

Explanatory Memorandum to Rentcharge (Redemption Price) (Wales) Regulations 2017

This Explanatory Memorandum has been prepared by the Education & Public Services Department of the Welsh Government 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 Rentcharge (Redemption Price) (Wales) Regulations 2017

Carl Sargeant
Cabinet Secretary for Communities and Children
19 January 2017

Explanatory Memorandum to Rentcharge (Redemption Price) (Wales)
Regulations 2017

1. Description

The Rentcharges (Redemption Price) (Wales) Regulations, made under section 10 of the Rentcharges Act 1977 (“The Act”) prescribe the formula which is to be applied in calculating the redemption price of rentcharges and other rents in Wales.

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

None.

3. Legislative background

These Regulations specify the algebraic formula to be used in the Rentcharges Act 1977 (The 1977 Act) to calculate the redemption price of rentcharges. The Regulations specify the “over 30 not over 30.5 year” National Loans Fund interest rate to determine the yield element of the formula. This replaces the defunct 2½ % Consolidated Stock gilt which was used in the formula previously contained in the 1977 Act, but which was called and redeemed by HM Treasury in 2015.

These Regulations follow the negative resolution procedure.

4. Purpose & intended effect of the legislation

To prescribe the formula to be applied in calculating rent redemption and other rents in Wales. This will enable the Welsh Government to process rent redemption applications in Wales. It is currently unable to do this as the formula used to calculate the redemption price for rentcharges under the Rentcharges act 1977 is now defunct in Wales.

5. Consultation

These Regulations reflect the new formula in England of how to calculate the redemption price for rentcharges. As the new Regulations will substantially maintain existing arrangements in Wales, it was not felt necessary to undertake a formal consultation.

6. Publicity

No specific publicity is planned in respect of these Regulations.

7. Regulatory Impact Assessment

No regulatory impact assessment has been undertaken as there are no financial implications arising from these Regulations. The legislation has no impact on the statutory duties (sections 77 to 79 of the Government of Wales Act 2006) or statutory partners (sections 72 to 75 of the Government of Wales Act 2006).

Explanatory Memorandum to Rentcharge (Redemption Price) (Wales)
Regulations 2017

8. Competition Assessment

Not appropriate.

9. Post implementation review

The impact of the introduction of these Regulations on rentcharge redemptions will be subject to review on an ongoing basis.