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STATUTORY INSTRUMENTS

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**2021 No. 611**

**The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2021**

**Citation and commencement**

1.—(1) These Regulations may be cited as the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2021.

(2) These Regulations come into force on 30th June 2021.

**Amendment of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003**

2. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003<sup>(1)</sup> are amended in accordance with regulations 3 to 6.

**Amendment of regulation 1**

3. In regulation 1(5)—

- (a) in the definition of “poolable amount”, for “quarter”, in both places it occurs, substitute “financial year<sup>(2)</sup>”;
- (b) omit the definition of “quarter”;
- (c) omit the definition of “relevant quarter”;
- (d) in the definition of “sub-liability”—
  - (i) after “amount” insert “(“K”);
  - (ii) omit the second “in”.

**Amendment of regulation 12**

4. In regulation 12(1)—

- (a) for “quarter”, in the first place it occurs, substitute “financial year”;
- (b) for sub-paragraph (a) (but not the “or” following it) substitute—
  - “(a) 30th April in the following financial year;”.

**Amendment of regulation 13**

5. In regulation 13—

- (a) in paragraph (3)—
  - (i) for “a rate of 1% above base rate” substitute “the applicable rate”;

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(1) [S.I. 2003/3146](#), amended by [S.I. 2012/711](#), [2013/ 476](#), [1751](#), [2015/341](#), [2017/536](#). There are other amending instruments but none is relevant.

(2) See section 124 of the Local Government Act [2003 \(c. 26\)](#) for the definition of financial year.

- (ii) for “three-monthly” substitute “yearly”;
- (b) in paragraph (6), at the appropriate place insert—
  - ““applicable rate” means whichever is the higher of—
  - (a) 1%; and
  - (b) 1% above base rate;”.

### **Amendment of the Schedule**

- 6.—(1) The Schedule (calculation of the sub-liability) is amended as follows.
- (2) In paragraph 2—
- (a) for the definition of “assumed debt” substitute—
    - ““assumed debt” is an amount calculated in accordance with paragraph 4A;”;
  - (b) for the definition of “local authority share cap” substitute—
    - ““local authority share cap” is an amount calculated in accordance with paragraph 4B;”;
  - (c) for the definition of “previous quarter” substitute—
    - ““previous financial year” means the financial year before the relevant financial year;”;
  - (d) omit the definition of “quarter 1”;
  - (e) omit the definition of “sub-liability”;
  - (f) at the appropriate places insert—
    - ““pooling period” means one of the following periods—
    - (a) a quarter beginning before 1st April 2021;
    - (b) a financial year beginning on or after 1st April 2021;”;
    - ““pooling period 1” means the period from 1st April 2012 to 30th June 2012;”;
    - ““quarter” means one of the following periods—
    - (a) 1st April to 30th June;
    - (b) 1st July to 30th September;
    - (c) 1st October to 31st December;
    - (d) 1st January to 31st March;”;
    - ““relevant financial year” means, in relation to the calculation of the sub-liability, the financial year to which the calculation relates;”.
- (3) In paragraph 3—
- (a) for “relevant quarter”, in each place it occurs, substitute “relevant financial year”;
  - (b) in sub-paragraph (2), for “previous quarter”, in both places it occurs, substitute “previous financial year”.
- (4) In paragraph 4—
- (a) for “relevant quarter”, in each place it occurs, substitute “relevant financial year”;
  - (b) for “previous quarter”, in each place it occurs, substitute “previous financial year”;
  - (c) in the definition of the term C—
    - (i) for “each quarter” substitute “each pooling period”;
    - (ii) for “quarter 1” substitute “pooling period 1”;

- (d) in the definition of the term F, for “quarters”, in both places it occurs, substitute “pooling periods”;
- (e) in the definition of the term F\*\*—
- (i) for “each quarter” substitute “each pooling period”;
  - (ii) for “quarter 1” substitute “pooling period 1”;
- (f) in the definition of the term L\*\*, for “paragraph 9; and” substitute “paragraph 9(1)”;
- (g) in the definition of the term M, at the end insert “; and”;
- (h) after the definition of the term M insert—
- “N\* means the assumed debt for the previous financial year;
  - O\* means the local authority share cap for the previous financial year;
  - P has the meaning set out in paragraph 9(2);
  - P\* means the value of P for the previous financial year.”.
- (5) After paragraph 4 insert—
- 4A.** The assumed debt is—
- (a) in the financial year beginning on 1st April 2021, the amount of debt assumed to be associated with a local authority in that year as set out in Table A in this Schedule; and
  - (b) in each subsequent financial year—
- $N^* \times 1.01$**
- 4B.** The local authority share cap is—
- (a) in the financial year beginning on 1st April 2021, the amount attributable to an authority set out in Table B in this Schedule; and
  - (b) in each subsequent financial year—
- $O^* \times 1.01$**
- .”.
- (6) In paragraph 8—
- (a) omit sub-paragraph (a);
  - (b) in sub-paragraph (b), omit the words from “in quarters other than quarter 1—”.
- (7) For paragraph 9 substitute—
- 9.—(1)** L\*\* means—
- $183,000,000 \div P$**
- (2) P means—
- (a) in the financial year beginning on 1st April 2021, 77,988,112.73;
  - (b) in each subsequent financial year—
- $P^* \times 1.01$**
- .”.
- (8) In paragraph 10—

- (a) omit sub-paragraph (a);
- (b) in sub-paragraph (b), omit the words from “in any” to “2013—”.
- (9) For Table A substitute the table in Schedule 1.
- (10) For Table B substitute the table in Schedule 2.

### **Transitional and saving provisions**

7.—(1) Regulations 1 and 12 of the principal Regulations continue to apply as they had effect immediately before the coming into force of these Regulations—

- (a) in relation to capital receipts received before 1st April 2021; and
- (b) for the purpose of determining the value of F for the quarters during the period 1st April 2012 to 31st March 2013.

(2) In respect of any unpaid amount payable before 31st July 2021, regulation 13 of the principal Regulations has effect as if—

- (a) in paragraph (3) for “yearly rests” there were substituted “three-monthly rests until 31st July 2021 and yearly rests thereafter”;
- (b) for the definition of “applicable rate” in paragraph (6) there were substituted—

““applicable rate” means—

- (a) for a day falling before [30th June 2021], 1% above base rate; and
- (b) for a day falling after that date, whichever is the higher of—
  - (i) 1%; and
  - (ii) 1% above base rate;”.

(3) For the purpose of calculating the sub-liability for the financial year beginning on 1st April 2021, the Schedule to the principal Regulations applies as if for “previous financial year”, in each place it occurs, there were substituted “previous pooling period”.

(4) The following provisions in the Schedule to the principal Regulations continue to apply as they had effect immediately before the coming into force of these Regulations for the purpose of determining the assumed debt for a pooling period beginning before 1st April 2021, subject to the modifications set out in paragraphs (6) and (7)—

- (a) the definition of assumed debt in paragraph 2;
- (b) Table A.

(5) The following provisions in the Schedule to the principal Regulations continue to apply as they had effect immediately before the coming into force of these Regulations for the purpose of determining the local authority share cap for a pooling period beginning before 1st April 2021, subject to the modifications set out in paragraph (7)—

- (a) the definition of local authority share cap in paragraph 2;
- (b) Table B.

(6) The modification is that the definition of assumed debt is to be read as if for “quarter” there were substituted “pooling period”.

(7) The modifications are that the table is to be read as if—

- (a) in the heading, for “quarter” there were substituted “pooling period”;
- (b) in the column headed authority, for “Shepway” there were substituted “Folkestone and Hythe”.

(8) In this regulation “the principal Regulations” means the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

Signed by authority of the Secretary of State for Housing, Communities and Local Government

24th May 2021

*Christopher Pincher*  
Minister of State  
Ministry of Housing, Communities and Local  
Government