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STATUTORY RULES OF NORTHERN IRELAND

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**2011 No. 326**

**Local Government (Capital Finance and Accounting) Regulations (Northern Ireland) 2011**

**PART 6**

**CAPITAL RECEIPTS**

Sums to be treated as capital receipts

**Repayment of loan, etc. to a council**

**14.**—(1) For the purposes of Part 1 (financial administration), the sums referred to in paragraph (2), paid on or after 1st April 2012, shall be treated as capital receipts.

(2) The sums referred to for the purposes of paragraph (1) are sums paid to a council as repayment of any loan, grant or other financial assistance given by the council for such a purpose that, if the giving of that financial assistance had been expenditure incurred at the time of the repayment, it would have constituted capital expenditure.

**Loan capital**

**15.**—(1) Subject to paragraph (2), for the purposes of Part 1, a sum received by a council on or after 1st April 2012 in respect of the redemption on maturity of a bond held by it which, apart from this regulation, would not be a capital receipt, shall be treated as a capital receipt.

(2) Paragraph (1) applies only if at the time of redemption expenditure on the acquisition of the bond would be treated as capital expenditure.

Sums not to be treated as capital receipts

**Capital receipts not exceeding £5,000**

**16.**—(1) A sum received by a council which, apart from this regulation, would be a capital receipt by virtue of section 20(1) shall not be treated for the purposes of Part 1 as a capital receipt if the aggregate of all sums received or to be received by the council in respect of the disposal of an interest in a capital asset, for which the sum is paid, does not exceed £5,000.

(2) A sum received by a council which, apart from this regulation, would be treated as a capital receipt by virtue of regulation 14, shall not be treated for the purposes of Part 1 as a capital receipt if the aggregate of all sums received or to be received by the council as repayment of a loan, grant or other financial assistance, for which the sum is paid, does not exceed £5,000.

**Operating and finance leases**

**17.** A sum received by a council—

- (a) under any arrangement which is treated, in accordance with proper practices, as an operating lease or a finance lease;
  - (b) which, apart from this regulation, would be a capital receipt; and
  - (c) which, in accordance with proper practices, is to be credited to the general fund,
- shall not be treated for the purposes of Part 1 as a capital receipt.

**Use of capital receipts**

- 18.** Capital receipts may only be used for one or more of the following purposes—
- (a) to meet capital expenditure;
  - (b) to repay the principal of any amount borrowed;
  - (c) to pay a premium charged in relation to any amount borrowed;
  - (d) to meet any liability in respect of credit arrangements, other than any liability which, in accordance with proper practices, must be charged to the general fund;
  - (e) to make all or part of a payment to a person, where the obligation to make that payment arises on the disposal of an asset, as a result of an agreement made at the time of the acquisition of that asset, or in relation to such an agreement.