WELSH STATUTORY INSTRUMENTS

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;

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

(**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.

(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;