



OFFERYNNAU STATUDOL
CYMRU

WELSH
STATUTORY INSTRUMENTS

2008 Rhif 588 (Cy.59)

2008 No. 588 (W.59)

**LLYWODRAETH LEOL,
CYMRU**

**LOCAL GOVERNMENT,
WALES**

Rheoliadau Awdurdodau Lleol
(Cyllid Cyfalaf a Chyfrifyddu)
(Cymru) (Diwygio) 2008

The Local Authorities (Capital
Finance and Accounting) (Wales)
(Amendment) Regulations 2008

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 rhoi darpariaethau newydd yn lle'r rhai yn Rheoliadau 2003 sy'n ymdrin â chyfrifo isafswm darpariaeth refeniw - sef y swm y mae awdurdod lleol yn codi ar ei gyfrif refeniw mewn cysylltiad ag ariannu gwariant cyfalaf. Mae rheoliad 22 newydd yn disodli'r gofyniad bod awdurdodau lleol yn gwneud cyfrifiadau manwl â dyletswydd newydd i wneud darpariaeth ddarbodus.

Regulation 3 substitutes new provisions for those in the 2003 Regulations which deal with the calculation of minimum revenue provision - the amount that a local authority charges to its revenue account in respect of the financing of capital expenditure. New regulation 22 replaces the requirement that local authorities undertake detailed calculations with a new duty to make prudent provision.

Mae rheoliad 4 yn diwygio darpariaethau penodol yn rheoliad 24C o Rheoliadau 2003, sy'n ymwneud â phremiymau a disgowntiau ar fenthyciadau sy'n cael eu codi gan awdurdodau lleol a'u had-dalu'n gynnar, er mwyn i'r darpariaethau hynny adlewyrchu'r rhai cyfatebol yn rheoliad 24B.

Regulation 4 amends certain provisions of regulation 24C of the 2003 Regulations, which is concerned with premiums and discounts on loans taken out by local authorities that are repaid early, so that they mirror equivalent provisions in regulation 24B.

Mae rheoliad 5 yn mewnosod rheoliadau 24E a 24F newydd yn Rhan 6 o Rheoliadau 2003. Mae'r rheoliadau newydd yn rhoi i awdurdodau lleol rywfaint o hyblygrwydd yn y ffordd y maent yn rhoi cyfrif am fenthyciadau ar gyfradd llog gynyddrannol yr ymrwymwyd iddynt cyn 21 Ionawr 2008 ac am warantau ariannol a roesant cyn y dyddiad hwnnw.

Regulation 5 inserts new regulations 24E and 24F into Part 6 of the 2003 Regulations. The new regulations give local authorities some flexibility in the way they account for stepped interest rate loans entered into before 21 January 2008 and financial guarantees they gave before that date.

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Gwnaed 3 Mawrth 2008
*Gosodwyd gerbron Cynulliad
Cenedlaethol Cymru* 5 Mawrth 2008
Yn dod i rym 31 Mawrth 2008

Made 3 March 2008
*Laid before the National
Assembly for Wales* 5 March 2008
Coming into force 31 March 2008

Mae Gweinidogion Cymru, drwy arfer y pwerau a roddwyd gan adrannau 9(3), 21(1), 24 a 123(1) o Ddeddf Llywodraeth Leol 2003(1), yn gwneud y Rheoliadau canlynol:

The Welsh Ministers, in exercise of the powers conferred by sections 9(3), 21(1), 24 and 123(1) of the Local Government Act 2003(1), make the following Regulations:

Enwi, cychwyn a chymhwyso

1.—(1) Enw'r Rheoliadau hyn yw Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) (Diwygio) 2008, a deuant i rym ar 31 Mawrth 2008.

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

Title, commencement and application

1.—(1) The title of these Regulations is The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2008 and they come into force on 31 March 2008.

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

Diwygiadau

2. Mae Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) 2003(2) wedi'u diwygio fel a bennir yn rheoliadau 3 i 5.

Amendments

2. The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003(2) are amended as specified in regulations 3 to 5.

Darpariaeth refeniw

3. Yn lle rheoliad 22 rhodder—

"Calculation of minimum revenue provision

22. A local authority must calculate for the current financial year an amount of minimum revenue provision which it considers to be prudent."

Revenue provision

3. For regulation 22 substitute—

"Calculation of minimum revenue provision

22. A local authority must calculate for the current financial year an amount of minimum revenue provision which it considers to be prudent."

(1) 2003 p.26.

(2) O.S. 2003/3239 (Cy.319), a ddiwygiwyd gan O.S. 2007/1051 (Cy.108); y mae offerynnau diwygio eraill i'w cael, ond nid oes yr un ohonynt yn berthnasol.

(1) 2003 c.26.

(2) S.I. 2003/3239 (W.319), amended by S.I. 2007/1051(W.108); there are other amending instruments but none is relevant.

Ad-dalu benthyciadau'n gynnar - premiymau a disgowntiau ar ôl 31 March 2007

4. Yn rheoliad 24C—

(a) yn lle paragraff (1)(b) rhodder—

"(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 is required, in accordance with proper practices, to account for an 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 local 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";

(b) in paragraph (4), in the definition of "initial year", after "repaid" insert—

";

"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)."

Benthyciadau a gwarantau

5. Ar ôl rheoliad 24D, mewnosoder—

"Interest on stepped interest rate loans taken out by local authorities

24E.—(1) This regulation applies—

- (a) where on any day before 21 January 2008 —
 - (i) a local authority had taken out a stepped interest rate loan, and
 - (ii) that loan had not been repaid in full; and

(b) in relation to financial years beginning on or after 1 April 2007.

(2) Where this regulation applies, the amount the local authority charges to its revenue account with respect to the interest payable on the loan must be either—

- (a) the amount of the interest, if any, which it is due to pay in the financial year in accordance with the loan agreement for that loan; or
- (b) calculated in accordance with the accounting practices identified in regulation 25.

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

4. In regulation 24C—

(a) for paragraph (1)(b) substitute—

"(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 is required, in accordance with proper practices, to account for an 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 local 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";

(b) in paragraph (4), in the definition of "initial year", after "repaid" insert—

";

"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)."

Loans and guarantees

5. After regulation 24D insert—

"Interest on stepped interest rate loans taken out by local authorities

24E.—(1) This regulation applies—

- (a) where on any day before 21 January 2008 —
 - (i) a local authority had taken out a stepped interest rate loan, and
 - (ii) that loan had not been repaid in full; and

(b) in relation to financial years beginning on or after 1 April 2007.

(2) Where this regulation applies, the amount the local authority charges to its revenue account with respect to the interest payable on the loan must be either—

- (a) the amount of the interest, if any, which it is due to pay in the financial year in accordance with the loan agreement for that loan; or
- (b) calculated in accordance with the accounting practices identified in regulation 25.

(3) In this regulation, "stepped interest rate loan" means a loan taken out by a local authority at an interest rate which increases in one or more increments through the life of the loan.

Financial guarantees given by local authorities

24F.—(1) This regulation applies—

- (a) where before 21 January 2008 a local authority has given a financial guarantee on behalf of another person; and
- (b) in relation to financial years beginning on or after 1 April 2007.

(2) Where this regulation applies, the amount the local authority charges to its revenue account with respect to the guarantee must be calculated either—

- (a) in accordance with proper practices for the financial year beginning on 1 April 2006; or
- (b) in accordance with the accounting practices identified in regulation 25."

(3) In this regulation, "stepped interest rate loan" means a loan taken out by a local authority at an interest rate which increases in one or more increments through the life of the loan.

Financial guarantees given by local authorities

24F.—(1) This regulation applies—

- (a) where before 21 January 2008 a local authority has given a financial guarantee on behalf of another person; and
- (b) in relation to financial years beginning on or after 1 April 2007.

(2) Where this regulation applies, the amount the local authority charges to its revenue account with respect to the guarantee must be calculated either—

- (a) in accordance with proper practices for the financial year beginning on 1 April 2006; or
- (b) in accordance with the accounting practices identified in regulation 25."

Brian Gibbons

Y Gweinidog dros Gyfiawnder Cymdeithasol a Llywodraeth Leol, un o Weiniogion Cymru

Minister for Social Justice and Local Government, one of the Welsh Ministers

3 Mawrth 2008

3 March 2008

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