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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

In relation to Wales, the non-domestic rating multiplier is calculated in accordance with the formula in paragraph 4B of Schedule 7 to the Local Government Finance Act 1988 (“the 1988 Act”) for a financial year at the beginning of which new rating lists must be compiled. New rating lists are being compiled for the financial year beginning on 1 April 2023 (“the year concerned”).

The formula in paragraph 4B of Schedule 7 to the 1988 Act includes items B and C. Item B is the consumer prices index for September of the financial year preceding the year concerned, and item C is the consumer prices index for September of the financial year which precedes that preceding the year concerned. Paragraph 5(13A) of Schedule 7 to the 1988 Act enables the Welsh Ministers to make regulations to amend, repeal or disapply certain sub-paragraphs in Schedule 7 to the 1988 Act, so as to substitute references to the consumer prices index to another index, or to specify or describe a figure for item B and/or C.

These Regulations apply to the financial year beginning on 1 April 2023, and disapply paragraph 5(5A)(a) of Schedule 7 to the 1988 Act. These Regulations also specify that the figure for item B is 113.9. This has the effect of the non-domestic rating multiplier remaining as the same figure as that calculated for the financial years beginning on 1 April 2020, 1 April 2021 and 1 April 2022.

In accordance with paragraph 5(13C) of Schedule 7 to the 1988 Act, these Regulations will only come into force if they are approved by a resolution of Senedd Cymru before Senedd Cymru approves the local government finance report for the financial year beginning on 1 April 2023, or before 1 March 2023 (whichever is earlier).

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Local Government Finance Reform Division, Welsh Government, Cathays Park, Cardiff, CF10 3NQ.

**Changes to legislation:**

There are currently no known outstanding effects for the The Non-Domestic Rating (Multiplier) (Wales) Regulations 2023.