
WELSH STATUTORY INSTRUMENTS

2003 No. 915 (W.118)

LOCAL GOVERNMENT, WALES

**The Local Authorities (Capital Finance)
(Amendment) (Wales) Regulations 2003**

Made - - - - 26th March 2003

Coming into force - - 1st April 2003

The National Assembly for Wales makes the following Regulations, in exercise of the power given to the Secretary of State by section 42(4) of the Local Government and Housing Act 1989⁽¹⁾ which is now vested in the National Assembly for Wales so far as exercisable in Wales⁽²⁾:

Name, commencement, application and interpretation

1.—(1) These Regulations are called the Local Authorities (Capital Finance) (Amendment) (Wales) Regulations 2003 and shall come into force on 1st April 2003.

(2) The amendments made by these Regulations apply only to local authorities in Wales.

(3) In these Regulations “the 1997 Regulations” (“*Rheoliadau 1997*”) means the Local Authorities (Capital Finance) Regulations 1997⁽³⁾.

Amendment of the Local Authorities (Capital Finance) Regulations 1997

2. After regulation 12A (Expenditure not required to be charged to a revenue account — expenditure for capital purposes on property within the Housing Revenue Account) of the 1997 Regulations insert —

“Expenditure not required to be charged to a revenue account — expenditure in respect of liabilities for retirement benefits

12B.—(1) Expenditure by a local authority in Wales in respect of liabilities for retirement benefits appropriated to a pension reserve in accordance with proper practices shall be expenditure falling within section 42(2).

(2) For the purposes of paragraph (1) “retirement benefits” means benefits payable pursuant to —

(1) 1989 c. 42.

(2) See the National Assembly for Wales (Transfer of Functions) Order (S.I. 1999/672).

(3) S.I. 1997/319 amended by S.I. 2000/3237. There are other amendments not relevant to these Regulations.

Status: This is the original version (as it was originally made).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

- (a) the Local Government Pension Scheme Regulations 1997(4);
- (b) the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000(5);
- (c) the Firemen's Pension Scheme Order 1992(6);
- (d) the Police Pensions Regulations 1987(7);
- (e) the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 1997(8).
- (f) any other regulations made under section 24 of the Superannuation Act 1972 (Compensation for loss of office, etc)(9).”.

Signed on behalf of the National Assembly for Wales under section 66(1) of the Government of Wales Act 1998(10)

26th March 2003

D. Elis-Thomas
The Presiding Officer of the National Assembly

(4) S.I. 1997/1612 amended by S.I. 1998/1238, 1999/1212 and 3438, 2000/1164 and 3025, 2001/1481 and 3401 and 2002/206.
(5) S.I. 2000/1410.
(6) S.I. 1992/129.
(7) S.I. 1987/257 amended by S.I. 1988/1339, 1990/805, 1992/2349, 1994/641, 1996/867, 1998/577, 2000/843 and 1549 and 2001/3888.
(8) S.I. 1997/311 amended by S.I. 1998/2256 and 1999/608.
(9) 1972 c. 11.
(10) 1998 c. 38.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Authorities (Capital Finance) Regulations 1997 (“the 1997 Regulations”) in order to deal with the effects of the application to local authorities of a new accounting standard, 'FRS 17', which requires future liabilities for retirement benefits to be recognised in local authorities' accounts.

Section 42 of the Local Government and Housing Act 1989 provides that certain expenditure of a local authority is not required to be charged to a revenue account of the authority. These Regulations, made under that section, amend the 1997 Regulations by inserting a new regulation which provides that expenditure on liabilities for retirement benefits which a local authority has appropriated to a pension reserve as required by proper accounting practices need not be charged to a revenue account.