

EXPLANATORY MEMORANDUM TO
THE GOVERNMENT OF WALES ACT 2006 (DESIGNATION OF RECEIPTS) ORDER
2007

2007 No. 848

1. This explanatory memorandum has been prepared by the Treasury and is laid before the House of Commons by Command of Her Majesty.

2. Description

This instrument, made pursuant to powers under section 120(3) of the Government of Wales Act 2006, specifies the receipts of the Welsh Ministers and the National Assembly for Wales Commission that are to be designated receipts

3. Matters of special interest to the House of Commons Select Committee on Statutory Instruments

None

4. Legislative Background

4.1 This instrument is being made in exercise of powers conferred upon HM Treasury by section 120 (3) of the Government of Wales Act 2006. Under section 120(1) of the Government of Wales Act 2006, any sum received by Welsh Ministers, the Assembly Commission, the Auditor General or the Public Services Ombudsman for Wales are to be paid into the Welsh Consolidated fund. Under section 120 (3), the Treasury may by Order after consulting Welsh Ministers designate any description of sums received. Welsh Ministers must then pay to the Secretary of State sums equal to the amount of the designated receipts and section 120(6) specifies that such sums are to be charged on the Welsh Consolidated Fund.

4.2 Until the expiry of the initial period (defined in section 161(5) of the Government of Wales Act 2006) all references to Welsh Ministers or to the National Assembly for Wales Commission have effect as references to the National Assembly for Wales constituted by the Government of Wales Act 1998.

5. Territorial Extent and Application

This instrument applies to Wales.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 The financial provisions of the Government of Wales Act 2006 come into effect on 1 April 2006. The principal provision is the establishment of the Welsh Consolidated Fund to which all expenditure incurred by the Welsh Assembly will be charged and all receipts received by the Welsh Assembly will be credited.

7.2 Most receipts received by the Welsh Assembly may be retained by the Assembly to offset expenditure. This order designates those receipts which may not be retained by the Welsh Assembly; such receipts must be surrendered to the Secretary of State for Wales who will in turn pay them to the Treasury as Consolidated Fund Extra Receipts.

7.3 The financial provisions in the Government of Wales Act 2006 replace the existing financial provisions in the Government of Wales Act 1998. Previously under the Government of Wales Act 1998, the Treasury was empowered to issue a direction detailing the category of receipts, which could be retained by the National Assembly for Wales. The last such direction was issued in 2004 and will be revoked with effect from 1st April 2007.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies

8.2 There is no impact on the public sector.

9. Contact

Keith Jarrett at the Treasury Tel: 020 7270 4809 or e-mail keith.Jarrett@hm-treasury.gsi.gov.uk can answer any queries regarding the instrument.

HM Treasury
1 Horse Guards Road
London
SW1A 2HQ
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