

Local Government, Housing and Planning Committee

23rd Meeting, 2023 (Session 6)

Tuesday, 3 October 2023

SSI cover note for: Local Government Investments (Scotland) Amendment Regulations 2023

SSI 2023/255

Title of Instrument: Local Government Investments (Scotland) Amendment
Regulations 2023

Type of Instrument: Negative

Laid Date: 11 September 2023

Circulated to Members:

Meeting Date: 3 October 2023

Minister to attend meeting: No

Motion for annulment lodged: No

**Drawn to the Parliament's attention by the Delegated Powers and Law Reform
Committee?** No

Reporting deadline: 30 October 2023

Recommendation

1. The Committee is invited to consider any issues which it wishes to raise on this instrument.

2. An electronic copy of the instrument is available at:
<https://www.legislation.gov.uk/ssi/2023/255/contents/made>

3. Copies of the Scottish Government’s Explanatory and Policy Notes are included in **Annexe A**.

Purpose

4. The Policy Note explains that the purpose of this instrument is—

“To update the Local Government Investments (Scotland) Regulations 2010 to refer to the latest versions of the codes of practice for borrowing and treasury management to which local authorities must have regard”.

5. The Policy Note further explains that “this is a routine amendment to the Local Government Investments (Scotland) Regulations 2010 (“the 2010 Regulations”) to require local authorities to have regard to the latest versions of the CIPFA codes of practice for borrowing and treasury management when making investments.

Delegated Powers and Law Reform Committee consideration

6. At its meeting on 19 September 2023¹ the DPLR Committee considered the instrument and agreed not to draw it to the attention of the Parliament.

Procedure for Negative Instruments

7. Negative instruments are instruments that are “subject to annulment” by resolution of the Parliament for a period of 40 days after they are laid. All negative instruments are considered by the Delegated Powers and Law Reform Committee (on various technical grounds) and by the relevant lead committee (on policy grounds). Under Rule 10.4, any member (whether a member of the lead committee) may, within the 40-day period, lodge a motion for consideration by the lead committee recommending annulment of the instrument. If the motion is agreed to, the Parliamentary Bureau must then lodge a motion to annul the instrument for consideration by the Parliament.

8. If that is also agreed to, Scottish Ministers must revoke the instrument. Each negative instrument appears on a committee agenda at the first opportunity after the Delegated Powers and Law Reform Committee has reported on it. This means that, if questions are asked or concerns raised, consideration of the instrument can usually be continued to a later meeting to allow correspondence to be entered into or a

¹ <https://digitalpublications.parliament.scot/Committees/Report/DPLR/2023/9/21/d3c4b477-4071-4291-a440-44f09322cee0-1#Annex-A>

Minister or officials invited to give evidence. In other cases, the Committee may be content simply to note the instrument and agree to make no recommendation on it.

**Clerks,
Local Government, Housing and Planning Committee**

Annexe A

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Government Investments (Scotland) Regulations 2010 to update references to two documents that local authorities must have regard to when making investments. The amendment reflects the publication of new versions of the relevant documents.

POLICY NOTE

**THE LOCAL GOVERNMENT INVESTMENTS (SCOTLAND) AMENDMENT
REGULATIONS 2023**

SSI 2023/255

The above instrument was made in exercise of the powers conferred by section 40(2)(b) of the Local Government in Scotland Act 2003. The instrument is subject to negative procedure.

Policy Objectives

This is a routine amendment to the Local Government Investments (Scotland) Regulations 2010 (“the 2010 Regulations”) to require local authorities to have regard to the latest versions of the CIPFA codes of practice for borrowing and treasury management when making investments. Regulation 3 of the 2010 Regulations as amended will refer to Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2021 edition) and The Prudential Code for Capital Finance in Local Authorities (2021 edition). Currently, the 2010 Regulations refer to the 2009 versions of these codes of practice. There have been significant important updates to the requirements of these Codes since the 2009 edition. The amendments are necessary to ensure that local authorities have regard to the latest versions of the Codes.#

EU Alignment Consideration

This instrument is not relevant to the Scottish Government’s policy to maintain alignment with the EU.

Consultation

To comply with the requirements of section 40(7) of the Local Government in Scotland Act 2003 all local authorities have been consulted and all those who responded confirmed their agreement that this aroutine and necessary amendment to legislation. Consultation has also taken place with the Convention of Scottish Local Authorities, who have confirmed they are content.

Impact Assessments

As this is a routine amendment to legislation to update the versions of the codes of practice referred to, no impact assessments are required.

Financial Effects

The Minister for Community Wealth and Public Finance confirms that no BRIA is necessary as the instrument has no financial effects on the Scottish Government, local government or on business.

Scottish Government

Local Government Finance and Analytical Services Directorate

September 2023