
STATUTORY INSTRUMENTS

1995 No. 2306

**LOCAL GOVERNMENT, ENGLAND AND WALES
WALES**

The Residuary Body for Wales (Levies) Regulations 1995

Made - - - - *29th August 1995*
Laid before Parliament *6th September 1995*
Coming into force - - *1st October 1995*

The Secretary of State for Wales, in exercise of the powers conferred on him by sections 74 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 1995 and shall come into force on 1st October 1995.

(2) In these Regulations—

“the Residuary Body” means the Residuary Body for Wales or Corff Gweddilliol Cymru(2);

“the 1992 Act” means the Local Government Finance Act 1992(3);

“the 1994 Act” means the Local Government (Wales) Act 1994(4);

“new authority” means a county or county borough council which is established as a result of the 1994 Act.

Application

2. These Regulations apply in relation to any levy of the Residuary Body to be issued or anticipated in respect of any financial year beginning on or after 1st April 1996.

(1) 1988 c. 41. Section 74 was amended by the Local Government Finance Act 1992 (c. 14.), Schedule 13, paragraph 72, and section 143(2) was amended by the Local Government and Housing Act 1989 (c. 42.), Schedule 5, paragraph 72(2).

(2) The Residuary Body for Wales (or Corff Gweddilliol Cymru) was established under section 39 of the Local Government (Wales) Act 1994 (c. 19.) on 1st February 1995 pursuant to the Residuary Body for Wales (Appointed Day) Order 1995 (S.I.1995/103(c.5)).

(3) 1992 c. 14.

(4) 1994 c. 19.

Power to issue levies

3. The Residuary Body may in respect of any financial year beginning on or after 1st April 1996, 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 amount to be levied by the Residuary Body under these Regulations from time to time shall be borne by the new authorities in the relevant proportion.

(2) For the purposes of paragraph (1) above, the relevant proportion shall be determined by reference to the council tax base for the financial year in respect of which the levy is issued for the area of each new authority.

(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) here 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. In relation to a financial year beginning on or after 1st April 1996, a new authority shall, within the period beginning on 1st November and ending on 31st December in the financial year preceding that year, inform the Residuary Body of the council tax base for its area, determined in accordance with paragraphs (3) and (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) No levy may be issued in substitution if its amount would be greater than the amount of the levy for which it is substituted, except as provided by paragraph (3).

(3) The amount of a 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.

(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 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 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 at such time and in such instalments (if any) as may be agreed between the Residuary Body and the new authority or, in default of such agreement, in five equal instalments, payable respectively by the end of April, June, August, October and December in that financial year, provided however that no instalment shall be payable until 30 days after the levy is issued.

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

Interest on unpaid levies

9.—(1) Where any amount of levy issued by the Residuary Body is not paid by a new authority by the due date for payment, interest shall be payable by that authority in accordance with paragraph (2) below.

(2) Interest shall be simple interest calculated from day to day on the unpaid amount from the due date for 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;

which quotes a base rate in sterling;

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

(4) In paragraph (3) above—

“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⁽⁶⁾); and

“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.

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 “the year”) may anticipate a levy to be issued in accordance with these Regulations to it for the year by the Residuary Body in any case where—

(a) such a levy has not been issued by the Residuary Body to the new authority at the time the calculations are made; and

(b) the Residuary Body issued a levy for the preceding financial year.

(2) Subject to paragraph (3) below, where, pursuant to paragraph (1) above, the authority anticipates a levy to be issued by the Residuary Body for the year, the amount of the levy so

(5) 1987 c. 22.

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

anticipated shall be equal to the authority's estimate, at the time the calculations (or the 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 the new authority for the purposes of any substitute calculations for the year shall be equal to the amount previously anticipated.

(4) Whether or not a new authority making calculations (originally or by way of substitute) for a financial year anticipates 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 new 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 pay any sum to the Residuary Body in respect of such a levy.

29th August 1995

William Hague
Secretary of State for Wales

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations confer a power on the Residuary Body for Wales or Corff Gweddilliol Cymru to issue levies to the 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 in or after 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 all the new authorities. Regulation 6 provides for the supply of information by the new authorities to the Residuary Body. Regulation 10 provides for a new authority to anticipate a levy which may be issued to it.