

National Assembly for Wales

Report by the Local Government and Public Services Committee On Small Business Rate Relief Scheme Orders and Regulations

The Non- Domestic Rating (Small Business Relief) (Wales) Order 2006 The Non-Domestic Rating (Demand Notices and Discretionary Relief) (Amendment) Regulations 2006

The Local Government Act 2003 (Commencement No.1 and Savings) (Wales) Order 2006

The Non-Domestic Rating Contribution (Wales) (Amendment) Regulations 2006

The Committee considered the Orders and Regulations at its meeting on 23 November 2006.

Members requested clarification on:

- the contribution each local authority has made in supporting relief measures under the current scheme;
- whether consideration had been given towards introducing a transition scheme;
- with regard to post-offices that form a part of larger business, for example a petrol station, pub or grocery store, whether the rateable value considered for post offices' relief also includes the rateable value of those additional business or are they considered separately; and
- why caravans were not exempted from the scheme but self-catering properties were exempted.

The Minister provided a detailed written response to the first three points of clarification in advance of the meeting - (LGPS(2)-16-06(p.3b)). In response in Committee the Minister made the following further points:

- Funds were already available to local authorities to help exceptional cases of businesses through a hardship relief scheme. The hardship scheme is funded 25 per cent by the local authority and 75 per cent by the Welsh Assembly Government. The 25 per cent funding that local authorities would have to find would be offset by the savings from the 10 per cent that they have to contribute currently to the cost of discretionary rural rate relief. Similarly the Welsh Assembly Government would be able to find its 75 per cent contribution from savings from the current scheme. The Minister planned to write to local authorities regarding hardship relief.
- The exemption of self-catering properties from the scheme had been introduced in response to representations from local authorities during consultation. Landlords who let their properties for more than 140 days a year can opt to pay business rates, which can be lower than council tax. As well as reducing the authorities' income, this discourages year-round occupation.

The Committee recommended approval of the Orders and Regulations as drafted.

Ann Jones AM
Chair