

2007 No. 573

LOCAL GOVERNMENT, ENGLAND

**The Local Authorities (Capital Finance and Accounting)
(Amendment) (England) Regulations 2007**

<i>Made</i>	- - - -	<i>27th February 2007</i>
<i>Laid before Parliament</i>		<i>6th March 2007</i>
<i>Coming into force</i>		
<i>for the purposes of regulations 1, 3 and 5</i>		<i>30th March 2007</i>
<i>for all other purposes</i>		<i>1st April 2007</i>

The Secretary of State, in exercise of the powers conferred by sections 11, 16(2), 21(1) and 123(1) and (2) of the Local Government Act 2003(a), makes the following Regulations:

Citation, commencement, application and interpretation

1.—(1) These Regulations may be cited as the Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007 and shall come into force for the purposes of this regulation and regulations 3 and 5 on 30th March 2007 and for all other purposes on 1st April 2007.

(2) These Regulations apply only in relation to local authorities in England(b).

(3) Regulations 3 and 7 shall not apply to parish councils and charter trustees(c).

(4) In these Regulations, “the Principal Regulations” means the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003(d).

Expenditure to be capital expenditure

2. In regulation 25 of the Principal Regulations (expenditure to be capital expenditure)(e)—

(a) in paragraph (1), after sub-paragraph (e), insert—

“(ea) expenditure incurred on the acquisition or production of assets for use by a person other than the local authority which would be capital expenditure if those assets were acquired or, as the case may be, produced for use by the local authority; and”;

(a) 2003 c. 26.

(b) As regards the application of Part 1 of the Local Government Act 2003 to Wales, see section 24 of that Act.

(c) As regards the application of Part 1 of the Local Government Act 2003 to parish councils and charter trustees, see sections 19, 21(6) and 22(6) of that Act. See also regulation 1(3) of the Principal Regulations and regulation 1(3) of S.I. 2006/521 (which amended the Principal Regulations) which provide for certain regulations not to apply to parish councils and charter trustees.

(d) S.I. 2003/3146, as amended by S.I. 2004/534, 2004/3055 and 2006/521.

(e) Regulation 25 was amended by S.I. 2004/534.

(b) in paragraph (3), after sub-paragraph (b), insert—

“; or

- (c) an investment in the shares of a company to which Part 4 of the Finance Act 2006 (Real Estate Investment Trusts)(a) applies,”.

Revenue provision

3.—(1) For regulation 28 of the Principal Regulations (calculation of minimum revenue provision)(b), substitute—

“Calculation of minimum revenue provision

28.—(1) Subject to paragraphs (3) and (9) and to regulation 29, where a local authority’s preceding CFR, taking into account any reductions made in accordance with paragraphs (4) and (8), is an amount greater than nil, the minimum revenue provision calculated by the authority for the current financial year shall be four per cent of that amount.

(2) Where a local authority’s preceding CFR, taking into account any reductions made in accordance with paragraphs (4) and (8), is nil or a negative amount, its minimum revenue provision for the current financial year shall be nil.

(3) Where the amount calculated by the local authority as its minimum revenue provision for the current financial year, taking into account any reductions made in accordance with paragraph (9) and regulation 29, is nil or a negative amount, the minimum revenue provision for the current financial year shall be nil.

(4) The local authority shall treat its preceding CFR as reduced, for the purposes of calculating the amount of its minimum revenue provision for the current financial year, by—

- (a) where the amount of its housing CFR on 31st March 2004 is greater than nil, that amount; and
- (b) where the amount of its housing CFR on 31st March of the preceding financial year is greater than the amount of its housing CFR on 31st March 2004, the amount of the difference.

(5) Where the local authority—

- (a) incurred capital expenditure (“the relevant expenditure”) on an asset (“the relevant asset”), which was not capital expenditure on housing assets;
- (b) incurred the relevant expenditure in a financial year beginning on or after 1st April 2006 but before the current financial year; and
- (c) financed the relevant expenditure by borrowing or credit arrangements,

and either paragraph (6) or paragraph (7) applies, then paragraph (8) shall apply.

(6) This paragraph applies where the local authority charged to a revenue account, for the preceding financial year, an amount in respect of the financing of the relevant expenditure which—

- (a) was in addition to the minimum revenue provision for the preceding financial year; and
- (b) was equal to the amount which the authority was required by proper practices to charge to its income and expenditure account in the preceding financial year in respect of amortisation, depreciation and impairment of the relevant asset.

(7) This paragraph applies where the local authority—

(a) 2006 c. 25.

(b) Regulation 28 was amended by S.I. 2004/3055 and 2006/521.

- (a) did not charge to a revenue account, for the preceding financial year, an amount in respect of the financing of the relevant expenditure in addition to the minimum revenue provision for the preceding financial year; and
- (b) was not required by proper practices to charge an amount to its income and expenditure account in the preceding financial year in respect of amortisation, depreciation or impairment of the relevant asset.

(8) Where this paragraph applies, the local authority may treat its preceding CFR as reduced, for the purposes of calculating the amount of its minimum revenue provision for the current financial year, by the amount by which its capital financing requirement increased in the preceding financial year by virtue of the relevant expenditure on the relevant asset.

(9) Where four per cent of the local authority's non-housing CFR on 31st March 2004 is greater than the amount specified in paragraph (10), the authority may reduce the minimum revenue provision for the current financial year by the amount of the difference.

(10) The amount specified for the purposes of paragraph (9) is the amount of the minimum revenue provision that the local authority would have been required to make for the financial year beginning on 1st April 2004 in accordance with Part IV of, and Schedule 3 to, the Local Government and Housing Act 1989(a) if that Part and that Schedule had not been repealed by the Local Government Act 2003(b).

(11) In this regulation—

“capital financing requirement” has the same meaning as in the “Prudential Code for Capital Finance in Local Authorities” published by CIPFA(c);

“current financial year” means any financial year for which the local authority is determining the amount of its minimum revenue provision;

“housing assets” means any land, houses or other property to which subsection (1) of section 74 of the Local Government and Housing Act 1989 (duty to keep Housing Revenue Account)(d) for the time being applies;

“housing CFR” means that part, if any, of the capital financing requirement which is in respect of borrowing or credit arrangements used to finance capital expenditure on housing assets;

“non-housing CFR” means that part of the capital financing requirement which is not housing CFR;

“preceding CFR” means capital financing requirement at the end of the preceding financial year; and

“preceding financial year” means the financial year immediately preceding the current financial year.”.

(2) Where, in accordance with regulation 28 of the Principal Regulations as substituted by paragraph (1), the amount of a local authority's minimum revenue provision for a financial year is greater than the amount that would be the minimum revenue provision for that financial year if that substitution had not been made, the authority's minimum revenue provision for that financial year shall be the lesser of those amounts.

(3) For the purposes of the interpretation of any determination made before 30th March 2007 under section 87 (determinations and directions) of, and item 8 of Part I and item 8 of Part II of Schedule 4 (the keeping of the Housing Revenue Account – credits and debits to the account) to,

(a) 1989 c. 42. Section 63 of, and Part IV of Schedule 3 to, the Local Government and Housing Act 1989 and Part XII of the Local Authorities (Capital Finance) Regulations 1997 (S.I. 1997/319, as amended by S.I. 1998/371, 1998/1937, 2000/1773, 2001/723 and 2002/2299) contained provisions about minimum revenue provision.

(b) 2003 c. 26. Part IV of, and Schedule 3 to, the Local Government and Housing Act 1989 were repealed on or before 1st April 2004 by virtue of section 127 of, and paragraph 29 of Schedule 7 and Schedule 8 to, the Local Government Act 2003 (see S.I. 2003/2938 (C. 107)) and S.I. 1997/319 was consequently revoked.

(c) This code of practice was published in London in 2003. ISBN 0 85299 989 5.

(d) Section 74 was amended by section 222 of, and paragraph 24(2) of Schedule 18 to, the Housing Act 1996 (c. 52).

the Local Government and Housing Act 1989, regulation 28 of the Principal Regulations shall have effect as if the substitution made by paragraph (1) had not been made.

Accounting for capital expenditure

4. After regulation 29 of the Principal Regulations (commutation adjustment), at the beginning of Part 7 (accounts), insert—

“Accounting for capital expenditure

29A. Where expenditure of a local authority—

- (a) is expenditure which falls to be capitalised in accordance with proper practices (“capital expenditure”); or
- (b) is treated as being capital expenditure by virtue of regulations made, or a direction given, under section 16(2),

that expenditure need not be charged to a revenue account of the local authority.”.

Back payment following unequal pay – temporary accounting treatment

5.—(1) Paragraph (2) of this regulation, and regulation 30A of the Principal Regulations inserted by that paragraph, shall be revoked on 1st April 2011.

(2) After regulation 30 of the Principal Regulations (retirement benefits), insert—

“Back payment following unequal pay

30A.—(1) For the purposes of this regulation—

- (a) a reference to an employee of a local authority includes a reference to a former employee, an officer or a former officer of the authority;
- (b) a reference to the contract under which an employee was or is employed includes a reference to the terms of appointment under which an officer held or holds office; and
- (c) an employee of a local authority received unequal pay when the amount of pay he received from the authority for work done by him during a particular period is less than the appropriate amount of pay for that work done during that period.

(2) In this regulation—

“appropriate amount of pay”, in relation to an employee of a local authority, means the amount of pay to which the employee is entitled in accordance with any equality clause deemed to be included, by virtue of section 1(1) of the Equal Pay Act 1970(a), in the contract under which he was or is employed;

“back payment” means a payment of arrears of remuneration made by a local authority, for work—

- (a) done by an employee of the authority;
- (b) in respect of which the employee received unequal pay; and
- (c) done before the employee first receives any increase in pay as a result of receiving that unequal pay,

which is paid to the employee, or part of which is paid to the employee (“the net payment”) and part of which is paid to another person on behalf of the employee (“relevant deductions”), because the employee received unequal pay for that work; and

(a) 1970 c. 41.

“social security costs” means any contributions by a local authority to any state social security or pension scheme, fund or arrangement.

(3) Where a local authority—

- (a) is required by an employment tribunal or a court to make a back payment;
- (b) (i) considers that it is probable that an employment tribunal or a court will require it to make a back payment; and
(ii) is able to make a reasonable estimate of the amount of such back payment;
- (c) has reached an agreement or otherwise determined to make a back payment; or
- (d) (i) considers that it is probable that it will reach an agreement or otherwise determine to make a back payment; and
(ii) is able to make a reasonable estimate of the amount of such back payment,

paragraph (4) shall apply.

(4) Where this paragraph applies, the authority need not charge to a revenue account an amount in respect of—

- (a) the back payment; or
- (b) social security costs or other costs incurred by the authority in relation to that back payment,

until the date on which the authority must pay that back payment, or the net payment, to the employee (as required by the tribunal or court or in accordance with the agreement or determination, as the case may be).”.

Early repayment of loans and interest on loans

6. After regulation 30A of the Principal Regulations (back payment following unequal pay)(a), insert—

“Early repayment of loans – premiums and discounts at 31st March 2007

30B.—(1) This regulation applies where—

- (a) before 1st April 2007 a local authority repays a loan of money before the date on which the authority is required, in accordance with the terms of the loan, to fully repay the whole or the remaining part of it;
- (b) as a consequence of such early repayment—
 - (i) the authority is required to pay a premium to the lender of the loan or is required, in accordance with proper practices, to account for an amount in respect of a premium as if it were required to pay such a premium; or
 - (ii) the lender of the loan gives the authority a discount on the loan or the authority is required, in accordance with proper practices, to account for an amount in respect of a discount as if the lender had given the authority such a discount; and
- (c) (i) in the case of a premium, an amount in respect of the premium included, in accordance with proper practices, in the authority’s balance sheet at 1st April 2007 is less than the amount so included immediately before that date;
(ii) in the case of a discount, an amount in respect of the discount included, in accordance with proper practices, in the authority’s balance sheet at 1st April 2007 is less than the amount so included immediately before that date.

(2) This regulation does not apply in relation to an amount in respect of a discount where, before 1st April 2007, a local authority credited the total amount of the discount to a

(a) Regulation 30A of the Principal Regulations is inserted by regulation 5(2) of these Regulations.

revenue account in accordance with proper practices or with proper accounting practices which the authority was required to follow at that time.

(3) Subject to paragraphs (4) and (5), where this regulation applies, in each relevant year, the amount that a local authority shall charge to a revenue account for that year in respect of the premium or credit to a revenue account for that year in respect of the discount, as the case may be—

- (a) in the case of a premium, shall be an amount which is the same as or greater than the amount calculated in accordance with the formula specified in paragraph (6);
- (b) in the case of a discount, shall be an amount which is the same as or less than the amount calculated in accordance with that formula.

(4) In the case of a premium, where, in relation to a relevant year, the result of the calculation of the formula specified in paragraph (6) is nil, the authority shall not charge any amount to a revenue account for that year in respect of the premium.

(5) By the end of the final year, the total amount charged by the authority to a revenue account in respect of the premium or credited by the authority to a revenue account in respect of the discount shall equal the amount of the premium or the discount, as the case may be.

(6) The formula specified for the purposes of paragraphs (3) and (4) is—

$$\frac{A - B}{C}$$

where—

“A” is—

- (a) in the case of a premium, the amount in respect of the premium included in the local authority’s balance sheet immediately before 1st April 2007 less the amount in respect of the premium included in the authority’s balance sheet at 1st April 2007;
- (b) in the case of a discount, the amount in respect of the discount included in the local authority’s balance sheet immediately before 1st April 2007 less the amount in respect of the discount included in the authority’s balance sheet at 1st April 2007;

“B” is the total of—

- (a) in the case of a premium—
 - (i) any amounts charged to a revenue account before the current year, by virtue of this regulation, in respect of the premium; and
 - (ii) any capital receipts used on or after 1st April 2007 to pay any part of the premium;
- (b) in the case of a discount, any amounts credited to a revenue account before the current year, by virtue of this regulation, in respect of the discount; and

“C” is the number of financial years from the current year to the final year inclusive.

(7) In this regulation, any reference to an amount included in an authority’s balance sheet shall, if no such amount was included, be construed as a reference to nil.

(8) In this regulation—

“current year” means the financial year for which the local authority is calculating the amount to charge or credit to its revenue account in accordance with this regulation;

“final year” means—

- (a) in the case of a premium—
 - (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or

- (ii) if later, the financial year in which the whole or the remaining part of any replacement loan (or, if more than one, the replacement loan which is due to be fully repaid last) is due to be fully repaid in accordance with the terms of the replacement loan;
 - (b) in the case of a discount—
 - (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or
 - (ii) if earlier, the financial year which ends on 31st March 2016;
- “relevant year” means the financial year which begins on 1st April 2007 and each subsequent financial year until, and including, the final year; and
- “replacement loan” means any loan of money to the local authority some or all of which the authority treats, for accounting purposes, as a replacement for some or all of the loan referred to in sub-paragraph (a) of paragraph (1).

Early repayment of loans – premiums and discounts after 31st March 2007

30C.—(1) This regulation applies where—

- (a) a local authority repays a loan of money on or after 1st April 2007 but before the date on which the authority is required, in accordance with the terms of the loan, to fully repay the whole or the remaining part of it;
- (b) as a consequence of such early repayment—
 - (i) the authority is required to pay a premium to the lender of the loan; or
 - (ii) the lender of the loan gives the authority a discount on the loan; and
- (c) the authority is not required, in accordance with proper practices, to include an amount in respect of the premium or the discount, as the case may be, in its balance sheet on or after 1st April 2007.

(2) Subject to paragraphs (3) and (4), where this regulation applies, in the initial year and in each subsequent financial year until, and including, the final year, the amount that the authority shall charge to a revenue account for that year in respect of the premium or credit to a revenue account for that year in respect of the discount, as the case may be—

- (a) in the case of a premium, shall be an amount which is the same as or greater than the amount calculated in accordance with the formula specified in paragraph (5);
- (b) in the case of a discount, shall be an amount which is the same as or less than the amount calculated in accordance with that formula.

(3) In the case of a premium, where, in relation to a financial year referred to in paragraph (2), the result of the calculation of the formula specified in paragraph (5) is nil, the authority shall not charge any amount to a revenue account for that year in respect of the premium.

(4) By the end of the final year, the total amount charged by the authority to a revenue account in respect of the premium or credited by the authority to a revenue account in respect of the discount shall equal the amount of the premium or the discount, as the case may be.

(5) The formula specified for the purposes of paragraphs (2) and (3) is—

$$\frac{D - E}{F}$$

where—

“D” is the amount of the premium or the amount of the discount, as the case may be;

“E” is the total of—

- (a) in the case of a premium—

- (i) any amounts charged to a revenue account before the current year, by virtue of this regulation, in respect of the premium; and
 - (ii) any capital receipts used to pay any part of the premium;
 - (b) in the case of a discount, any amounts credited to a revenue account before the current year, by virtue of this regulation, in respect of the discount; and
- “F” is the number of financial years from the current year to the final year inclusive.

(6) In this regulation—

“current year” means the financial year for which the local authority is calculating the amount to charge or credit to its revenue account in accordance with this regulation;

“final year” means—

(a) in the case of a premium—

- (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or
- (ii) if later, the financial year in which the whole or the remaining part of any replacement loan (or, if more than one, the replacement loan which is due to be fully repaid last) is due to be fully repaid in accordance with the terms of the replacement loan;

(b) in the case of a discount—

- (i) the financial year in which the whole or the remaining part of the loan would have been due to be fully repaid in accordance with the terms of the loan if the loan had not been repaid before that financial year; or
- (ii) if earlier, the ninth financial year after the initial year (counting the financial years, immediately following the initial year, consecutively); and

“initial year” means the financial year in which the loan is repaid.

Interest on loans given by local authorities

30D.—(1) Where—

- (a) on or after 1st April 2007, a local authority gives a loan to a person;
- (b) the authority, in accordance with proper practices, includes an amount in respect of that loan in its balance sheet at the end of the financial year in which the loan is given (“the loan year”); and
- (c) the amount referred to in sub-paragraph (b) is less than the amount of the loan outstanding at the end of the loan year,

paragraph (3) shall apply.

(2) Where—

- (a) a local authority gave a loan to a person before 1st April 2007 and the whole or any remaining part of the loan is outstanding on or after 1st April 2007;
- (b) the authority, in accordance with proper practices, includes an amount in respect of that loan in its balance sheet at the end of the financial year which began on 1st April 2007 (“the 2007 financial year”); and
- (c) the amount referred to in sub-paragraph (b) is less than the amount of the loan outstanding at the end of the 2007 financial year,

paragraph (3) shall apply.

(3) Where this paragraph applies, the amount of the interest, if any, in respect of the loan, which the local authority credits to its revenue account—

- (a) (i) where the loan was given on or after 1st April 2007, in the loan year; or

- (ii) where the loan was given before 1st April 2007, in the 2007 financial year; and
 - (b) in each subsequent year until, and including, the financial year in which the whole or any remaining part of the loan is fully repaid,
- shall be the amount of the interest, if any, which it is due to receive in that year in accordance with the loan agreement for that loan.”.

Social HomeBuy Disposal

7. For the Schedule to the Principal Regulations (Social HomeBuy disposal)(a), substitute—

“SCHEDULE

Regulation 1(5)

Social HomeBuy Disposal

1. A Social HomeBuy disposal is a disposal by a local authority of a dwelling—
 - (a) to a purchaser who, immediately before the disposal, is a secure tenant of the local authority;
 - (b) which is not a disposal made under Part V of the Housing Act 1985 (right to buy)(b); and
 - (c) which is—
 - (i) the conveyance of the local authority’s freehold interest in the dwelling in accordance with paragraph 4;
 - (ii) the assignment of the local authority’s entire leasehold interest in the dwelling in accordance with paragraph 5;
 - (iii) the grant of a long lease of the dwelling in accordance with paragraphs 6 to 8; or
 - (iv) following such a grant, a subsequent disposal of an interest in the dwelling in accordance with paragraphs 7 and 8.

2. Where—

- (a) the grant of a long lease of a dwelling by a local authority to a purchaser is a Social HomeBuy disposal;
- (b) the local authority owns the freehold interest in the dwelling;
- (c) the local authority conveys the freehold interest to the purchaser; and
- (d) immediately before the conveyance of the freehold interest, the purchaser owns the long lease granted by the local authority,

the conveyance of the freehold interest is also a Social HomeBuy disposal.

3. Where—

- (a) the grant of a long lease of a dwelling by a local authority to a purchaser is a Social HomeBuy disposal;
- (b) the local authority owns a leasehold interest in the dwelling;
- (c) the long lease granted is a sub-lease of the leasehold interest;
- (d) the local authority assigns its entire leasehold interest to the purchaser; and

(a) The Schedule was inserted by S.I. 2006/521.
 (b) 1985 c. 68.

- (e) immediately before the assignment of the leasehold interest, the purchaser owns the long lease granted by the local authority,

the assignment of the leasehold interest is also a Social HomeBuy disposal.

4. A conveyance is in accordance with this paragraph if the purchaser pays to the local authority 100 per cent of the value of the freehold interest in the dwelling or of the cost of providing it, subject to any discount to which the purchaser is entitled.

5. An assignment is in accordance with this paragraph if the purchaser pays to the local authority 100 per cent of the value of the leasehold interest in the dwelling or of the cost of providing it, subject to any discount to which the purchaser is entitled.

6. Where the local authority grants a long lease of the dwelling—

- (a) the local authority—
 - (i) owns the freehold interest in the dwelling and the long lease is a lease of the dwelling; or
 - (ii) owns a leasehold interest in the dwelling and the long lease is a sub-lease of the dwelling;
- (b) the purchaser pays to the local authority a premium for the grant of the long lease (“the initial premium”), subject to any discount to which the purchaser is entitled;
- (c) the initial premium is calculated by reference to a percentage (“the initial percentage”) of the value of the long lease of the dwelling or of the cost of providing it; and
- (d) the initial percentage is at least 25 per cent.

7. Where the local authority grants a long lease of the dwelling and the initial percentage is less than 100 per cent—

- (a) the long lease includes provisions regarding the making by the local authority of a subsequent disposal of an interest in the dwelling to the purchaser in return for a further premium;
- (b) where there is a subsequent disposal of an interest in the dwelling to the purchaser, the purchaser pays to the local authority the further premium, subject to any discount to which the purchaser is entitled;
- (c) the further premium is calculated by reference to a percentage (a “further percentage”) of the value of the dwelling or the cost of providing it; and
- (d) subject to paragraph 8, any further percentage is at least 10 per cent.

8. The further percentage may be less than 10 per cent where the aggregate of the initial percentage and any earlier further percentage is at least 90 per cent.

9. References in this Schedule to a purchaser, in relation to a dwelling, include the successors in title of the purchaser’s interests in that dwelling.”.

Signed by authority of the Secretary of State for Communities and Local Government

Phil Woolas

Minister of State

27th February 2007

Department for Communities and Local Government

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (“the Principal Regulations”) and apply only in relation to local authorities in England. Regulations 3 and 7 do not apply to parish councils and charter trustees.

Regulation 2 amends regulation 25 of the Principal Regulations so that expenditure, incurred by a local authority on the acquisition or production of assets for use by another person, is treated as capital expenditure where it would be capital expenditure if those assets were acquired or produced for use by the local authority. Regulation 25 is also amended so that expenditure which is an investment in the shares of a Real Estate Investment Trust is not to be treated as capital expenditure by virtue of regulation 25.

Regulation 3 substitutes a new regulation 28 of the Principal Regulations which sets out how a local authority is to calculate its minimum revenue provision (that is, the minimum amount it must charge to a revenue account for a financial year, as required by regulation 27 of the Principal Regulations). There is a saving for cases where the minimum revenue provision would be less under regulation 28 as it exists immediately before the substitution than it would be under the new regulation 28. There is also a saving for the purposes of the interpretation of certain determinations made before 30th March 2007 under section 87 of, and Schedule 4 to, the Local Government and Housing Act 1989.

Regulation 4 inserts a new regulation 29A in the Principal Regulations which provides that capital expenditure need not be charged to a revenue account.

Regulation 5 inserts a new regulation 30A in the Principal Regulations, which is to be revoked on 1st April 2011. The new regulation provides that a local authority need not charge to a revenue account an amount, in respect of a payment to be made to an officer or employee for work done in the past for which he received unequal pay (where men and women were paid different amounts for similar work), until the authority has to pay that amount to him.

Regulation 6 inserts new regulations 30B to 30D in the Principal Regulations. Regulations 30B and 30C make provision for the amount which a local authority must charge or credit to a revenue account in respect of a premium or discount arising from the authority’s early repayment of a loan. Regulation 30D enables a local authority, which has given a loan to a person, to credit to its revenue account the full amount of interest which it is due to receive in each financial year in accordance with the loan agreement for that loan.

Regulation 7 substitutes a new Schedule for the existing Schedule to the Principal Regulations. The new Schedule contains a revised definition of Social HomeBuy disposal that includes a disposal where the purchaser pays to the local authority 100 per cent of the value of the interest in the dwelling or the cost of providing it, subject to any discount to which the purchaser is entitled. The revised definition means that a local authority may treat sums received from such a disposal as reduced, in accordance with regulation 14(1)(d) of the Principal Regulations, for the purposes of calculating how much needs to be paid to the Secretary of State (known as “pooling”) under regulation 12 of the Principal Regulations.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

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