

Explanatory Memorandum to The Non-Domestic Rating (Miscellaneous Provisions) (Wales) Regulations 2017

This Explanatory Memorandum has been prepared by the Local Government Finance Policy 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.

Cabinet Secretary's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Non-Domestic Rating (Miscellaneous Provisions) (Wales) Regulations 2017.

Mark Drakeford
Cabinet Secretary for Finance and Local Government
10 March 2017

1. Description

These regulations make provision in connection with non-domestic rating under Part III of the Local Government Finance Act 1988 (“the 1988 Act”).

These regulations remake, in relation to Wales, the provisions of the Non-Domestic Rating (Miscellaneous Provisions) Regulations 1989 (“the 1989 Regulations”) in order to reflect the separate administration of non-domestic rating in England and Wales and the separate application of Part III of the 1988 Act to England and Wales provided by section 140 of the 1988 Act.

2. Legislative background

The 2017 Regulations are made under sections 42(5)(1), 64(3)(b), 143(1) and (2) of, and paragraph 2(8) and (9) of Schedule 6 to the 1988 Act. These are Secretary of State powers which were transferred, in relation to Wales, to the National Assembly by the National Assembly for Wales (Transfer of Functions) Order 1999. The functions of the National Assembly for Wales were subsequently transferred to the Welsh Ministers by virtue of section 162 of, and paragraph 30 of Schedule 11 to, the Government of Wales Act 2006.

The Regulations are subject to the negative resolution procedure.

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

There are no matters of special interest to the Committee.

4. Purpose and intended effect of the legislation

These regulations remake, in relation to Wales, the provisions of the 1989 Regulations.

Regulation 2 makes provision requiring the content of local rating lists to include a description of each hereditament, its address and any reference number ascribed by the valuation officer. Local lists are also required to show where the Valuation Tribunal for Wales or Upper Tribunal has directed an alteration to be made, and the total of rateable values shown.

Regulation 3 makes provision for the valuation of mines and quarries in Wales. For valuation purposes, 50 per cent of the capital value of minerals extracted is to be disregarded.

Regulation 4 makes provision for hereditaments which cross boundaries between billing authorities in Wales. It applies to a unit of property which would, but for being divided by a boundary between billing authorities in Wales, fall to be treated as a single hereditament. Regulation 4 provides that such a unit of property is to be

treated as a single hereditament, and it is to be treated as situated in the area in which is situated such part of the property as appears to have the greater or the greatest rateable value. Where the values are equal or there is disagreement about value, provision is made for determination of this area by the drawing of lots by the relevant valuation officer or officers. Special provision is made where the hereditament consists of or includes a mine or quarry.

Regulation 5 makes necessary consequential amendments to other regulations and Regulation 6 makes consequential amendments to the 1989 Regulations which continue to apply in relation to England.

5. Consultation

The Valuation Office Agency was consulted on the 2017 Regulations but no wider consultation has been undertaken. The 2017 Regulations make minor amendments to the 1989 Regulations to update the drafting style of the existing regulations. Remaking the regulations in respect of Wales also provides the opportunity to make the regulations bilingually in line with the Welsh Language Standards. The 2017 Regulations are only of interest to the Valuation Office Agency and billing authorities as they have substantively the same legal effect as the 1989 Regulations.

6. Regulatory Impact Assessment

The 2017 Regulations make minimal changes which are technical in nature, of interest only to billing authorities and have limited effect on ratepayers. As such, a regulatory impact assessment has not been prepared.