
STATUTORY INSTRUMENTS

1997 No. 319

The Local Authorities (Capital Finance) Regulations 1997

PART VII

RESERVED PART OF CAPITAL RECEIPTS

Repayment of grants and other receipts

Grants and advances to housing associations

67.—(1) In the case of a payment which is a capital receipt by virtue of section 58(1)(c) or (d), the reserved part shall be 100 per cent. if the payment is made in respect of a grant, an advance or other financial assistance which—

- (a) was made or given by the authority to a housing association (within the meaning given to that expression in section 1 of the Housing Associations Act 1985⁽¹⁾); and
- (b) was to be applied towards expenditure for which the housing association received a grant under section 18 of the Housing Act 1996⁽²⁾, section 50 of the Housing Act 1988⁽³⁾, section 41(1) of the Housing Associations Act 1985 ⁽⁴⁾ or section 29(1) of the Housing Act 1974 ⁽⁵⁾.

(2) In the case of a capital receipt which is received in respect of—

- (a) the disposal of an interest in land acquired by the authority under a mortgage made as security for an advance, or
- (b) the assignment of a debt owed to the authority in connection with an advance,

the reserved part shall be 100 per cent. if the reserved part of a repayment of the principal of the advance would fall to be determined under paragraph (1).

Payments in respect of transferred property and deemed borrowing

68. The reserved part shall be 100 per cent. in the case of a sum which is a capital receipt by virtue of regulation 56, 57 or 58, and is an annual or other periodic payment calculated by reference to any amounts outstanding by way of principal of money borrowed by the authority.

Payments for redemption of landlord's share

69. The reserved part shall be 75 per cent. in the case of a sum which is a capital receipt by virtue of regulation 59.

(1) 1985 c. 69.

(2) 1996 c. 52.

(3) 1988 c. 50.

(4) Section 41 was repealed by section 140(2) of, and Schedule 18 to, the Housing Act 1988.

(5) 1974 c. 44. Section 29 was repealed by section 3 of, and Schedule 1 to the Housing (Consequential Provisions) Act 1985 (c. 71).

Payments in respect of disposal of premises transferred to grant-maintained school

70.—(1) In this regulation, “relevant proceeds” means the proceeds of any disposal made by the governing body of a grant-maintained school (within the meaning given to that expression in regulation 60) with the consent of the Secretary of State under section 298(1) of the Education Act 1996⁽⁶⁾.

(2) Subject to paragraph (3), the reserved part shall be 100 per cent. in the case of a sum which is a capital receipt by virtue of regulation 60 (“a relevant sum”).

(3) In the case of a relevant sum, where—

- (a) the Secretary of State notifies the authority, before they receive the relevant sum, of the amount of the relevant proceeds in respect of which that sum is payable (“the proceeds”), and
- (b) treating the disposal from which the proceeds are derived as a disposal by the authority and the proceeds as a capital receipt of the authority, the amount which would be the reserved part of that capital receipt is less than the amount which, apart from this paragraph, would be the reserved part of the relevant sum,

the reserved part shall be that lesser amount.

(6) 1996 c. 56.