

## **Report on the consideration of the Legislative Consent Memorandum arising from the Telecommunications Infrastructure (Relief from Non-Domestic Rates) ('the Bill')**

### **Committee View**

The Economy, Infrastructure and Skills Committee is content with the Memorandum. Further background to the Bill and provisions for which consent are sought is below.

#### **1.0 The Bill**

1.1 The Telecommunications Infrastructure (Relief from Non-Domestic Rates) [Bill](#) (the "Bill") was introduced in the House of Commons on 4 July 2017.

1.2 The UK Government's stated policy objective is to support investment in new fibre broadband infrastructure and future 5G communications through the provision of a new 100% non-domestic rates relief for new full-fibre infrastructure. This relief will be provided for a five-year period from 1 April 2017. The relief can be backdated to 1 April 2017 for eligible infrastructure.

1.3 The Bill is sponsored by the Department for Communities and Local Government.

1.4 The key provisions of the Bill provide the framework for the introduction and operation of non-domestic rates relief for hereditaments used for the purpose of telecommunications

#### **2.0 Provisions for which consent are sought:**

2.1 The Welsh Government considers that the Assembly's consent would be required for clauses 1 to 3 of the Bill amend Part 3 of the Local Government Finance Act 1988 ("the 1988 Act") (non-domestic rating) to introduce a new relief for hereditaments used for the purpose of telecommunications which are shown on non-domestic rating lists.

2.1.1 Clauses 1 and 2 also provide the Welsh Ministers with powers to set the level of the relief by prescribing the amount of relief in regulations. Regulations may also impose duties or confer powers on valuation officers, these are subject to the negative procedure.

- 2.1.2 Clause 3 provides for the same provisions in respect of the central rating list so that telecommunications hereditaments on the central rating list are also eligible for this relief.
- 2.1.3 Clause 4 introduces the Schedule to the Act which makes consequential amendments to both the 1988 Act and the Business Rate Supplements Act 2009. Regulations under this section that amend or repeal any provision of primary legislation are subject to the affirmative procedure. Any other regulations are subject to the negative procedure.
- 2.1.4 As detailed in paragraphs 7 and 8, the provisions include powers for Welsh Ministers to make subordinate legislation specifying conditions which must be met in order for the relief to apply, the amount of relief which is applicable, and the functions of the valuation officer in relation to ascertaining rateable values of eligible hereditaments.
- 2.1.5 Consent is required for these provisions because they fall within the legislative competence of the National Assembly for Wales insofar as they relate to the subject of “local government finance” within paragraph 12 of Part 1 of Schedule 7 to the Government of Wales Act 2006.

### **3.0 Financial implications**

- 3.1 The Bill contains provisions which will allow for changes to the chargeable amounts paid upon hereditaments wholly or mainly used for the purposes of facilitating the transmission of communication by any means involving the use of electrical or electromagnetic energy. This will reduce the nondomestic rates collected from hereditaments eligible for this relief.
- 3.2 This policy was announced in the Chancellor’s Autumn Statement 2016 and consequential funding has been provided to Wales which can be used to replace any non-domestic rates revenue foregone.

### **4.0 Conclusion**

- 4.1 On the basis of the legal advice received, the Committee felt that a LCM is required in relation to various provisions of the Bill.
- 4.2 The Economy, Infrastructure and Skills Committee considered the LCM overall, in addition to the requirement for a LCM concerning the Bill provisions in the relevant areas, at their meeting on 11 October 2017. They are content with the Memorandum.