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STATUTORY INSTRUMENTS

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**1996 No. 2900**

**LOCAL GOVERNMENT, ENGLAND AND WALES**

FINANCE

WALES

**The Residuary Body for Wales (Levies) Regulations 1996**

<i>Made</i>	- - - -	<i>21st November 1996</i>
<i>Laid before Parliament</i>		<i>27th November 1996</i>
<i>Coming into force</i>	- -	<i>18th December 1996</i>

The Secretary of State for Wales, in exercise of the powers conferred on him by sections 74, 140(4) and 143(1) and (2) of the Local Government Finance Act 1988(1), and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Residuary Body for Wales (Levies) Regulations 1996 and shall come into force on 18th December 1996.

(2) In these Regulations—

“the Residuary Body” means the Residuary Body for Wales;

“the 1992 Act” means the Local Government Finance Act 1992;

“new authority” means a county or county borough council which is established as a result of the Local Government (Wales) Act 1994(2) and which is specified in the Schedule to these Regulations.

**Application**

2. These Regulations apply in relation to any levy of the Residuary Body to be issued to, or anticipated by, a new authority in respect of any financial year beginning on or after 1st April 1997(3).

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(1) 1988 c. 41; relevant amendments were made to Section 74 by Schedule 13 paragraph 72 to the Local Government Finance Act 1992 (c. 14). Section 143(2) was amended by Schedule 5 paragraph 72(2) to the Local Government and Housing Act 1989 (c. 42).

(2) 1994 c. 19.

(3) By virtue of Schedule 13 paragraph 14 to the Local Government (Wales) Act 1994, the Residuary Body shall be treated as a levying body with respect to which regulations may be made under section 74(2) of the Local Government Finance Act 1988.

### **Power to issue levies**

3. The Residuary Body may in respect of any financial year beginning on or after 1st April 1997, in accordance with these Regulations, issue a levy to each new authority to meet its expenditure for which provision is not otherwise made.

### **Issue of levies**

4.—(1) A levy must be issued before 15th February in the financial year preceding that in respect of which it is issued, but it is not invalid merely because it is issued on or after that date.

(2) This regulation does not apply to a substituted levy issued in accordance with regulation 7.

### **Apportionment**

5.—(1) The Residuary Body shall secure that the amount to be met by levies issued by it under these Regulations in respect of any financial year shall be borne by the new authorities in the relevant proportions.

(2) For the purposes of this regulation, the relevant proportion in relation to any new authority is the proportion equal to the proportion which the council tax base of the area of that new authority for the financial year in respect of which the levy is issued bears to the total of the council tax bases for that year of the areas of all the new authorities.

(3) For the purposes of this regulation and regulation 6, the council tax base for the area of a new authority for a financial year is, subject to paragraph (4) below, the amount calculated by that authority as its council tax base for the year in accordance with the rules for the time being effective (as regards that year) under regulations made under section 33(5) of the 1992 Act.

(4) Where a new authority has calculated its council tax base for its area for the purposes of item T in section 33(1) of the 1992 Act, the council tax base for its area shall be the amount so calculated.

### **Notification of council tax base**

6.—(1) In relation to the financial year beginning on 1st April 1997, a new authority shall, not later than on 31st December 1996, notify the Residuary Body of the council tax base for its area, calculated in accordance with paragraph (3) or, as the case may be, (4) of regulation 5.

(2) In relation to a financial year beginning on or after 1st April 1998, a new authority shall, within the period beginning on 1st November and ending on 31st December in the financial year preceding that year, notify the Residuary Body of the council tax base for its area, calculated in accordance with paragraph (3) or, as the case may be (4), of regulation 5.

### **Substituted levies**

7.—(1) Subject to the following provisions of this regulation, if the Residuary Body has issued a levy for a financial year under these Regulations (originally or by way of substitute) it may issue a levy in substitution.

(2) Except as provided for by paragraph (3) below, no levy may be issued in substitution if its amount would be greater than the amount of levy for which it is substituted.

(3) The amount of any levy issued in substitution (“the new levy”) may be greater than the amount of that for which it is substituted (“the old levy”) if the old levy has been quashed because of a failure to fulfil the requirements of regulation 5, but only so far as the new levy is required to be increased to effect a proper apportionment.

(4) Where the Residuary Body issues a new levy, anything paid to it by reference to the old levy shall be treated as paid by reference to the new levy.

- (5) If the amount of the old levy exceeds that of the new levy—
- (a) the amount paid in excess shall be repaid if the new authority by whom it was paid so requires;
  - (b) in any other case, the amount paid in excess shall (as the Residuary Body determines) either be repaid or credited against any subsequent liability of that new authority in respect of any levy issued by the Residuary Body.

### **Payment of levies**

**8.—(1)** A new authority to which a levy is issued under these Regulations in respect of a financial year shall pay the amount of the levy to the Residuary Body in that financial year—

- (a) at such times and in such instalments (if any) as may be agreed between the Body and that new authority; or
- (b) in default of such agreement,
  - (i) by five equal instalments payable on the first working day in May, July, September, November and January in that financial year, or
  - (ii) if the levy is issued after 30th April in that financial year, by equal instalments or (as the case may be) by a single payment payable on as many of the dates referred to in sub-paragraph (b)(i) above as remain after the date of issue of the levy or, if none so remains, by a single payment payable 30 days after the said date of issue.

but no instalment of levy shall in any case be payable until 30 days after the levy is issued.

(2) References in this regulation to payment of a levy are references to payment of a levy after the deduction of any amount credited against the liability of the relevant billing authority in respect of that levy in accordance with regulation 7(5)(b).

- (3) For the purposes of this regulation—
- (a) “working day” means any day which is not a Saturday, Sunday, Christmas Day, Good Friday or bank holiday; and
  - (b) in the preceding sub-paragraph, “bank holiday” means a day which is, or is to be observed, as a bank holiday, or a holiday, under the Banking and Financial Dealings Act 1971(4) in England and Wales.

### **Interest on unpaid levies**

**9.—(1)** Where any amount of a levy issued under these Regulations is not paid by the due date for payment as provided for in regulation 8, the new authority in question shall be liable to pay to the Residuary Body interest, calculated in accordance with the following provisions of this regulation, on the amount which remains unpaid after the date for payment.

(2) Interest payable under paragraph (1) shall be simple interest calculated from day to day on the unpaid amount from the due date of payment until the date when payment is made at a rate equivalent to 2 per cent. above the highest base rate quoted from time to time by any of the reference banks.

- (3) For the purposes of paragraph (2) above—
- (a) the reference banks are the seven largest institutions—
    - (i) authorised by the Bank of England under the Banking Act 1987(5); and
    - (ii) incorporated in and carrying on a deposit-taking business within the United Kingdom,

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(4) 1971 c. 80.

(5) 1987 c. 22.

which quote a base rate in sterling, and

- (b) the size of an institution is to be determined by reference to its total consolidated gross assets denominated in sterling, as shown by its audited end-year accounts last published before the period for which interest is payable begins.

(4) In this regulation—

“a deposit-taking business” has the meaning given in section 6 of the Banking Act 1987 but subject to any order under section 7 of that Act; and

the reference to the consolidated gross assets of an institution is a reference to the gross assets of that institution together with any subsidiary (within the meaning of Section 736 of the Companies Act 1985<sup>(6)</sup>).

### **Anticipation of levies**

**10.**—(1) A new authority making calculations in accordance with section 32 of the 1992 Act (“the calculations”), originally or by way of substitute, for a financial year may anticipate a levy to be issued to it in accordance with these Regulations for that year by the Residuary Body in any case where—

- (a) such a levy has not been issued by the Residuary Body to the authority at the time when the calculations are made; and  
 (b) the Residuary Body issued a levy to the authority for the preceding financial year.

(2) Subject to paragraph (3) below, where pursuant to paragraph (1) above, an authority anticipates a levy to be issued to it by the Residuary Body for the year, the amount of the levy so anticipated shall be equal to the authority’s estimate, at the time the calculations (or last calculations) are made, of the amount of the levy which it considers likely will be issued to it for the year by the Residuary Body.

(3) Where a levy has previously been anticipated by a new authority for the purposes of the calculations for the year, the amount of the levy which may be anticipated by that authority for the purposes of any substitute calculations for the year shall be equal to the amount previously anticipated.

(4) Notwithstanding that a new authority making calculations (originally or by way of substitute) for a financial year anticipated a levy to be issued in accordance with these Regulations to it by the Residuary Body—

- (a) where the Residuary Body issues such a levy to the new authority, the authority shall pay to the Residuary Body a sum equal to the amount of the levy; and  
 (b) where the Residuary Body does not issue such a levy to the new authority, the new authority shall not be liable to pay any sum to the Residuary Body only by virtue of having anticipated a levy from the Residuary Body.

### **The Residuary Body for Wales (Levies) Regulations 1995**

**11.** The Residuary Body for Wales (Levies) Regulations 1995<sup>(7)</sup> shall not apply in respect of any financial year beginning on or after 1st April 1997.

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<sup>(6)</sup> 1985 c. 6; section 736 was substituted by section 144(1) of the Companies Act 1989 (c. 40).

<sup>(7)</sup> S.I. 1995/2306.

Signed by authority of the Secretary of State for Wales

21st November 1996

*Gwilym Jones*  
Parliamentary Under Secretary of State, Welsh  
Office

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## THE SCHEDULE

Regulation 1(2)

### SPECIFIED NEW AUTHORITIES

Bridgend County Borough Council  
Caerphilly County Borough Council  
Carmarthenshire County Council  
Ceredigion County Council(8)  
Conwy County Borough Council(9)  
Denbighshire County Council  
Flintshire County Council  
Gwynedd County Council(10)  
Isle of Anglesey County Council(11)  
Merthyr Tydfil County Borough Council  
Pembrokeshire County Council  
Rhondda, Cynon, Taff County Borough Council  
Wrexham County Borough Council

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### EXPLANATORY NOTE

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

The Regulations confer a power on the Residuary Body for Wales to issue levies to certain new principal councils created by the Local Government (Wales) Act 1994 for the purpose of meeting the Body's expenditure in respect of financial years beginning on or after 1st April 1997. The new principal councils to whom a levy can be issued by the Residuary Body are specified in the Schedule to the Regulations. These are the only new principal councils which may receive any significant receipts from the disposal by the Residuary Body of the remaining "surplus" property of the county and district councils which ceased to exist on local government reorganisation in Wales on 1st April 1996.

The Regulations include provisions as to when levies are to be issued (regulation 4), the issue of substituted levies (regulation 7), the payment of levies (regulation 8) and interest on unpaid levies (regulation 9). Regulation 5 provides the method of apportioning the amount to be raised by levies between the new authorities. Regulation 6 provides for the new authorities to notify the Residuary Body as to their council tax base. Regulation 10 provides for a new authority to anticipate a levy which may be issued to it.

Regulation 11 provides that the Residuary Body for Wales (Levies) Regulation 1995 (S.I.1995/2306) shall not apply in respect of any financial year beginning on or after 1st April 1997.

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(8) On 2nd April 1996, the name of the county of Cardiganshire was changed to Ceredigion.

(9) On 2nd April 1996, the name of the county borough of Aberconwy and Colwyn was changed to Conwy.

(10) On 2nd April 1996, the name of the county of Caernarfon and Merionethshire was changed to Gwynedd.

(11) On 2nd April 1996, the name of the county of Anglesey was changed to Isle of Anglesey.

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