



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: SL-2065

Mike Hedges MS
Chair – Legislation, Justice and Constitution Committee
Senedd Cymru
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SeneddLJC@senedd.wales

7 November 2025

Dear Mike,

THE NON-DOMESTIC RATING (CHARGEABLE AMOUNTS) REGULATIONS 2025

I am writing to notify you of the potential need for the above Regulations. If a decision is made to proceed, it will be necessary to present the Regulations to the Committee with limited time available for scrutiny.

As part of non-domestic rating revaluations, consideration is given to the impact on ratepayers of changes in their liabilities. The Welsh Ministers have powers to introduce transitional relief by regulations under sections 58 and 143A(2)(b) of the Local Government Finance Act 1988. Any such regulations must follow the draft affirmative procedure and be in force prior to 1 January of the year of a revaluation. The next revaluation will take effect on 1 April 2026 and, as such, any regulations made under these powers must come into force by 31 December 2025 at the latest.

I am not yet in possession of the relevant details to inform a balanced decision on the provision of transitional relief. All of the necessary information will be available on 26 November, following the UK Government's Autumn Budget and the publication of the draft 2026 rating list. Following the Autumn Budget, I will make a policy decision as soon as possible, considering the financial position of the Welsh Government and the impact of the revaluation. Given the potential costs of any transitional relief, it would be irresponsible for me to do so before all of the relevant information is available.

Should I decide that transitional relief is appropriate, draft Regulations will be developed quickly, with the intention that they are debated on 16 December. This is necessary to meet the 31 December commencement deadline.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Unfortunately, the draft Regulations are not likely to be available to be laid until 9 December. I acknowledge that this provides a much compressed timetable for the consideration of the draft Regulations. As such, I am giving you notice of the potential time-scales and seeking the Committee's assistance in expediting the scrutiny of the draft Regulations, if needed.

I apologise to the Committee for this confluence of events, albeit that they are largely beyond the direct control of the Welsh Government. Against that background I hope the Committee will appreciate the circumstances which necessitate this compressed timetable for scrutiny and will be able to provide its views within a shortened timeframe.

This letter is copied to the Llywydd, Elin Jones MS, and the Chair of the Local Government and Housing Committee, John Griffiths MS, for their information.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language