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Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Lord Dafydd Elis-Thomas AM
Presiding Officer
National Assembly for Wales

16 February 2011

Dear Dafydd,

THE LOCAL AUTHORITIES (ALTERATION OF REQUISITE CALCULATIONS) (WALES) REGULATIONS 2011

I am writing to inform you that in order to bring the Local Authorities (Alteration of Requisite Calculations) (Wales) Regulations 2011 into force in Wales, it has become necessary to breach the 21 day rule. These Regulations were made on 16 February and laid in Table Office on 18 February 2011. They will come into force on 28 February 2011.

These Regulations amend the components of calculations set out in the Local Government Finance Act 1992, which make provision as to how local authorities and major precepting authorities are to calculate their budget requirements and council tax.

Sections 32 and 43 of the Local Government Finance Act 1992 set out respectively how a billing authority (county or county borough council) and a major precepting authority (police authority) are to calculate their budget requirements for a financial year. Sections 33 and 44 of the 1992 Act set out respectively how a billing authority (county or county borough council) and a major precepting authority (police authority) are to calculate the basic amount of their council tax.

Similar Regulations are made each year following the approval by the House of Commons of the annual Police Grant Report and the approval by the National Assembly for Wales of the annual Local Government Finance Report (No. 2) (Final Settlement – Police Authorities).

In relation to Wales, "police grant" is defined in section 43 of the 1992 Act by reference to the amount payable in accordance with the Police Grant Report, and the definition of "floor funding" is modified in these Regulations for the purposes of the calculation by local authorities of their budget requirement and basic amounts of council tax for 2011-2012. The amounts of grant payable under the Police Grant Report and the "floor funding" affect these calculations. The definition of the sums payable in revenue support grant and redistributed non-domestic rates is modified in these Regulations by reference to the sums payable under Local Government Finance Report (No. 2) 2011-2012 (Final Settlement – Police Authorities) for the purposes of the calculation by local authorities of their budget requirement and basic amounts of council tax.

Local Authorities will be able to calculate their budget requirements and set their council taxes (under Chapters III and IV of Part 1 of the 1992 Act) as soon as the Police Grant Report and the Local Government Finance Report (No. 2) 2011-2012 (Final Settlement – Police Authorities), have been approved and any levies have been issued to them. Levies under section 74 of the Local Government Finance Act 1988 (c.41) can be issued at any time before 15 February, so authorities may be ready to begin calculating their budget requirements and council taxes as soon as the Police Grant Report and the Local Government Finance Report have been approved.

These Regulations could not be made until after the Police Grant Report (England and Wales) 2011 -12, which is referred to in the Regulations, had been approved by the House of Commons and the Local Government Finance Report (No. 2) 2011-2012 (Final Settlement – Police Authorities), which is also referred to in these Regulations, had been approved by the National Assembly for Wales. Due to the nature of police funding in England and Wales (where the settlement for the Welsh police authorities comprises three elements, Revenue Support Grant provided by the Welsh Assembly Government, Police Grant and Floor Funding provided by the Home Office) the Police Grant Report, has to be approved before the Local Government Finance Report can be laid before the National Assembly for Wales. The Police Grant Report was approved by the House of Commons on 9 February 2011 and the Local Government Finance Report (No. 2) 2011-2012 (Final Settlement – Police Authorities) by the Assembly on 16 February 2011.

As soon as the Police Grant Report and the Local Government Finance Report (No. 2) 2011-2012 (Final Settlement – Police Authorities) have been approved and any levies have been issued to them, local authorities will be able to calculate their budget requirements and set their council taxes. Billing authorities must calculate their budget requirements and set their council taxes before 11 March and major precepting authorities must issue their precepts to billing authorities by 1 March. As such it is necessary for the Instrument to breach the 21 day rule to allow authorities time to make the necessary calculations within these statutory limits. Similar Regulations, the Local Authorities (Alteration of Requisite Calculations) (England) Regulations 2011, are to be made in England

These Regulations have been subject to a Regulatory Impact Assessment. An Explanatory Memorandum has also been prepared, which includes the Regulatory Impact Assessment and this has been laid, together with the Regulations, in Table Office.

A copy of this letter goes to Janet Ryder, Chair of the Constitutional Affairs Committee and to Stephen George, Clerk to the Constitutional Affairs Committee.


