



2011 CHAPTER 10

PART 1

FINANCIAL ADMINISTRATION

Capital receipts

“Capital receipt”

20.—(1) Subject to subsection (3), references in this Part to a capital receipt, in relation to a council, are to a sum received by the council in respect of the disposal by it of an interest in a capital asset.

(2) An asset is a capital asset for the purposes of subsection (1) if, at the time of the disposal, expenditure on the acquisition of the asset would be capital expenditure.

(3) Regulations may—

- (a) make provision for the whole of a sum received by a council in respect of the disposal by it of an interest in a capital asset, or such part of such a sum as may be determined under the regulations, to be treated as not being a capital receipt for the purposes of this Part;
- (b) make provision for the whole of a sum received by a council otherwise than in respect of the disposal by it of an interest in a capital asset, or such part of such a sum as may be determined under the regulations, to be treated as being a capital receipt for the purposes of this Part.

(4) Where a sum becomes payable to a council before it is actually received by the council, it shall be treated for the purposes of this section as received by the council when it becomes payable to the council.

Non-money receipts

- 21.**—(1) Regulations may apply section 20 to cases where—
- (a) a council makes a disposal of the kind mentioned in subsection (1) of that section and the consideration for the disposal does not consist wholly of money payable to the council, or
 - (b) a council receives otherwise than in the form of money anything which, if received in that form, would be a capital receipt under that section.
- (2) Regulations under subsection (1) may, in particular—
- (a) make provision for a council to be treated as receiving a sum of such an amount as may be determined under the regulations;
 - (b) make provision about when the deemed receipt is to be treated as taking place.

Use of capital receipts

- 22.**—(1) Regulations may make provision about the use of capital receipts by a council.
- (2) Regulations under subsection (1) may, in particular, make provision requiring an amount equal to the whole or any part of a capital receipt to be used only to meet—
- (a) capital expenditure, or
 - (b) debts or other liabilities.