



SCOTTISH EXECUTIVE

Finance and Central Services Department
Performance and Improvement Division

Victoria Quay
Edinburgh EH6 6QQ

Local Government
Finance Circular No. 3/2004

Telephone: 0131-244 7056
Fax: 0131-244 7058
mary.newman@scotland.gsi.gov.uk
<http://www.scotland.gov.uk>

The Chief Executives
Scottish Local Authorities

Our ref: 2bvc/001/011

Copy to: Directors of Finance
Strathclyde Passenger Transport Authority
Fire & Police Authority

18 February 2004

Dear Sir/Madam

LOCAL GOVERNMENT:STATUTORY INSTRUMENTS

I am directed by the Scottish Ministers to advise you that all residual provisions of Part 7 of the Local Government in Scotland Act 2003 will come into force on 1 April 2004 and that the commencement order will also come into force on that date.

Local Government Capital Expenditure Limits (Scotland) Regulations 2004

The purpose of this instrument is to ensure that local authorities have regard to the Prudential Code for Finance in Local Authorities published by the Chartered Institute of Public Finance and Accountancy (CIPFA), in making decisions about the maximum amount they can afford to allocate to capital expenditure and in keeping those decisions under review. This requirement replaces a previous obligation to seek the consent of Scottish Ministers before incurring liabilities to such expenditure.

This instrument forms part of the reform of the capital expenditure control regime for Scottish local government, which is intended to provide local authorities with more flexibility in making decisions about capital expenditure budgets.

Yours faithfully

Mary Newman

