



Local Government Finance (Wales) Act 2024

2024 asc 6

PART 1

NON-DOMESTIC RATING

Introduction

1 Overview of Part 1

- (1) This Part amends the Local Government Finance Act 1988 (c. 41) (“the 1988 Act”), in relation to Wales, as follows.
- (2) Part 3 of the 1988 Act makes provision about non-domestic rating. Sections 2 and 3 insert new sections 41ZA and 52ZA into the 1988 Act, restating provision about the compilation of local and central non-domestic rating lists for Wales. The lists contain details of hereditaments and their rateable values. Sections 2 and 3 shorten the interval between revaluation years from 5 to 3 years. Section 4 inserts a power into the 1988 Act for the Welsh Ministers to alter that interval or the date of a future revaluation year by regulations.
- (3) Schedules 4ZA, 4ZB and 5A to the 1988 Act set out reliefs from non-domestic rating for certain descriptions of hereditaments. Section 5 inserts provision into each of these Schedules for the Welsh Ministers to amend or withdraw existing reliefs and to confer new reliefs by regulations.
- (4) Paragraph 2 of Schedule 4ZB to the 1988 Act provides for full relief from non-domestic rating where a hereditament is unoccupied, the ratepayer is a charity or a registered club and where conditions as to the hereditament’s next use are met. Section 6 restates this paragraph and adds to the conditions that must be met in order for the relief to apply.
- (5) Section 46A of the 1988 Act provides for new buildings to be deemed to have been completed on a certain day (and therefore eligible for inclusion on a local or central

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non-domestic rating list). Section 7 amends that section (by expanding the definition of a new building) so that it applies to existing buildings that have undergone alterations where those buildings are comprised in hereditaments that have been removed from a list.

- (6) Section 47 of the 1988 Act enables a billing authority to grant or vary relief from non-domestic rating subject to conditions set out in the section. Section 8 amends that section so as to remove the time limit on making decisions granting or varying relief.
- (7) Schedule 5 to the 1988 Act makes provision about hereditaments that are exempt from non-domestic rating and includes a limited power for the Welsh Ministers to confer additional exemptions. Section 9 replaces that power with an unqualified power for the Welsh Ministers to amend or withdraw existing exemptions and to create new exemptions by regulations.
- (8) Schedule 7 to the 1988 Act makes provision in connection with the setting of multipliers used to calculate non-domestic rating. Section 10 inserts a new power for the Welsh Ministers to provide for differential multipliers in respect of descriptions of hereditaments to be specified in regulations. Section 11 amends the formulas in Schedules 4ZA, 4ZB and 5A to the 1988 Act for calculating non-domestic rating in relation to hereditaments in Wales so as to reflect the changes made by section 10 in relation to the setting of differential multipliers.
- (9) Schedule 9 to the 1988 Act imposes duties on ratepayers and potential ratepayers to notify valuation officers of information that relates to their liability to a non-domestic rate in respect of a hereditament, and provides for the enforcement of the duties (through civil and criminal penalties). Section 12 amends Schedule 9 so that these provisions apply in relation to hereditaments in Wales.
- (10) Section 13 inserts sections 63F to 63M into the 1988 Act. The new sections make provision about counteracting advantages obtained from artificial non-domestic rating avoidance arrangements. They include provision enabling the Welsh Ministers to make regulations that provide that an arrangement of a specified type is artificial (unless, in accordance with the regulations, a billing authority or the Welsh Ministers determine otherwise in a particular case); provision requiring billing authorities (or the Welsh Ministers) to treat persons as liable to pay the chargeable amounts that would have been, or would be, payable in the absence of an artificial non-domestic rating avoidance arrangement; provision for a review and appeals process; provision enabling the Welsh Ministers to make regulations imposing financial penalties where a person who is treated as liable fails to pay an amount due.
- (11) Section 14 inserts section 143A into the 1988 Act. Section 143A makes provision about the powers of the Welsh Ministers to make orders and regulations under the Act (restating provisions of section 143 of the 1988 Act in so far as they apply in respect of the powers of the Welsh Ministers).

Rating lists

2 Local rating lists

- (1) The 1988 Act is amended as follows.
- (2) In section 41—
 - (a) in subsection (1), after “billing authority” insert “in England”;

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- (b) in subsection (2), omit “, subject to subsection (2A)”;
 - (c) in subsection (2A), for “In the case of a billing authority in England” substitute “But”;
 - (d) omit subsection (9);
 - (e) in the heading, after “lists” insert “: England”.
- (3) After section 41, insert—

“41ZA Local rating lists: Wales

- (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.
- (2) A list must be compiled on 1 April in each revaluation year.
- (3) Revaluation years are 2026 and every third year afterwards.
- (4) A list comes into force on the day on which it is compiled and remains in force until the next list is compiled.
- (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.
- (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).
- (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.
- (8) As soon as is reasonably practicable after compiling a list, the valuation officer must send a copy of it to the authority.
- (9) The authority must keep a copy of the list electronically.
- (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.
- (11) A list is within this subsection if it was—
 - (a) compiled under this section, or
 - (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.
- (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.”

3 Central rating lists

- (1) The 1988 Act is amended as follows.
- (2) In section 52—
 - (a) in subsection (1), after “lists”, in the first place it appears, insert “for England”;

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- (b) in subsection (2), omit “, subject to subsection (2A)”;
- (c) in subsection (2A), for “In the application of this section to England” substitute “But”;
- (d) omit subsection (8);
- (e) in the heading, after “lists” insert “for England”.

(3) After section 52, insert—

“52ZA Central rating lists for Wales

- (1) The central valuation officer must compile lists for Wales (to be called central non-domestic rating lists) in accordance with this Part.
- (2) A list must be compiled on 1 April in each revaluation year.
- (3) Revaluation years are 2026 and every third year afterwards.
- (4) A list comes into force on the day on which it is compiled and remains in force until the next list is compiled.
- (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.
- (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).
- (7) The Welsh Ministers must keep a copy of the proposed list electronically.
- (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.
- (9) The Welsh Ministers must keep a copy of the list electronically.
- (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.
- (11) A list is within this subsection if it was—
 - (a) compiled under this section, or
 - (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.”

4 Power to amend revaluation year

Before section 55 of the 1988 Act, insert—

“54AB Power to amend revaluation year: Wales

- (1) The Welsh Ministers may by regulations amend sections 41ZA(3) and 52ZA(3) so as to—
 - (a) substitute a different year for the year that is for the time being specified as the revaluation year;

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- (b) insert a reference to a different year from the year that would otherwise be the revaluation year;
 - (c) substitute a different interval between revaluation years for the interval that is for the time being specified there;
 - (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).
- (2) If regulations are made—
- (a) under subsection (1)(a) or (b), they must specify the same year in both sections 41ZA(3) and 52ZA(3);
 - (b) under subsection (1)(c), they must specify the same interval in both sections 41ZA(3) and 52ZA(3).
- (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.”

Reliefs

5 Powers to confer, vary and withdraw reliefs

- (1) The 1988 Act is amended as follows.
- (2) In Schedule 4ZA—
- (a) after paragraph 8, insert—

“PART 3A

POWERS TO CONFER, VARY AND WITHDRAW RELIEFS: WALES

Power to confer additional partial reliefs

- 8A (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—

$$\frac{AxM}{C} - F.$$

- (2) This paragraph applies in relation to a hereditament where—
- (a) the hereditament is situated in Wales, and
 - (b) on the day concerned, in relation to the hereditament—
 - (i) conditions prescribed by the Welsh Ministers in regulations are satisfied, and
 - (ii) F is an amount that is greater than 0 but less than the sum of—

$$\frac{AxM}{C}.$$

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- (3) Regulations under sub-paragraph (2)(b)(i) may—
- (a) prescribe more than one condition or set of conditions that may be satisfied such that this paragraph applies;
 - (b) make provision about the application of more than one condition or set of conditions in relation to a hereditament.

Power to confer additional full reliefs

- 8B (1) Where this paragraph applies in relation to a hereditament 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

- 8C The Welsh Ministers may by regulations amend or repeal any provision in Parts 2 and 3 of this Schedule for the purposes of varying or withdrawing, in relation to a hereditament in Wales, a relief set out in those Parts.”;
- (b) in paragraph 9, the table is amended as follows—
- (i) in the second row, for “Paragraphs 2 and 4” substitute “Paragraph 2 and any of 4 or 8A”;
 - (ii) in each place that it appears in the third and fourth rows, for “or 4” substitute “, 4 or 8A”;
 - (iii) after the fifth row, in the first column insert “Paragraph 8B and any of 2, 4 or 8A”;
 - (iv) after the fifth row, in the second column insert “Paragraph 8B”;
- (c) after paragraph 9, insert—
- “9A The Welsh Ministers may by regulations amend paragraph 9 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 3 of this Schedule apply.”;
- (d) in paragraph 10, after sub-paragraph (6), insert—
- “(6A) “F” is an amount prescribed, or calculated in accordance with provision prescribed, by the Welsh Ministers in regulations.
- (6B) Regulations under sub-paragraph (6A) may prescribe different amounts, or make different provision for calculating an amount, in relation to different conditions or sets of conditions prescribed by the Welsh Ministers in regulations under paragraph 8A(2)(b)(i).”

- (3) In Schedule 4ZB—

- (a) after paragraph 2, insert—

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“PART 2A

POWERS TO CONFER, VARY AND WITHDRAW RELIEFS: WALES

Power to confer partial reliefs: Wales

- 2A (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—

$$\frac{AxM}{C} - F.$$

- (2) This paragraph applies in relation to a hereditament where—
- (a) the hereditament is situated in Wales, and
 - (b) on the day concerned, in relation to the hereditament—
 - (i) conditions prescribed by the Welsh Ministers in regulations are satisfied, and
 - (ii) F is an amount that is greater than 0 but less than the sum of—

$$\frac{AxM}{C}.$$

- (3) Regulations under sub-paragraph (2)(b)(i) may—
- (a) prescribe more than one condition or set of conditions that may be satisfied such that this paragraph applies;
 - (b) make provision about the application of more than one condition or set of conditions in relation to a hereditament.

Power to confer additional full reliefs

- 2B (1) Where this paragraph applies in relation to a hereditament, 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 purpose of varying or withdrawing, in relation to a hereditament in Wales, a relief set out in that Part.

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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.”;
- (b) in paragraph 3, after sub-paragraph (5) insert—
- “(5A) “F” is an amount prescribed, or calculated in accordance with provision prescribed, by the Welsh Ministers in regulations.
- (5B) Regulations under sub-paragraph (5A) may prescribe different amounts, or make different provision for calculating an amount, in relation to different conditions or sets of conditions prescribed by the Welsh Ministers in regulations under paragraph 2A(2)(b)(i).”
- (4) In Schedule 5A—
- (a) after paragraph 4, insert—

“PART 2A

POWERS TO CONFER, VARY AND WITHDRAW RELIEFS: WALES

Power to confer additional partial reliefs: Wales

- 4A (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—

$$\frac{AxM}{C} - F.$$

- (2) This paragraph applies in relation to a hereditament where—
- (a) the hereditament is situated in Wales, and
- (b) on the day concerned, in relation to the hereditament—
- (i) conditions prescribed by the Welsh Ministers in regulations are satisfied, and
- (ii) F is an amount that is greater than 0 but less than the sum of—

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AxM
C.

- (3) Regulations under sub-paragraph (2)(b)(i) may—
- (a) prescribe more than one condition or set of conditions that may be satisfied such that this paragraph applies;
 - (b) make provision about the application of more than one condition or set of conditions in relation to a hereditament.

Power to confer additional full reliefs

- 4B (1) Where this paragraph applies in relation to a hereditament 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

- 4C 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.”;
- (b) in paragraph 5(1)(a), for “a central non-domestic rating list in force for the year” substitute “the central non-domestic rating list in force for the year in relation to England”;
- (c) after paragraph 5, insert—
- “5A (1) This paragraph applies if—
- (a) 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
 - (b) more than one of paragraphs 2, 4A and 4B apply in relation to that description of hereditament for that day.
- (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.
- (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.
- 5B The Welsh Ministers may by regulations amend paragraph 5A for the purpose of providing for the calculation of the chargeable

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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.”;

(d) in paragraph 6, after sub-paragraph (5) insert—

“(5A) “F” is an amount prescribed, or calculated in accordance with provision prescribed, by the Welsh Ministers in regulations.

(5B) Regulations under sub-paragraph (5A) may prescribe different amounts, or different provision for calculating an amount, in relation to different conditions or sets of conditions prescribed by the Welsh Ministers in regulations under paragraph 4A(2)(b)(i).”

6 Unoccupied hereditaments: charitable rate relief

(1) Schedule 4ZB to the 1988 Act is amended as follows.

(2) In paragraph 2(2), after “applies” insert “in relation to England”.

(3) After paragraph 2(2), insert—

“(3) This paragraph applies in relation to Wales where—

- (a) on the day concerned, the ratepayer is a charity or trustees for a charity,
- (b) the billing authority is satisfied that—
 - (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
 - (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
- (c) the trustees for the charity have provided the billing authority with a copy of—
 - (i) the charity’s most recent accounts as set out in sub-paragraph (4), and
 - (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.

(4) The accounts of a charity referred to in sub-paragraph (3)(c)(i) are—

- (a) in the case of a charitable company, its annual accounts prepared under Part 16 of the Companies Act 2006 in relation to which any of the following conditions is satisfied—
 - (i) they have been audited,
 - (ii) they have been examined by an independent examiner under section 145(1)(a) of the Charities Act 2011, or
 - (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;
- (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

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- required to be audited, the accounts prepared in respect of the charity;
- (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.
- (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.
- (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.
- (7) In sub-paragraphs (4) and (5)—
- “charitable company” has the meaning given by section 193 of the Charities Act 2011;
 - “exempt charity” has the meaning given by section 22(1) of the Charities Act 2011;
 - “group accounts” has the meaning given by section 142 of the Charities Act 2011.
- (8) This paragraph also applies in relation to Wales where—
- (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
 - (b) the billing authority is satisfied 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.”

Completion notices

7 Completion notices for new buildings

- (1) Section 46A of the 1988 Act is amended as follows.
- (2) In subsection (6), after paragraph (b)(iii) insert—
- “(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.”

Discretionary relief

8 Discretionary relief: time limit

- (1) Section 47 of the 1988 Act is amended as follows.
- (2) After subsection (6A), insert—

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

(3) Omit subsection (7).

Exemptions

9 Powers to confer, vary and withdraw exemption

- (1) The 1988 Act is amended as follows.
- (2) In Schedule 5, after paragraph 20 insert—

“Powers to confer, vary and withdraw exemption: Wales

- 20A (1) The Welsh Ministers may by regulations, for the purpose in sub-paragraph (2)—
- (a) insert provision in relation to Wales into this Schedule;
 - (b) amend, revoke or repeal, in relation to Wales—
 - (i) any provision inserted into this Schedule under paragraph (a);
 - (ii) any other provision in this Schedule.
- (2) The purpose is to confer, vary or withdraw an exemption from the chargeable amount for a chargeable day.”

Non-domestic rating multipliers

10 Calculation of non-domestic rating multipliers

In Schedule 7 to the 1988 Act, after Part A1 insert—

“PART A2

NON-DOMESTIC RATING MULTIPLIERS: WALES

Introduction

A13 This Part of this Schedule has effect to determine, in relation to Wales, the non-domestic rating multiplier for each chargeable financial year.

Calculation of non-domestic rating multiplier: revaluation years

A14 (1) The non-domestic rating multiplier for a revaluation year is to be calculated in accordance with the formula—

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$$\frac{AxBxD}{CxE.}$$

- (2) In sub-paragraph (1)—
- (a) “A” is the non-domestic rating multiplier for the financial year preceding the year concerned;
 - (b) “B” is the consumer prices index for September of the financial year preceding the year concerned;
 - (c) “C” is—
 - (i) the consumer prices index for September of the financial year which precedes that preceding the year concerned, or
 - (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;
 - (d) “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—
 - (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
 - (ii) appropriate hereditaments are those which will be shown in lists for that day once all alterations to those lists have been made;
 - (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—
 - (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
 - (ii) appropriate hereditaments are those which will be shown in lists for that first day once all alterations to those lists have been made.
- (3) The Welsh Ministers must make estimates under sub-paragraph (2)(d) and (e) on the basis of information available to them on such date as they determine.
- (4) But this paragraph does not apply for the purposes of—
- (a) Schedules 4ZA and 4ZB, in respect of a hereditament of a description specified in regulations under paragraph A16(1)(a);

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- (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).

Calculation of non-domestic rating multiplier: other years

- A15 (1) The non-domestic rating multiplier for a chargeable financial year other than a revaluation year is—
- (a) the default amount, or
 - (b) if the Welsh Ministers make an adjustment to that amount under sub-paragraph (4), that amount as adjusted.
- (2) The default amount is to be calculated in accordance with the formula—

$$\frac{A \times B}{C}.$$

- (3) In sub-paragraph (2), “A”, “B” and “C” have the meanings given in paragraph A14.
- (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.
- (5) But this paragraph does not apply for the purposes of—
- (a) Schedules 4ZA and 4ZB, in respect of a hereditament of a description specified in regulations under paragraph A16(1)(a);
 - (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).

Calculation of differential multipliers

- A16 (1) The Welsh Ministers may by regulations provide that the non-domestic rating multiplier for a chargeable financial year in respect of—
- (a) a description, specified in regulations, of hereditaments on local non-domestic rating lists, or
 - (b) an amount (or amounts), of a rateable value shown against the name of a designated person in the central non-domestic rating list,
- is to be calculated in accordance with the formula—

$$M \times N.$$

- (2) In sub-paragraph (1)—
- (a) “M” is the non-domestic rating multiplier for the chargeable financial year under paragraph A14 or A15 (as the case may be);
 - (b) “N” is a number prescribed by the Welsh Ministers in regulations.
- (3) Regulations under this paragraph may prescribe different values for N in relation to—
- (a) different specified descriptions of hereditaments on local non-domestic rating lists;

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- (b) different specified amounts of rateable values shown against the names of designated persons in the central non-domestic rating list.
- (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—
- (a) the rateable value shown in the list for—
 - (i) the chargeable day concerned, or
 - (ii) the first day of the financial year,as regards a hereditament;
 - (b) the location shown in the list as regards a hereditament;
 - (c) any description shown in the list for—
 - (i) the chargeable day concerned, or
 - (ii) the first day of the financial year,as regards a hereditament.
- (5) Regulations under sub-paragraph (1)(b) may specify an amount of a rateable value by reference to a range of amounts.

Calculation of differential multipliers: supplementary

- A17 (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 the amount of that rateable value minus G.
- (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 the ratepayer under section 53(3) as though the amount shown for that day is the amount of 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 specified 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

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- (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
 - (ii) if regulations under paragraph A16 are in force, the non-domestic rating multiplier under that paragraph, and
 - (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).
- (2) In calculating a multiplier, a part of a whole (if any) is to be calculated to three decimal places only.
- (3) The notice must show how any calculation has been made and contain details of any estimates or adjustments that have been made.
- (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.
- (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).
- (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.

Interpretation

- A20 (1) In this Part—
- (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;
 - (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.
- (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)).”

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11 Calculation of non-domestic rating multipliers: supplementary provision

(1) The 1988 Act is amended as follows.

(2) In Schedule 4ZA—

(a) in paragraph 1, for paragraphs (a) and (b) substitute “in accordance with the formula—

$$\frac{AxM}{C}$$

(b) in paragraph 2(1), for paragraphs (a) and (b) substitute “in accordance with the formula—

$$\frac{AxM}{Cx5}$$

.”
(c) in paragraph 4(1), for paragraphs (a) and (b) substitute “in accordance with the formula—

$$\frac{AxM}{CxE}$$

.”
(d) in paragraph 10, after sub-paragraph (9) insert—

“(9A) In relation to Wales, “M is the non-domestic rating multiplier calculated under Schedule 7 as regards the hereditament for the financial year.”

(3) In Schedule 4ZB—

(a) in paragraph 1(1), for paragraphs (a) and (b) substitute “in accordance with the formula—

$$\frac{AxM}{C}$$

.”
(b) in paragraph 1(2)—

(i) in paragraph (a) for “Secretary of State may by regulations provide that sub-paragraph (1)(a)” substitute “appropriate national authority may by regulations provide that sub-paragraph (1)”;
(ii) omit paragraph (b).

(c) in paragraph 3(6), for paragraphs (a) and (b) substitute—

“(a) in relation to England—

(i) whichever of B or D is prescribed for the purposes of the provision in question by the Treasury in regulations, or

(ii) for the purposes of a provision where there is no such prescription, B;

(b) in relation to Wales, the non-domestic rating multiplier calculated under Schedule 7 as regards the hereditament for the financial year.”

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(4) In Schedule 5A—

- (a) in paragraph 1, for paragraphs (a) and (b) substitute “in accordance with the formula—

$$\frac{AxM}{C}$$

.”

- (b) in paragraph 2(4), for paragraphs (a) and (b) substitute “in accordance with the formula—

$$\frac{AxM}{Cx5}$$

.”

- (c) in paragraph 6(8), for paragraphs (a) and (b) substitute—

“(a) in relation to England—

(i) whichever of B or D is prescribed for the purposes of the provision in question by the Treasury in regulations, or

(ii) for the purposes of a provision where there is no such prescription, B;

- (b) in relation to Wales, the non-domestic rating multiplier calculated under Schedule 7 as regards the hereditament for the financial year.”

Provision of information

12 Information to be provided to valuation officer

(1) Schedule 9 to the 1988 Act is amended as follows.

(2) Before paragraph 4I, in the italic heading, omit “: England”.

(3) In paragraph 4I—

- (a) omit “, in relation to a hereditament situated in England,”;
- (b) in sub-paragraph (a), for “the hereditament” substitute “a hereditament”;
- (c) in sub-paragraph (b), for “the hereditament” in the first place it appears substitute “a hereditament”.

(4) In paragraph 4J(4)—

- (a) omit “or” at the end of paragraph (a);
- (b) after paragraph (b), insert—

“, or

(c) in relation to a hereditament situated in Wales, such longer period as may be agreed with the valuation officer.”

(5) In paragraph 4M(1), omit “situated in England”.

(6) In paragraph 5ZC, after sub-paragraph (4), insert—

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“(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).”

(7) In paragraph 5A(1), for “56” substitute “60”.

(8) In paragraph 5C(2), for “28” substitute “30”.

Anti-avoidance

13 Artificial non-domestic rating avoidance arrangements

After section 63E of the 1988 Act insert—

“Anti-avoidance: Wales

63F Artificial non-domestic rating avoidance arrangements: introduction

- (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.
- (2) For the purposes of this section and sections 63G to 63M, an arrangement is an “artificial non-domestic rating avoidance arrangement” if—
 - (a) in consequence of the arrangement, a person obtains or will obtain an advantage in relation to non-domestic rating (see section 63G), and
 - (b) the arrangement is artificial (see section 63H).
- (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—
 - (a) a series of arrangements, and
 - (b) any part or stage of an arrangement comprised of more than one part or stage.

63G Meaning of “advantage”

For the purposes of sections 63F to 63M, “an advantage” means the avoidance or reduction of liability to non-domestic rating, by means of (among other things)—

- (a) avoidance of an assessment;
- (b) remission;
- (c) relief (or increased relief);
- (d) repayment (or increased repayment);
- (e) deferral of a payment.

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63H Meaning of “artificial”

- (1) For the purposes of sections 63F to 63M, an arrangement is artificial if—
 - (a) it is of a type specified by the Welsh Ministers by regulations, and
 - (b) where subsection (3) applies, no determination has been made in relation to the (particular) arrangement.
- (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—
 - (a) whether the substantive results of arrangements of that type are inconsistent with—
 - (i) any principles on which those provisions are based (whether express or implied), and
 - (ii) the policy objectives of those provisions;
 - (b) whether arrangements of that type are intended to exploit any shortcomings in those provisions;
 - (c) whether arrangements of that type lack economic or commercial substance (other than obtaining an advantage in relation to non-domestic rating).
- (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 accordance with the regulations and having regard to all the circumstances, by—
 - (a) a billing authority in Wales, in connection with the authority’s local non-domestic rating list;
 - (b) the Welsh Ministers, in connection with a central non-domestic rating list for Wales.
- (4) In this section “enactments relating to non-domestic rating” means—
 - (a) this Act,
 - (b) the Business Rate Supplements Act 2009 (c. 7), and
 - (c) any subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)) made under those Acts.

63I Liability to non-domestic rating: local lists

- (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.
- (2) The billing authority must, from the relevant date—
 - (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
 - (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

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day that would have been, or would be, payable in respect of that day in the absence of the arrangement).

- (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.
- (4) In subsection (2), “the relevant date” means the later of—
 - (a) the day the arrangement mentioned in subsection (1) is made;
 - (b) the day the applicable regulations come into force;
 - (c) a day provided for in those regulations.
- (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.

63J Liability to non-domestic rating: central lists

- (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.
- (2) The Welsh Ministers must, from the relevant date—
 - (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
 - (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).
- (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.
- (4) In subsection (2), “the relevant date” means the later of—
 - (a) the day the arrangement mentioned in subsection (1) is made;
 - (b) the day the applicable regulations come into force;
 - (c) a day provided for in those regulations.
- (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.

63K Liability to non-domestic rating: notification

- (1) The billing authority must give notice to a person who is to be treated as liable in accordance with section 63I.
- (2) The Welsh Ministers must give notice to a person who is to be treated as liable in accordance with section 63J.
- (3) A notice under subsection (1) or (2) must set out—
 - (a) the reasons for treating the person as liable,
 - (b) information about requiring a review under subsection (4), and

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- (c) information about the right of appeal under section 63L.
- (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).
- (5) The review must conclude that the notice under subsection (1) or (2) is to be either—
 - (a) confirmed, or
 - (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).
- (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).
- (7) Notices under this section must be in writing.

63L Appeals to valuation tribunal

- (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).
- (2) The person may appeal to a valuation tribunal established under paragraph 1 of Schedule 11 within 30 days beginning with the day on which the billing authority or the Welsh Ministers notify the person of their conclusions in accordance with section 63K(6).
- (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).

63M Penalties

- (1) The Welsh Ministers may by regulations make provision for the imposition of a financial penalty where—
 - (a) a person has been given a notice under section 63K(1) or (2) and it has not been withdrawn,
 - (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
 - (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.
- (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).
- (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).

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- (4) Any sum received by way of penalty under this section is to be paid into the Welsh Consolidated Fund.
- (5) The regulations may make further provision in relation to the collection and enforcement of penalties under this section.
- (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.”

Orders and regulations

14 Orders and regulations under the Local Government Finance Act 1988

After section 143 of the 1988 Act insert—

“143A Orders and regulations of the Welsh Ministers

- (1) This section applies in respect of the powers of the Welsh Ministers to make an order or regulations under this Act.
- (2) Any power to which this section applies—
 - (a) is exercisable by statutory instrument, and
 - (b) may be exercised differently in relation to different areas or in relation to other different cases or descriptions of case.
- (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.
- (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.
- (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—
 - (a) section 54AB(1);
 - (b) section 55(4A)(c) or (4B);
 - (c) section 58;
 - (d) section 63A;
 - (e) section 63H;
 - (f) section 63M(1) or (6);
 - (g) section 66A;
 - (h) in Schedule 4ZA, paragraphs 3(3), 6(3), 8A(2)(b)(i), 8B(2), 8C, 9A and 10(6A);
 - (i) in Schedule 4ZB, paragraphs 1(2), 2A(2)(b)(i), 2B(2), 2C, 2E, 3(5A) and 3(9);
 - (j) paragraph 20A of Schedule 5;
 - (k) in Schedule 5A, paragraphs 3(4), 4A(2)(b)(i), 4B(2), 4C, 5B and 6(5A);
 - (l) paragraph 3 of Schedule 6;
 - (m) Part A2 of Schedule 7;

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- (n) in Schedule 9, paragraphs 5(1D)(c), 5FB, 6AA(1) and (6).
- (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.
- (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.”

Minor and consequential amendments

15 Minor and consequential amendments relating to Part 1

The Schedule makes minor and consequential amendments relating to this Part.