
STATUTORY INSTRUMENTS

1996 No. 568

The Local Authorities (Capital Finance and Approved Investments) (Amendment) Regulations 1996

Capital receipts not wholly in money paid to the authority

12. In regulation 20—

(a) in paragraph (2), for “subject to paragraphs (3), (3A), (4), (6) and (6A) below” substitute “subject to paragraphs (3), (3A), (3B), (3C), (3D), (4), (6) and (6A) below”;

(b) after paragraph (3A) insert the following paragraphs—

“(3B) In the case of non-monetary consideration which is received by a local authority in respect of the disposal of any interest in land, and consists of the grant of a lease of land falling within regulation 7A above (“the lease”), the reserved part of the notional capital receipt shall be nil.

(3C) In the case of non-monetary consideration which is received by a local authority in respect of a disposal of an interest in land, and consists of—

(a) the carrying out of works which, if carried out by the authority, would amount to the enhancement of the land, and

(b) the grant to the authority of a right, after the completion of the works, to use the land for any purpose in the exercise of any function conferred on the authority,

the reserved part of the notional capital receipt shall be nil.

(3D) In the case of non-monetary consideration which is received by a local authority in respect of a relevant disposal of land, and consists of the carrying out of works for the enhancement of the land, the reserved part of the notional capital receipt shall be nil.

(3E) In paragraph (3D) above, “relevant disposal of land” means a disposal of an interest in land which confers on the person who carries out the works mentioned in that paragraph a right, after the completion of the works, to use the land.”.