
STATUTORY INSTRUMENTS

2004 No. 556

LOCAL GOVERNMENT, ENGLAND

The Accounts and Audit (Amendment) Regulations 2004

Made - - - - *3rd March 2004*
Laid before Parliament *10th March 2004*
Coming into force - - *1st April 2004*

The First Secretary of State, in exercise of the powers conferred upon him by section 27 of the Audit Commission Act 1998(1) and of all other powers enabling him in that behalf, and after consulting in accordance with section 27(3) of the 1998 Act, the Commission, such associations of local authorities as appear to him to be concerned and such bodies of accountants as appear to him to be appropriate, hereby makes the following Regulations—

Citation, commencement and application

1.—(1) These Regulations may be cited as the Accounts and Audit (Amendment) Regulations 2004 and shall come into force on 1st April 2004.

(2) These Regulations shall apply in England only(2).

Amendment of the Accounts and Audit Regulations 2003

2. Subject to regulation 3 of these Regulations, in regulation 7 of the Accounts and Audit Regulations 2003 (statement of accounts)(3), for paragraph (5) there shall be substituted—

“(5) In the case of a local authority which is required by section 74 of the 1989 Act (duty to keep Housing Revenue Account)(4) to keep a Housing Revenue Account, the statement of accounts required by paragraph (1) shall include also an account in respect of a reserve for major repairs to property of the authority to which section 74(1) of the 1989 Act for the time being applies (to be called a major repairs reserve), showing in particular—

(a) a credit of an amount in respect of any change for depreciation included in the Housing Revenue Account for that year under item 8 of Part II of Schedule 4 to the 1989 Act;

(1) 1998 c. 18 (“the 1998 Act”).

(2) The Secretary of State’s functions under the 1998 Act, so far as exercisable in relation to Wales, are transferred to the National Assembly for Wales by article 2 of the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672); see the entry in Schedule 1 for the 1998 Act.

(3) S.I. 2003/533.

(4) Section 74 is amended by section 222 of and paragraph 24(2) of Schedule 18 to the Housing Act 1996 (c. 52).

- (b) a debit in respect of any capital expenditure, within the meaning of section 16 of the Local Government Act 2003 (“capital expenditure”)(5), which was—
 - (i) incurred in that year;
 - (ii) met by payments out of the major repairs reserve; and
 - (iii) in respect of any land, houses or other property to which section 74(1) of the 1989 Act for the time being applies, other than capital expenditure for the purpose of demolition of any such property;
- (c) a debit in respect of any repayment, made in that year, of the principal of any amount borrowed where the repayment was met by payments out of the major repairs reserve; and
- (d) a debit in respect of the meeting of any liability, in that year, in respect of credit arrangements, other than any liability which, in accordance with proper practices, must be charged to a revenue account, where the meeting of that liability was met by payments out of the major repairs reserve.”.

Saving

3. Nothing in these Regulations shall affect any requirements in respect of accounts for the 12 months ending on 31st March 2003 or in respect of accounts for the 12 months ending on 31st March 2004.

Signed by authority of the First Secretary of State

3rd March 2004

Nick Raynsford
Minister of State,
Office of the Deputy Prime Minister

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Accounts and Audit Regulations 2003 (“the earlier Regulations”). They apply in England only.

Regulation 2 amends regulation 7 of the earlier Regulations by substituting a new paragraph (5). This paragraph provides for what needs to be shown as debited or credited to an account in respect of the major repairs reserve of a local housing authority.

The local housing authority must show in the account relating to the major repairs reserve a credit of an amount in respect of any charge for depreciation included in the Housing Revenue Account under item 8 of Part II of Schedule 4 to the Local Government and Housing Act 1989. The authority must also show as a debit in that account any use of the major repairs reserve for specified capital expenditure or for the repayment of debt.

Regulation 3 provides a saving in respect of the requirements relating to the major repairs reserve imposed by the earlier Regulations for the financial years ending on 31st March 2003 and 31st March 2004. These remain unchanged.

A full regulatory impact assessment has not been produced for this instrument, as it has no impact on the costs of businesses, charities or voluntary bodies.