
STATUTORY INSTRUMENTS

1997 No. 848

LOCAL GOVERNMENT, ENGLAND AND WALES

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

<i>Made</i>	- - - -	<i>14th March 1997</i>
<i>Laid before Parliament</i>		<i>17th March 1997</i>
<i>Coming into force</i>	- -	<i>1st April 1997</i>

The Secretary of State for the Environment, as respects England, and the Secretary of State for Wales, as respects Wales, in exercise of the powers conferred on them by sections 48(1)(c), 49(3), 59(4), 61(4) and 190(1) of the Local Government and Housing Act 1989(1), and of all other powers enabling them in that behalf, hereby make the following Regulations:

Commencement and citation

1. These Regulations may be cited as the Local Authorities (Capital Finance) (Amendment) Regulations 1997 and shall come into force on 1st April 1997.

Amendment of Regulations

2. The Local Authorities (Capital Finance) Regulations 1997(2) shall be amended in accordance with the following provisions of these Regulations.

Meaning of private finance transaction

3. In regulation 16, in paragraph (2)—

- (a) in sub-paragraph (a)(i), omit the words “for use” and “(“the relevant purpose”);
- (b) in sub-paragraph (a)(ii) and sub-paragraph (d)(ii), omit the words “for the relevant purpose”; and
- (c) substitute the following for sub-paragraph (e)—
 - “(e) the first instalment of fees falls to be paid after the asset has started to be used;”.

(1) 1989 c. 42.
(2) S.I.1997/319.

Transactions for the provision of a capital asset and services

4. In regulation 40—
 - (a) in paragraph (1), omit the words from “and” to the end; and
 - (b) in paragraph (2)(a) and paragraph (3)(b), omit the words “for the relevant purpose”.

Capital receipts derived from disposals made to assist regeneration

5. In regulation 86—
 - (a) in the definition of “relevant land” in paragraph (1), for the words in sub-paragraph (a) from “or within a ward” to the end of that sub-paragraph substitute the words “or was situated within a ward which had a boundary adjoining the boundary of such a ward and which is in the same local authority area; or”; and
 - (b) after paragraph (1) insert the following paragraph—

“(1A) For the purposes of the definition of “relevant land” in paragraph (1), two wards are in the same local authority area if the land which, before 1st April 1994, comprised the wards is in the area of a single local authority.”.

Disposal of property under a private finance transaction

6. In regulation 112, substitute the following paragraph for paragraph (1)—

“(1) In this regulation, “relevant arrangement” means a credit arrangement—

 - (a) which is a private finance transaction for the purposes of Part IV of these Regulations; and
 - (b) of which the initial cost falls to be determined under regulation 40, 41 or 42, or which is entered into in reliance on a supplementary credit approval which applies for the purposes of the transaction and for no other purposes.”.

Signed by authority of the Secretary of State for the Environment

Department of the Environment
12th March 1997

David Curry
Minister of State,

Signed by authority of the Secretary of State for Wales

Welsh Office
14th March 1997

Gwilym Jones
Parliamentary Under-Secretary of State,

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Authorities (Capital Finance) Regulations 1997 (“the principal Regulations”).

The amendments to regulations 16 and 40 of the principal Regulations modify the meaning of private finance transaction to take into account the case where the asset provided under the transaction is not provided for use by the local authority.

The amendment to regulation 86 of the principal Regulations modifies the description of land on which regeneration must take place if capital receipts derived from disposals made to assist the regeneration are to be treated as reduced.

The amendment to regulation 112 of the principal Regulations extends the description of private finance transaction under or in connection with which a local authority can dispose of property without having to set aside (as provision to meet credit liabilities) an amount in respect of the non-monetary consideration received for the disposal under the transaction.