



Local Government Finance Act 1988

1988 CHAPTER 41

PART XI

MISCELLANEOUS AND GENERAL

Capital expenditure

132 Share and loan capital and guarantee payments

- (1) In the Local Government, Planning and Land Act 1980 (in this section referred to as “the 1980 Act”), in Schedule 12 (prescribed expenditure under Part VIII), in paragraph 1, in sub-paragraph (f) the final “and” shall be omitted and at the end of sub-paragraph (g) there shall be added—
 - “(h) the acquisition of share capital or loan capital (within the meaning of section 78 of the Finance Act 1986) of any body corporate which is not an authority to which this Part of this Act applies, and
 - (i) the making of payments pursuant to an obligation arising under a guarantee or indemnity given with respect to money borrowed by any person”.
- (2) At the end of paragraph 3 of the said Schedule 12 there shall be inserted the following paragraph—

“3A The reference in paragraph 3 above to a county council includes a reference to any district council or other body in whom, by virtue of an order under any provision of Part VII of the Local Government Act 1985, there is for the time being vested a superannuation fund which, before the abolition date, within the meaning of that Act, was maintained by the Greater London Council or a metropolitan county council as mentioned in section 60 of that Act.”
- (3) With respect to expenditure on the matters specified in paragraphs (h) and (i) of paragraph 1 of the said Schedule 12 (as amended by subsection (1) above), the powers conferred by paragraph 4 of that Schedule (to provide by regulations that

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certain expenditure which would otherwise be prescribed expenditure shall not be such expenditure) may be exercised so as to have effect with respect to expenditure incurred (or treated by virtue of any provision of Part VIII of the 1980 Act as incurred) on or after 10 March 1988.

- (4) In section 75 of the 1980 Act (capital receipts) the power conferred by subsection (5) (d) (to provide that certain assets are brought within the scope of the section) may be exercised with respect to disposals on or after 10 March 1988 of assets acquired on or after that date in cases where, by virtue of the amendments made by subsection (1) above, expenditure on the acquisition of the assets is prescribed expenditure; and, with respect to capital receipts resulting from such disposals, the powers conferred by sections 72(3)(d) and 75(5)(a) of that Act (which relate to the prescribed proportion of an authority's capital receipts) may be similarly exercised.
- (5) In section 80 of the 1980 Act (valuation)—
- (a) in subsections (9) and (10) (which relate to the acquisition of property in goods or an interest or right in goods) after the word “goods”, in each place where it occurs, there shall be inserted “share capital or loan capital”; and
 - (b) at the end of subsection (15) (definition of “property” for subsections (9) and (10)) there shall be added the words “and loan capital has the same meaning as in section 78 of the Finance Act 1986.”
- (6) Subsections (1), (2) and (5) above shall be deemed to have come into force on 10 March 1988.