



OFFERYNNAU STATUDOL
CYMRU

WELSH STATUTORY
INSTRUMENTS

2009 Rhif 560 (Cy.52)

2009 No. 560 (W.52)

**LLYWODRAETH LEOL,
CYMRU**

**LOCAL GOVERNMENT,
WALES**

Rheoliadau Awdurdodau Lleol
(Cyllid Cyfalaf a Chyfrifyddu)
(Cymru) (Diwygio) 2009

The Local Authorities (Capital
Finance and Accounting) (Wales)
(Amendment) Regulations 2009

NODYN ESBONIADOL

EXPLANATORY NOTE

(Nid yw'r nodyn hwn yn rhan o'r Rheoliadau)

(This note is not part of the Regulations)

Mae'r Rheoliadau hyn yn diwygio Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) 2003 ("Rheoliadau 2003") ac maent yn gymwys o ran awdurdodau lleol yng Nghymru. Maent yn newid y modd arferol y mae colledion ariannol penodol a ddioddefir gan awdurdodau lleol yn cael eu trin o safbwynt cyfrifyddu drwy ganiatáu i awdurdod lleol y mae'r colledion yn effeithio arno gofnodi credyd i'w gwrthbwyso yn ei gyfrifon hyd at werth y golled. Effaith hyn yw lleddfu ar effeithiau'r golled ar gyfrifiadau cyllidebol yr awdurdod tra bo cyfrifon yr awdurdod yn parhau i ddangos yn llawn y golled yr aed iddi. Trefniant dros dro yw hwn: rhaid i'r credyd sy'n gwrthbwyso gael ei wrth-droi'n llawn yn y flwyddyn ariannol sy'n dechrau ar 1 Ebrill 2010 os na fydd eisoes wedi'i wrth-droi erbyn hynny.

These Regulations amend the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 ("the 2003 Regulations") and apply in relation to local authorities in Wales. They alter the ordinary accounting treatment of certain financial losses suffered by local authorities by allowing an affected local authority to record an offsetting credit in its accounts of up to the value of the loss. The effect of this is that whilst the authority's accounts continue to fully show the loss that has been incurred, the effects of the loss on the authority's budget calculations are mitigated. This is a temporary arrangement: the offsetting credit must be fully reversed in the financial year beginning on 1 April 2010 if it has not already been reversed by then.

Nid oes asesiad effaith rheoleiddiol wedi'i lunio ar gyfer yr offeryn hwn, gan na ragwelir y bydd yr offeryn yn effeithio o gwbl ar fusnes, elusennau na'r sector gwirfoddol.

A regulatory impact assessment has not been produced for this instrument as no impact on business, charities or the voluntary sector is foreseen.

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**LLYWODRAETH LEOL,
CYMRU**

**Rheoliadau Awdurdodau Lleol
(Cyllid Cyfalaf a Chyfrifyddu)
(Cymru) (Diwygio) 2009**

Gwnaed 6 Mawrth 2009
*Gosodwyd gerbron Cynulliad
Cenedlaethol Cymru* 10 Mawrth 2009
Yn dod i rym 31 Mawrth 2009

Mae Gweinidogion Cymru, drwy arfer y pwerau a roddwyd gan adrannau 21(1), 24 a 123(1) o Ddeddf Llywodraeth Leol 2003(1), yn gwneud y Rheoliadau canlynol:

Enwi, cychwyn a chymhwyso

1.—(1) Enw'r Rheoliadau hyn yw Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) (Diwygio) 2009 a deuant i rym ar 31 Mawrth 2009.

(2) Mae'r Rheoliadau hyn yn gymwys o ran awdurdodau lleol yng Nghymru.

**Diwygio Rheoliadau Awdurdodau Lleol (Cyllid
Cyfalaf a Chyfrifyddu) (Cymru) 2003**

2. Mae Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) 2003(2) wedi'u diwygio drwy fewnosod y canlynol ar ôl rheoliad 24F—

"Impairment of certain investments

24G.—(1) Where, in relation to a relevant investment, in accordance with proper practices—

- (a) an impairment loss is recognised in a revenue account of the local authority for the financial year beginning on 1 April 2008;

(1) 2003 p.26.

(2) O.S. 2003/3239 (Cy.319), a ddiwygiwyd gan O.S. 2007/1051 (Cy.108) ac O.S. 2008/588 (Cy.59); y mae offerynnau diwygio eraill i'w cael, ond nid oes yr un ohonynt yn berthnasol.

2009 No. 560 (W.52)

**LOCAL GOVERNMENT,
WALES**

**The Local Authorities (Capital
Finance and Accounting) (Wales)
(Amendment) Regulations 2009**

Made 6 March 2009
*Laid before the National
Assembly for Wales* 10 March 2009
Coming into force 31 March 2009

The Welsh Ministers, in exercise of the powers conferred by sections 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 2009 and they come into force on 31 March 2009.

(2) 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 by the insertion after regulation 24F of—

"Impairment of certain investments

24G.—(1) Where, in relation to a relevant investment, in accordance with proper practices—

- (a) an impairment loss is recognised in a revenue account of the local authority for the financial year beginning on 1 April 2008;

(1) 2003 c.26.

(2) S.I. 2003/3239 (W.319), amended by S.I. 2007/1051 (W.108) and S.I. 2008/588 (W.59); there are other amending instruments but none is relevant.

- (b) an impairment loss is recognised in a revenue account of the local authority for the financial year beginning on 1 April 2009; or
- (c) the value of an impairment loss recognised in a revenue account of the local authority for the financial year beginning on 1 April 2008 is increased in a revenue account of the authority for the financial year beginning on 1 April 2009,

the local authority may credit to a revenue account for the year in which the loss is recognised, or increased in value, any amount up to the amount of the loss.

(2) A local authority which credits an amount to a revenue account for the financial year beginning on 1 April 2008 under paragraph (1) may debit an amount of up to the value of that credit to a revenue account for the financial year beginning on 1 April 2009.

(3) Where—

- (a) under paragraph (1) a local authority credits an amount to a revenue account for the financial year beginning on 1 April 2008; and
- (b) in accordance with proper practices—
 - (i) the value of the impairment loss to which that credit relates is reduced in the financial year beginning on 1 April 2009, and
 - (ii) the local authority credits an amount to a revenue account for that year to recognise that reduction,

the local authority must debit to a revenue account for the financial year beginning on 1 April 2009 an amount equal to the credit mentioned in paragraph (b)(ii).

(4) Where—

- (a) under paragraph (1) a local authority credits an amount to a revenue account for the year beginning on 1 April 2008; and
- (b) in accordance with proper practices credits or has credited any amount to a revenue account before 1 April 2009 in respect of interest on the relevant investment not received on or before the date of the event giving rise to the impairment loss,

the local authority must debit to a revenue account for the financial year beginning on 1 April 2008 an amount equal to the total of the amounts mentioned in sub-paragraph (b).

(5) Where—

- (a) under paragraph (1) a local authority credits an amount to a revenue account

- (b) an impairment loss is recognised in a revenue account of the local authority for the financial year beginning on 1 April 2009; or
- (c) the value of an impairment loss recognised in a revenue account of the local authority for the financial year beginning on 1 April 2008 is increased in a revenue account of the authority for the financial year beginning on 1 April 2009,

the local authority may credit to a revenue account for the year in which the loss is recognised, or increased in value, any amount up to the amount of the loss.

(2) A local authority which credits an amount to a revenue account for the financial year beginning on 1 April 2008 under paragraph (1) may debit an amount of up to the value of that credit to a revenue account for the financial year beginning on 1 April 2009.

(3) Where—

- (a) under paragraph (1) a local authority credits an amount to a revenue account for the financial year beginning on 1 April 2008; and
- (b) in accordance with proper practices—
 - (i) the value of the impairment loss to which that credit relates is reduced in the financial year beginning on 1 April 2009, and
 - (ii) the local authority credits an amount to a revenue account for that year to recognise that reduction,

the local authority must debit to a revenue account for the financial year beginning on 1 April 2009 an amount equal to the credit mentioned in paragraph (b)(ii).

(4) Where—

- (a) under paragraph (1) a local authority credits an amount to a revenue account for the year beginning on 1 April 2008; and
- (b) in accordance with proper practices credits or has credited any amount to a revenue account before 1 April 2009 in respect of interest on the relevant investment not received on or before the date of the event giving rise to the impairment loss,

the local authority must debit to a revenue account for the financial year beginning on 1 April 2008 an amount equal to the total of the amounts mentioned in sub-paragraph (b).

(5) Where—

- (a) under paragraph (1) a local authority credits an amount to a revenue account

for the year beginning on 1 April 2008 or 1 April 2009; and

- (b) in accordance with proper practices credits or has credited any amount to a revenue account before 1 April 2010 in respect of interest on the relevant investment not received on or before the date of the event giving rise to the impairment loss,

to the extent it has not debited an amount under paragraph (4) in respect of the interest, the local authority must debit to a revenue account for the financial year beginning on 1 April 2009 an amount equal to the total of the amounts mentioned in sub-paragraph (b).

(6) A local authority need not under paragraphs (3) to (5) debit to a revenue account a total amount that exceeds the total amount it has credited under paragraph (1).

(7) In paragraph (6), the reference to the total amount credited under paragraph (1) is a reference to that amount as reduced by a debit under paragraph (2).

(8) To the extent that a credit under paragraph (1) has not been fully reversed by debits under paragraphs (2) to (5), a local authority must debit to a revenue account for the financial year beginning on 1 April 2010 an amount equal to the value of the credit.

(9) In this regulation, a relevant investment is a local authority investment—

- (a) in a bank;
- (b) affected by an event in the period commencing on 1 April 2008 and ending on 27 November 2008,

other than an investment of the type described in section 17(1)(e)(1)."

for the year beginning on 1 April 2008 or 1 April 2009; and

- (b) in accordance with proper practices credits or has credited any amount to a revenue account before 1 April 2010 in respect of interest on the relevant investment not received on or before the date of the event giving rise to the impairment loss,

to the extent it has not debited an amount under paragraph (4) in respect of the interest, the local authority must debit to a revenue account for the financial year beginning on 1 April 2009 an amount equal to the total of the amounts mentioned in sub-paragraph (b).

(6) A local authority need not under paragraphs (3) to (5) debit to a revenue account a total amount that exceeds the total amount it has credited under paragraph (1).

(7) In paragraph (6), the reference to the total amount credited under paragraph (1) is a reference to that amount as reduced by a debit under paragraph (2).

(8) To the extent that a credit under paragraph (1) has not been fully reversed by debits under paragraphs (2) to (5), a local authority must debit to a revenue account for the financial year beginning on 1 April 2010 an amount equal to the value of the credit.

(9) In this regulation, a relevant investment is a local authority investment—

- (a) in a bank;
- (b) affected by an event in the period commencing on 1 April 2008 and ending on 27 November 2008,

other than an investment of the type described in section 17(1)(e)(1)."

(1) Yn Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) 2003 mae unrhyw gyfeiriad at adran yn gyfeiriad at adran o Ddeddf Llywodraeth Leol 2003: gweler rheoliad 1(3).

(1) In the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 any reference to a section is a reference to a section of the Local Government Act 2003: see regulation 1(3).

Brian Gibbons

Y Gweinidog dros Gyfiawnder Cymdeithasol a
Llywodraeth Leol, un o Weinidogion Cymru.

Minister for Social Justice and Local Government, one
of the Welsh Ministers.

6 Mawrth 2009

6 March 2009

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