

NATIONAL ASSEMBLY FOR WALES

REPORT OF THE LEGISLATION COMMITTEE

The Water Undertakers (Rateable Values) (Wales) Order 2000

Background

A previous Draft of this Order has already been reported on and considered by the Committee on the 23rd November 1999. The Draft currently in front of the Committee has been amended as a result.

These regulations follow directly from the Central Rating List (Wales) Regulations 1999 and the Committee is referred to the report which was considered in this respect at the meeting on 16 November 1999.

The businesses which appear in the Central Ratings List (as previously mentioned mainly those belonging to public utility undertakings) will have their rateable values prescribed by the National Assembly.

Paragraph 3(2) of Schedule 6 of the Local Government Finance Act 1988 gives the Assembly powers to set aside (by order) the normal rules and valuations and instead prescribe alternative rules for determining the rateable value of classes of hereditaments, or to prescribe values for hereditaments appearing on the Central Rating List.

The clean water supply hereditaments of the water companies currently appear in the Central Rating List for Wales by virtue of Part 6 and Regulation 5(1) of the Central Rating Lists Regulations 1994 (SI 1994/3121). The rateable value of these hereditaments are prescribed in the Water Undertakers (Rateable Values) Order 1994 (SI 1994/3285) (as amended).

That Order prescribed the rateable value of the hereditaments from 1995 to 2000.

The water companies will continue to appear in the Central Rating List for 2000 onwards in respect of their clean water supply hereditaments. This order therefore prescribes the rateable

value of those hereditaments for the years 2000 – 2005 using the same provisions as used in the 1994 order except that the prescribed values for the year 2000/2001 will be new. The order sets a value for the year 2000/2001 and then provides rules for prescribing values in the years thereafter.

These rules (called the standard formula) provide for the rateable value prescribed for 2000/2001 to be adjusted in line with changes to a relevant factor which, in the case of water, is the amount of water put into the system. If the amount of water in any year changes above or below a 2% threshold, the rateable value is adjusted in line with the change in water. The adjustment is called the recalculation factor (see article 6 and 7).

Article 2(3) is intended to cope with name changes which are a regular occurrence in the water industry. Similarly articles 8, 9 and 10 are intended to deal with situations where water companies may merge. In practice in such a situation, one water company would usually take over the assets of another and articles 8, 9 and 10 allow the valuation officer to add the two rateable values which would have appeared in the Central Rating List without the reorganisation to give a new rateable value for the new water company.

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Standing Order 11.5

The Committee do not consider that there are any issues arising under Standing Order 11.5 that it should report to the Assembly as requiring special attention.

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Comments on the Regulations.

The points made in the Committee's original report (dated the 18th November 1999) have been noted and consequently there are no further comments to be made.

Amendments have not followed from each of the comments relating to the Welsh language but it is acknowledged that it is differences in style only that remain.

M. GERMAN

Chair, Legislation Committee

Our ref: LAD – 01-01-032

18th January 2000