
STATUTORY INSTRUMENTS

1999 No. 1852

LOCAL GOVERNMENT, ENGLAND AND WALES

The Local Authorities (Capital Finance and Approved Investments) (Amendment) Regulations 1999

<i>Made</i>	- - - -	<i>25th June 1999</i>
<i>Laid before Parliament</i>		<i>2nd July 1999</i>
<i>Coming into force</i>	- -	<i>23rd July 1999</i>

The Secretary of State for the Environment, Transport and the Regions, as respects England, and the Secretary of State for Wales, as respects Wales, in exercise of the powers conferred on them by sections 40(5)(a), 48(1)(c), 49(3), 59(4) and (5), 61(4) and 66(1)(a) of the Local Government and Housing Act 1989(1), and of all other powers enabling them in that behalf, hereby make the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Local Authorities (Capital Finance and Approved Investments) (Amendment) Regulations 1999, and shall come into force on 23rd July 1999.

Amendment of Regulations

2. The Local Authorities (Capital Finance) Regulations 1997(2) shall be amended in accordance with regulations 3 to 8 of these Regulations.

Building works

3. In regulation 3, in paragraph (b), for the words from “who is a disabled person” to the end substitute “who is, or is taken to be, disabled for the purposes of Part I of the Housing Grants, Construction and Regeneration Act 1996(3), or”.

Meaning of private finance transaction

4. In regulation 16(2)—
(a) for sub-paragraph (b) substitute the following—

(1) 1989 c. 42.

(2) S.I.1997/319; amended by S.I. 1998/371. There are other amendments not relevant to these Regulations.

(3) 1996 c. 53. See section 100 of that Act.

- “(b) the authority do not give to any other person any indemnity or guarantee in respect of any liabilities of the person with whom they enter into the transaction (whether those liabilities are incurred in respect of the transaction or otherwise);”;
- (b) in sub-paragraph (d), for the words “provisions relating to” substitute “factors which in every case include” and after that sub-paragraph insert the word “and”; and
- (c) omit sub-paragraphs (f) and (g).

Lease of land for non-housing purposes

5. In regulation 31, in sub-paragraph (a) of paragraph (2) omit “a freehold or”, and after that sub-paragraph insert the following sub-paragraph–

- “(aa) the authority have not at any time after 31st March 1989 had a freehold interest in the whole or any part of the demised land; and”.

Lease re-acquired by a local authority

6. After regulation 32 insert the following regulation–

“Lease re-acquired by a local authority

32A. The initial cost of a lease of land shall be nil where–

- (a) the authority become the lessees upon an assignment of the lease to them;
- (b) the unexpired portion of the term of the lease does not exceed ten years;
- (c) the authority ceased to be the lessees under the lease upon making an earlier assignment of the lease; and
- (d) the lease was originally granted or assigned to the authority before 1st April 1989.”.

Disposal of recently acquired interests in land

7. In regulation 96, in sub-paragraph (a) of paragraph (3), for the words “the interest disposed of” substitute “the freehold interest or a leasehold interest in the land”.

Disposal of land in exchange for nomination rights

8. In regulation 109, in paragraph (2), for “area of” substitute “interest in”, and for sub-paragraphs (a) and (b) substitute the following sub-paragraphs–

- “(a) the grant of a right to nominate a person either to occupy any dwelling or to acquire the freehold of, or a leasehold interest in, any dwelling; or
- (b) an undertaking to allow only a person of a particular description to occupy any dwelling or acquire the freehold of, or a leasehold interest in, any dwelling.”.

Approved Investments

9. The Local Authorities (Capital Finance) (Approved Investments) Regulations 1990(4) shall be amended–

- (a) by the insertion of the following definition after the definition of “relevant lender” in paragraph (2) of regulation 1–

(4) S.I. 1990/426; the relevant amending instrument is S.I. 1995/1982.

““successor”, in relation to a building society, has the same meaning as in section 97 of the Building Societies Act 1986(5);”and

(b) by the insertion of the following paragraph after paragraph (c) of regulation 2–

“(cc) shares in a successor of a building society which have been acquired by a local authority by virtue of rights conferred on the members of the society in consideration of a transfer of the business of the society to the successor under section 97 of the Building Societies Act 1986;”.

Signed by authority of the Secretary of State for the Environment, Transport and the Regions

Hilary Armstrong
Minister of State,
Department of the Environment, Transport and
the Regions

23rd June 1999

Signed by authority of the Secretary of State for Wales

Jon Owen Jones
Parliamentary Under-Secretary of State, Welsh
Office

25th June 1999

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These regulations further amend the Local Authorities (Capital Finance) Regulations 1997 and the Local Authorities (Capital Finance) (Approved Investments) Regulations 1990. The amendments relate to—

- (a) the definition of expenditure for capital purposes (regulation 3);
- (b) the definition of a private finance transaction (regulation 4);
- (c) the initial cost of certain leases (regulations 5 and 6);
- (d) the amount by which capital receipts shall be treated as reduced in certain cases (regulation 7);
- (e) certain cases of non-monetary capital receipts where the amount required to be set aside is nil (regulation 8);
- (f) the definition of approved investments (regulation 9).