OFFERYNNAU STATUDOL CYMRU

WELSH STATUTORY INSTRUMENTS

2016 Rhif 102 (Cy. 50)

2016 No. 102 (W. 50)

LLYWODRAETH LEOL, CYMRU

LOCAL GOVERNMENT, WALES

Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) (Diwygio) 2016

The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2016

NODYN ESBONIADOL

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

Cyflwynodd Rhan 1 o Ddeddf Llywodraeth Leol 2003 fframwaith cyfreithiol y caiff llywodraeth leol ymgymryd â gwariant cyfalaf oddi mewn iddo. Yng Nghymru, caiff Gweinidogion Cymru reoleiddio'r gweithgarwch hwnnw drwy reoliadau. Gwnaed darpariaeth o'r fath gan Reoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) 2003 (O.S. 2003/3239 (Cy. 319)) ("Rheoliadau 2003").

Mae'r Rheoliadau hyn yn diwygio Rheoliadau 2003 ac maent yn gymwys i awdurdodau lleol yng Nghymru ar gyfer blynyddoedd ariannol sy'n dechrau ar 1 Ebrill 2015 ac wedi hynny.

O dan arferion cyfrifyddu priodol mae'n ofynnol i awdurdodau lleol fesur asedau a rhwymedigaethau ariannol ar sail gwerth teg. Ystyr gwerth teg yw'r pris y byddid yn ei gael wrth werthu ased neu a delid wrth drosglwyddo rhwymedigaeth mewn trafodiad trefnus rhwng cyfranogwyr yn y farchnad ar y dyddiad mesur.

Pan gytunir ar fenthyciad ar sail gwerth sy'n wahanol i'r gwerth teg yna rhaid cydnabod y gwahaniaeth rhwng y swm a fenthyciwyd a'r gwerth teg yng nghyfrif refeniw awdurdod lleol. Mae'r arferion cyfrifyddu priodol yn nodi y gallai methiant i gydnabod y gwahaniaeth rhwng y symiau hynny arwain at gyflwyno barn amodol ar gyfrif refeniw.

Mae'r Rheoliadau hyn yn cael gwared ar y gofyniad i awdurdodau lleol gydnabod, mewn cyfrif refeniw, y gwahaniaeth rhwng gwerth teg a'r gwerth y cytunwyd arno ar gyfer y benthyciadau a gafodd yr awdurdodau lleol hynny yng Nghymru sydd â stoc dai gan y Bwrdd Benthyciadau Gwaith Cyhoeddus ("BBGC").

EXPLANATORY NOTE

(This note is not part of the Regulations)

Part 1 of the Local Government Act 2003 introduced a legal framework within which local government may undertake capital expenditure. In Wales, the Welsh Ministers may regulate that activity by regulations. Such provision was made by the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (S.I. 2003/3239 (W. 319)) ("the 2003 Regulations").

These Regulations amend the 2003 Regulations and apply in relation to local authorities in Wales for financial years beginning on and after 1 April 2015.

Under proper accounting practices local authorities are required to measure assets and financial liabilities at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where a loan is agreed at a value different from the fair value then the sum by which the amount lent exceeds fair value must be recognised in a local authority's revenue account. Proper accounting practices stipulate that failure to recognise the difference in these amounts could result in a revenue account being qualified.

These Regulations remove the requirement for local authorities to recognise in a revenue account the difference between fair value and the agreed value of loans acquired by the Welsh local authorities with housing stock from the Public Works Loan Board ("PWLB").

Sefydlwyd y system Cymhorthdal Cyfrif Refeniw Tai ("CCRT") yn wreiddiol er mwyn galluogi Llywodraeth y DU i ddynodi pa gymorth ariannol oedd ei angen ar awdurdodau lleol yng Nghymru a Lloegr er mwyn rheoli eu tai cyngor. Ym mis Ebrill 2015 ymunodd yr un awdurdod lleol ar ddeg a oedd â stoc dai yng Nghymru â chynllun prynu allan, gan ymadael â'r system CCRT drwy ddefnyddio benthyciadau'r BBGC. Mae prynu allan o'r CCRT yn rhoi rhyddid newydd i awdurdodau lleol yng Nghymru wella tai ac adeiladu tai newydd. Unwaith y bydd darpariaethau perthnasol Deddf Tai (Cymru) 2014 yn dod i rym, bydd y system CCRT yn cael ei diddymu o ran Cymru.

The Housing Revenue Account Subsidy ("HRAS") system was originally established to enable the UK Government to identify the financial support needed by local authorities in England and Wales to manage their council housing. In April 2015 the eleven local authorities with housing stock in Wales entered into a buyout scheme and exited the HRAS system by way of PWLB loans. The HRAS buyout provides local authorities in Wales with new freedom to improve housing and build new homes. Once the relevant provisions of the Housing (Wales) Act 2014 come into force, the HRAS system will be abolished in relation to Wales.

Cafodd y benthyciadau y mae'r Rheoliadau hyn yn gymwys iddynt eu tynnu i lawr ar 2 Ebrill 2015 er mwyn prynu allan o'r CCRT. Nid yw'r Rheoliadau hyn yn gymwys i unrhyw rwymedigaethau eraill sy'n perthyn i awdurdod lleol.

The loans to which these Regulations apply were drawn down on 2 April 2015 for the purpose of the HRAS buyout. These Regulations do not apply to any other liabilities of a local authority.

Yn unol â'r diwygiad a wneir gan reoliad 3, rhaid cydnabod y llog sy'n daladwy ar fenthyciadau'r BBGC yng nghyfrif refeniw awdurdod lleol ar y diwrnod y mae'r awdurdod yn dod yn atebol am y llog hwnnw, neu cyn gynted ag y bo'n ymarferol.

In accordance with the amendment made by regulation 3, the interest payable on the PWLB loans must be recognised in a revenue account of a local authority on the day the authority becomes liable for that interest, or as soon as practicable.

Ystyriwyd Cod Asesiadau Effaith Rheoleiddiol Gweinidogion Cymru ar Is-ddeddfwriaeth mewn perthynas â'r Rheoliadau hyn. O ganlyniad, ni luniwyd asesiad effaith rheoleiddiol o'r costau a'r manteision sy'n debygol o ddeillio o'r Rheoliadau hyn.

The Welsh Ministers' Regulatory Impact Assessment Code for Subordinate Legislation has been considered in relation to these Regulations. As a result, a regulatory impact assessment has not been prepared as to the likely costs and benefits of these Regulations.

O F F E R Y N N A U S T A T U D O L
C Y M R U

2016 Rhif 102 (Cy. 50)

LLYWODRAETH LEOL, CYMRU

Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) (Diwygio) 2016

Gwnaed	*28 Ionawrr 2016*
Gosodwyd gerbron Cynulliad Cenedlaethol Cymru	*3 Chwefror 2016*
Yn dod i rym	*31 Mawrth 2016*

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 a ganlyn.

Enwi a chychwyn

1.—(1) Enw'r Rheoliadau hyn yw Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) (Diwygio) 2016.

(2) Mae'r Rheoliadau hyn yn dod i rym ar 31 Mawrth 2016.

(**1**) 2003 p. 26. Diwygiwyd adran 24 gan adran 238(3) o Ddeddf Llywodraeth Leol a Chynnwys y Cyhoedd mewn Iechyd 2007 (p. 28). Mae'r pwerau o dan adran 21(1) o Ddeddf Llywodraeth Leol 2003 bellach wedi eu breinio yng Ngweinidogion Cymru i'r graddau y maent yn arferadwy o ran Cymru, yn rhinwedd adran 24(1) o Ddeddf Llywodraeth Leol 2003 fel y'i diwygiwyd. Roedd y pwerau wedi eu breinio'n flaenorol yng Nghynulliad Cenedlaethol Cymru gan adran 24(1) o Ddeddf Llywodraeth Leol 2003. Yn rhinwedd paragraff 30 o Atodlen 11 i Ddeddf Llywodraeth Cymru 2006 (p. 32), fe'u trosglwyddwyd i Weinidogion Cymru.

W E L S H S T A T U T O R Y
I N S T R U M E N T S

2016 No. 102 (W. 50)

LOCAL GOVERNMENT, WALES

The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2016

Made	*28 January 2016*
Laid before the National Assembly for Wales	*3 February 2016*
Coming into force	*31 March 2016*

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 and commencement

1.—(1) The title of these Regulations is the Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2016.

(2) These Regulations come into force on 31 March 2016.

(**1**) 2003 c. 26. Section 24 was amended by section 238(3) of the Local Government and Public Involvement in Health Act 2007 (c. 28). Powers under section 21(1) of the Local Government Act 2003 are now vested in the Welsh Ministers so far as they are exercisable in relation to Wales, by virtue of section 24(1) of the Local Government Act 2003 as amended. The powers were previously vested in the National Assembly for Wales by section 24(1) of the Local Government Act 2003. By virtue of paragraph 30 of Schedule 11 to the Government of Wales Act 2006 (c. 32), they were transferred to the Welsh Ministers.

(3) Yn y Rheoliadau hyn ystyr "Rheoliadau 2003" ("*the 2003 Regulations*") yw Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) 2003(**1**).

Diwygio Rheoliadau 2003

2. Mae Rheoliadau 2003 wedi eu diwygio yn unol â rheoliad 3.

Arferion cyfrifyddu

3. Ar ôl rheoliad 25 o Reoliadau 2003 mewnosoder—

"**25A. Accounting treatment of loans from the Public Works Loan Board drawn down on 2 April 2015**

(1) This regulation applies to loans for the purpose of funding the settlement payment to exit the HRA Subsidy system—

(a) given to local authorities by the Public Works Loan Board; and

(b) drawn down on 2 April 2015.

(2) Where the interest rates applicable to the loans specified in paragraph (1) are agreed at a rate of interest which is other than the prevailing market rate of interest set on 2 April 2015, a local authority is not required to recognise in its revenue account any difference from the prevailing market rate for the purpose of fair value.

(3) Interest payable on a loan specified in paragraph (1) must be recognised in a local authority revenue account on the day when, or as soon as practicable after, a local authority becomes liable to pay that interest.

(4) This regulation applies to the financial years beginning on and after 1 April 2015.

(5) In this regulation—

"fair value" means the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in accordance with proper practices as defined in regulation 25;

(3) In these Regulations "the 2003 Regulations" ("*Rheoliadau 2003*") means the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003(**1**).

Amendment to the 2003 Regulations

2. The 2003 Regulations are amended in accordance with regulation 3.

Accounting practices

3. After regulation 25 of the 2003 Regulations insert—

"**25A. Accounting treatment of loans from the Public Works Loan Board drawn down on 2 April 2015**

(1) This regulation applies to loans for the purpose of funding the settlement payment to exit the HRA Subsidy system—

(a) given to local authorities by the Public Works Loan Board; and

(b) drawn down on 2 April 2015.

(2) Where the interest rates applicable to the loans specified in paragraph (1) are agreed at a rate of interest which is other than the prevailing market rate of interest set on 2 April 2015, a local authority is not required to recognise in its revenue account any difference from the prevailing market rate for the purpose of fair value.

(3) Interest payable on a loan specified in paragraph (1) must be recognised in a local authority revenue account on the day when, or as soon as practicable after, a local authority becomes liable to pay that interest.

(4) This regulation applies to the financial years beginning on and after 1 April 2015.

(5) In this regulation—

"fair value" means the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, in accordance with proper practices as defined in regulation 25;

(**1**) O.S. 2003/3239 (Cy. 319) fel y'i diwygiwyd gan O.S. 2004/1010 (Cy. 107), 2006/994 (Cy. 93), 2006/2914, 2007/1051 (Cy. 108), 2008/588 (Cy. 59), 2009/560 (Cy. 52), 2010/685 (Cy. 67) a 2014/481 (Cy. 58).

(**1**) S.I. 2003/3239 (W. 319) as amended by S.I. 2004/1010 (W. 107), 2006/994 (W. 93), 2006/2914, 2007/1051 (W. 108), 2008/588 (W. 59), 2009/560 (W. 52), 2010/685 (W. 67) and 2014/481 (W. 58).

"HRA Subsidy" means the system established under section 79 of the Local Government and Housing Act 1989(**1**)."

"HRA Subsidy" means the system established under section 79 of the Local Government and Housing Act 1989(**1**)."

Leighton Andrews

Y Gweinidog Gwasanaethau Cyhoeddus, un o Weinidogion Cymru
28 Ionawr 2016

Minister for Public Services, one of the Welsh Ministers
28 January 2016

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(**1**) 1989 (p. 42). Bydd adran 79 o Ddeddf Llywodraeth Leol a Thai 1989 yn cael ei diddymu o ran Cymru gan adran 131(2) a (3)(a) o Ddeddf Tai (Cymru) 2014 (dccc 7).

(**1**) 1989 (c. 42). Section 79 of the Local Government and Housing Act 1989 is going to be repealed in relation to Wales by section 131(2) and (3)(a) of the Housing (Wales) Act 2014 (anaw 7).

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LLYWODRAETH LEOL, CYMRU

LOCAL GOVERNMENT, WALES

Rheoliadau Awdurdodau Lleol (Cyllid Cyfalaf a Chyfrifyddu) (Cymru) (Diwygio) 2016

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