



CYNULLIAD CENEDLAETHOL CYMRU

NATIONAL ASSEMBLY FOR WALES

OFFERYNNAU STATUDOL

STATUTORY INSTRUMENTS

**2007 Rhif 1051 (Cy.108)**

**2007 No. 1051 (W.108)**

**LLYWODRAETH LEOL,  
CYMRU**

**LOCAL GOVERNMENT,  
WALES**

Rheoliadau Awdurdodau Lleol  
(Cyllid Cyfalaf a Chyfrifyddu)  
(Cymru) (Diwygio) 2007

The Local Authorities (Capital  
Finance and Accounting) (Wales)  
(Amendment) Regulations 2007

**NODYN ESBONIADOL**

**EXPLANATORY NOTE**

*(Nid yw'r nodyn hwn yn rhan o'r Rheoliadau)*

*(This note is not part of the Regulations)*

Mae'r Rheoliadau hyn yn diwygio Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) 2003 ("Rheoliadau 2003") ac maent yn gymwys o ran awdurdodau lleol yng Nghymru.

These Regulations amend the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 ("the 2003 Regulations") and apply in relation to local authorities in Wales.

Mae rheoliad 3 yn mewnosod yn Rheoliadau 2003 reoliadau newydd, sef rheoliad 24A, sydd i'w ddirymu ar 1 Ebrill 2011. Mae'r rheoliad newydd yn darparu nad oes angen i awdurdod lleol, hyd onid yw'n gorfod talu'r swm hwnnw i'r swyddog neu i'r cyflogai, godi ar gyfrif refeniw swm mewn cysylltiad â thaliad sydd i'w wneud i swyddog neu i gyflogai am waith a wnaed yn y gorffennol ac y cafodd y swyddog neu'r cyflogai dâl anghyfartal amdano.

Regulation 3 inserts a new regulation 24A into the 2003 Regulations, which is to be revoked on 1 April 2011. The new regulation provides that a local authority need not charge to a revenue account an amount in respect of a payment to be made to an officer or employee for work done in the past for which the officer or employee received unequal pay until the authority has to pay that amount to the officer or employee.

Mae rheoliad 4 yn mewnosod yn Rheoliadau 2003 reoliadau newydd, sef rheoliadau 24B i 24D. Mae rheoliadau 24B a 24C yn gwneud darpariaeth ar gyfer y swm y mae'n rhaid i awdurdod lleol ei godi ar gyfrif refeniw neu ei gredydu i gyfrif refeniw mewn cysylltiad â phremiwm neu ddisgownt sy'n deillio o adalu benthyciad yn gynnwys gan yr awdurdod. Mae rheoliad 24D yn ei gwneud yn ofynnol i awdurdod lleol sydd wedi rhoi benthyciad i berson gredydu i gyfrif refeniw yr awdurdod cyfanswm y llog y mae i'w dderbyn ym mhob blwyddyn ariannol yn unol â'r cytundeb benthyciad ar gyfer y benthyciad hwnnw.

Regulation 4 inserts new regulations 24B to 24D into the 2003 Regulations. Regulations 24B and 24C make provision for the amount which a local authority must charge or credit to a revenue account in respect of a premium or discount arising from the authority's early repayment of a loan. Regulation 24D requires a local authority which has given a loan to a person to credit to its revenue account the full amount of interest which it is due to receive in each financial year in accordance with the loan agreement for that loan.

Mae arfarniad rheoliadol wedi'i baratoi mewn cysylltiad â'r Rheoliadau hyn ac mae ar gael gan yr Isadran Cyllid Llywodraeth Leol, yr Adran Llywodraeth Leol a Diwylliant, Cynulliad Cenedlaethol Cymru, Parc Cathays, Caerdydd CF10 3NQ (rhif ffôn 02920825111; e-bost : LGF3L@wales.gsi.gov.uk).

A regulatory appraisal has been carried out in connection with these Regulations and is available from the Local Government Finance Division, Department of Local Government and Culture, National Assembly for Wales, Cathays Park, Cardiff CF10 3NQ (telephone 02920825111; email LGF3L@wales.gsi.gov.uk).

**2007 Rhif 1051 (Cy.108)**

**LLYWODRAETH LEOL,  
CYMRU**

**Rheoliadau Awdurdodau Lleol  
(Cyllid Cyfalaf a Chyfrifyddu)  
(Cymru) (Diwygio) 2007**

*Wedi'u gwneud* 27 Mawrth 2007

*Yn dod i rym*

*at ddiben rheoliadau 1 a 3*

29 Mawrth 2007

*at bob diben arall*

1 Ebrill 2007

Mae Cynulliad Cenedlaethol Cymru, drwy arfer y pwerau a roddwyd iddo gan adrannau 21, 24, 123(1) a (2) a 124 o Ddeddf Llywodraeth Leol 2003(1), drwy hyn yn gwneud y Rheoliadau a ganlyn:

**Enwi, cychwyn, cymhwyso a dehongli**

1.-(1) Enw'r Rheoliadau hyn yw Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) (Diwygio) 2007 a deuant i rym at ddibenion y rheoliad hwn a rheoliad 3 ar 29 Mawrth 2007 ac at bob diben arall ar 1 Ebrill 2007.

(2) Mae'r Rheoliadau hyn yn gymwys o ran awdurdodau lleol yng Nghymru.

(3) Yn y Rheoliadau hyn ystyr "Rheoliadau 2003" yw Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) 2003(2).

**Diwygiadau i Reoliadau 2003**

2. Diwygir Rheoliadau 2003 yn unol â pharagraffau (3) a (4).

**2007 No. 1051 (W.108)**

**LOCAL GOVERNMENT,  
WALES**

**The Local Authorities (Capital  
Finance and Accounting) (Wales)  
(Amendment) Regulations 2007**

*Made* 27 March 2007

*Coming into force*

*for the purpose of regulations 1 and 3*

29 March 2007

*for all other purposes*

1 April 2007

The National Assembly for Wales, in exercise of the powers conferred upon it by sections 21, 24, 123(1) and (2) and 124 of the Local Government Act 2003(1), hereby makes the following Regulations:

**Title, commencement, application and interpretation**

1.-(1) The title of these Regulations is the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2007 and they come into force for the purposes of this regulation and regulation 3 on 29 March 2007 and for all other purposes on 1 April 2007.

(2) These Regulations apply in relation to local authorities in Wales.

(3) In these Regulations "the 2003 Regulations" means the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003(2).

**Amendments to the 2003 Regulations**

2. The 2003 Regulations are amended in accordance with regulations 3 and 4.

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(1) 2003 p.26.

(2) O.S. 2003/3239 (Cy.319), a ddiwygiwyd gan O.S. 2004/1010 (Cy.107) ac O.S. 2006/944 (Cy.93).

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(1) 2003 c.26.

(2) S.I. 2003/3239 (W.319) amended by S.I. 2004/1010 (W.107) and S.I. 2006/944 (W.93).

## **Ôl-daliad yn sgil tâl anghyfartal - ymdriniaeth cyfrifyddu dros dro**

3.-(1) Mae paragraff (2) o'r rheoliad hwn, a rheoliad 24A o Reoliadau 2003 a fewnosodir gan y paragraff hwnnw, i'w dirymu a hynny'n effeithiol o 1 Ebrill 2011.

(2) Ar ôl rheoliad 24 o Reoliadau 2003 (budd-daliadau ymddeol), mewnosoder y rheoliad a ganlyn-

### **"Back payment following unequal pay**

**24A.**-(1) For the purposes of this regulation-

- (a) a reference to an employee of a local authority includes a reference to a former employee, an officer or a former officer of the local authority;
- (b) a reference to the contract under which an employee was or is employed includes a reference to the terms of appointment under which an officer held or holds office; and
- (c) an employee of a local authority received unequal pay when the amount of pay which the employee received from the local authority for work done by the employee during a particular period is less than the appropriate amount of pay for that work done during that period.

(2) In this regulation-

"appropriate amount of pay", in relation to an employee of the local authority, means the amount of pay to which the employee is entitled in accordance with any equality clause deemed to be included, by virtue of section 1(1) of the Equal Pay Act 1970(1), in the contract under which the employee was or is employed;

"back payment" means a payment of arrears of remuneration made by a local authority for work-

- (a) done by an employee of the local authority;
- (b) in respect of which the employee received unequal pay; and
- (c) done prior to when the employee first receives any increase in pay as a result of receiving that unequal pay,

which is paid to the employee, or part of which is paid to the employee ("the net payment") and part of which is paid to another person on behalf of the employee ("relevant deductions"), because the employee received unequal pay for that work; and

## **Back payment following unequal pay - temporary accounting treatment**

3.-(1) Paragraph (2) of this regulation, and regulation 24A of the 2003 Regulations inserted by that paragraph, are to be revoked with effect from 1 April 2011.

(2) After regulation 24 of the 2003 Regulations (retirement benefits), insert-

### **"Back payment following unequal pay**

**24A.**-(1) For the purposes of this regulation-

- (a) a reference to an employee of a local authority includes a reference to a former employee, an officer or a former officer of the local authority;
- (b) a reference to the contract under which an employee was or is employed includes a reference to the terms of appointment under which an officer held or holds office; and
- (c) an employee of a local authority received unequal pay when the amount of pay which the employee received from the local authority for work done by the employee during a particular period is less than the appropriate amount of pay for that work done during that period.

(2) In this regulation-

"appropriate amount of pay", in relation to an employee of the local authority, means the amount of pay to which the employee is entitled in accordance with any equality clause deemed to be included, by virtue of section 1(1) of the Equal Pay Act 1970(1), in the contract under which the employee was or is employed;

"back payment" means a payment of arrears of remuneration made by a local authority for work-

- (a) done by an employee of the local authority;
- (b) in respect of which the employee received unequal pay; and
- (c) done prior to when the employee first receives any increase in pay as a result of receiving that unequal pay,

which is paid to the employee, or part of which is paid to the employee ("the net payment") and part of which is paid to another person on behalf of the employee ("relevant deductions"), because the employee received unequal pay for that work; and

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(1) 1970 p. 41.

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(1) 1970 c. 41.

"social security costs" means any contributions by a local authority to any state social security or pension scheme, fund or arrangement.

- (3) Paragraph 4 applies where a local authority-
- (a) is required by an employment tribunal or a court to make a back payment;
  - (b) (i) considers that it is probable that an employment tribunal or a court will require it to make a back payment; and  
(ii) is able to make a reasonable estimate of the amount of such back payment;
  - (c) has reached an agreement or otherwise determined to make a back payment; or
  - (d) (i) considers that it is probable that it will reach an agreement or otherwise determine to make a back payment; and  
(ii) is able to make a reasonable estimate of the amount of such back payment.

(4) Where this paragraph applies, on or after 29th March 2007 the local authority need not charge to a revenue account an amount in respect of-

- (a) the back payment (including any relevant deductions); or
- (b) social security costs or other costs incurred by the local authority in relation to that back payment,

until the date on which the local authority must pay that back payment, or the net payment part of that back payment, to the employee either as required by an employment tribunal or court or, in any other case, in accordance with the agreement or determination (as the case may be) made by the local authority in relation to the employee."

#### **Ad-dalu'n gynnar fenthyciadau a llog ar fenthyciadau**

4. Ar ôl rheoliad 24A o Reoliadau 2003 (ôl-daliad yn sgil tâl anghyfartal)(1), mewnosoder-

##### **"Early repayment of loans - premiums and discounts at 31st March 2007**

**24B.**-(1) Subject to paragraph (2), this regulation applies where-

- (a) a local authority repays a loan of money before 1st April 2007 and before the date on which the local authority is required, in accordance with the terms of the loan, to fully repay the whole or the remaining part of it;
- (b) as a consequence of such early repayment-
  - (i) the local authority is required to pay a

"social security costs" means any contributions by a local authority to any state social security or pension scheme, fund or arrangement.

- (3) Paragraph 4 applies where a local authority-
- (a) is required by an employment tribunal or a court to make a back payment;
  - (b) (i) considers that it is probable that an employment tribunal or a court will require it to make a back payment; and  
(ii) is able to make a reasonable estimate of the amount of such back payment;
  - (c) has reached an agreement or otherwise determined to make a back payment; or
  - (d) (i) considers that it is probable that it will reach an agreement or otherwise determine to make a back payment; and  
(ii) is able to make a reasonable estimate of the amount of such back payment.

(4) Where this paragraph applies, on or after 29th March 2007 the local authority need not charge to a revenue account an amount in respect of-

- (a) the back payment (including any relevant deductions); or
- (b) social security costs or other costs incurred by the local authority in relation to that back payment,

until the date on which the local authority must pay that back payment, or the net payment part of that back payment, to the employee either as required by an employment tribunal or court or, in any other case, in accordance with the agreement or determination (as the case may be) made by the local authority in relation to the employee."

#### **Early repayment of loans and interest on loans**

4. After regulation 24A of the 2003 Regulations (back payment following unequal pay)(1), insert -

##### **"Early repayment of loans - premiums and discounts at 31st March 2007**

**24B.**-(1) Subject to paragraph (2), this regulation applies where-

- (a) a local authority repays a loan of money before 1st April 2007 and before the date on which the local authority is required, in accordance with the terms of the loan, to fully repay the whole or the remaining part of it;
- (b) as a consequence of such early repayment-
  - (i) the local authority is required to pay a

(1) Caiiff rheoliad 24A o Reoliadau 2003 ei fewnosod gan reoliad 3(2) o'r Rheoliadau hyn.

(1) Regulation 24A of the 2003 Regulations is inserted by regulation 3(2) of these Regulations.

premium to the lender of the loan or is required, in accordance with proper practices, to account for a amount in respect of a premium as if it were required to pay such a premium; or

- (ii) the lender of the loan gives the local authority a discount on the loan or the authority is required, in accordance with proper practices, to account for an amount in respect of a discount as if the lender had given the local authority such a discount; and
- (c) an amount in respect of the premium or discount, as the case may be, included, in accordance with proper practices, in the local authority's balance sheet at the beginning of the 2007 financial year is less than the amount so included immediately before the 2007 financial year.

(2) This regulation does not apply in relation to an amount in respect of a discount where a local authority credited the total amount of the discount to a revenue account, before the date on which this regulation comes into force, in accordance with proper practices or with proper accounting practices which the local authority was required to follow at that time.

(3) Where this regulation applies, in each relevant year, the amount that a local authority must charge to a revenue account for that financial year in respect of the premium or credit to a revenue account for that financial year in respect of the discount, as the case may be-

- (a) in the case of a premium, is an amount which is the same as or greater than the amount calculated in accordance with the formula specified in paragraph (4);
- (b) in the case of a discount, is an amount which is the same as or less than the amount calculated in accordance with that formula.

(4) The formula specified for the purposes of paragraph (3) is-

$$\frac{A-B}{C}$$

(5) In this regulation-

"2007 financial year" means the financial year which begins on 1st April 2007;

"A" is the amount in respect of a premium or discount, as the case may be, included in the local authority's balance sheet immediately before the 2007 financial year less the amount in respect of the premium or discount included in the local authority's balance sheet at the

premium to the lender of the loan or is required, in accordance with proper practices, to account for a amount in respect of a premium as if it were required to pay such a premium; or

- (ii) the lender of the loan gives the local authority a discount on the loan or the authority is required, in accordance with proper practices, to account for an amount in respect of a discount as if the lender had given the local authority such a discount; and
- (c) an amount in respect of the premium or discount, as the case may be, included, in accordance with proper practices, in the local authority's balance sheet at the beginning of the 2007 financial year is less than the amount so included immediately before the 2007 financial year.

(2) This regulation does not apply in relation to an amount in respect of a discount where a local authority credited the total amount of the discount to a revenue account, before the date on which this regulation comes into force, in accordance with proper practices or with proper accounting practices which the local authority was required to follow at that time.

(3) Where this regulation applies, in each relevant year, the amount that a local authority must charge to a revenue account for that financial year in respect of the premium or credit to a revenue account for that financial year in respect of the discount, as the case may be-

- (a) in the case of a premium, is an amount which is the same as or greater than the amount calculated in accordance with the formula specified in paragraph (4);
- (b) in the case of a discount, is an amount which is the same as or less than the amount calculated in accordance with that formula.

(4) The formula specified for the purposes of paragraph (3) is-

$$\frac{A-B}{C}$$

(5) In this regulation-

"2007 financial year" means the financial year which begins on 1st April 2007;

"A" is the amount in respect of a premium or discount, as the case may be, included in the local authority's balance sheet immediately before the 2007 financial year less the amount in respect of the premium or discount included in the local authority's balance sheet at the

beginning of the 2007 financial year;

"B" is the total of-

- (a) in the case of a premium-
  - (i) any amounts charged to a revenue account before the current year, by virtue of this regulation, in respect of the premium; and
  - (ii) any capital receipts used on or after 1st April 2007 to pay any part of the premium;
- (b) in the case of a discount, any amounts credited to a revenue account before the current year, by virtue of this regulation, in respect of the discount;

"C" is the number of financial years from the current year to the final year inclusive;

"amount" includes a nil amount;

"current year" means the financial year for which the local authority is calculating the amount to charge or credit to its revenue account in accordance with this regulation;

"final year" means-

- (a) in the case of a premium-
  - (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or
  - (ii) if later, the financial year in which the whole or the remaining part of any replacement loan (or, if more than one, the replacement loan which is due to be fully repaid last) is due to be fully repaid in accordance with the terms of the replacement loan;
- (b) in the case of a discount-

- (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or
- (ii) if earlier, the financial year which ends on 31st March 2016;

"relevant year" means the 2007 financial year and each subsequent financial year until, and including, the final year; and

"replacement loan" means any loan of money to the local authority some or all of which the local authority treats, for accounting purposes, as a replacement for some or all of the loan referred to in

beginning of the 2007 financial year;

"B" is the total of-

- (a) in the case of a premium-
  - (i) any amounts charged to a revenue account before the current year, by virtue of this regulation, in respect of the premium; and
  - (ii) any capital receipts used on or after 1st April 2007 to pay any part of the premium;
- (b) in the case of a discount, any amounts credited to a revenue account before the current year, by virtue of this regulation, in respect of the discount;

"C" is the number of financial years from the current year to the final year inclusive;

"amount" includes a nil amount;

"current year" means the financial year for which the local authority is calculating the amount to charge or credit to its revenue account in accordance with this regulation;

"final year" means-

- (a) in the case of a premium-
  - (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or
  - (ii) if later, the financial year in which the whole or the remaining part of any replacement loan (or, if more than one, the replacement loan which is due to be fully repaid last) is due to be fully repaid in accordance with the terms of the replacement loan;
- (b) in the case of a discount-

- (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or
- (ii) if earlier, the financial year which ends on 31st March 2016;

"relevant year" means the 2007 financial year and each subsequent financial year until, and including, the final year; and

"replacement loan" means any loan of money to the local authority some or all of which the local authority treats, for accounting purposes, as a replacement for some or all of the loan referred to in

sub-paragraph (a) of paragraph (1).

**Early repayment of loans - premiums and discounts after 31st March 2007**

24C.-(1) This regulation applies where-

- (a) a local authority repays a loan of money on or after 1st April 2007 but before the date on which the local authority is required, in accordance with the terms of the loan, to fully repay the whole or the remaining part of it;
- (b) as a consequence of such early repayment-
  - (i) the local authority is required to pay a premium to the lender of the loan; or
  - (ii) the lender of the loan gives the local authority a discount on the loan; and
- (c) the local authority is not required, in accordance with proper practices, to include an amount in respect of the premium or the discount, as the case may be, in the local authority's balance sheet on or after 1st April 2007.

(2) Where this regulation applies, in the initial year and in each subsequent financial year until, and including, the final year, the amount that the local authority must charge to a revenue account for that financial year in respect of the premium or credit to a revenue account for that financial year in respect of the discount, as the case may be-

- (a) in the case of a premium, is an amount which is the same as or greater than the amount calculated in accordance with the formula specified in paragraph (3);
- (b) in the case of a discount, is an amount which is the same as or less than the amount calculated in accordance with that formula.

(3) The formula specified for the purposes of paragraph (2) is-

$$\frac{D-E}{F}$$

(4) In this regulation-

"D" is the amount of the premium or the amount of the discount, as the case may be;

"E" is the total of-

- (a) in the case of a premium-
  - (i) any amounts charged to a revenue account before the current year, by virtue of this regulation, in respect of the premium; and
  - (ii) any capital receipts used to pay any part of the premium;
- (b) in the case of a discount, any amounts credited to a revenue account before the

sub-paragraph (a) of paragraph (1).

**Early repayment of loans - premiums and discounts after 31st March 2007**

24C.-(1) This regulation applies where-

- (a) a local authority repays a loan of money on or after 1st April 2007 but before the date on which the local authority is required, in accordance with the terms of the loan, to fully repay the whole or the remaining part of it;
- (b) as a consequence of such early repayment-
  - (i) the local authority is required to pay a premium to the lender of the loan; or
  - (ii) the lender of the loan gives the local authority a discount on the loan; and
- (c) the local authority is not required, in accordance with proper practices, to include an amount in respect of the premium or the discount, as the case may be, in the local authority's balance sheet on or after 1st April 2007.

(2) Where this regulation applies, in the initial year and in each subsequent financial year until, and including, the final year, the amount that the local authority must charge to a revenue account for that financial year in respect of the premium or credit to a revenue account for that financial year in respect of the discount, as the case may be-

- (a) in the case of a premium, is an amount which is the same as or greater than the amount calculated in accordance with the formula specified in paragraph (3);
- (b) in the case of a discount, is an amount which is the same as or less than the amount calculated in accordance with that formula.

(3) The formula specified for the purposes of paragraph (2) is-

$$\frac{D-E}{F}$$

(4) In this regulation-

"D" is the amount of the premium or the amount of the discount, as the case may be;

"E" is the total of-

- (a) in the case of a premium-
  - (i) any amounts charged to a revenue account before the current year, by virtue of this regulation, in respect of the premium; and
  - (ii) any capital receipts used to pay any part of the premium;
- (b) in the case of a discount, any amounts credited to a revenue account before the

current year, by virtue of this regulation, in respect of the discount;

"F" is the number of financial years from the current year to the final year inclusive;

"amount" includes a nil amount;

"current year" means the financial year for which the local authority is calculating the amount to charge or credit to its revenue account in accordance with this regulation;

"final year"-

- (a) in the case of a premium, has the same meaning as in sub-paragraph (a) of the definition of "final year" in regulation 24B;
- (b) in the case of a discount, means-
  - (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or
  - (ii) if earlier, the ninth financial year after the initial year (counting consecutively the financial years immediately following the initial year); and

"initial year" means the financial year in which the loan is repaid.

#### **Interest on loans given by local authorities**

**24D.**-(1) Paragraph (3) applies where-

- (a) on or after 1st April 2007, a local authority gives a loan to a person;
- (b) the local authority, in accordance with proper practices, includes an amount in respect of that loan in its balance sheet at the end of the financial year in which the loan is given ("the loan year"); and
- (c) the amount referred to in sub-paragraph (b) is less than the amount of the loan outstanding at the end of the loan year.

(2) Paragraph (3) applies where-

- (a) a local authority gave a loan to a person before 1st April 2007 and the whole or any remaining part of the loan is outstanding on or after 1st April 2007;
- (b) the local authority, in accordance with proper practices, includes an amount in respect of that loan in its balance sheet at the end of the financial year which began on 1st April 2007 ("the 2007 financial year"); and
- (c) the amount referred to in sub-paragraph (b) is less than the amount of the loan

current year, by virtue of this regulation, in respect of the discount;

"F" is the number of financial years from the current year to the final year inclusive;

"amount" includes a nil amount;

"current year" means the financial year for which the local authority is calculating the amount to charge or credit to its revenue account in accordance with this regulation;

"final year"-

- (a) in the case of a premium, has the same meaning as in sub-paragraph (a) of the definition of "final year" in regulation 24B;
- (b) in the case of a discount, means-
  - (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or
  - (ii) if earlier, the ninth financial year after the initial year (counting consecutively the financial years immediately following the initial year); and

"initial year" means the financial year in which the loan is repaid.

#### **Interest on loans given by local authorities**

**24D.**-(1) Paragraph (3) applies where-

- (a) on or after 1st April 2007, a local authority gives a loan to a person;
- (b) the local authority, in accordance with proper practices, includes an amount in respect of that loan in its balance sheet at the end of the financial year in which the loan is given ("the loan year"); and
- (c) the amount referred to in sub-paragraph (b) is less than the amount of the loan outstanding at the end of the loan year.

(2) Paragraph (3) applies where-

- (a) a local authority gave a loan to a person before 1st April 2007 and the whole or any remaining part of the loan is outstanding on or after 1st April 2007;
- (b) the local authority, in accordance with proper practices, includes an amount in respect of that loan in its balance sheet at the end of the financial year which began on 1st April 2007 ("the 2007 financial year"); and
- (c) the amount referred to in sub-paragraph (b) is less than the amount of the loan

outstanding at the end of the 2007 financial year.

(3) Where this paragraph applies, the amount of the interest, if any, in respect of the loan which the local authority credits to its revenue account-

- (a) (i) where the loan was given on or after 1st April 2007, in the loan year; or
- (ii) where the loan was given before 1st April 2007, in the 2007 financial year; and
- (b) in each subsequent year until, and including, the financial year in which the whole or any remaining part of the loan is fully repaid,

is the amount of the interest, if any, which it is due to receive in that year in accordance with the loan agreement for that loan."

outstanding at the end of the 2007 financial year.

(3) Where this paragraph applies, the amount of the interest, if any, in respect of the loan which the local authority credits to its revenue account-

- (a) (i) where the loan was given on or after 1st April 2007, in the loan year; or
- (ii) where the loan was given before 1st April 2007, in the 2007 financial year; and
- (b) in each subsequent year until, and including, the financial year in which the whole or any remaining part of the loan is fully repaid,

is the amount of the interest, if any, which it is due to receive in that year in accordance with the loan agreement for that loan."

Llofnodwyd ar ran Cynulliad Cenedlaethol Cymru o dan adran 66(1) o Ddeddf Llywodraeth Cymru 1998(1)

27 Mawrth 2007

Signed on behalf of the National Assembly for Wales under section 66(1) of the Government of Wales Act 1998(1)

27 March 2007

*D. Elis-Thomas*

Llywydd y Cynulliad Cenedlaethol

The Presiding Officer of the National Assembly

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OFFERYNNAU STATUDOL

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**2007 Rhif 1051 (Cy.108)**

**LLYWODRAETH LEOL,  
CYMRU**

Rheoliadau Awdurdodau Lleol  
(Cyllid Cyfalaf a Chyfrifyddu)  
(Cymru) (Diwygio) 2007

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STATUTORY INSTRUMENTS

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**2007 No. 1051 (W.108)**

**LOCAL GOVERNMENT,  
WALES**

The Local Authorities (Capital  
Finance and Accounting) (Wales)  
(Amendment) Regulations 2007

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**£3.00**

W0082/04/07

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