENT FINANCE ACT 1988: AMENDMENTS <i>Non-domestic rating</i> 46 (1) Paragraph 5 of Schedule 9 (power to require information to be supplied to a valuation officer) shall be amended as follows: (2) In sub-paragraph (1) for the words from “requiring” to the end there shall be substituted “requesting him to supply to the officer information— (a) which is specified in the notice, and (b) which the officer reasonably believes will assist him in carrying out functions conferred or imposed on him by or under this Part.” (3) After sub-paragraph (1) there shall be inserted— “(1A) A notice under this paragraph must state that the officer believes the information requested will assist him in carrying out functions conferred or imposed on him by or under this Part.” (4) In sub-paragraph (2)— (a) for “required” (in the first place where the word occurs) there shall be substituted “requested”, and (b) for “required” (in the second place where the word occurs) there shall be substituted “specified”.	Paragraph 14(2) of Schedule 1

Local Government (Wales) Act 1994	Amended by
PART IV Finance <u>37 Local non-domestic rating lists for Welsh billing authorities.</u> After section 41 of the Local Government Finance Act 1988, insert— <u>“41A Local non-domestic rating lists for Welsh billing authorities.</u> (1) Every new valuation officer shall, on 1st April 1996, compile a list (“the amalgamated list”) for the new billing authority for which he is appointed, based on the information provided for him under this section. (2) The amalgamated list shall contain the information which was included in the local non-domestic rating lists compiled on 1st April 1995 for the old billing authorities (“the current lists”) so far as that information is relevant. (3) The amalgamated list shall also include the information which was included in any current list by way of an alteration, so far as that information is relevant. (4) A new valuation officer’s amalgamated list shall be treated, for the purposes of this Act, as the local non-domestic rating list for his new billing authority and shall be deemed to have come into force on 1st April 1995. (5) Where an amalgamated list contains information which is derived from any alteration made to any list or lists from which it is derived, the amalgamated list shall be treated as having been varied on the date on which the alteration was made. (6) Subsections (2) to (6B) of section 41 above shall not apply in relation to an amalgamated list. (7) Every valuation officer shall— (a) on or before 15th October 1995, provide the appropriate new valuation officer with the information recorded in his local non-domestic rating list as at 30th September 1995, so far as it is relevant; and (b) on 31st March 1996, provide the appropriate new valuation officer with the information	Paragraph 2(2) of Schedule 1

recorded in his local non-domestic rating list as at that date, so far as it is relevant. (8) A new valuation officer receiving any information under subsection (7)(a) above shall send a copy of it to his new billing authority as soon as is reasonably practicable. (9) As soon as is reasonably practicable after compiling an amalgamated list, a new valuation officer shall send a copy of it to his new billing authority. (10) A new billing authority receiving a copy of an amalgamated list under subsection (9) above shall, as soon as is reasonably practicable, deposit it at its principal office. (11) In this section— “old authority” has the same meaning as in the Local Government (Wales) Act 1994; “old billing authority” means a billing authority which is an old authority; “new billing authority” means a billing authority which is a new principal council; “new principal council” has the same meaning as in the Local Government (Wales) Act 1994; “valuation officer” means a valuation officer for an old billing authority; and “new valuation officer” means a valuation officer for a new billing authority. (12) For the purposes of this section— (a) references to a valuation officer’s local non-domestic rating list are references to the local non-domestic rating list maintained by him under this Act; (b) a new valuation officer’s area is the area of the new billing authority for which he is appointed; (c) the appropriate new valuation officer, in relation to any information which relates to any hereditament is the new valuation officer for the new billing authority in whose area the hereditament is situated; and (d) information is relevant in relation to a new valuation officer, or his area, if it relates to a hereditament which is in his area.”	
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SCHEDULE 16 OTHER CONSEQUENTIAL AMENDMENTS <i>The Local Government Finance Act 1988 (c.41)</i> 84 In section 55 of the Local Government Finance Act 1988 (alteration of lists), in subsection (7A)(a) after “41(6B)” insert “or 41A(10)”. 85 In section 88(2) of that Act <u>the Local Government Finance Act 1988</u> (councils to whom transport grants may be paid), after paragraph (a) insert— “(aa) a county borough council.”. 86 In Schedule 9 to that Act (non-domestic rating: administration), in paragraph 8(2)(a) after “41(6B)” insert “or 41A(10)”.	Paragraph 2(3) of Schedule 1
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Local Government and Rating Act 1997	Amended by
SCHEDULE 3 MINOR AND CONSEQUENTIAL AMENDMENTS <i>Local Government Finance Act 1988 (c. 41)</i> 22 The Local Government Finance Act 1988 is amended as follows. 23 In section 47(7) (discretionary relief), after “made” there is inserted “more than six months”. 24 In section 59 (contributions in aid), for “Crown hereditament” there is substituted “ hereditament which is exempt from local non-domestic rating by virtue of paragraph 19A of Schedule 5 below (property occupied for purposes of visiting forces etc.) ”. 25 In section 64 (hereditaments), subsections (5) to (7D) are omitted. 26 In section 67 (interpretation), after subsection (5) there is inserted— “(5A)In subsection (5) above “Crown hereditament” has the same meaning as in section 65A above.”	Paragraph 7 of Schedule 1

27 In paragraph 15 of Schedule 5 (exempt parks), in sub-paragraph (3), before paragraph (a) there is inserted— “(aa)a Minister of the Crown or Government department or any officer or body exercising functions on behalf of the Crown,”.	
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Local Government Act 2003	Amended by
Part 5 Non-domestic rates <u>62 Calculation of non-domestic rating multiplier</u> (1) Schedule 7 to the 1988 Act (non-domestic rating multipliers) is amended as follows. (2) In paragraph 1 (Part 1 of Schedule 7 has effect to determine non-domestic rating multiplier) after “multiplier” there is inserted “and, in relation to England, the small business non-domestic rating multiplier”. (3) For paragraph 3 (calculation of non-domestic rating multiplier for years in which no list compiled) there is substituted— “3(1) In relation to England, the small business non-domestic rating multiplier for a chargeable financial year shall be calculated in accordance with this paragraph if the year is not one at the beginning of which new lists must be compiled. (2) An amount shall be found in accordance with the formula— $\frac{A \times B}{C}$ (3) Subject to sub-paragraph (5) below, that amount may be adjusted by the Secretary of State to reflect the extent to which his last estimate of the total mentioned in paragraph 5(6) or (7) below appears to him to differ from the actual total. (4) The amount under sub-paragraph (2) above or, if an adjustment is made under sub-paragraph (3) above, the adjusted amount shall be the small business non-domestic rating multiplier for the year. (5) No adjustment may be made under sub-paragraph (3) above for a chargeable financial year beginning before 2006. 3A(1) In relation to England, the non-domestic rating multiplier for a chargeable financial year shall be calculated in accordance with this paragraph if the year is not one at the beginning of which new lists must be compiled. (2) The non-domestic rating multiplier for the year shall be the amount found by—	Paragraph 10(2) of Schedule 1

(a) increasing the small business non-domestic rating multiplier for the year under paragraph 3 above to reflect the Secretary of State's estimate of the difference between— (i) the aggregate amount which will be payable to him and all billing authorities by way of non-domestic rates as regards the year, and (ii) the aggregate amount which would be so payable if section 43(4A) to (4D) above were omitted, and (b) if the Secretary of State thinks fit, adjusting the amount found under paragraph (a) above to reflect the extent (if any) to which his estimate of the difference mentioned in that paragraph for an earlier financial year appears to him to differ from the actual difference for that earlier year. 3B(1) In relation to Wales, the non-domestic rating multiplier for a chargeable financial year shall be calculated in accordance with this paragraph if the year is not one at the beginning of which new lists must be compiled. (2) An amount shall be found in accordance with the formula— $\frac{A \times B}{C}$ (3) Subject to sub-paragraph (5) below, that amount may be adjusted by the National Assembly for Wales to reflect the extent to which its last estimate of the total mentioned in paragraph 5(6) or (7) below appears to it to differ from the actual total. (4) The amount under sub-paragraph (2) above or, if an adjustment is made under sub-paragraph (3) above, the adjusted amount shall be the non-domestic rating multiplier for the year. (5) No adjustment may be made under sub-paragraph (3) above for a chargeable financial year beginning before 2006.” (4) For paragraph 4 (calculation of non-domestic rating multiplier for year in which list must be compiled) there is substituted— “4 In relation to England, the small business non-domestic rating multiplier for a chargeable financial year shall be calculated in accordance with the following	
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formula if the year is one at the beginning of which new lists must be compiled— $\frac{A \times B \times D}{C \times E}$ 4A(1) In relation to England, the non-domestic rating multiplier for a chargeable financial year shall be calculated in accordance with this paragraph if the year is one at the beginning of which new lists must be compiled. (2) The non-domestic rating multiplier for the year shall be the amount found by— (a) increasing the small business non-domestic rating multiplier for the year under paragraph 4 above to reflect the Secretary of State’s estimate of the difference between— (i) the aggregate amount which will be payable to him and all billing authorities by way of non-domestic rates as regards the year, and (ii) the aggregate amount which would be so payable if section 43(4A) to (4D) above were omitted, and (b) if the Secretary of State thinks fit, adjusting the amount found under paragraph (a) above to reflect the extent (if any) to which his estimate of the difference mentioned in that paragraph for an earlier financial year appears to him to differ from the actual difference for that earlier year. 4B In relation to Wales, the non-domestic rating multiplier for a chargeable financial year shall be calculated in accordance with the following formula if the year is one at the beginning of which new lists must be compiled— $\frac{A \times B \times D}{C \times E}$ (5) In paragraph 5(1) for “3 and 4” there is substituted “3 to 4B”. (6) For sub-paragraph (2) of that paragraph (which defines A) there is substituted— “(2) In relation to England, A is the small business non-domestic rating multiplier for the financial year preceding the year concerned (or, if there is no such	
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multiplier for that year, A is the non-domestic rating multiplier for that year). (2A) In relation to Wales, A is the non-domestic rating multiplier for the financial year preceding the year concerned." (7) For sub-paragraphs (6) and (7) of that paragraph (which define D and E) there is substituted— "(6) D is the number of whole pounds in the Secretary of State's or, as the case may be, the National Assembly for Wales' estimate of the total of the appropriate rateable values of all appropriate hereditaments, where— (a) appropriate rateable values are those which will be shown in lists for the last day of the financial year preceding the year concerned once all alterations to those lists have been made; (b) appropriate hereditaments are those which will be shown in lists for that day once all alterations to those lists have been made. (7) E is the number of whole pounds in the Secretary of State's or, as the case may be, the National Assembly for Wales' estimate of the total of the appropriate rateable values of all appropriate hereditaments, where— (a) appropriate rateable values are those which will be shown in lists for the first day of the financial year concerned once all alterations to those lists have been made; (b) appropriate hereditaments are those which will be shown in lists for that first day once all alterations to those lists have been made. (7A) The reference in sub-paragraph (7)(a) above to rateable values which will be shown in lists for the first day of the financial year concerned once all alterations to those lists have been made includes a reference to rateable values which will be shown in lists for a later day as a result of any alterations of the lists because of the inaccuracy of the lists for that first day." (8) For paragraph 6(1) there is substituted— "(1) In relation to England, the Secretary of State shall calculate the small business non-domestic rating multiplier and the non-domestic rating multiplier for a chargeable financial year and, as soon as is reasonably practicable after doing so, shall serve on each billing	
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authority a notice stating the multipliers as so calculated. (1A) In relation to Wales, the National Assembly for Wales shall calculate the non-domestic rating multiplier for a chargeable financial year and, as soon as is reasonably practicable after doing so, shall serve on each billing authority a notice stating the multiplier as so calculated. (1B) The notice must show how any calculation has been made and contain details of any estimates or adjustments that have been made." (9) For paragraph 6(3) there is substituted— "(3) Where the financial year is one at the beginning of which new lists must be compiled, the notice must specify the date determined under paragraph 5(10) above for the purpose of making estimates under paragraph 5(6) and (7) above." (10) In paragraph 6(4) and (5) for "sub-paragraph (1) above" there is substituted "this paragraph". (11) After paragraph 9 (special authority's non-domestic rating multiplier) there is inserted— "9A(1) A special authority's small business non-domestic rating multiplier for a chargeable financial year shall be set by it in accordance with the formula— $\frac{A \times B}{C}$ (2) In sub-paragraph (1) above— (a) A is the special authority's non-domestic rating multiplier for the year under paragraph 9 above, (b) B is the small business non-domestic rating multiplier for the year determined in accordance with Part 1 of this Schedule, and (c) C is the non-domestic rating multiplier for the year, so far as relating to England, determined in accordance with that Part. (3) The multiplier must be expressed as a figure in which a part of a whole (if any) is expressed to three decimal points only."	

<u>72 Provision of information</u> (1) Schedule 9 to the 1988 Act (non-domestic rating: administration) is amended as follows. (2) In paragraph 5(2) (requested information to be supplied within period of 21 days) there are omitted— (a) the words “if it is in his possession or control, and he shall do so”, and (b) the words “and within the period of 21 days beginning with the day on which the notice is served”.	Paragraph 15(2) of Schedule 1
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Business Rate Supplements Act 2009		Amended by
<i>General</i>		
30 Interpretation		
(1) In this Act, the “appropriate national authority” means— (a) in relation to a levying authority whose area is in England or in relation to hereditaments in England, the Secretary of State; (b) in relation to a levying authority whose area is in Wales or in relation to hereditaments in Wales, the Welsh Ministers. (2) For the purposes of this Act, an expression in the first column of the Table is defined or otherwise explained by the provision of this Act, or of the 1988 Act, the 1999 Act or the 2003 Act, specified in the second column.		
<i>Expression</i>	<i>Provision</i>	
BID levy	Section 41(2) of the 2003 Act	
Billing authority	Section 144(2) of the 1988 Act	
BRS	Section 1(1)	
Chargeable amount	Section 13	
Chargeable day	Section 11(5)	
Chargeable period	Section 11(6)	
Final prospectus	Section 4	
Financial year	Section 145(3) of the 1988 Act	
Financial year, imposition of BRS for	Section 11(8)	
Functional body	Section 424 of the 1999 Act	

Hereditament	Section 64 of the 1988 Act	Paragraph 3(2) of Schedule 1
Initial prospectus	Section 4	
Levying authority	Section 2(1)	
Local non-domestic rating list	Section 41(1) <u>or</u> <u>41ZA(1)</u> of the 1988 Act	
Lower-tier authority	Section 3(8)	
Rateable value	Section 12(9)	
Section 45 ratepayer	Section 11(3)	
Sums collected by a billing authority in respect of a BRS	Section 22(7)	
Sums received by a functional body in respect of a BRS	Section 3(10)	
Sums received by a levying authority in respect of a BRS	Section 3(6)	
The 1988 Act	Section 1(4)	
(3) In subsection (2)— “the 1999 Act” means the Greater London Authority Act 1999 (c. 29), and “the 2003 Act” means the Local Government Act 2003 (c. 26).		

Growth and Infrastructure Act 2013	Amended by
<i>Economic measures</i> 30 Power to postpone compilation of Welsh rating lists (1) Before section 55 of the Local Government Finance Act 1988 (but after the italic heading before that section) insert— “54A Postponement of compilation of Welsh lists for 2015 onwards (1) The Welsh Ministers may by order provide that the lists to which this section applies must be compiled on a date specified in the order (“the specified date”) rather than on 1 April 2015. (2) The lists to which this section applies are— (a) each local non-domestic rating list that would otherwise have to be compiled on 1 April 2015 for a billing authority in Wales, and (b) the central non-domestic rating list that would otherwise have to be compiled for Wales on that date. (3) The specified date must be 1 April in 2016, 2017, 2018, 2019 or 2020; and the same date must be specified for each list to which this section applies. (4) If an order has effect under this section, section 41 (local rating lists) applies in relation to billing authorities in Wales as if subsection (2)— (a) did not require a list to be compiled on 1 April 2015 and on 1 April in every fifth year afterwards, but (b) instead required a list to be compiled on the specified date and on 1 April in every fifth year afterwards. (5) If an order has effect under this section, section 52 (central rating lists) applies in relation to Wales as if subsection (2)— (a) did not require a list to be compiled on 1 April 2015 and on 1 April in every fifth year afterwards, but (b) instead required a list to be compiled on the specified date and on 1 April in every fifth year afterwards.”	Paragraph 4(2) of Schedule 1

(2) In section 41 (local rating lists), after subsection (8) insert— “(9) This section in its application to Wales is subject to section 54A (postponement of compilation of Welsh lists for 2015 onwards).” (3) In section 52 (central rating lists), after subsection (7) insert— “(8) This section in its application to Wales is subject to section 54A (postponement of compilation of Welsh lists for 2015 onwards).” (4) In section 143 (orders and regulations), after subsection (3B) insert— “(3C) The power to make an order under section 54A is exercisable by statutory instrument, and no such order is to be made unless a draft of the order has been laid before and approved by resolution of the National Assembly for Wales.”	
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Environment (Wales) Act 2016	Amended by
PART 7 MISCELLANEOUS 84 Power to make provision for appeals against special levies (1) The Local Government Finance Act 1988 (c. 41) is amended as follows. (2) In section 75 (special levies), after subsection (7) insert— “(7A) Regulations made by the Welsh Ministers may include provision for appeals to be made to the Welsh Ministers from special levies issued to meet expenses incurred in the exercise of functions relating to land drainage.” (3) In section 138 (judicial review)— (a) in subsection (2)(f), after “above” insert “ (subject to subsection (4)) ”; (b) after subsection (3) insert— “(4) Subsection (1) does not affect appeals made by virtue of provision made in regulations under section 75(7A)”. (4) In section 143 (orders and regulations)— (a) in subsection (3), after “Parliament” insert “ or, in the case of an order or regulations made by the Welsh Ministers, of the National Assembly for Wales ”; (b) omit subsection (4A). (5) In Schedule 7 to the Local Government Act 2003 (c. 26), omit paragraph 24(4).	Paragraph 20(2) of Schedule 1

Local Government and Elections (Wales) Act 2021	Amended by
PART 8 LOCAL GOVERNMENT FINANCE <u>Non-domestic rating</u> 151 Powers of billing authorities to require the supply of information relating to hereditaments (1) Schedule 9 to the Local Government Finance Act 1988 (c. 41) (administration in relation to non-domestic rating) is amended as follows. (2) In paragraph 5— (a) in sub-paragraph (1A), for “this paragraph” substitute “sub-paragraph (1)”; (b) after sub-paragraph (1A) (information to be contained in notice given by valuation officer) insert— “(1B) A billing authority in Wales may serve a notice on a person to whom sub-paragraph (1D) applies, requesting the person to supply to the authority information— (a) which is specified in the notice, (b) which relates to a hereditament in the authority's area specified in the notice, and (c) which the authority reasonably believes will assist it in carrying out functions conferred or imposed on it by or under this Part. (1C) A notice under sub-paragraph (1B) must state that the billing authority believes the information will assist it in carrying out functions conferred or imposed on it by or under this Part. (1D) This sub-paragraph applies to— (a) a person who is an owner of the hereditament specified in the notice under sub-paragraph (1B); (b) a person who is an occupier of such a hereditament; (c) a person who, in relation to the hereditament specified in the notice under sub-paragraph (1B), is carrying on a business of a description specified in	Paragraph 16(2) of Schedule 1

regulations made by the Welsh Ministers.”; (c) in sub-paragraph (2), for “this paragraph” substitute “sub-paragraph (1)”; (d) after sub-paragraph (2) insert— “(2A) A person on whom a notice is served under sub-paragraph (1B) must supply the information requested in the form and manner specified in the notice.”; (e) in sub-paragraph (4), for “this paragraph” substitute “sub-paragraph (1)”; (f) after sub-paragraph (4) insert— “(5) If a notice has been served on a person under sub-paragraph (1B), and in supplying information in purported compliance with sub-paragraph (2A) the person makes a statement knowing it to be false in a material particular or recklessly makes a statement which is false in a material particular, the person is liable on summary conviction to a fine not exceeding level 3 on the standard scale.” (3) In paragraph 5A (penalty for failure to comply with request for information within the required period)— (a) in sub-paragraph (1) after “paragraph 5(2)” insert “or (2A)”; (b) in sub-paragraph (2)— (i) after “valuation officer” insert “or, as the case may be, billing authority concerned”; (ii) in paragraph (a), after “paragraph 5(2)” insert “or (2A)”; (c) in sub-paragraph (3), after “paragraph 5(2)” insert “or (2A)”. (4) In paragraph 5B (power to mitigate or remit penalty), after “valuation officer” insert “or, as the case may be, billing authority”. (5) In paragraph 5C(6)(a), after “paragraph 5(2)” insert “or (2A)”. (6) In paragraph 5D(1) (recovery of penalty as civil debt), for the words from “be recovered” to the end substitute “— (a) in a case which relates to a request for information made by a valuation officer, be recovered by the	
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valuation officer concerned as a civil debt due to the valuation officer; (b) in a case which relates to a request for information made by a billing authority in Wales, be recovered by the authority concerned as a civil debt due to the authority.” (7) In paragraph 5E (destination of penalty receipts)— (a) the existing text becomes sub-paragraph (1); (b) after that sub-paragraph insert— “(2) Any sums received by a billing authority in Wales by way of penalty under paragraph 5A above must be paid into the Welsh Consolidated Fund.” (8) In paragraph 5F (power of the Welsh Ministers to make regulations in relation to Wales in connection with notices issued by valuation officers), after sub-paragraph (2)(a) insert— “(aa) provision enabling a billing authority in Wales to request or obtain information for the purpose of identifying a person to whom paragraph 5(1D) above applies;”. (9) In paragraph 5H (power of valuation officer to require information from billing authorities), after “is to be served” insert “by the officer”. (10) In section 143 (procedural requirements for orders and regulations), after subsection (9A) insert— “(9AZA) The power of the Welsh Ministers to make regulations under paragraph 5(1D)(c) of Schedule 9 shall be exercisable by statutory instrument, and no such regulations shall be made by them unless a draft of the regulations has been laid before and approved by resolution of Senedd Cymru.”	Paragraph 21(2) of Schedule 1
152 Requirement to supply to billing authorities information relevant to determining liability to non-domestic rates (1) The Local Government Finance Act 1988 (c. 41) is amended as follows. (2) In Schedule 9 (administration in relation to non-domestic rating), after paragraph 6A insert— “6AA(1) The Welsh Ministers may by regulations require persons to provide to billing authorities in Wales information relevant to determining—	

(a)whether a person is, as regards a hereditament in Wales, subject to a non-domestic rate in respect of a chargeable financial year; (b)where a person is, as regards a hereditament in Wales, subject to a non-domestic rate, the amount the person is liable to pay. (2) Regulations under sub-paragraph (1) must specify— (a)the information to be provided, (b)the persons who must provide the information, (c)the circumstances in which the information is to be provided, and (d)the period within which the information is to be provided. (3) The regulations may provide that a billing authority may impose a financial penalty on a person who fails to comply with a requirement in the regulations to provide information. (4) If provision is made under sub-paragraph (3)— (a)the penalty specified in the regulations must be £500; (b)the regulations must require any sum received by a billing authority by way of penalty to be paid into the Welsh Consolidated Fund; (c)the regulations may include provision for any penalty to be recovered by the billing authority concerned as a civil debt due to the authority; (d)the regulations must include provision enabling a person on whom a financial penalty is imposed to require a review of the imposition of the penalty or its amount by the billing authority that imposed the penalty; (e)the regulations must include provision enabling a person on whom a financial penalty is imposed to appeal against the imposition of the penalty or its amount to a valuation tribunal established under paragraph 1 of Schedule 11. (5) The regulations may provide that a person who knowingly or recklessly provides information required under the regulations which is false in a material particular is liable on summary conviction to a fine not exceeding level 3 on the standard scale.	
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(6) The Welsh Ministers may by regulations substitute a different amount for the amount for the time being specified in sub-paragraph (4)(a)." (3) In section 143 (procedural requirements for orders and regulations), after subsection (9AA) insert— "(9AB) The power of the Welsh Ministers to make regulations under paragraph 6AA(1) or (5) of Schedule 9 shall be exercisable by statutory instrument, and no such regulations shall be made by them unless a draft of the regulations has been laid before and approved by resolution of Senedd Cymru." (4) In Part 2 of Schedule 11 (valuation tribunals: Wales), after paragraph 2(ca) insert— "(cb)regulations under paragraph 6AA of Schedule 9 above;".	Paragraph 21(3) of Schedule 1
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154 Multipliers (1) The Local Government Finance Act 1988 (c. 41) is amended as follows. (2) In Schedule 7 (non-domestic rating: multipliers)— (a) in paragraph 5(3), at the beginning insert “In relation to England, ”; (b) in paragraph 5(4), at the beginning insert “In relation to England, ”; (c) in paragraph 5(5), after “C” insert “, in relation to England, ”; (d) after paragraph 5(5) insert— “(5A) In relation to Wales— (a) B is the consumer prices index for September of the financial year preceding the year concerned, and (b) C is the consumer prices index for September of the financial year which precedes that preceding the year concerned. (5B) But where the base month for the consumer prices index for September of the financial year which precedes that preceding the year concerned (the first year) differs from that for the index for September of the year which precedes the year concerned (the second year), C is the figure which the Welsh Ministers calculate would have been the consumer prices index for September of the first year if the base month for that index had been the same as the base month for the index for September of the second year.”; (e) after paragraph 5(9) insert— “(9A) References in sub-paragraphs (5A) and (5B) to the consumer prices index are to the general index of consumer prices (for all items) published by the Statistics Board or, if that index is not published for a relevant month, any substituted index or index figures published by the Board. (9B) For the purposes of sub-paragraph (5B) the base month for the retail prices index for September of a particular year is the month for which the consumer prices index is taken to be	Paragraph 11(2) of Schedule 1
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100 and by reference to which the index for the September in question is calculated.”; (f) after paragraph 5(13) insert— “(13A) The Welsh Ministers may by regulations amend, repeal or disapply sub-paragraphs (5A), (5B), (9A) and (9B) so as to— (a) substitute for references to the consumer prices index references to another index, or (b) provide that— (i) B is a figure specified or described in (or calculated in a manner specified in) the regulations; (ii) C is a figure so specified or described (or so calculated). (13B) The power to make regulations under sub-paragraph (13A) shall be exercisable by statutory instrument. (13C) Regulations under sub-paragraph (13A), in their application to a particular financial year (including regulations amending or revoking others) shall not be effective unless they are approved by resolution of Senedd Cymru before the approval by Senedd Cymru of the local government finance report for the year, or before 1 March in the preceding financial year (whichever is earlier).”; (g) in paragraph 5, omit sub-paragraphs (14) and (15); (h) after paragraph 6(2) insert— “(2A) Where the financial year is one for which the Welsh Ministers have calculated a figure for C under paragraph 5(5B), the notice must contain the figure they have calculated.”; (i) after paragraph 6(4B) insert— “(4C) A calculation made by the Welsh Ministers under this paragraph is also invalid if made at a time when regulations made under paragraph 5(13A) which are effective in relation to the year have not come into force.”; (j) in paragraph 6(5), after “calculation” insert “made by the Secretary of State”.	
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(3) In section 143 (orders and regulations)— (a) in subsection (2), for “or the Treasury” substitute “, the Treasury or the Welsh Ministers”; (b) in subsection (9), for “The power to make an order” substitute “ The powers to make an order or regulations ”.	
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Non-Domestic Rating (Lists) Act 2021	Amended by
1 Compilation of rating lists (1) The Local Government Finance Act 1988 is amended as follows. (2) In section 41 (local non-domestic rating lists)— (a) in subsection (2A) (date on which English local rating lists must be compiled), in paragraph (b), after “2017” insert “, on 1 April 2023”; (b) in subsection (5) (deadline for proposed list to be sent to billing authority), for “30 September” substitute “ 31 December ”. (3) In section 52 (central non-domestic rating lists)— (a) in subsection (2A) (date on which English central rating lists must be compiled), in paragraph (b), after “2017” insert “, on 1 April 2023”; (b) in subsection (5) (deadline for proposed list to be sent to Secretary of State or Welsh Ministers), for “30 September” substitute “31 December”. (4) In section 54A (postponement of compilation of Welsh lists for 2015 onwards)— (a) in subsection (4)(b) (date on which Welsh local rating lists must be compiled), after “specified date” insert “, on 1 April 2023”; (b) in subsection (5)(b) (date on which Welsh central rating lists must be compiled), after “specified date” insert “, on 1 April 2023”.	Paragraph 5(2) of Schedule 1

Non-Domestic Rating Act 2023	Amended by
<i>Discretionary relief</i> 4 Local rating: discretionary relief (1) Section 47 of the Act (discretionary relief) is amended as follows. (2) After subsection (6) insert— “(6A) A decision under subsection (3) by a billing authority in England is 30 invalid as regards a day if— (a) the day falls before the end of the financial year beginning on 1 April 2022, and (b) the decision is made more than six months after the end of the financial year in which the day falls.” (3) In subsection (7), after “above” insert “by a billing authority in Wales”.	Paragraph 6(2) of Schedule 1
<i>Valuation and multipliers</i> 15 Multipliers (3) In paragraph 5 (interpretation)— (a) in sub-paragraph (9B), for “retail” substitute “consumer”; (b) after sub-paragraph (10) insert— “(10A) In relation to England, in calculating a multiplier a part of a whole (if any) is to be calculated to three decimal places only— (a) adding one thousandth where (apart from this sub-paragraph) there would be more than five ten-thousandths, and Non-Domestic Rating Bill (b) ignoring the ten-thousandths where (apart from this sub-paragraph) there would be five, or less than five, ten-thousandths.”; (c) in sub-paragraph (11)— (i) at the beginning insert “In relation to Wales,”; (ii) omit paragraphs (a) and (b); (d) for sub-paragraph (13C) substitute— “(13C) A statutory instrument containing regulations under 10 sub-paragraph (13A) may not be made unless a draft of the instrument has	Paragraph 12(2) of Schedule 1

~~61 In paragraph 3B (non-domestic rating multiplier in relation to Wales: non-revaluation years), in sub-paragraph (1) omit “In relation to Wales,”.~~

~~62 Omit paragraphs 4 and 4A (non-domestic rating multipliers in relation to England: revaluation years).~~

~~63 In paragraph 4B (non-domestic rating multiplier in relation to Wales: revaluation years) omit “In relation to Wales,”.~~

~~64 (1) Paragraph 5 (interpretation) is amended as follows.~~

~~(2) In sub-paragraph (1), for “3 to 4B” substitute “3B and 4B”.~~

~~(3) Omit sub-paragraph (2).~~

~~(4) In sub-paragraph (2A) omit “In relation to Wales,”.~~

~~(5) Omit sub-paragraphs (3) to (5).~~

~~(6) For sub-paragraph (5A) substitute—~~

~~“(5A) B is the consumer prices index for September of the financial year preceding the year concerned.~~

~~(5AA) C is the consumer prices index for September of the financial year which precedes that preceding the year concerned.”~~

~~(7) In sub-paragraph (6), in the words before paragraph (a) omit “the Secretary of State’s or, as the case may be,”.~~

~~(8) In sub-paragraph (7), in the words before paragraph (a) omit “the Secretary of State’s or, as the case may be,”.~~

~~(9) Omit sub-paragraphs (8) and (9).~~

~~(10) In sub-paragraph (9A), for “(5A) and (5B)” substitute “(5A) to (5B)”;~~

~~(11) In sub-paragraph (10) omit “to the Secretary of State on such date as he determines or, as the case may be,”.~~

~~(12) Omit sub-paragraph (10A) (inserted by section 15(3)(b) of this Act).~~

~~(13) Omit sub-paragraphs (12) and (13).~~

(14) In sub-paragraph (13A), in the words before paragraph (a), after “(5A),” insert “(5AA),”. 65 (1) Paragraph 6 (supplementary) is amended as follows. (2) Omit sub-paragraph (1). (3) In paragraph (1A) omit “In relation to Wales,”. (4) Omit sub-paragraph (2). (5) Omit sub-paragraphs (4) and (4A). (6) Omit sub-paragraph (5). 66 Omit paragraphs 7 and 8 (special provision for 1990–95). 67 (1) In Schedule 7 to the Act, Part 2 (special authority’s multipliers) is amended as follows. (2) In paragraph 9 (non-domestic rating multiplier), in sub-paragraph (4), in the definition of “A”— (a) omit “so far as relating to England”; (b) for “Part 1” substitute “Part A1”. (3) In paragraph 9A (small business non-domestic rating multiplier)— (a) in sub-paragraph (2)(b), for “Part 1” substitute “Part A1”; (b) in sub-paragraph (2)(c) omit “, so far as relating to England,”. 68 In section 140(2) of the Act (separate administration in England and Wales)— (a) omit the “, and” at the end of paragraph (a); (b) omit paragraph (b). 69 In section 143 of the Act (orders and regulations), for subsection (9) substitute— “(9) The powers to make regulations under paragraph A10(4)(b) or 5(13A) of Schedule 7 are exercisable as mentioned in that Schedule.”	
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Council tax provisions impacting the Local Government Finance Act 1992

Local Government Finance Act 1992	Amended by																		
5 Different amounts for dwellings in different valuation bands. (1) The amounts of council tax payable in respect of dwellings situated in the same billing authority’s area (or the same part of such an area) and listed in different valuation bands shall be in the proportion— 6: 7: 8: 9: 11: 13: 15: 18 where 6 is for dwellings listed in valuation band A, 7 is for dwellings listed in valuation band B, and so on. (1A) For the purposes of the application of subsection (1) to dwellings situated in Wales, for the purposes of financial years beginning on or after 1st April 2005, for the proportion specified in that subsection there is substituted the following proportion: 6: 7: 8: 9: 11: 13: 15: 18: 21 (2) The valuation bands for dwellings in England are set out in the following Table— <table><tr><th><i>Range of values</i></th><th><i>Valuation band</i></th></tr><tr><td>Values not exceeding £40,000</td><td>A</td></tr><tr><td>Values exceeding £40,000 but not exceeding £52,000</td><td>B</td></tr><tr><td>Values exceeding £52,000 but not exceeding £68,000</td><td>C</td></tr><tr><td>Values exceeding £68,000 but not exceeding £88,000</td><td>D</td></tr><tr><td>Values exceeding £88,000 but not exceeding £120,000</td><td>E</td></tr><tr><td>Values exceeding £120,000 but not exceeding £160,000</td><td>F</td></tr><tr><td>Values exceeding £160,000 but not exceeding £320,000</td><td>G</td></tr><tr><td>Values exceeding £320,000</td><td>H</td></tr></table> (3) The valuation bands for dwellings in Wales are set out in the following Table—	<i>Range of values</i>	<i>Valuation band</i>	Values not exceeding £40,000	A	Values exceeding £40,000 but not exceeding £52,000	B	Values exceeding £52,000 but not exceeding £68,000	C	Values exceeding £68,000 but not exceeding £88,000	D	Values exceeding £88,000 but not exceeding £120,000	E	Values exceeding £120,000 but not exceeding £160,000	F	Values exceeding £160,000 but not exceeding £320,000	G	Values exceeding £320,000	H	Section 17
<i>Range of values</i>	<i>Valuation band</i>																		
Values not exceeding £40,000	A																		
Values exceeding £40,000 but not exceeding £52,000	B																		
Values exceeding £52,000 but not exceeding £68,000	C																		
Values exceeding £68,000 but not exceeding £88,000	D																		
Values exceeding £88,000 but not exceeding £120,000	E																		
Values exceeding £120,000 but not exceeding £160,000	F																		
Values exceeding £160,000 but not exceeding £320,000	G																		
Values exceeding £320,000	H																		

Range of values	Valuation band	
Values not exceeding £44,000	A	
Values exceeding £44,000 but not exceeding £65,000	B	
Values exceeding £65,000 but not exceeding £91,000	C	
Values exceeding £91,000 but not exceeding £123,000	D	
Values exceeding £123,000 but not exceeding £162,000	E	
Values exceeding £162,000 but not exceeding £223,000	F	
Values exceeding £223,000 but not exceeding £324,000	G	
Values exceeding £324,000 but not exceeding £424,000	H	
Values exceeding £424,000	I	
(4) The Secretary of State, <u>in relation to England</u>, may by order, as regards financial years beginning on or after such date as is specified in the order— (a) substitute another proportion for that which is for the time being effective for the purposes of subsection (1) above; (b) substitute other valuation bands for those which are for the time being effective for the purposes of subsection (2) or (3) above. (4A) The power under subsection (4)(b) above includes power to make provision for a different number of valuation bands from those which are for the time being effective for the purposes of subsection (2) or (3) above. (4B) The Welsh Ministers, <u>in relation to Wales</u>, may by order, as regards financial years beginning on or after such date as is specified in the order— <u>(a) substitute another proportion for that which is for the time being effective for the purposes of subsection (1) above;</u> <u>(b) substitute other valuation bands for those which are for the time being effective for the purposes of subsection (3) above;</u>		

<u>(c) substitute another valuation band for that referred to in the meaning given to “D” in the formula in section 36(1);</u> <u>(d) substitute another valuation band for that referred to in the meaning given to “D” in the formula in section 47(1).</u> <u>(4C) The power under subsection (4B)(b) above includes power to make provision for a different number of valuation bands from those which are for the time being effective for the purposes of subsection (3) above.</u> (5) No order under subsection (4) above shall be made unless a draft of the order has been laid before and approved by resolution of the House of Commons. <u>(5A) No order under subsection (4B) may be made unless a draft of the order has been laid before, and approved by a resolution of, Senedd Cymru.</u> (6) Any reference in this Part to dwellings listed in a particular valuation band shall be construed as a reference to dwellings to which that valuation band is shown as applicable in the billing authority’s valuation list.	
6 Persons liable to pay council tax (1) The person who is liable to pay council tax in respect of any chargeable dwelling and any day is the person who falls within the first paragraph of subsection (2) below to apply, taking paragraph (a) of that subsection first, paragraph (b) next, and so on. (2) A person falls within this subsection in relation to any chargeable dwelling and any day if, on that day— (a) he is a resident of the dwelling and has a freehold interest in the whole or any part of it; (b) he is such a resident and has a leasehold interest in the whole or any part of the dwelling which is not inferior to another such interest held by another such resident; (c) he is both such a resident and a statutory, secure or introductory tenant of the whole or any part of the dwelling; (ca) in the case of a dwelling in Wales, the person is both such a resident and has a tenancy of the whole or any part of the dwelling which is a secure contract or an introductory standard contract; (d) he is such a resident and has a contractual licence to occupy the whole or any part of the dwelling; (e) he is such a resident; or (ea) in the case of a dwelling situated in the area of a billing authority in England, the person is a mortgagee in possession of the owner's interest in the dwelling; or	Section 18(2)

(f) he is the owner of the dwelling. (3) Where, in relation to any chargeable dwelling and any day, two or more persons fall within the first paragraph of subsection (2) above to apply, they shall each be jointly and severally liable to pay the council tax in respect of the dwelling and that day. (4) Subsection (3) above shall not apply as respects any day on which one or more of the persons there mentioned fall to be disregarded <u>in accordance with subsection (4C) for the purposes of discount by virtue of paragraph 2 (severely mentally impaired) or 4 (students etc.) of Schedule 1 to this Act</u> and one or more of them do not; and liability to pay the council tax in respect of the dwelling and that day shall be determined as follows— (a) if only one of those persons does not fall to be so disregarded, he shall be solely liable; (b) if two or more of those persons do not fall to be so disregarded, they shall each be jointly and severally liable. (4A) Subsection (3) also does not apply in relation to a chargeable dwelling in Wales as respects any day on which one or more of the persons mentioned fall to be disregarded for the purposes of discount for a relevant reason and one or more of them do not; and liability to pay the council tax in respect of the dwelling and that day is determined as follows— (a) if only one of those persons does not fall to be so disregarded, that person is solely liable; (b) if two or more of those persons do not fall to be so disregarded, they are each jointly and severally liable. (4B) For the purposes of subsection (4A), a person falls to be disregarded for the purposes of discount for a relevant reason if that person falls within, and meets the conditions prescribed in, Class G (care leavers) as prescribed in regulation 5(7) of the Council Tax (Additional Provisions for Discount Dis-regards) Regulations 1992 (SI 1992/552). <u>(4C) For the purposes of subsection (4), a person mentioned in subsection (3) falls to be disregarded if—</u> (a) <u>in relation to a chargeable dwelling in England, the person falls to be disregarded for the purposes of discount by virtue of paragraph 2 (severely mentally impaired) or 4 (students etc.) of Schedule 1 to this Act;</u> (b) <u>in relation to a chargeable dwelling in Wales, the person—</u> (i) <u>falls to be disregarded for the purposes of discount by virtue of regulations made under section 11E(5), and</u> (ii) <u>is also prescribed by the Welsh Ministers in regulations made under this paragraph as falling</u>	
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<u>to be disregarded for the purposes of subsection (4).</u> <u>(4D) A statutory instrument containing regulations made under subsection (4C)(b)(ii) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the Senedd Cymru.</u> (5) In this Part, unless the context otherwise requires— “owner”, in relation to any dwelling, means the person as regards whom the following conditions are fulfilled— (a) he has a material interest in the whole or any part of the dwelling; and (b) at least part of the dwelling or, as the case may be, of the part concerned is not subject to a material interest inferior to his interest; “resident”, in relation to any dwelling, means an individual who has attained the age of 18 years and has his sole or main residence in the dwelling. (6) In this section— “introductory standard contract” has the same meaning as in the Renting Homes (Wales) Act 2016 (anaw 1) (see section 16 of that Act); “introductory tenant” means a tenant under an introductory tenancy within the meaning of Chapter I of Part V of the Housing Act 1996; “material interest” means a freehold interest or a leasehold interest which was granted for a term of six months or more; “secure contract” has the same meaning as in the Renting Homes (Wales) Act 2016 (see section 8 of that Act); “secure tenant” means a tenant under a secure tenancy within the meaning of Part IV of the Housing Act 1985; “statutory tenant” means a statutory tenant within the meaning of the Rent Act 1977 or the Rent (Agriculture) Act 1976.	
9 Liability of spouses (1) Where— (a) a person who is liable to pay council tax in respect of any chargeable dwelling of which he is a resident and any day is married to, or is the civil partner of, another person; and	Section 18(3)

(b) that other person is also a resident of the dwelling on that day but would not, apart from this section, be so liable, those persons shall each be jointly and severally liable to pay the council tax in respect of the dwelling and that day. (2) Subsection (1) above shall not apply as respects any day on which the other person there mentioned falls to be disregarded <u>in accordance with subsection (2A) for the purposes of discount by virtue of paragraph 2 (the severely mentally impaired) or 4 (students etc) of Schedule 1 to this Act.</u> <u>(2A) For the purposes of subsection (2), a person mentioned in subsection (1) falls to be disregarded if—</u> (a) <u>in relation to a chargeable dwelling in England, the person falls to be disregarded for the purposes of discount by virtue of paragraph 2 (severely mentally impaired) or 4 (students etc.) of Schedule 1 to this Act;</u> (b) <u>in relation to a chargeable dwelling in Wales, the person falls to be disregarded for the purposes of section 6(4) (see subsection (4C) of that section).</u> (2A) Subsection (1) also does not apply in relation to a chargeable dwelling in Wales as respects any day on which the other person mentioned falls to be disregarded for the purposes of discount by virtue of falling within, and meeting the conditions prescribed in, Class G (care leavers) as prescribed in regulation 5(7) of the Council Tax (Additional Provisions for Discount Disregards) Regulations 1992 (SI 1992/552). (3) For the purposes of this section, two persons are to be treated as married to, or civil partners of, each other if they are living together as if they were a married couple or civil partners.	
<u>11 Discounts: England</u> (1) The amount of council tax payable in respect of any chargeable dwelling <u>in England</u> and any day shall be subject to a discount equal to the appropriate percentage of that amount if on that day— (a) there is only one resident of the dwelling and he does not fall to be disregarded for the purposes of discount; or	Section 18(4)

(b) there are two or more residents of the dwelling and each of them except one falls to be disregarded for those purposes. (2) Subject to sections 11A, 11B, 11C, 12, 12A and 12B and <u>11C</u> below, the amount of council tax payable in respect of any chargeable dwelling <u>in England</u> and any day shall be subject to a discount equal to twice the appropriate percentage of that amount if on that day— (a) there is no resident of the dwelling; or (b) there are one or more residents of the dwelling and each of them falls to be disregarded for the purposes of discount. (3) In this section “the appropriate percentage” means 25 per cent or, if the Secretary of State by order so provides in relation to the financial year in which the day falls, such other percentage as is specified in the order. (4) No order under subsection (3) above shall be made unless a draft of the order has been laid before and approved by resolution of the House of Commons. (5) Schedule 1 to this Act shall have effect for determining who shall be disregarded for the purposes of discount <u>in relation to any chargeable dwelling in England</u>.	
<u>11E Discounts: Wales</u> (1) Where subsection (2) or (3) apply in respect of any chargeable dwelling in Wales and any day, the amount of council tax payable <u>in respect of the dwelling for the day is subject to a discount of an amount prescribed, or calculated in accordance with provision prescribed, by the Welsh Ministers in regulations (but see also section 11F).</u> (2) <u>This subsection applies where, on the day concerned—</u> (a) <u>any of the following criteria are met—</u> (i) <u>there is only one resident of the dwelling and that resident does not fall to be disregarded for the purposes of discount;</u> (ii) <u>there are two or more residents of the dwelling and each of them except one falls to be disregarded for the purposes of discount, or</u>	Section 18(5)

<u>(iii) there are one or more residents of the dwelling and each of them falls to be disregarded for the purposes of discount, and</u> <u>(b) any further conditions prescribed by the Welsh Ministers in regulations are met.</u> <u>(3) This subsection applies where, on the day concerned, such other criteria as may be prescribed by the Welsh Ministers in regulations are met.</u> <u>(4) Regulations made under subsection (1) may—</u> <u>(a) prescribe a different amount of discount, or different provision for calculating an amount of discount, in relation to different criteria (including in relation to any criteria prescribed in accordance with subsection (3));</u> <u>(b) make provision about cases where more than one discount applies (including, but not limited to, making provision about the amount of council tax that is payable).</u> <u>(5) For the purpose of subsection (2), a person falls to be disregarded for the purposes of discount if the person is of a description prescribed by the Welsh Ministers in regulations.</u> <u>(6) Regulations made under subsection (2)(b) or (3) may prescribe conditions or criteria (as the case may be) by reference to—</u> <u>(a) the type or physical characteristics of, or other matters relating to, dwellings;</u> <u>(b) the circumstances of, or other matters relating to, any person who is liable to the amount of council tax concerned.</u> <u>(7) Any statutory instrument containing regulations made under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, Senedd Cymru.</u>	
<u>11F Discounts: Wales (smaller or no discounts)</u> <u>(1) Where council tax payable in respect of any chargeable dwelling in Wales and any day is subject to a discount because section 11E(1) applies, the Welsh Ministers may for any financial year by regulations prescribe classes of dwelling in relation to which the amount of the discount is subject to any determination made in accordance with subsection (2).</u> <u>(2) For any financial year, a billing authority in Wales may determine in relation to its area, or such part of its area as it may</u>	Section 18(5)

<u>specify, that the discount in relation to a class of dwellings prescribed—</u> (a) <u>does not apply, or</u> (b) <u>is less than the amount of discount prescribed or calculated under section 11E(1).</u> <u>(3) A class of dwellings may be prescribed under subsection (1) by reference to—</u> (a) <u>the type or physical characteristics of, or other matters relating to, dwellings;</u> (b) <u>the circumstances of, or other matters relating to, any person who is liable to the amount of council tax concerned.</u> <u>(4) A billing authority may vary or revoke a determination for a financial year, but only before the beginning of the year.</u> <u>(5) A billing authority that makes a determination under this section must, before the end of the period of 21 days beginning with the day the determination is made—</u> (a) <u>publish a notice of the determination electronically, and</u> (b) <u>make arrangements for members of the public who would otherwise not be able to do so to access that notice.</u> <u>(6) The validity of a determination is not affected by a failure to comply with subsection (5).</u> <u>(7) Any statutory instrument containing regulations made under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the Senedd Cymru.</u>	
12 Discounts: special provision for Wales (1) The National Assembly for Wales may for any financial year by regulations prescribe one or more classes of dwelling in Wales for the purposes of subsection (3) or (4) below. (2) A class of dwellings may be prescribed under subsection (1) above by reference to such factors as the Assembly sees fit and may, in particular, be prescribed by reference to— (a) the physical characteristics of dwellings, or	Section 18(6)

(b) the fact that dwellings are unoccupied. (3) For any financial year for which a class of dwellings is prescribed for the purposes of this subsection, a billing authority in Wales may by determination provide in relation to all dwellings of that class in its area, or in such part of its area as it may specify in the determination, that the discount under section 11(2)(a) shall be such lesser percentage of at least 10 as it may so specify. (4) For any financial year for which a class of dwellings is prescribed for the purposes of this subsection, a billing authority in Wales may by determination provide in relation to all dwellings of that class in its area, or in such part of its area as it may specify in the determination— (a) that the discount under section 11(2)(a) above shall not apply, or (b) that the discount under that provision shall be such lesser percentage as it may so specify. (4A) Subsections (3) and (4) are subject to section 12A(6) and 12B(7). (5) A billing authority may make a determination varying or revoking a determination under subsection (3) or (4) for a financial year, but only before the beginning of the year. (6) A billing authority which makes a determination under this section shall publish a notice of it in at least one newspaper circulating in its area and do so before the end of the period of 21 days beginning with the date of the determination. (7) Failure to comply with subsection (6) above shall not affect the validity of a determination.	
12A Higher amount for long-term empty dwellings: Wales (1) For any financial year, a billing authority in Wales may by determination provide in relation to its area that if on any day a dwelling is a long-term empty dwelling— (a) the discount under section 11(2)(a) does not apply, and (b) the amount of council tax payable in respect of that dwelling and that day is increased by such percentage of not more than 300 as it may specify in the determination. <u>(1) For any financial year, a billing authority in Wales may determine in relation to its area, or such part of its area as it may</u>	Section 18(7)

specify, that if on any day a dwelling is a long-term empty dwelling the amount of council tax payable in respect of the dwelling and the day is increased by such percentage of not more than 300 as it may specify in the determination.

(1A) Where a determination is made in accordance with subsection (1) and a discount applies, the authority must calculate the amount of council tax payable by first adding the percentage increase mentioned in subsection (1) and then subtracting the discount.

(2) A billing authority may specify different percentages for different dwellings based on the length of time for which they have been long-term empty dwellings.

(3) In exercising its functions under this section a billing authority must have regard to any guidance issued by the Welsh Ministers.

(4) The Welsh Ministers may, by regulations, prescribe one or more classes of dwelling in relation to which a billing authority may not make a determination under this section.

(5) A class of dwellings may be prescribed under subsection (4) by reference to such factors as the Welsh Ministers think fit and may, amongst other factors, be prescribed by reference to—

(a) the physical characteristics of, or other matters relating to, dwellings;

(b) the circumstances of, or other matters relating to, any person who is liable to the amount of council tax concerned.

~~(6) Where a determination under this section has effect in relation to a class of dwellings—~~

~~(a) the billing authority may not make a determination under section 12(3) or (4) in relation to that class, and~~

~~(b) any determination that has been made under section 12(3) or (4) ceases to have effect in relation to that class.~~

(7) A billing authority may make a determination varying or revoking a determination under this section for a financial year, but only before the beginning of the year.

(8) Where a billing authority makes a determination under this section it must publish a notice of the determination in at least one newspaper circulating in its area.

(9) The notice must be published before the end of the period of 21 days beginning with the date of the determination. (10) The validity of a determination is not affected by a failure to comply with subsection (8) or (9). (11) For the purposes of this section, a dwelling is a “long-term empty dwelling” on any day if for a continuous period of at least 1 year ending with that day— (a) it has been unoccupied, and (b) it has been substantially unfurnished. (12) In determining whether a dwelling is a long-term empty dwelling, no account is to be taken of— (a) any period which pre-dates the coming into force of this section; (b) any one or more periods of not more than 6 weeks during which one or both of the conditions in subsection (11) are not met. (13) The Welsh Ministers may by regulations— (a) substitute a different percentage limit for the limit which is for the time being specified in sub-section (1)(b); (b) substitute a different period, of not less than 1 year, for the period which is for the time being specified in subsection (11); (c) substitute a different period, of not less than 6 weeks, for the period which is for the time being specified in subsection (12)(b). (14) A statutory instrument containing regulations made under subsection (13)(a) or (b) may not be made unless a draft of the instrument has been laid before, and approved by resolution of, the National Assembly for Wales. (15) Any other statutory instrument containing regulations made under this section is subject to annulment in pursuance of a resolution of the National Assembly for Wales.	
12B Higher amount for dwellings occupied periodically: Wales	Section 18(8)

~~(1) For any financial year, a billing authority in Wales may by determination provide in relation to its area that if on any day the conditions mentioned in subsection (2) are satisfied in respect of a dwelling—~~

~~(a) the discount under section 11(2)(a) does not apply, and~~

~~(b) the amount of council tax payable in respect of that dwelling and that day is increased by such percentage of not more than 300 as it may specify in the determination.~~

(1) For any financial year, a billing authority in Wales may determine in relation to its area, or such part of its area as it may specify, that if on any day the conditions mentioned in subsection (2) are satisfied in respect of a dwelling the amount of council tax payable in respect of the dwelling and the day is increased by such percentage of not more than 300 as it may specify in the determination.

(1A) Where a determination is made in accordance with subsection (1) and a discount applies, the authority must calculate the amount of council tax payable by first adding the percentage increase mentioned in subsection (1) and then subtracting the discount.

(2) The conditions are—

- (a) there is no resident of the dwelling, and
- (b) the dwelling is substantially furnished.

(3) But a billing authority's first determination under this section must be made at least one year before the beginning of the financial year to which it relates.

(4) In exercising its functions under this section a billing authority must have regard to any guidance issued by the Welsh Ministers.

(5) The Welsh Ministers may by regulations prescribe one or more classes of dwelling in relation to which a billing authority may not make a determination under this section.

(6) A class of dwellings may be prescribed under subsection (5) by reference to such factors as the Welsh Ministers think fit and may, amongst other factors, be prescribed by reference to—

- (a) the physical characteristics of, or other matters relating to, dwellings;

(b) the circumstances of, or other matters relating to, any person who is liable to the amount of council tax concerned. (7) Where a determination under this section has effect in relation to a class of dwellings— (a) the billing authority may not make a determination under section 12(3) or (4) in relation to that class, and (b) any determination that has been made under section 12(3) or (4) ceases to have effect in relation to that class. (8) A billing authority may make a determination varying or revoking a determination under this section for a financial year, but only before the beginning of the year. (9) Where a billing authority makes a determination under this section it must publish a notice of the determination in at least one newspaper circulating in its area. (10) The notice must be published before the end of the period of 21 days beginning with the date of the determination. (11) The validity of a determination is not affected by a failure to comply with subsection (9) or (10). (12) The Welsh Ministers may by regulations specify a different percentage limit for the limit which is for the time being specified in subsection (1)(b). (13) A statutory instrument containing regulations made under subsection (12) may not be made unless a draft of the instrument has been laid before, and approved by resolution of, the National Assembly for Wales. (14) Any other statutory instrument containing regulations made under this section is subject to annulment in pursuance of a resolution of the National Assembly for Wales.	
13 Reduced amounts (1) The Secretary of State may <u>in relation to England, and the Welsh Ministers must, in relation to Wales</u> make regulations as regards any case where— (a) a person is liable to pay an amount to a billing authority in respect of council tax for any financial year which is prescribed; and	Section 19(2)

(b) prescribed conditions are fulfilled. (2) The regulations may provide that the amount he is liable to pay shall be an amount which— (a) is less than the amount it would be apart from the regulations; and (b) is determined in accordance with prescribed rules. (3) This section applies whether the amount mentioned in subsection (1) above is determined under section 10 above or under that section read with section 11, 11A, 11B, 11C, 12<u>11E</u>, <u>11F</u>, 12A or 12B above. (4) The conditions mentioned in subsection (1) above may be prescribed by reference to such factors as the Secretary of State thinks, <u>or the Welsh Ministers think fit</u>; and in particular such factors may include the making of an application by the person concerned and all or any of— (a) the factors mentioned in subsection (5) below; or (b) the factors mentioned in subsection (6) below. (5) The factors referred to in subsection (4)(a) above are— (a) community charges for a period before 1st April 1993; (b) the circumstances of, or other matters relating to, the person concerned; (c) an amount relating to the authority concerned and specified, or to be specified, for the purposes of the regulations in a report laid, or to be laid, before the House of Commons; (d) such other amounts as may be prescribed or arrived at in a prescribed manner. (6) The factors referred to in subsection (4)(b) above are— (a) a disabled person having his sole or main residence in the dwelling concerned; (b) the circumstances of or other matters relating to, that person;	
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(c) the physical characteristics of, or other matters relating to, that dwelling. (7) The rules mentioned in subsection (2) above may be prescribed by reference to such factors as the Secretary of State thinks, <u>or the Welsh Ministers think</u> fit; and in particular such factors may include all or any of the factors mentioned in subsection (5) or subsection (6)(b) or (c) above. (8) Without prejudice to the generality of section 113(2) below, regulations under this section may include— (a) provision requiring the Secretary of State to specify in a report, for the purposes of the regulations, an amount in relation to each billing authority <u>in England</u>; (b) provision requiring him to lay the report before the House of Commons; <u>(ba) provision requiring the Welsh Ministers to specify in a report, for the purposes of the regulations, an amount in relation to each billing authority in Wales;</u> <u>(bb) provision requiring the Welsh Ministers to lay that report before Senedd Cymru;</u> (c) provision for the review of any prescribed decision of a billing authority relating to the application or operation of the regulations; (d) provision that no appeal may be made to a valuation tribunal in respect of such a decision, notwithstanding section 16(1) below. (9) To the extent that he would not have power to do so apart from this subsection, the Secretary of State may— (a) include in regulations under this section such amendments of any social security instrument as he thinks expedient in consequence of the regulations under this section; (b) include in any social security instrument such provision as he thinks expedient in consequence of regulations under this section. (10) In subsection (9) above “social security instrument” means—	
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(a) an order or regulations made, or falling to be made, by the Secretary of State under the Social Security Acts, that is to say, the Social Security Contributions and Benefits Act 1992 and the Social Security Administration Act 1992; or (b) regulations made, or falling to be made, under Part 4 of the Welfare Reform Act 2012. (11) The Welsh Ministers may issue guidance about how a billing authority is to give effect to regulations made by them under this section. (12) A billing authority in Wales must have regard to guidance issued under subsection (11).	
13A Reductions by billing authority (1) The amount of council tax which a person is liable to pay in respect of any chargeable dwelling and any day (as determined in accordance with sections 10 to 13)— (a) in the case of a dwelling situated in the area of a billing authority in England, is to be reduced to the extent, if any, required by the authority's council tax reduction scheme (see subsection (2)); (b) in the case of a dwelling situated in the area of a billing authority in Wales, is to be reduced to the extent, if any, required by any council tax reduction scheme made under regulations under subsection (4) that applies to that dwelling; (c) in any case, may be reduced to such extent (or, if the amount has been reduced under paragraph (a) or (b) <u>pursuant to regulations made by the Welsh Ministers under section 13</u>, such further extent) as the billing authority for the area in which the dwelling is situated thinks fit. (2) Each billing authority in England must make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwellings situated in its area, by— (a) persons whom the authority considers to be in financial need, or (b) persons in classes consisting of persons whom the authority considers to be, in general, in financial need. (3) Schedule 1A (which contains provisions about schemes under subsection (2)) has effect.	Section 19(3)

(4) The Welsh Ministers may by regulations— (a) require a person or body specified in the regulations to make a scheme specifying the reductions which are to apply to amounts of council tax payable, in respect of dwellings to which the scheme applies, by persons to whom the scheme applies, (b) impose requirements on that person or body regarding the matters which must be included in that scheme, and (c) make other provision for and in connection with such schemes. (5) Schedule 1B (which contains further provisions about regulations under subsection (4) and about schemes under those regulations) has effect. (6) The power under subsection (1)(c) includes power to reduce an amount to nil. (7) The power under subsection (1)(c) may be exercised in relation to particular cases or by determining a class of case in which liability is to be reduced to an extent provided by the determination. (8) No regulations under subsection (4) are to be made unless a draft of the statutory instrument containing them has been laid before, and approved by a resolution of, the National Assembly for Wales. (9) In this Part “council tax reduction scheme” means a scheme under subsection (2) or regulations under subsection (4).	
22B Compilation and maintenance of new lists (1) The listing officer for a billing authority shall compile, and then maintain, new lists for the authority in accordance with this Chapter (each such list to be called its valuation list). (1A) A new list must be compiled, in relation to billing authorities in England, on 1 April in each year specified by order made by the Secretary of State. (2) A new list must be compiled— (a). (b) in relation to billing authorities in Wales, on 1 April 2005. (3) After that, a new list must be compiled in relation to billing authorities in Wales on 1 April in each year specified by order	Section 20(1)

<u>made by the Welsh Ministers, but an order under this subsection cannot specify a year later than 2027.</u> <u>(3A) After that, a new list must be compiled, in relation to billing authorities in Wales, on 1 April in each revaluation year.</u> <u>(3B) Revaluation years are 2028 and every fifth year afterwards.</u> <u>(3C) The Welsh Ministers may by order amend subsection (3B) so as to—</u> <u>(a) substitute a different year for the year that is for the time being specified as the revaluation year;</u> <u>(b) insert a reference to a different year from the year that would otherwise be the revaluation year;</u> <u>(c) substitute a different interval between revaluation years for the interval that is for the time being specified there;</u> <u>(d) make other amendments to subsection (3B) that are consequential on, or incidental to, the amendments made under paragraph (a), (b) or (c).</u> (4) A new list shall come into force on the day on which it is compiled and shall remain in force until the next such list is compiled. (5) The duty to maintain a list compiled under this section continues for so long as is necessary for the purposes of this Part and is not affected by the list ceasing to be in force. (6) Before a list is compiled under this section, the listing officer must take such steps as are reasonably practicable in the time available to ensure that it is accurately compiled on the date on which it is to be compiled. (7) Where a list is to be compiled under this section <u>subsection (1A), (2) or (3)</u>, the listing officer for a billing authority shall send the authority a copy of the list he proposes to compile (on the information then before him) not later than 1st September before the date on which it is to be compiled. <u>(7A) Where a list is to be compiled under subsection (3A), the listing officer for a billing authority must send the authority a copy of the list proposed to be compiled (based on the information held at the time by the listing officer)—</u> <u>(a) by such date as the Welsh Ministers may specify, by order, in relation to a specific list or in relation to lists generally, or</u>	
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<u>(b) no later than the 1 September before the date on which the list is to be compiled, if no such order applies to that list.</u> (8) As soon as reasonably practicable after receiving a copy list under subsection (7) above, a billing authority shall deposit it at its principal office and take such steps as it thinks most suitable for giving notice of it. <u>(8A) A billing authority must keep a copy list received under subsection (7A) electronically and must, as soon as reasonably practicable, take such steps as it thinks most suitable for giving notice of it.</u> (9) As soon as reasonably practicable after the listing officer for a billing authority has compiled a list under this section, he shall send a copy of it to the authority. (10) As soon as reasonably practicable after receiving a copy list under subsection (9) above, a billing authority <u>in England</u> shall deposit it at its principal office. <u>(10A) As soon as reasonably practicable after receiving a copy list under subsection (9) above, a billing authority in Wales must—</u> <u>(a) deposit it at its principal office, if it is a copy of a list compiled under subsection (3);</u> <u>(b) keep a copy electronically, if it is a copy of a list compiled under subsection (3A).</u> (11) No order under subsection (1A) above may be made unless a draft of the order has been laid before, and approved by resolution of, the House of Commons. (12) No order under subsection (3) may be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, the National Assembly for Wales. <u>(12) No order under subsection (3) or (3C) may be made unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, Senedd Cymru.</u> <u>(13) A statutory instrument containing an order under subsection (7A) is subject to annulment in pursuance of a resolution of Senedd Cymru.</u>	
24 Alteration of lists. (1) The Secretary of State may make regulations about the alteration by listing officers of valuation lists which have been compiled under this Chapter; and subsections (2) to (10) below shall apply for the purposes of this subsection. (2) The regulations may include provision that where a listing officer intends to alter the list with a view to its being accurately	Section 20(2)

maintained, he shall not alter it unless prescribed conditions (as to notice or otherwise) are fulfilled. (3) The regulations may include provision that any valuation of a dwelling carried out in connection with a proposal for the alteration of the list shall be carried out in accordance with section 21(2) above. (4) The regulations may include provision that no alteration shall be made of a valuation band shown in the list as applicable to any dwelling unless— (a) since the valuation band was first shown in the list as applicable to the dwelling— (i) there has been a material increase in the value of the dwelling and a relevant transaction has been subsequently carried out in relation to the whole or any part of it; (ii) there has been a material reduction in the value of the dwelling; (iii) the dwelling has become or ceased to be a composite hereditament for the purposes of Part III of the 1988 Act; or (iv) in the case of a dwelling which continues to be such a hereditament, there has been an increase or reduction in its domestic use, - and (in any case) prescribed conditions are fulfilled; (b) the listing officer is satisfied that— (i) a different valuation band should have been determined by him as applicable to the dwelling; or (ii) the valuation band shown in the list is not that determined by him as so applicable; or (c) an order of a valuation tribunal or of the High Court requires the alteration to be made. (5) The regulations may include provision— (a) as to who (other than a listing officer) may make a proposal for the alteration of the list with a view to its being accurately maintained; (b) as to the manner and circumstances in which a proposal may be made and the information to be included in a proposal; (c) as to the period within which a proposal must be made; (d) as to the procedure for and subsequent to the making of a proposal;	
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(e) as to the circumstances in which and the conditions upon which a proposal may be withdrawn; and (f) requiring the listing officer to inform other prescribed persons of the proposal in a prescribed manner. (6) The regulations may include provision that, where there is a disagreement between the listing officer and another person making a proposal for the alteration of a list— (a) about the validity of the proposal; or (b) about the accuracy of the list, an appeal may be made to a valuation tribunal. (7) The regulations may include— (a) provision as to the period for which or day from which an alteration of a list is to have effect (including provision that it is to have retrospective effect); (b) provision requiring a list to be altered so as to indicate the effect (retrospective or otherwise) of the alteration; (c) provision requiring the listing officer to inform prescribed persons of an alteration within a prescribed period; (d) provision requiring the listing officer to keep for a prescribed period a record of the state of the list before the alteration was made. (8) The regulations may include provision as to financial adjustments to be made as a result of alterations, including— (a) provision requiring payments or repayments to be made; and (b) provision as to the recovery (by deduction or otherwise) of sums due. (9) The regulations may include provision that where— (a) the listing officer for a billing authority has informed the authority of an alteration of the list; and (b) a copy of the list has been deposited by the authority under section 22(8), 22A(10) or 22B(10), <u>22B(10) or 22B(10A)(a)</u> above, the authority must alter the copy accordingly. <u>(9A) The regulations may include provision that where—</u> <u>(a) the listing officer for a billing authority has informed the authority of an alteration of the list; and</u> <u>(b) the authority keeps the copy list electronically under section 22B(10A)(b),</u> <u>the authority must alter the copy accordingly.</u>	
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(10) In this section— “domestic use”, in relation to a dwelling, means use in such a manner as to constitute it domestic property for the purposes of Part III of the 1988 Act; “material increase”, in relation to the value of a dwelling, means any increase which is caused (in whole or in part) by any building, engineering or other operation carried out in relation to the dwelling, whether or not constituting development for which planning permission is required; “material reduction”, in relation to the value of a dwelling, means any reduction which is caused (in whole or in part) by the demolition of any part of the dwelling, any change in the physical state of the dwelling’s locality or any adaptation of the dwelling to make it suitable for use by a physically disabled person; “relevant transaction” means a transfer on sale of the fee simple, a grant of a lease for a term of seven years or more or a transfer on sale of such a lease.	
28 Information about lists. (1) A person may require a listing officer to give him access to such information as will enable him to establish what is the state of a list, or has been its state at any time since it came into force, if— (a) the officer is maintaining the list; and (b) the list is in force or has been in force at any time in the preceding five years. (2) A person may require a billing authority to give him access to such information as will enable him to establish what is the state of a copy of a list, or has been its state at any time since it was deposited, if— (a) the authority has deposited the copy under section 22(8), 22A(10) or 22B(10), 22B(10) or 22B(10A)(a) above; and (b) the list is in force or has been in force at any time in the preceding five years. <u>(2A) A person may require a billing authority to give them access to such information as will enable that person to establish what is the state of a copy of a list, or has been its state at any time while it has been kept electronically, if—</u> <u>(a) the authority keeps the copy list electronically under section 22B(10A)(b); and</u>	Section 20(3)

<u>(b) the list is in force or has been in force at any time in the preceding five years.</u> (3) A person may require a billing authority to give him access to such information as will enable him to establish what is the state of a copy of a proposed list if— (a) the authority has deposited the copy under section 22(6) or 22B(8) above; and (b) the list itself is not yet in force. <u>(3A) A person may require a billing authority to give them access to such information as will enable that person to establish what is the state of a copy of a proposed list if—</u> <u>(a) the authority keeps the copy list electronically under section 22B(8A); and</u> <u>(b) the list itself is not yet in force.</u> (4) A requirement under subsection (1), (2) or (3), <u>(2A), (3) or (3A)</u> above must be complied with at a reasonable time and place and without payment being sought; but the information may be in documentary or other form, as the person or authority of whom the requirement is made thinks fit. (5) Where access is given under this section to information in documentary form the person to whom access is given may— (a) make copies of (or of extracts from) the document; (b) require a person having custody of the document to supply to him a photographic copy of (or of extracts from) the document. (6) Where access is given under this section to information in a form which is not documentary the person to whom access is given may— (a) make transcripts of (or of extracts from) the information; (b) require a person having control of access to the information to supply to him a copy in documentary form of (or of extracts from) the information. (7) If a reasonable charge is required for a facility under subsection (5) or (6) above, the subsection concerned shall not apply unless the person seeking to avail himself of the facility pays the charge. (8) If without reasonable excuse a person having custody of a document containing, or having control of access to, information access to which is sought under this section— (a) intentionally obstructs a person in exercising a right under subsection (1), (2), (3) <u>(2A), (3), (3A)</u>, (5)(a) or (6)(a) above; or	
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(b) refuses to comply with a requirement under subsection (5)(b) or (6)(b) above, he shall be liable on summary conviction to a fine not exceeding level 2 on the standard scale.	
32 Calculation of budget requirement by authorities in Wales (1) In relation to each financial year a billing authority in Wales shall make the calculations required by this section. (2) The authority must calculate the aggregate of— (a) the expenditure which the authority estimates it will incur in the year in performing its functions and will charge to a revenue account for the year; (aa) the expenditure that the authority estimates it will incur in the year in making repayments of— (i) grant paid to it by the Secretary of State or the Welsh Ministers, or (ii) amounts paid to it by the Welsh Ministers in respect of redistributed non-domestic rates; (b) such allowance as the authority estimates will be appropriate for contingencies in relation to expenditure to be charged to a revenue account for the year; (c) the financial reserves which the authority estimates it will be appropriate to raise in the year for meeting its estimated future expenditure; and (d) such financial reserves as are sufficient to meet so much of the amount estimated by the authority to be a revenue account deficit for any earlier financial year as has not already been provided for; and (2A) The expenditure mentioned in subsection (2)(a) does not include expenditure which the authority estimates it will charge to a BID Revenue Account. (3) The authority must calculate the aggregate of— (a) the sums which it estimates will be payable for the year into its council fund and in respect of which amounts will be credited to a revenue account for the year, other than sums which it estimates will be so payable in respect of	Section 19(4)

redistributed non-domestic rates, BID levy or financial contribution made under section 43 of the Local Government Act 2003, revenue support grant, [its council tax reduction scheme], additional grant; (aa) the sums that it estimates will be payable to it for an earlier financial year in respect of— (i) redistributed non-domestic rates, (ii) revenue support grant, or (iii) additional grant; (b) and (c) the amount of the financial reserves which the authority estimates that it will use in order to pro-vide for the items mentioned in paragraphs (a) and (b) of subsection (2) above. (3A) subsection (3)(a) above does not require the estimation of sums payable into a billing authority's council fund in respect of council tax non-domestic rates or the grant paid to them under section 88A of the Local Government Finance Act 1988. (4) If the aggregate calculated under subsection (2) above exceeds that calculated under subsection (3) above, the authority must calculate the amount equal to the difference; and the amount so calculated shall be its budget requirement for the year. (5) In making the calculation under subsection (2) above the authority must ignore— (a) payments which must be met from a trust fund; (b) payments to be made to the Welsh Ministers under paragraph 5 of Schedule 8 to the 1988 Act or regulations made under paragraph 5(15) of that Schedule; (c) payments to be made in respect of the amount of any precept issued by a major precepting authority under Part 1 of this Act (but not payments to be so made in respect of interest on such an amount); and (d) payments to be made to another person in repaying, under regulations under the 1988 Act or Part 1 of this Act,	
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excess receipts by way of non-domestic rates or council tax. (6) In estimating under subsection (2)(a) above the authority shall take into account— (a) the amount of any precept issued to it for the year by a local precepting authority; and (b) the amount of any levy or special levy issued to it for the year; but (except as provided by regulations under section 41 below or regulations under section 74 or 75 of the 1988 Act) shall not anticipate a precept, levy or special levy not issued. (7) For the purposes of subsection (2)(c) above an authority's estimated future expenditure is— (a) that which the authority estimates it will incur in the financial year following the year in question, will charge to a revenue account for the year and will have to defray in the year before the following sums are sufficiently available, namely— (i) sums which will be payable for the year into its council fund and in respect of which amounts will be credited to a revenue account for the year; and (b) that which the authority estimates it will incur in the financial year referred to in paragraph (a) above or any subsequent financial year in performing its functions and which will be charged to a revenue account for that or any other year. (9) The Welsh Ministers may by regulations do one or both of the following— (a) alter the constituents of any calculation to be made under subsection (2) or (3) above (whether by adding, deleting or amending items); (b) alter the rules governing the making of any calculation under subsection (2) or (3) above (whether by deleting or amending subsections (5) to (7) above, or any of them, or by adding other provisions, or by a combination of those methods).	
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(9A) A statutory instrument containing regulations under subsection (9) is subject to annulment in pursuance of a resolution of Senedd Cymru. (10) Calculations to be made in relation to a particular financial year under this section must be made before 11th March in the preceding financial year, but they are not invalid merely because they are made on or after that date. (12) In this section and section 33— (a) references to sums payable for a financial year in respect of redistributed non-domestic rates are to sums so payable in accordance with the local government finance report for the year under section 84G of the 1988 Act relating to the authority (including as amended by a report under paragraph 13 of Schedule 8 to that Act); (b) references to sums payable for a financial year in respect of revenue support grant are to sums so payable in accordance with the local government finance report for the year under section 84G of the 1988 Act (including as amended by a report under section 84L of that Act); (c) references to sums payable for a financial year in respect of an authority's council tax reduction scheme are to sums payable by the Welsh Ministers under section 31 of the Local Government Act 2003 in respect of a scheme which applies in accordance with regulations under section 13A or in de-fault in accordance with regulations under section 13A of, and paragraph 6 of Schedule 1B; (d) references to sums payable for a financial year in respect of additional grant are to sums so payable in accordance with a report for the year under section 86A of the 1988 Act; and (e) references to sums payable for a financial year in respect of special grant are to sums payable in the year in accordance with a special grant report under section 88C of the 1988 Act. (12A) “BID levy” and “BID Revenue Account” have the meaning given in Part 4 of the Local Government Act 2003.	
33 Calculation of basic amount of tax by authorities in Wales	Section 19(5)

(1) In relation to each financial year a billing authority in Wales shall calculate the basic amount of its council tax by applying the formula— $(R - P)$ divided by T where— R is the amount calculated (or last calculated) by the authority under section 32(4) above as its budget requirement for the year; P is the aggregate of the sums which the authority estimates will be payable for the year into its council fund in respect of redistributed non-domestic rates, revenue support grant, its council tax reduction scheme, additional grant; T is the amount which is calculated by the authority as its council tax base for the year and, where one or more major precepting authorities have power to issue precepts to it, is notified by it to those authorities (“the major precepting authorities concerned”) within the prescribed period. (1A) In this section, references to sums payable for a financial year in respect of— (i) redistributed non-domestic rates, (ii) revenue support grant, (iii) an authority's council tax reduction scheme, (iv) additional grant, and (v) special grant, are to be construed in accordance with section 32(12). (2) Where the aggregate calculated (or last calculated) by the authority for the year under subsection (2) of section 32 above does not exceed that so calculated under subsection (3) of that section, the amount for item R in subsection (1) above shall be nil. (3B) The aggregate of the sums mentioned in item P in subsection (1) above shall be reduced by the amount calculated in accordance with the following formula— $(J + K) - L$	
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J is the authority's estimate of the amount by which the aggregate for the year of the chargeable amounts under Part III of the 1988 Act (non-domestic rating) will be less than it would be apart from section 47 of that Act (discretionary relief); K is the authority's estimate of the reductions and remittances which will be made for the year under section 49 of that Act (reduction or remission of liability); L is the authority's estimate of the deductions which, in pursuance of rules made by virtue of paragraph 4(5)(a) of Schedule 8 to that Act (non-domestic rating contributions), will be made for the year as regards the operation of sections 47 and 49 of that Act. (4) Regulations under section 32(9) above may make such consequential alterations of the constituents of any calculation required by item P in subsection (1) above (whether by adding, deleting or amending items) as appear to the Secretary of State to be necessary or expedient. (5) The Welsh Ministers shall make regulations containing rules for making for any year the calculation required by item T in subsection (1) above; and a billing authority shall make the calculation for any year in accordance with the rules for the time being effective (as regards the year) under the regulations. (5A) A statutory instrument containing regulations under subsection (5) is subject to annulment in pursuance of a resolution of Senedd Cymru. (6) Regulations prescribing a period for the purposes of item T in subsection (1) above may provide that, in any case where a billing authority fails to notify its calculation to the major precepting authorities concerned within that period, that item shall be determined in the prescribed manner by such authority or authorities as may be prescribed.	
66 Judicial review (1) The matters mentioned in subsection (2) below shall not be questioned except by an application for judicial review. (2) The matters are— (a) the specification of a class of “exempt dwelling” in an order of the Secretary of State under section 4(2) above; (b) a determination made under section 8(2), 11A, 11B, 11C, 12 <u>11E</u>, 12A or 12B above;	Section 18(9)

<u>(bza) a matter prescribed or provided for in accordance with subsections (1) or (2) of section 13 in regulations made under that section;</u> (ba) a council tax reduction scheme, or any revision of such a scheme; (c) a calculation made in accordance with any of sections 31A to 37 or section 52ZF, 52I or 52T or any of sections 42A to 51 or section 52ZJ, 52J or 52U above, whether originally or by way of substitute;. (cc) a calculation made in accordance with any of sections 85 to 90 of the Greater London Authority Act 1999; (cd) a substitute calculation made in accordance with any of sections 85, 86 and 88 to 90 of, and Schedule 7 to, that Act; (d) the setting under Chapter III of this Part of an amount of council tax for a financial year, whether originally or by way of substitute; and (e) a precept issued under Chapter IV of this Part, whether originally or by way of substitute. (3) If on an application for judicial review the court decides to grant relief in respect of any of the matters mentioned in subsection (2)(b) or (c) to (e) above, it shall quash the determination, calculation, setting or precept (as the case may be).	
67 Functions to be discharged only by authority (1) Subject to subsections (2A) to (3A) below, each of the functions of an authority mentioned in subsection (2) below shall be discharged only by the authority. (2) The functions are— (a) making a determination under section 8(2), 11A, 11B, 11C, 12<u>11F</u>, 12A or 12B above; (aa) making or revising a council tax reduction scheme under section 13A(2); (b) making a calculation in accordance with any of sections 31A to 37 or section 52ZF, 52I or 52T or any of sections 42A to 51 or section 52ZJ, 52J or 52U above, whether originally or by way of substitute;	Section 18(10)

(bb) making a calculation in accordance with any of sections 85 to 90 of the Greater London Authority Act 1999; (bc) making a substitute calculation in accordance with any of sections 85, 86 and 88 to 90 of, and Schedule 7 to, that Act; (c) setting an amount of council tax for a financial year under Chapter III of this Part, whether originally or by way of substitute; and (d) issuing a precept under Chapter IV of this Part, whether originally or by way of substitute. (2A) Subsection (1) does not apply to the following functions— (za) the determination of an amount for item T in section 31B(1) above; (a) the determination of an amount for item T in section 33(1) above; (b) the determination of an amount for item TP in section 34(3) above; (ba) the determination of an amount for item T in section 42B(1) above; (c) the determination of an amount for item T in section 44(1) above; (d) the determination of an amount for item TP in section 45(3) above; (e) the determination of an amount for item TP in section 48(3) or (4) above; (f) the determination of an amount for item T in section 88(2) of the Greater London Authority Act 1999 (c 29); (g) the determination of an amount for item TP2 in section 89(4) of that Act; (h) the determination of an amount required for determining an amount for the item mentioned in paragraph (c), (d), (f) or (g) above. (3) Subject to subsection (3B) below, the functions of an authority mentioned in subsection (2)(ba) or (c) above may, if the authority	
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so directs, be exercised by a committee of the authority appointed by it for that purpose; and as respects a committee so appointed— (a) the number of members and their term of office shall be fixed by the authority; and (b) each member shall be a member of the authority. (3A) In the case of the Greater London Authority, the functions mentioned in subsection (2) above shall be discharged on behalf of the Authority in accordance with the provisions of the Greater London Authority Act 1999 but only by the Mayor of London, the London Assembly or the Mayor and Assembly acting jointly. (3B) Subsection (3) above does not apply in relation to the Greater London Authority, but where Schedule 6 to the Greater London Authority Act 1999 makes provision enabling a function to be discharged by a committee or other representatives of the London Assembly, the function may be discharged by such a committee or representatives in accordance with the provisions of that Schedule. (4) Part VA (access to meetings and documents of certain authorities, committees and sub-committees) of the Local Government Act 1972 shall apply in relation to a committee appointed under subsection (3) above as it applies in relation to a committee appointed under section 102 of that Act.	
SCHEDULE 1 PERSONS DISREGARDED FOR PURPOSES OF DISCOUNT: <u>ENGLAND</u> <i>Persons of other descriptions</i> 11 A person shall be disregarded for the purposes of discount on a particular day if— (a) on the day he falls within such description as may be prescribed; and (b) such conditions as may be prescribed are fulfilled. 12 (1) Regulations under paragraph 11 made by the Welsh Ministers may amend Chapter 1 of Part 1 (but not this Schedule) for the purpose of providing that a person who, under the regulations, is to be disregarded for the purposes of discount on a	Section 18(11)

particular day is also not to be jointly or severally liable to pay council tax in respect of any chargeable dwelling and that day. (2) Regulations which make provision as described in sub-paragraph (1) may also make provision about how liability to pay the council tax in respect of a dwelling is to be determined.	
SCHEDULE 1B COUNCIL TAX REDUCTION SCHEMES: WALES Section 13A <i>Interpretation</i> 1 In this Schedule— (a) “the regulations” means regulations under section 13A(4); (b) “scheme” means council tax reduction scheme under the regulations; (c) “specified” means specified in the regulations; (d) “specified authority” means a person or body required by the regulations to make a scheme (and, in relation to a particular scheme, means the authority which made the scheme or is under a duty to make it). <i>Application of schemes</i> 2 (1) The regulations may— (a) prescribe, for each scheme that is to be made, the dwellings to which that scheme is to apply; (b) require each scheme to state the dwellings to which it is to apply. (2) The regulations may prescribe— (a) the date by which each scheme is to be made, and (b) the first financial year to which it must relate. <i>Persons entitled to reductions</i> 3 (1) The regulations may prescribe— (a) classes of person who are to be entitled to a reduction under schemes; (b) classes of person who must not be entitled to a reduction under schemes. (2) The regulations may—	Section 19(7)

(a) allow specified authorities to determine (subject to regulations under sub-paragraph (1)) classes of person who are to be entitled to a reduction under schemes, or (b) provide that specified authorities may not determine such classes. (3) The regulations may require each scheme to state the classes of person (prescribed under sub-paragraph (1)(a) or determined under sub-paragraph (2)(a)) who are to be entitled to a reduction under the scheme. (4) Any class of person prescribed under sub-paragraph (1)(a) may be determined by reference to, in particular, the matters listed in sub-paragraph (7). (5) The regulations may require any class of person determined under sub-paragraph (2)(a) to be determined by reference to specified matters (which may include those listed in sub-paragraph (7)). (6) If the regulations do not require a class of person to be determined as mentioned in sub-paragraph (5), the specified authority may determine that class by reference to, in particular, the matters listed in sub-paragraph (7). (7) Those matters are— (a) whether the Welsh Ministers consider, or the specified authority considers, any person to be in financial need; (b) the income of any person liable to pay council tax in respect of any dwelling to which a scheme is to apply; (c) the capital of any such person; (d) whether any such person is in receipt of any specified benefit; (e) the income and capital of any other person who is a resident of the dwelling, or whether any such person is in receipt of any specified benefit; (f) the number of dependants of any person within paragraph (b) or (e); (g) whether the person has made an application for the reduction. <i>Reductions</i> 4 (1) The regulations may prescribe reductions, including minimum and maximum reductions, to which persons in each class (whether prescribed under paragraph 3(1)(a) or determined under paragraph 3(2)(a)) are to be entitled under schemes.	
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~~(2) The regulations may—~~

~~(a) allow specified authorities to determine (subject to regulations under sub-paragraph (1)) reductions to which persons in each class set out in the scheme are to be entitled, or~~

~~(b) provide that specified authorities may not determine such reductions.~~

~~(3) The regulations may require each scheme to set out the reductions (whether prescribed under sub-paragraph (1) or determined under sub-paragraph (2)(a)) to which persons in each class set out in the scheme are to be entitled.~~

~~(4) Different reductions may be set out for different classes.~~

~~(5) A reduction under a scheme may be—~~

~~(a) a discount calculated as a percentage of the amount which would be payable apart from the scheme,~~

~~(b) a discount of an amount set out in the scheme or to be calculated in accordance with the scheme,~~

~~(c) expressed as an amount of council tax to be paid (lower than the amount which would be payable apart from the scheme) which is set out in the scheme or is to be calculated in accordance with it, or~~

~~(d) the whole amount of council tax (so that the amount payable is nil).~~

Other matters

~~5 (1) The regulations may require each scheme to state—~~

~~(a) the procedure by which a person may apply for a reduction under the scheme;~~

~~(b) the procedure by which a person can make an appeal under section 16 against any decision which affects the person's entitlement to a reduction under the scheme or the amount of any reduction to which the person is entitled;~~

~~(c) the procedure by which a person can apply to the relevant billing authority for a reduction under section 13A(1)(c).~~

~~(2) In sub-paragraph (1)(c), the relevant billing authority for any dwelling to which the scheme applies is the billing authority in whose area the dwelling is situated.~~

~~(3) The regulations may prescribe requirements which must be met by the procedure mentioned in sub-paragraph (1)(a) or (b).~~

~~6 (1) The regulations may—~~

~~(a) require other matters to be included in schemes;~~

(b) allow schemes to make provision that is equivalent to provision made by a relevant enactment, or provision that is capable of being made under a relevant enactment, with such modifications as specified authorities think fit; (c) prescribe the procedure which a specified authority must follow when making a scheme (including requirements regarding consultation and other steps to be taken before and after making the scheme); (d) require or allow functions conferred by the regulations to be exercised by specified authorities jointly with other authorities; (e) prescribe a default scheme which is to take effect, if a specified authority fails to make a scheme in accordance with the regulations, in respect of dwellings to which that scheme would have applied; (f) impose requirements on specified authorities relating to the review, revision or replacement of schemes; (g) enable specified authorities to make reasonable charges for the supply of copies of documents relating to schemes; (h) require specified authorities to provide to the Welsh Ministers information about schemes. (2) In particular, the regulations may under sub-paragraph (1)(a) set out provision to be included in schemes, and a default scheme prescribed under sub-paragraph (1)(e) may make provision, that is equivalent to— (a) provision made by a relevant enactment, or (b) provision that is capable of being made under a relevant enactment, with such modifications as the Welsh Ministers think fit. (3) For the purposes of sub-paragraphs (1)(b) and (2), each of the following enactments as it had effect on the day on which the Local Government Finance Act 2012 was passed is a “relevant enactment”— (a) sections 131 to 133 of the Social Security Contributions and Benefits Act 1992 (council tax benefit); (b) sections 134 to 137 of that Act (general provisions about income-related benefits) so far as applying in relation to council tax benefit; (c) section 1 of the Social Security Administration Act 1992 (entitlement to benefit dependent on claim) so far as applying in relation to council tax benefit;	
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(d) section 6 of that Act (regulations about council tax benefit administration); (e) sections 32 to 34 of the Welfare Reform Act 2007 (benefit for persons taking up employment) so far as applying in relation to council tax benefit. <i>Transitional provision</i> 7 (1) The regulations may make such transitional provision regarding the commencement of schemes as the Welsh Ministers think fit. (2) Such provision may include, in particular, provision for and in connection with treating a person who is or was in receipt of council tax benefit, or who makes or has made a claim for that benefit, as having made an application for a reduction under a scheme. <i>Guidance</i> 8 In exercising any function relating to schemes, a specified authority must have regard to any guidance issued by the Welsh Ministers.	
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SCHEDULE 2 ADMINISTRATION <i>Exempt dwellings etc.</i> 8 (1) Regulations under this Schedule may include provision that an authority which has received a copy of a proposed list sent to it under section 22(5)(b), 22B(7), <u>22B(7A)</u> or 85(1)(b) of this Act shall, as respects each dwelling shown in the copy which in the opinion of the authority will be a relevant dwelling on the day when the list comes into force, notify the person concerned of such matters relating to the dwelling's entry in the copy as may be prescribed. (2) Regulations under this Schedule may include provision that in any case where— (a) a dwelling is not shown in the copy of a proposed list sent to an authority under section 22(5)(b), 22B(7), <u>22B(7A)</u> or 85(1)(b) of this Act but is shown in the copy of the list sent to the authority under section 22(7), 22B(9) or 85(4) of this Act; and (b) in the opinion of the authority the dwelling was a relevant dwelling on the day when the list came into force, the authority shall notify the person concerned of such matters relating to the dwelling's entry in the copy of the list sent to the authority under section 22(7), 22B(9) or 85(4) of this Act as may be prescribed. (3) Regulations under this Schedule may include provision that in any case where— (a) the valuation band shown as applicable to a dwelling in the copy of a proposed list sent to an authority under section 22(5)(b), 22B(7), <u>22B(7A)</u> or 85(1)(b) of this Act is different from that shown as applicable to it in the copy of the list sent to the authority under section 22(7), 22B(9) or 85(4) of this Act; and (b) in the opinion of the authority the dwelling was a relevant dwelling on the day when the list came into force, the authority shall notify the person concerned of such matters relating to the dwelling's entry in the copy of the list sent to the authority under section 22(7), 22B(9) or 85(4) of this Act as may be prescribed. (4) The regulations may include provision— (a) as to the period within which or time at which any notification must be given;	Section 20(4)
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(b) prescribing additional information which the notification must contain; (c) that if at the time when a person is notified under any provision included in regulations under sub-paragraph (2) or (3) above the authority has not yet given him a notification under any provision included in regulations under sub-paragraph (1) above, the authority shall not be required to give him such a notification. (5) For the purposes of this paragraph a dwelling is a relevant dwelling on any day if— (a) on the day the dwelling is an exempt dwelling; or (b) in respect of the financial year in which the day falls and the dwelling, the amount set under section 30 or 93 of this Act or, where the authority is a regional council, each amount set under section 93 of this Act is nil. (6) In this paragraph any reference to the person concerned is a reference to a person who, in respect of the particular dwelling, would be solely liable to pay to the authority an amount in respect of council tax for the particular day if the dwelling were not or had not been a relevant dwelling on that day.	
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