
WELSH STATUTORY INSTRUMENTS

2017 No. 26 (W. 10)

RENTS AND RENTCHARGES, WALES

The Rentcharges (Redemption Price) (Wales) Regulations 2017

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| <i>Made</i> | - - - - | <i>16 January 2017</i> |
| <i>Laid before the National Assembly for Wales</i> | - - | <i>19 January 2017</i> |
| <i>Coming into force</i> | - - | <i>10 February 2017</i> |

The Welsh Ministers make the following Regulations in exercise of the power conferred upon the Secretary of State by section 10(1) of the Rentcharges Act 1977⁽¹⁾ and now vested in them⁽²⁾.

Title and commencement

1. The title of these Regulations is the Rentcharges (Redemption Price) (Wales) Regulations 2017 and they come into force on 10 February 2017.

Redemption Price

2.—(1) For the purposes of—

- (a) section 9 of the Rentcharges Act 1977⁽³⁾, and
- (b) section 9 of the Rentcharges Act 1977 as applied by section 20(1) of the Landlord and Tenant Act 1927⁽⁴⁾,

the redemption price in relation to land in Wales is calculated by applying the following formula—

(1) 1977 c. 30; section 10(1) was substituted by the Housing and Planning Act 2016 (c. 22), section 137(1), (3).
(2) The functions of the Secretary of State, so far as exercisable in relation to Wales, were transferred to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672), article 2(a) and Schedule 1. The functions 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 (c. 32).
(3) Section 9(4)(a) was amended by the Housing and Planning Act 2016, section 137(1), (2).
(4) 1927 c. 36; section 20 was amended by the Rentcharges Act 1977, section 17(1) and Schedule 1, paragraph 3; the Housing Act 1980 (c. 51), section 143; and S.I. 1955/554, 1965/143, 1967/156 and 1970/1681. By virtue of article 2(a) of, and Schedule 1 to, the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672) the functions of the Secretary of State under section 20 of the Landlord and Tenant Act 1927 were transferred to the National Assembly for Wales so far as exercisable in relation to Wales and 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.

$$P = \pounds \left(\frac{R}{Y} \right) - \left(\frac{R}{Y(1+Y)^n} \right)$$

(2) For the purposes of the formula in paragraph (1)—

P = the redemption price;

R = the annual amount of the Rentcharge (or, as the case may be, the rent to which section 20(1) of the Landlord and Tenant Act 1927 applies) to be redeemed (in pounds sterling);

Y = the maturity rate, expressed as a decimal fraction, of the “over 30 not over 30.5 year” National Loans Fund interest rate; and

n = the period, expressed in years (rounding up any part of a year to a whole year), for which the rentcharge (or, as the case may be, the rent to which section 20(1) of the Landlord and Tenant Act 1927 applies) would remain payable if it were not redeemed.

(3) In paragraph (2), the maturity rate is the published interest rate at the close of business on the last trading day of the week before the week in which instructions for redemption are served under section 9(4) of the Rentcharges Act 1977.

16 January 2017

Carl Sargeant
Cabinet Secretary for Communities and
Children, one of the Welsh Ministers

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations prescribe the formula to be applied in calculating the redemption price of rentcharges and other rents in Wales.

The formula uses the published “over 30 not over 30.5 year” National Loans Fund interest rate (this provides the value for “Y” in the prescribed formula). National Loans Fund interest rates are published on the UK Debt Management Office website at ww.dmo.gov.uk. The interest rates are published as percentage rates and need to be converted into decimal fractions (divided by 100) before they can be used in the prescribed formula.

The Welsh Ministers’ Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, it was not considered necessary to carry out a regulatory impact assessment as to the likely costs and benefits of complying with these Regulations.