
STATUTORY INSTRUMENTS

1992 No. 3257

LOCAL GOVERNMENT, ENGLAND AND WALES

**The Local Authorities (Capital Finance)
(Amendment) (No. 4) Regulations 1992**

<i>Made</i>	- - - -	<i>21st December 1992</i>
<i>Laid before Parliament</i>		<i>21st December 1992</i> <i>22nd December</i>
<i>Coming into force</i>	- -	<i>1992</i>

The Secretary of State for the Environment, as respects England, and the Secretary of State for Wales, as respects Wales, in exercise of the powers conferred on them by sections 49(3) and 190(1) of the Local Government and Housing Act 1989⁽¹⁾, and of all other powers enabling them in that behalf, hereby make the following Regulations:

1. These Regulations may be cited as the Local Authorities (Capital Finance) (Amendment) (No. 4) Regulations 1992 and shall come into force on 22nd December 1992.

2. Regulation 7 (initial and subsequent cost of leases) of the Local Authorities (Capital Finance) Regulations 1990⁽²⁾ shall be amended as follows—

- (i) in paragraphs (2) and (6), for the words “or paragraph (4)”, wherever they occur, there shall be substituted “, (4) or (5A)”;
- (ii) in paragraph (3)(a), for “ten”, there shall be substituted “five”;
- (iii) in paragraph (5), of the definition of “qualifying dwelling” there shall be substituted—

““qualifying dwelling” means a dwelling-house which was let or occupied at any time during the period beginning on 23rd November 1989 and ending on 22nd February 1990 under a tenancy or a licence to occupy which was an excluded tenancy;”
- (iv) after paragraph (5), there shall be added—

“(5A) This paragraph applies to a lease of land where—

 - (a) the lease is of a relevant dwelling-house;
 - (b) the term of the lease does not exceed two years and ends not later than 21st December 1995;

(1) 1989 c. 42.

(2) S.I.1990/432. There are amendments which are not relevant to these Regulations.

- (c) the local authority become the lessees on the expiry of another leasehold interest (in this regulation referred to as “the preceding interest”) in the relevant dwelling-house which was acquired by the authority or another local authority on or before 21st December 1992; and
 - (d) the preceding interest was granted by a lease falling within paragraph (3) or (4) above.
- (5B) In paragraph (5A) above, “relevant dwelling-house” means a dwelling-house which, immediately before the expiry of the preceding interest, was let or occupied under a tenancy or licence to occupy which was an excluded tenancy.”;
- (v) in paragraph (6), after paragraph (a), there shall be inserted—
 - (aa) the lease is not of a dwelling-house which at any time on or after 1st April 1990 was let or occupied under a tenancy or licence to occupy which was an excluded tenancy”;
 - (vi) in paragraph (7), after “(4)”, there shall be inserted “, (5A)”;
 - (vii) for paragraph (11) there shall be substituted—
 - “(11) In this regulation—
 - “the term of the lease” means the period unexpired at the date the authority become the lessees;
 - “dwelling-house” and “secure tenancy” have the same meaning as in Part IV of the Housing Act 1985 (secure tenancies and rights of secure tenants);
 - “excluded tenancy” means a tenancy or licence to occupy which is excluded from being a secure tenancy by virtue of paragraph 4 or 6 of Schedule 1 to the Housing Act 1985.”.

21st December 1992

Michael Howard
Secretary of State for the Environment

21st December 1992

David Hunt
Secretary of State for Wales

EXPLANATORY NOTE

(This note is not part of the Regulations)

Part IV of the Local Government and Housing Act 1989 provides that a local authority may not enter into a credit arrangement, which includes a lease, unless an amount of credit cover is available equal to the initial cost of the arrangement.

These Regulations amend Regulation 7 of the Local Authorities (Capital Finance) Regulations 1990 so as to make further provision for the initial cost of leases of land acquired by local authorities. The main effect of the amendments is that, if specified conditions are fulfilled, leases of dwelling-houses let or occupied as accommodation for the homeless or as temporary accommodation have an initial cost, in certain cases, of nil or, in other cases, equal to the capital cost of the lease.