

Communities, Equality and Local Government Committee  
Local Government (Wales) Bill: Stage 1  
Correspondence from: Lawyers in Local Government representative,  
following the meeting on 26 February 2015

The anti-avoidance provisions in clauses 29 to 31 are too specific and are based around the actual value of contracts or land acquisitions/disposals. There is an attempt to cover transfers for something other than money (barter) but that still does not capture disposals at an under value.

E.g.1 a piece of land worth £500,000 could be sold for £1 and because the "consideration" under the contract is less than £150,000 the issue need never be considered by the transition committee

Alternatively there might be an agreement to sell land where due to covenants voluntarily imposed on the land the value is reduced, and these could subsequently be released.

Eg there is a land swap whereby the council and a developer impose onerous covenants on land thereby reducing the value to less than £150,000. After the transaction those covenants are mutually released for £1 (not covered by clauses 29 to 31) "restoring" the value without falling foul of the clause prohibiting barter

The issue can be addressed by drafting the legislation based on the value of the asset as well as the value of the consideration.