
STATUTORY INSTRUMENTS

1996 No. 2826

LOCAL GOVERNMENT, ENGLAND AND WALES

**The Local Government Changes for England
(Capital Finance) (Amendment) Regulations 1996**

Made - - - - 11th November 1996
Laid before Parliament 14th November 1996
Coming into force - - 5th December 1996

The Secretary of State for the Environment, in exercise of the powers conferred on him by sections 19(1) and (2) and 26(3) to (5) of the Local Government Act 1992⁽¹⁾ and of all other powers enabling him in that behalf, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Local Government Changes for England (Capital Finance) (Amendment) Regulations 1996, and shall come into force on 5th December 1996.

Amendment of Regulations

2. The Local Government Changes for England (Capital Finance) Regulations 1995⁽²⁾ shall be amended in accordance with the following provisions of these Regulations.

Interpretation of Part III

3. In regulation 10—

(a) for the definition of “relevant amount” substitute the following definition—

““relevant amount”, in relation to a participant authority, means the aggregate of the amount of “K” determined in accordance with paragraph 5 of the Schedule to the Transfer of Property Regulations and the amount of “KK”, if any, determined in accordance with paragraph (5A) of that Schedule⁽³⁾”; and

(b) after the definition of “section 60” insert the following definition—

(1) 1992 c. 19.

(2) S.I. 1995/798; amended by S.I. 1995/1748.

(3) See regulation 2(7) of the Local Government Changes for England (Property Transfer and Transitional Payments) (Amendment No.2) Regulations 1996 (S.I. 1996/2825).

““usable PCL” means the aggregate of the amounts set aside as provision to meet credit liabilities which an abolished authority, if no order under section 17 of the Local Government Act 1992 had been made in relation to them, could have applied or transferred in accordance with regulations made under section 64(2) of the 1989 Act in the financial year beginning on the reorganisation date; and.”

Usable receipts of designated authority

4. In regulation 11—

(a) for paragraph (2) (a) substitute the following—

“(a) on the reorganisation date there were added to the usable receipts of the designated authority an amount equal to the aggregate of—

- (i) the usable receipts of the abolished authority on the last day of the preliminary period; and
- (ii) the usable PCL, if any, of the abolished authority;”;

(b) for paragraph (3) substitute the following paragraph—

“(3) Section 60 shall have effect in relation to a relinquishing authority as if, on the relevant date, the relinquishing authority’s usable receipts were—

- (a) reduced by an amount equal to the aggregate of the relevant amounts for the participant authorities; and
- (b) increased by an amount equal to the aggregate of all amounts “KK”, if any, determined in relation to the relinquishing authority and the participant authorities in accordance with paragraph 5A of the Schedule to the Transfer of Property Regulations.”

Interpretation of Part IV

5. In regulation 14, after the definition of “relevant amount” insert ““relevant date” and “usable PCL” have the same meaning as in Part III of these Regulations; and”.

PCL of designated authority

6. In regulation 15, for paragraph (1) substitute the following paragraphs—

“(1) Subject to paragraph (2), where in relation to an abolished authority there is only one successor authority, on the reorganisation date there shall be added to the PCL of the designated authority an amount equal to the PCL of the abolished authority on the last day of the preliminary period.

(1A) Subject to paragraph (2), where in relation to an abolished authority there are two or more successor authorities, on the reorganisation date there shall be added to the PCL of the designated authority an amount equal to the PCL of the abolished authority on the last day of the preliminary period less the usable PCL, if any, of the abolished authority.

(1B) Subject to paragraph (2), on the relevant date there shall be deducted from the PCL of a relinquishing authority an amount equal to the aggregate of all amounts “KK”, if any, determined in relation to the relinquishing authority and the participant authorities in accordance with paragraph 5A of the Schedule to the Transfer of Property Regulations..”

Credit ceiling of designated authority

7. In regulation 19—

- (a) at the end of paragraph (1), add the following—
 - “and
 - (c) an amount equal to the total amount, if any, added to the usable receipts of the designated authority under regulation 11(2)(a) above with respect to usable PCL.”
- (b) after paragraph (1), insert the following paragraphs—
 - “(1A) Where in relation to an abolished authority there are two or more successor authorities, the credit ceiling of the designated authority shall be reduced on the relevant date by an amount equal to the aggregate of all amounts “KK”, if any, determined in relation to the designated authority and the participant authorities in accordance with paragraph 5A (“paragraph 5A”) of the Schedule to the Transfer of Property Regulations.
 - (1B) The credit ceiling of a relinquishing authority shall be increased on the relevant date by an amount equal to the aggregate of all amounts “KK”, if any, determined in relation to the relinquishing authority and the participant authorities in accordance with paragraph 5A.”; and
- (c) at the end, add the following paragraph—
 - “(4) In this regulation, “relevant date”, “usable PCL” and “usable receipts” have the same meaning as in Part III of these Regulations.”

Signed by authority of the Secretary of State for the Environment

Department of the Environment
11th November 1996

David Curry
Minister of State,

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Government Changes for England (Capital Finance) Regulations 1995 (“the principal Regulations”) which make provision with respect to the application of Part IV of the Local Government and Housing Act 1989 (revenue accounts and capital finance of local authorities) for the purposes or in consequence of local government changes in England.

Regulations 3 and 4 amend Part III of the principal Regulations (Capital receipts) to make provision for the case where an abolished authority in relation to which there are two or more successor authorities, or a relinquishing authority, could before the reorganisation date have transferred, or applied towards expenditure for capital purposes, amounts set aside as provision to meet credit liabilities (“PCL”). Such usable PCL is taken into account, in the case of an abolished authority, by adjusting the usable capital receipts of the successor authorities, and in the case of a relinquishing authority, by adjusting the usable capital receipts of that authority and of the acquiring authorities. In the principal Regulations, the expressions “abolished authority” and “successor authority” have the same meaning as in Part III of the Local Government Changes for England (Finance) Regulations 1994 (S.I.1995/2825), and any reference to a “relinquishing authority” is construed in accordance with regulation 2(3) of those Regulations.

Regulations 5 and 6 amend Part IV of the principal Regulations (Provision to meet credit liabilities) to provide for corresponding adjustments to the PCL of the designated authority. In the principal Regulations, any reference to a “designated authority” is construed, where there is one successor authority in relation to an abolished authority, as meaning that successor authority, and otherwise in accordance with regulation 13(1) of the Local Government Changes for England (Property Transfer and Transitional Payments) Regulations 1995 (S.I. 1995/402).

Regulation 7 amends Part V of the principal Regulations (Credit ceilings and minimum revenue provision) to provide for corresponding adjustments to the credit ceiling of the designated authority.