
STATUTORY INSTRUMENTS

1997 No. 319

The Local Authorities (Capital Finance) Regulations 1997

PART VIII

CAPITAL RECEIPTS TO BE TREATED AS REDUCED

Disposals of land in aid of regeneration

Capital receipts derived from disposals made to assist regeneration

86.—(1) In this regulation—

“relevant land” means any land which—

- (a) before 1st April 1994, was situated within a ward which is named in the List of Wards in Areas of Need in England published in February 1997 by the Department of the Environment⁽¹⁾, or within a ward which is not named in that publication, but has a boundary adjoining the boundary of a ward which is named in that publication; or
- (b) before 1st February 1997, was situated within a ward which is named in the List of Wards in Areas of Need in Wales published in February 1997 by the Welsh Office⁽²⁾; and

“relevant disposal” means a disposal which falls within any of the descriptions of disposal specified for the purposes of this regulation in regulations 87 to 92.

(2) Capital receipts of a description specified in paragraph (3) shall be treated for the purposes only of section 59 as reduced by an amount determined in accordance with regulation 93.

(3) For the purposes of paragraph (2), capital receipts derived from a relevant disposal are specified where—

- (a) the authority decided to make the disposal not more than five years before the date of the disposal or, if earlier, the date on which the capital receipts are received; and
- (b) at the time of that decision, the authority also decided to contribute towards the costs of undertaking a regeneration project on any relevant land situated within their area.

Disposal of unoccupied dwellings

87.—(1) In this regulation—

- (a) “dwelling” has the extended meaning which it has in regulation 22(1); and
- (b) “relevant consent” means a consent to a disposal of land given by the Secretary of State to local authorities generally under section 32 or 43 of the Housing Act 1985⁽³⁾.

(2) For the purposes of regulation 86, a disposal of an interest in land shall be a relevant disposal if the disposal meets the condition specified in regulation 84, and—

(1) Copies of the publication can be obtained from Floor 5/F2—Eland House, Bressenden Place, London SW1E 5DU.

(2) Copies of the publication can be obtained from Planning Division, Welsh Office, Cathays Park, Cardiff CF1 3NQ.

(3) 1985 c. 68.

- (a) there is situated on the land a dwelling which is unoccupied at the time of the disposal, and has normally been let, or available for letting, for the purposes of Part II of the Housing Act 1985 (provision of housing accommodation);
- (b) the disposal is not made under Part V of the Housing Act 1985 (the right to buy), or, with a relevant consent, to a person who, when he acquires that interest, occupies, or intends to occupy, the dwelling as his only or principal home; and
- (c) the disposal is not a qualifying disposal for the purposes of section 135 or 136 of the Leasehold Reform, Housing and Urban Regeneration Act 1993⁽⁴⁾.

Disposal of industrial estates

88.—(1) For the purposes of regulation 86, a disposal of an interest in land shall be a relevant disposal if the disposal meets the condition specified in regulation 84, and—

- (a) there is situated on the land a building which has been built or adapted for use as separate units for industrial purposes;
 - (b) immediately before the disposal, each unit is in use for industrial purposes by a person who makes payments to the authority in respect of a leasehold or lesser interest acquired by him in the unit, or is available for such use by any person who acquires such an interest from the authority; and
 - (c) immediately before the disposal, the authority determine that the floor area of the relevant occupied units is not less than 65 per cent. of the total floor area of all units disposed of.
- (2) For the purposes of paragraph (1)—
- (a) industrial purposes include the purpose of storing goods or equipment; and
 - (b) in relation to a building which has been built or adapted for use as separate units for industrial purposes—
 - (i) the floor area of any unit shall be the gross internal area of the unit determined by the authority in accordance with the fourth edition of the Code of Measuring Practice published in October 1993 by Surveyors Holdings Limited under ISBN 0 85406 610 1⁽⁵⁾; and
 - (ii) “relevant occupied unit” means a unit which is in use for industrial purposes by virtue of a leasehold interest which was not granted in consideration of the payment of a premium.

Disposal of docks and harbours etc.

89. For the purposes of regulation 86, a disposal of an interest in land shall be a relevant disposal if the disposal meets the condition specified in regulation 84, and the land is used for the purposes of a dock, quay, harbour, wharf, basin or pier, or for the purposes of an office or warehouse in connection with the operation of a port, marina or inland waterway.

Disposal of leisure facilities

90. For the purposes of regulation 86, a disposal of an interest in land shall be a relevant disposal if the disposal meets the condition specified in regulation 84, and the land is used for the purposes of a leisure centre or other indoor recreation, or a swimming pool, or a park, playing field (other than a school playing field) or other outdoor recreation.

⁽⁴⁾ 1993 c. 28.

⁽⁵⁾ Copies of the publication can be obtained from the offices of the Royal Institution of Chartered Surveyors at 12 Great George Street, London SW1P 3AD.

Disposal of shops and offices etc.

91. For the purposes of regulation 86, a disposal of an interest in land shall be a relevant disposal if the disposal meets the condition specified in regulation 84, and—

- (a) there are shops or offices situated on the land; and
- (b) immediately before the disposal, each shop and office is in use by a person other than the authority, or is available for use by any person other than the authority.

Disposal of land for development

92. For the purposes of regulation 86, a disposal of a relevant interest in land shall be a relevant disposal if the disposal meets the condition specified in regulation 84, and—

- (a) on 26th November 1996, the land had the benefit of a planning permission granted on or after 26th November 1994 for use as shops or offices or for any of the purposes mentioned in regulations 89 and 90;
- (b) the planning permission granted for the benefit of the land is for an unlimited period or a period of not less than five years;
- (c) there has not been situated on the land, at any time within a period of five years ending on the date of the disposal, any building built or adapted for use as separate units for industrial purposes; and
- (d) if, on the date of the disposal, the land is in use for any purpose other than use as shops or offices or a purpose mentioned in regulation 89 or 90, that use is authorised by a planning permission granted for a period of not more than five years.

Amount of reduction of receipts derived from relevant disposals

93.—(1) In this regulation—

- (a) “qualifying receipts” means capital receipts of a description specified in regulation 86(2); and
- (b) in relation to any qualifying receipts—
 - (i) “the relevant decision” means the decision to make the relevant disposal from which the receipts are derived; and
 - (ii) “the project” means the regeneration project in relation to which, at the same time as making the relevant decision, the authority made a decision such as is mentioned in regulation 86(3)(b).

(2) Subject to paragraph (4), in relation to any qualifying receipts, the amount of the reduction for the purposes of regulation 86(2) is the total value, determined by the authority, of the contribution which the authority have made, or have decided to make, towards the costs of undertaking the project by—

- (a) making a gift of land;
- (b) paying a contribution, grant or subsidy under any power conferred on the authority under any enactment; or
- (c) giving consideration for any benefit which the authority have received, or will receive, by virtue of the undertaking of the project.

(3) For the purposes of paragraph (2), the authority make a gift of land where they transfer an interest in land and either—

- (a) no consideration falls to be given for the transfer; or

- (b) the value of the consideration which falls to be given for the transfer is less than the price which the interest transferred would realise at the date of the valuation if sold by the authority on the open market.
- (4) In relation to any qualifying receipts, the amount of the reduction for the purposes of regulation 86(2) shall be nil if the aggregate of—
 - (a) the amount which, apart from this paragraph, would be the amount of the reduction under paragraph (2),
 - (b) the value, estimated by the authority, of any contribution which any other local authority have made, or have decided to make, towards the costs of undertaking the project,
 - (c) the value, estimated by the authority, of any contribution which a regulated company (within the meaning given to that expression in article 1(4) of the Local Authorities (Companies) Order 1995⁽⁶⁾) have made, or have decided to make, towards the costs of undertaking the project, and
 - (d) the amount of any contribution, grant or subsidy which a Minister of the Crown, or a body to which such a Minister may pay sums out of moneys provided by Parliament, or a Community institution have agreed to pay towards the costs of the project,is equal to or exceeds 50 per cent. of the authority's estimate of the total costs of the project.

(6) [S.I. 1995/849](#). There are amendments which are not relevant to this regulation.