

1983 No. 296

LOCAL GOVERNMENT, ENGLAND AND WALES

The Local Government (Prescribed Expenditure) Regulations
1983

<i>Made - - - -</i>	3rd March 1983
<i>Laid before Parliament</i>	11th March 1983
<i>Coming into Operation</i>	1st April 1983

The Secretary of State for the Environment in relation to England, and the Secretary of State for Wales in relation to Wales, in exercise of the powers conferred on them by sections 72(3), 75(5) and 84 of, and paragraphs 2 and 4 of Schedule 12 to, the Local Government, Planning and Land Act 1980 (a) and of all other powers enabling them in that behalf, hereby make the following regulations:—

Title and commencement

1. These regulations may be cited as the Local Government (Prescribed Expenditure) Regulations 1983 and shall come into operation on 1st April 1983.

Interpretation

2. In these regulations:—

“the Act” means the Local Government, Planning and Land Act 1980;

“the Housing Acts” means the Housing Acts 1957 to 1977, the Home Purchase Assistance and Housing Corporation Act 1978 (b) and the Housing Act 1980 (c);

“highway authority” has the meaning ascribed to it by section 1(2) and (3) of the Highways Act 1980 (d);

“housing association” has the meaning ascribed to it by section 189(1) of the Housing Act 1957 (e); and

“shared ownership tenancy” means a tenancy of a dwelling-house granted at a premium calculated by reference to a portion of its value to which the provisions of the Leasehold Reform Act 1967 (f) do not apply.

Prescribed Proportions of Net Capital Receipts

3.—(1) For England, the prescribed proportion of an authority’s net capital receipts for the purposes of section 72(3)(d) of the Act shall, in the case of sums received on the disposal of assets of a class mentioned in column 1 of Schedule 1 hereto or the repayment of a grant or advance of a class so mentioned, be the relevant proportion mentioned in column 2 of that Schedule.

(a) 1980 c.65. (b) 1978 c.27. (c) 1980 c.51. (d) 1980 c.66.
 (e) 1957 c.56; section 189(1) was amended by paragraph 6 of Schedule 13 to the Housing Act 1974 (c.44).
 (f) 1967 c.88.

(2) For Wales, the prescribed proportion of an authority's net capital receipts for the purposes of the said section 72(3)(d) shall, in the case of sums received on the disposal of assets of a class mentioned in paragraph 2 of Schedule 1 or an advance or grant of a class mentioned in paragraph 5 or 6 thereof, be the relevant proportion mentioned in column 3.

Classes of assets to be treated as if they were not mentioned in section 75(2)

4.—(1) The following classes of assets shall be treated as if they were not mentioned in section 75(2) of the Act:—

- (a) land held for the purposes of or in connection with the Central Criminal Court, the police, probation and after care or magistrates court services;
- (b) leasehold interests in dwelling-houses held for the purposes of Part V of the Housing Act 1957;
- (c) leasehold interests in land held for any other purpose, except to the extent of:—
 - (i) any amount which an authority was taken to have paid under section 80 of the Act on the acquisition of that interest or any superior interest in the land, and
 - (ii) the amount of any prescribed expenditure incurred by an authority on the construction, preparation, conversion, improvement, renewal or replacement of buildings or structures on the land; and
- (d) vehicles or vessels, movable or immovable plant, machinery or apparatus held for the purposes of, or provided in connection with, the Central Criminal Court, the police, probation and after care or magistrates court services.

(2) In this regulation a leasehold interest means one which—

- (a) has an unexpired term not exceeding twenty years which is not capable of being renewed or extended so that the unexpired term and any renewal or extension of the interest together exceed twenty years;
- (b) if it is granted to commence on the expiry of another interest, does not, together with any interest in the same land previously disposed of by an authority, exceed twenty years;

and in the case of a dwelling-house held for the purposes of Part V of the Housing Act 1957 includes a periodic tenancy.

Sums to be treated as capital receipts

5. Sums received by an authority which are mentioned in Schedule 2 to these regulations shall be capital receipts for the purposes of Part VIII of the Act.

Expenditure not to be prescribed expenditure

6.—(1) The amount prescribed for the purposes of paragraph 2 of Schedule 12 to the Act is £6,000.

(2) Expenditure incurred in circumstances, or for a purpose, mentioned in Schedule 3 to these regulations shall not be prescribed expenditure.

Revocation

7. The Local Government (Prescribed Expenditure) Regulations 1981 (a) and the Local Government (Prescribed Expenditure) (Amendment) Regulations 1982 (b) are hereby revoked.

Regulation 3

SCHEDULE 1

PRESCRIBED PROPORTIONS OF NET CAPITAL RECEIPTS

<i>Column 1</i>	<i>Column 2</i>	<i>Column 3</i>
1. Land (including buildings and structures on land), not being land held for the purposes of the Housing Acts.	50%	
2. A dwelling-house for the purposes of Part V of the Housing Act 1957 and normally let or available for letting, not being—		
(i) a dwelling-house disposed of on a shared ownership tenancy, or		
(ii) a dwelling-house requiring significant repair or improvement or both and disposed of on condition that the purchaser executes significant works of repair or improvement or both within a specified period.	50%	25%
3. A vehicle or vessel and any movable or immovable plant, machinery or apparatus.	50%	
4. A grant or advance, not being one made under the Housing Acts.	50%	
5. An advance made to enable a person—		
(a) to acquire otherwise than from an authority an interest in a dwelling-house, or		
(b) to improve a dwelling-house.	50%	25%
6. A grant or advance made to a housing association.	1%	1%

Regulation 5

SCHEDULE 2

SUMS TO BE TREATED AS CAPITAL RECEIPTS

1. Payments made under an agreement made under section 52 of the Town and Country Planning Act 1971 (c) or section 37 of the Town and Country Planning Act 1962 (d)

2. Payments made under Part XI of the Highways Act 1980.

3. Payments made in accordance with an agreement made under section 278 of the Highways Act 1980.

(a) S.I. 1981/348.

(b) S.I. 1982/302.

(c) 1971 c.78.

(d) 1962 c.38.

4. Damages or compensation paid pursuant to an order or judgement of a court or an agreement for the compromise of any legal proceedings or by way of settlement of any claim in respect of damage to or loss or destruction of buildings or structures, vehicles, vessels, movable or immovable plant, machinery or apparatus.

5. The proceeds of any lottery promoted by a local authority under the Lotteries and Amusements Act 1976 (a) after the deduction of the expenses of promoting it and the sums required for prizes.

6. Payments by way of gift or bequest.

7. Payments to a highway authority by the Secretary of State under any agency arrangement whereby the authority discharges any functions of the Secretary of State as a highway authority for the purposes of section 1(1) of the Highways Act 1980, to the extent that the payment is used to finance a payment in respect of prescribed expenditure.

8. Payments by an undertaker to a highway authority, as respectively defined for the purposes of the Public Utilities Street Works Act 1950 (b), under any provision of that Act.

9. Payments made by a displacing authority to a rehousing authority, as respectively defined in section 42 of the Land Compensation Act 1973 (c), in accordance with that section of that Act.

10. Payment by a district or area health authority to the extent that such payments are used to finance a payment in respect of prescribed expenditure.

11. Payments of a capital nature made by any of the following bodies:—

- (a) the Manpower Services Commission,
- (b) the Countryside Commission,
- (c) the Sports Council,
- (d) the Sports Council for Wales,
- (e) the Development Commission,
- (f) the Welsh Development Agency,
- (g) the Development Board for Rural Wales,
- (h) the English Tourist Board,
- (i) the Wales Tourist Board,
- (j) the Arts Council of Great Britain,
- (k) the Museums and Galleries Commission,
- (l) the Council for Educational Technology,
- (m) an urban development corporation,
- (n) a water authority,
- (o) a research council,
- (p) an area museum council,
- (q) the Council for Museums in Wales,
- (r) the British Airports Authority,
- (s) the National Coal Board,
- (t) the British Railways Board,
- (u) the Electricity Council,
- (v) an electricity board,
- (w) the British Gas Corporation,

(a) 1976 c.32.

(b) 1950 c.39.

(c) 1973 c.26.

- (x) the British National Oil Corporation,
- (y) the British Steel Corporation,
- (z) The British Telecommunications Corporation,
- (aa) The Post Office,
- (bb) the National Girobank,
- (cc) The British Airways Board,
- (dd) the Civil Aviation Authority,
- (ee) the British Waterways Board,
- (ff) the National Bus Company,
- (gg) British Shipbuilders.

Regulation 6

SCHEDULE 3

EXPENDITURE WHICH IS NOT TO BE PRESCRIBED EXPENDITURE

1. Expenditure on the Central Criminal Court or for the purposes of the police, probation and after care or magistrates court services.
2. Expenditure on the acquisition of an interest or right in any vehicle, vessel, plant, machinery or apparatus where the agreement for the acquisition of that interest or right does not entitle the authority to the immediate or future property in such an item.
- 3.—(1) Expenditure on the acquisition of a leasehold interest in land except where it is intended at the time of the acquisition that some person shall erect a building on the land for the authority.
(2) In this paragraph a leasehold interest means—
 - (a) an interest granted for a term not exceeding twenty years which is not capable of being renewed or extended so that the interest and any renewal or extension together exceed twenty years and, if the interest is granted to commence on the expiry of another, one which, together with any interests previously acquired by the authority, does not exceed twenty years, or
 - (b) an interest granted for a term exceeding twenty years, where—
 - (i) that interest is granted to commence on the expiry of another leasehold interest (in this paragraph referred to as “the former interest”);
 - (ii) the former interest was acquired (whether by grant or assignment) before 1st April 1980, and
 - (iii) the former interest was for a term which did not exceed twenty years.
4. Expenditure incurred after 1st April 1981 on the acquisition of land, including buildings or structures on land, where the land was acquired under a contract entered into before 1st April 1980.
5. Expenditure on a project which is the subject of a grant from the Secretary of State under section 272 of the Highways Act 1980 which represents 100% of the cost of construction, improvement or widening of any highway.
6. Any payment by a county council to a new town development corporation or to the Commission for the New Towns for the purpose of constructing, improving or widening any road in the area of a new town.
7. Any payment by an authority to a water authority so far as it is met by a grant to the authority for that purpose from the Land Settlement Association Limited.
8. Expenditure of any description mentioned in paragraph 1 of Schedule 12 to the Act so far as it is met by a payment received under a contract of insurance against the loss, damage or destruction of property of a kind described in that paragraph, or is defrayed from an insurance or contingency fund maintained by an authority against such loss, damage or destruction.

9. Expenditure on the improvement of any highway where the improvement does not—
- (a) widen the carriageway of any road by more than 0.25 metres,
 - (b) significantly change the alignment of the carriageway of any road,
 - (c) substantially improve the standard of the road, or
 - (d) involve the provision of new traffic signals (other than by the replacement of existing traffic signals).
10. Expenditure on any grant or advance to the owner of an historic building so far as it is met by a grant or advance from the Secretary of State under section 4 or 6 of the Historic Buildings and Ancient Monuments Act 1953 (a) or section 10 or 10B of the Town and Country Planning (Amendment) Act 1972 (b)
11. Expenditure by the Common Council of the City of London defrayed out of—
- (a) the Bridge House Estates, or
 - (b) City's Cash, except expenditure by the Common Council as a local authority, police authority or port health authority.
12. Expenditure by an authority on the making of a loan to an employee for the purchase by him of a car where it is essential for that employee to have the use of a car for the discharge of his official duties.
13. Expenditure by a county or district council on the acquisition of land (including buildings or structures on land) from a new town development corporation or the Commission for the New Towns pursuant to an agreement approved by the Secretary of State as an agreement for the sale of new town community related assets.

Tom King,
Secretary of State for the
Environment.

3rd March 1983.

Nicholas Edwards,
Secretary of State for Wales.

3rd March 1983.

(a) 1953 c.49.

(b) 1972 c.42; section 10B was inserted by paragraph 28 of Schedule 15 to the Local Government, Planning and Land Act 1980.

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

These Regulations consolidate, with amendments, the Local Government (Prescribed Expenditure) Regulations 1981 and the Local Government (Prescribed Expenditure) (Amendment) Regulations 1982. The amendments are as follows:—

1. Drafting amendments are made to the definition of “shared ownership tenancy”.

2. Regulations 3 and Schedule 1. Section 72(3) of the Local Government Planning and Land Act 1980 provides that an authority to which Part VIII of the Act applies may make payments in respect of prescribed expenditure equal to or less than the aggregate of various amounts, including the authority’s net capital receipts. Regulations may provide that only a proportion of receipts of any particular class may be counted. The 1981 Regulations, as amended, specified a proportion of 50% in relation to the disposal of certain dwelling-houses and the repayment of certain Housing Act advances. These regulations reduce that proportion in relation to authorities in Wales to 25%. In addition they specify for the first time a proportion of 50%, for authorities in England, for receipts arising from:—

(a) disposals of land other than land held for the purposes of the Housing Acts;

(b) disposals of vehicles, vessels, plant, machinery or apparatus and

(c) the repayment of grants and advances other than grants or advances made under the Housing Acts.

3. Regulation 4. The 1981 Regulations, as amended, specified that leasehold interests were to be treated as if they were not mentioned in section 75(2) of the Act, so that sums received on their disposal were not to be treated as capital receipts for the purposes of Part VIII of the Act. These regulations specify further classes of assets which are to be treated as if they were not mentioned in section 75(2) of the Act; namely land, vehicles, apparatus, plant or machinery held for the purposes of law and order services.

4. Regulation 5 and paragraphs 10 and 11 of Schedule 2. The 1981 Regulations, as amended, specified certain sums which were to be treated as capital receipts in addition to those mentioned in section 75 of the Act. These regulations further provide that payments made by certain public bodies and nationalised industries are to be treated as capital receipts. Minor drafting amendments are also made to Schedule 2.

5. Regulation 6 and Schedule 3. The 1981 Regulations, as amended, specified £5,500 as the figure below which expenditure in connection with the acquisition, renewal or replacement of certain assets was not to be prescribed expenditure and set out certain other circumstances in which expenditure by an authority is not to be prescribed expenditure. These regulations amend that figure to £6,000 and further provide that expenditure by a county or district council on acquiring land from a new town development corporation or the Commission for the New Towns in circumstances approved by the Secretary of State shall not constitute prescribed expenditure. Minor drafting amendments are also made to Schedule 3.

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