



# Local Government and Housing Act 1989

## 1989 CHAPTER 42

### <sup>F1</sup> PART IV

#### REVENUE ACCOUNTS AND CAPITAL FINANCE OF LOCAL AUTHORITIES

##### *Credit approvals*

#### **57 Effect of certain capital grants on credit approvals.**

- (1) In this section “specified capital grants” means grants, contributions and subsidies—
  - (a) which are paid to local authorities in aid of their expenditure for capital purposes;
  - (b) which are neither commuted payments falling within subsection (2) of section 63 below nor single or other payments falling within subsection (3) of that section; and
  - (c) which are, or to the extent that they are, specified for the purposes of this section by regulations made by the Secretary of State.
- (2) If at any time a local authority receive a specified capital grant, such, if any, of the authority’s credit approvals as are relevant to that grant shall, in accordance with the following provisions of this section, be reduced or, as the case may be, extinguished by deducting there from an amount equal to the grant.
- (3) For the purposes of this section, a credit approval is relevant to a specified capital grant if—
  - (a) the approval has effect at the time the grant is received or at any time thereafter; and
  - (b) the purposes for which the approval may be used are or include the purposes towards expenditure on which the grant is made.
- (4) Subject to subsections (5) and (6) below, where, by virtue of subsection (2) above, a deduction is required in respect of a specified capital grant,—
  - (a) the deduction shall be applied to the credit approvals which are relevant to the grant in the order in which those approvals were received;

*Status: Point in time view as at 18/11/2003. This version of this provision has been superseded.*

*Changes to legislation: Local Government and Housing Act 1989, Section 57 is up to date with all changes known to be in force on or before 23 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (b) subject to paragraph (d) below, the reduction or extinguishment of any such approval shall be regarded as taking place when the grant is received;
  - (c) if the amount of the deduction exceeds the total of the credit approvals which are relevant to the grant and were received before the grant, the excess shall be applied in reduction (or extinguishment) of credit approvals which are so relevant and are received later; and
  - (d) any such reduction or extinguishment of a later credit approval as is referred to in paragraph (c) above shall be regarded as taking place when the approval is received.
- (5) Notwithstanding anything in subsection (4) above, any reduction or extinguishment of a credit approval which is required to be made under Part I of Schedule 3 to this Act shall be applied before any reduction or extinguishment under this section.
- (6) In any case where—
- (a) before the time when a specified capital grant is received by a local authority, the authority have made a determination under subsection (1) of section 56 above with respect to a credit approval which is relevant to that grant, and
  - (b) by virtue of subsection (3) of that section, that credit approval is to any extent to be regarded as having been used before that time,
- the credit approval shall not, to that extent, be taken into account under subsections (2) and (4) above; but, subject to that, the making of a determination under section 56(1) above with respect to a credit approval shall not affect the operation of those subsections in relation to it.

**Modifications etc. (not altering text)**

- C1** S. 57 applied (with modifications) (13.3.1996) by **S.I. 1996/633, art. 6(3)**
- C2** S. 57(4)(c) applied (with modifications) (1.4.1995) by **S.I. 1995/798, reg. 7(2)**
- S. 57(4)(c) applied (with modifications) (1.4.1996) by **S.I. 1996/633, art. 5(2)**

**Status:**

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