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TRANSFER OF RATING RESPONSIBILITY TO THE SECRETARY OF STATE FOR WALES

I am writing to seek your approval for the transfer of <u>delegated</u> functions under rating <u>legislation</u>, as they affect Wales, from me to <u>Peter Walker</u>. The responsibility for most aspects of local government finance in Wales was transferred to the Secretary of State for Wales through the Local Government, <u>Planning</u> and <u>Land Act 1980</u>. Largely because at that time rating law was not disturbed, responsibility for rating remained with me.

When the Community Charge is introduced in 1990, only non-domestic property will remain in rating. It has been agreed that the Secretary of State for Wales will assume full statutory responsibility for the operation of the new local government finance system in Wales, including the Community Charge and the new grant system. He will also have control over the separate National Non-Domestic Rate pool for Wales. It would therefore seem an appropriate time for him to take over responsibility for exercising functions under the revised non-domestic rating system.

The same primary legislation will of course continue to apply in both countries. I do not at present envisage that there will be any major areas in which the Secretary of State for Wales and I should wish to exercise our powers in any substantially different ways. Indeed we are moving in the direction of greater uniformity throughout Great Britain, with the present efforts to harmonise valuation and rating practice between England and Scotland.

In terms of workload, there is unlikely to be much effect. Most of the routine work arising from rating matters in Wales is already dealt with in the Welsh Office. Where powers are to be exercised jointly the preparation of secondary legislation will

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continue to be done by one Department in consultation with the other. There are therefore no staffing or other cost implications.

If you agree, we will make the necessary provisions in the rate reform legislation.

I am copying this minute to members of E(LF), to Richard Luce and to Sir Robert Armstrong.

of

N R 6 August 1987