Local Government Act (Northern Ireland) 1972

1972 CHAPTER 9

PART V

FINANCIAL PROVISIONS

FUNDS

55 The district fund.

Subject to sections 56 to 58, all income of a council shall be carried to a fund to be called the "district fund" , and all expenditure falling to be discharged by the council shall be discharged out of that fund.

56 Power to establish capital fund and renewal and repairs fund.

(1) Subject to the provisions of this Act, a council may, in addition to the district fund, establish either or both of the following funds—

(a) a capital fund, to be used either for defraying any expenditure of the council to which capital is properly applicable, or for providing money for repayment of loans (but not in making any annual payment required to be made in respect of loans);

(b) a renewal and repairs fund, to be used for the purpose of defraying expenditure to be incurred in repairing, maintaining, replacing and renewing any buildings, works, plant, equipment or articles belonging to the council.

(2) A fund established by a council under this section shall not be used to meet, directly or indirectly, any expenditure incurred by the council for the purposes of a public utility undertaking.

(3) Pending the application, for the purposes authorised by this section, of any fund established by a council under this section, the money in the fund shall (unless applied in any other manner authorised by section 73) be invested

[[F1](a) if regulations so provide, in such manner as may be prescribed;

(b) in any other case, in any investments in which trustees may invest under—

(i) the general power of investment in section 3 of the Trustee Act (Northern Ireland) 2001 (as restricted by sections 4 and 5 of that Act); or

(ii) section 8(1)(a) of that Act (land).**]**

[[F1](3A) Any money invested in accordance with subsection (3)(b) immediately before the coming into operation of regulations under subsection (3)(a) shall, for the period of 6 months from the coming into operation of those regulations, be taken to have been invested in accordance with those regulations.**]**

(4) Any income arising from the investment of the money in any such fund, or otherwise from the application of the fund, shall be carried to the fund.

F1 2001 c. 14 (NI)

57 Capital fund.

(1) Subject to the provisions of this section, a council by which a capital fund is established under section 56 may, with the approval of the Ministry, pay into that fund—

(a) any sums derived from the sale of any asset held by the council, not being an asset held by it for the purposes of a public utility undertaking;

(b) the whole or any part of the surplus of the income of the district fund over the expenditure of that fund at the end of each financial year, except so far as required by law to be applied to or carried forward for any other purpose; and

(c) such other sums from the district fund as the council directs.

(2) The aggregate amount paid by a council into the capital fund under subsection (1)(*b*) and (*c*) shall not exceed such sum as the Ministry determines in relation to that council.

(3) Except as permitted by section 73, no money shall be applied by a council out of the capital fund without the approval of the Ministry.

58 Renewal and repairs fund.

(1) Subject to the provisions of this section, a council by which a renewal and repairs fund is established under section 56 may with the approval of the Ministry pay into that fund from the district fund such sums as the council thinks fit.

(2) No payment shall be made by a council into the renewal and repairs fund so as to make the fund exceed such sum as the Ministry in relation to that council determines.

59 Proceeds of sale of capital assets.

Any capital money derived from the sale of any asset held by a council shall be applied towards the repayment of any money borrowed by the council for the purpose of

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acquiring that asset or, with the approval of the Ministry, be applied for any purpose to which capital is properly applicable.

60 Limitation on application of funds.

A council shall not directly or indirectly apply any part of the district fund, or any money under its control, for any purpose not authorised specifically or generally by some statutory provision, or, in the case of money derived from trust funds, for any purpose not authorised by the specific trusts affecting those funds.

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