



Ein cyf/Our ref: MA/RE/3468/22

Elin Jones MS
Llywydd
Senedd Cymru
Cardiff Bay
CARDIFF
CF99 1SN

30 November 2022

Dear Elin,

The Local Authorities (Capital Finance and Accounting) (Wales) (Amendment) Regulations 2022 (“the Regulations”)

In accordance with section 11A(4) of the Statutory Instruments Act 1946 I am notifying you that this statutory instrument will come into force on 2 December 2022, less than 21 days after it has been laid. A copy of the instrument and the Explanatory Memorandum that accompanies it are attached for your information.

The Regulation amends the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003 (“the 2003 Regulations”) to provide for accounting practices in relation to the treatment of local authorities’ infrastructure assets. The accounting practice has the effect of allowing local authorities to elect to treat any component of any infrastructure which they own as having a value of nil when it is replaced. Local authorities are not required to use this accounting treatment. This accounting treatment may be applied for the preparation of all statements of accounts from 1 April 2021. The instrument will apply to statements of accounts for financial years up to and including the financial year ending 31 March 2025.

The reason for not adhering to the 21 day convention in this case is that local authorities are expected to make and secure approval of accounts in good time. This issue was identified earlier this year but could not be resolved by the professional accounting bodies and accordingly statutory provision was required. This has delayed the timetable for accounts audit and approval beyond the original expected date of 30 November. Local authorities are currently facing significant budget pressures and some very difficult decisions over services. They will receive their draft settlement on the 14 December 2022 and will need to focus all available officer and council time on budget and service planning. If further delayed the accounts approval process would take up officer and council time at a critical point. A delay also has a knock-on impact on Audit Wales’s timetables, with work being delayed until January/ February 2023 impacting on capacity in Audit Wales to complete all the community council audits and the start of the 2022-23 local authority audits.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I am copying this letter to the Minister for Rural Affairs, North Wales and Trefnydd, Huw Irranca-Davies MS, Chair of the Legislation, Justice and Constitution Committee, Siwan Davies, Director of Senedd Business, Sian Wilkins, Head of Chamber and Committee Services and Julian Luke, Head of Policy and Legislation Committee Service.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a large initial 'R' and a long tail on the 's'.

Rebecca Evans AS/MS

Y Gweinidog Cyllid a Llywodraeth Leol
Minister for Finance and Local Government