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WELSH STATUTORY INSTRUMENTS

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**2014 No. 481 (W. 58)**

**LOCAL GOVERNMENT, WALES**

**The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2014**

<i>Made</i>	- - - -	<i>27 February 2014</i>
<i>Laid before the National Assembly for Wales</i>	- -	<i>5 March 2014</i>
<i>Coming into force</i>	- -	<i>31 March 2014</i>

The Welsh Ministers, in exercise of the powers conferred by sections 11(1), 21(1), 24 and 123(1) of the Local Government Act 2003(1), make the following Regulations.

**Title, commencement, and application**

1.—(1) The title of these Regulations is the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2014.

(2) These Regulations come into force on 31 March 2014.

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

**Amendment to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003**

2. The Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003(2) are amended as follows.

**Use of capital receipts**

3. In regulation 18(2) at the end of sub-paragraph (d), for “.” substitute—

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- (1) [2003 c.26](#). Section 24 was amended by section 238(3) of the Local Government and Public Involvement in Health Act [2007 \(c.28\)](#). Powers under sections 11(1) and 21(1) of the Local Government Act 2003 are now vested in the Welsh Ministers so far as they are exercisable in relation to Wales by virtue of section 24(1) of Local Government Act 2003 as amended. They were previously vested in the National Assembly for Wales by section 24(1) of the Local Government Act 2003. By virtue of paragraph 30 of Schedule 11 to the Government of Wales Act [2006 \(c.32\)](#), they were transferred to the Welsh Ministers.
- (2) [S.I. 2003/3239 \(W.319\)](#) as amended by [S.I. 2004/1010 \(W.107\)](#), [2006/944 \(W.93\)](#), [2006/2914](#), [2007/1051 \(W.108\)](#), [2008/588 \(W.59\)](#), [2009/560 \(W.52\)](#), [2010/685 \(W.67\)](#).

“or

- (e) where receipts are received on or after 1 April 2013, to make a back payment (within the meaning of regulation 24A(2) in respect of unequal pay where the liability arises in the circumstances specified in regulation 24A(3)).”

#### **Back Payment following unequal pay**

4. For regulation 24A(3), substitute—

##### **“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(4) 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

“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) considers that it is probable that:
  - (i) 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

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(3) Inserted by [S.I. 2010/685 \(W.67\)](#).

(4) [1970 c.41](#). The Act was repealed by section 211(2) and Schedule 27 of the Equality Act 2010, as amended by [S.I. 2010/2279](#). See [S.I. 2010/2317](#), article 15 for savings provisions.

- (d) considers that it is probable that:
  - (i) 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 31 March 2014 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.

(5) Subject to paragraph (6), this regulation ceases to have effect on 1 April 2018.

(6) Where paragraph (4) applies to an appropriate amount of pay, it continues to apply until the date on which the payment is actually made, whether or not the date is on or after 1 April 2018, but in any event, no later than 1 April 2023.”.

27 February 2014

*Lesley Griffiths*  
Minister for Local Government and Government  
Business, one of the Welsh Ministers.

*Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.*

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## EXPLANATORY NOTE

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

Part 1 of the Local Government Act 2003 (“the 2003 Act”) introduced a legal framework within which local government may undertake capital expenditure. In Wales, the Welsh Ministers may regulate that activity by regulations. Such provision was made by the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (S.I. 2003/3239) (“the 2003 Regulations”) which have been amended by the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2007 (S.I. 2007/1051 (W.108)) (“the 2007 Regulations”) and the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2010 (S.I. 2010/685 (W.67)) (“the 2010 Regulations”).

These Regulations further amend the 2003 Regulations (as amended) and apply in relation to local authorities in Wales.

Regulation 3 amends regulation 18 of the 2003 Regulations to permit local authorities to use capital receipts received on or after 1 April 2013 to make back payments in respect of equal pay. For the purposes of these Regulations and the 2003 Regulations, equal pay is the amount of pay which an employee of a local authority is entitled to in comparison to another employee in the same establishment doing equal work, for periods wholly relating to before 1 October 2010, in accordance with section 1 of the Equal Pay Act 1970 (c.41).

The 2007 Regulations inserted regulation 24A into the 2003 Regulations. Regulation 24A was amended by the 2010 Regulations. The 2010 Regulations provided that regulation 24A ceased to have effect on 1 April 2013. Regulation 4 of these Regulations inserts a new regulation 24A into the 2003 Regulations, which will cease to have effect on 1 April 2018. The new regulation 24A 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. It also provides that where a liability is identified on or before 1 April 2018, the benefit of regulation 24A will apply until 1 April 2023.

The Welsh Ministers’ Regulatory Impact Assessment Code for Subordinate Legislation has been considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of these Regulations. A copy can be obtained from the Local Government Finance Division, Cathays Park, Cardiff, CF10 3NQ (telephone 02920825111).

An Equality Impact Assessment has been prepared in accordance with regulation 8 of the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 (S.I. 2011/1064) in relation these Regulations. A copy can be obtained from the Local Government Finance Division, Cathays Park, Cardiff, CF10 3NQ (telephone 02920825111).