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STATUTORY INSTRUMENTS

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**1997 No. 319**

**The Local Authorities (Capital Finance) Regulations 1997**

**PART XII**

**MINIMUM REVENUE PROVISION**

*The non-housing component for subsequent financial years*

**Determining the non-housing component**

**147.**—(1) For the purposes of regulation 141, the authority shall determine the non-housing component on the last day of the last year by deducting their non-housing reduction in the last year from the aggregate of—

- (a) their non-housing component on the last day of the year before the last year;
- (b) their non-housing increase in the last year; and
- (c) the amount, if any, determined in accordance with regulation 150.

(2) The authority's non-housing component may, by virtue of paragraph (1), be nil or a negative amount.

**Determining the non-housing reduction**

**148.**—(1) In order to determine their non-housing reduction for the last year, the authority shall determine—

- (a) the total amount ("amount A") by which their adjusted credit ceiling was reduced during the last year under paragraphs 12(1) and 14(1) of Schedule 3 to the Act;
- (b) the total amount ("amount B") by which their adjusted credit ceiling was reduced during that year by the setting aside of any amounts determined under regulations 134 and 136; and
- (c) the amount ("amount C") by which amount A exceeds amount B.

(2) For the purposes of regulation 147, the authority's non-housing reduction in the last year is the amount, if any, by which amount C exceeds the housing reduction determined in accordance with regulation 144.

**Determining the non-housing increase**

**149.**—(1) In order to determine their non-housing increase for the last year, the authority shall determine the total amount by which their adjusted credit ceiling was increased during the last year—

- (a) by the use of relevant credit approvals to any extent as mentioned in section 56(3);
- (b) under paragraph 14(2) of Schedule 3 to the Act; and
- (c) under regulation 118.

(2) For the purposes of regulation 147, the authority's non-housing increase in the last year is the amount determined in accordance with the formula

$$X - Y + Z$$

where—

“X” means the total amount determined in accordance with paragraph (1);

“Y” means the housing increase determined in accordance with regulation 145; and

“Z” means the amount, if any, by which the housing reduction determined in accordance with regulation 144 exceeds the amount determined for amount C under regulation 148(1).

**Increase in non-housing component where minimum revenue provision in the last year was nil**

**150.** For the purposes of regulation 147, where the authority's minimum revenue provision for the last year was nil by virtue of paragraph 15(2) of Schedule 3 to the Act, the authority shall determine the amount which they would have set aside in the last year, if their credit ceiling on the last day of the year before the last year had been greater than nil, by virtue of—

- (a) regulation 134, in respect of any advances made for the purpose of meeting expenditure which, if it had been incurred after 1st April 1990, would have been for any purpose other than housing purposes; and
- (b) regulation 136, in respect of the use of supplementary credit approvals to any extent as mentioned in section 56(3) in respect of—
  - (i) expenditure for any purpose other than housing purposes; and
  - (ii) credit arrangements entered into for any purpose other than housing purposes.