

**Explanatory Memorandum to
The Non-Domestic Rating Contributions (Wales) (Amendment)
Regulations 2013**

This Explanatory Memorandum has been prepared by the Local Government Finance and Public Service Performance Division, and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Non-Domestic Rating Contributions (Wales) (Amendment) Regulations 2013.

Lesley Griffiths

Minister for Local Government and Government Business

4 December 2013

1. Description

The Non-Domestic Rating Contributions (Wales) (Amendment) Regulations 2013 amend The Non-Domestic Rating Contributions (Wales) Regulations 1992 (SI 1992/3238) (“the 1992 Regulations”).

The 1992 Regulations prescribe the rules for calculating non-domestic rates contributions paid by Local Authorities. Amendments are made annually to certain parts to ensure that the basis for Authorities’ contributions remains up-to-date. Amendments to the 1992 Regulations are now required to enable Local Authorities to calculate their non-domestic rating contributions for 2014-15. The Non-Domestic Rating Contributions (Wales) (Amendment) Regulations 2013 amend the 1992 Regulations by substituting a new Schedule 4 (Adult Population Figures).

2. Matters of special interest to the Constitutional and Legislative Affairs Committee

The Local Government Finance Act 1988 (paragraph 4(6) of schedule 8) requires that for The Non-Domestic Rating Contributions (Wales) (Amendment) Regulations 2013 to be effective for 2014-15, they must come into force no later than 31 December 2013.

3. Legislative background

3.1 The Non-Domestic Rating Contributions (Wales) (Amendment) Regulations 2013 are made by the Welsh Ministers under the Local Government Finance Act 1988 (sections 60 of and paragraphs 4 and 6 of Schedule 8).

3.2 The Regulations are subject to the negative resolution procedure.

4. Purpose and intended effect of the legislation

4.1 Local Authorities (county and county borough councils) are required to pay non-domestic rating contributions to the Welsh Ministers in respect of the rates they collect from non-domestic properties in their areas. Authorities do not retain the Non-Domestic Rates they collect. Rates are paid into the National Non-Domestic Rating Pool from which they are redistributed to Local Authorities on the basis of adult population. Local Authorities make payments into the pool on the basis of estimates completed before the start of a financial year. Local authorities submit audited returns after the end of the financial year and receive payments from the Welsh Ministers or make additional payments to the pool as appropriate.

4.2 The Non-Domestic Rating Contributions (Wales) (Amendment) Regulations 2013 update the adult population figures for each Authority. These are used to set a threshold for Local Authorities to recalculate, where necessary, their provisional contributions to the pool.

4.3 If these changes are not made, the estimates made by Local Authorities for their contributions to the rating pool will be inaccurate as they will be based on the previous years' population figures which are out-of-date.

5. Consultation

These amendments are only of interest to Local Authorities and have no effect on ratepayers. They are technical in nature, are made annually and have no policy implications. In light of this, no consultation exercise has been undertaken with equivalent Regulations in previous years and, likewise, it is considered these proposed Regulations can proceed without consultation.

6. Regulatory Impact Assessment

These are routine amendments which are made annually to update the rules Local Authorities (county and county borough councils) must apply in calculating their contributions to the Non-Domestic Rating Pool. They are technical in nature, of interest only to Local Authorities, have no effect on ratepayers, and no policy implications. As in previous years, a regulatory impact assessment has not been prepared.