
STATUTORY INSTRUMENTS

1996 No. 330

**The Local Government Changes for England
(Miscellaneous Provision) Regulations 1996**

PART IV

MISCELLANEOUS TRANSITIONAL PROVISIONS

Local authority companies

9.—(1) Where by virtue of or under any provision made under the Act, on or after the reorganisation date there become vested in a local authority (“transferee authority”) investments, rights and liabilities of another local authority (“the transferor authority”) in relation to a company which immediately before that date is, for the purposes of Part V of the 1989 Act, a company under the control of that authority, section 68 of that Act shall have effect on and after the reorganisation date in relation to that company and that transferee authority with the following modifications—

- (a) the reference in subsection (5)(a) to the taking of or refraining from action by the authority applies to action by the transferor authority;
- (b) the reference in subsection (6) to a resolution of the authority is, in relation to the financial year beginning on the reorganisation date, a reference to a resolution of the transferor authority;
- (c) the reference in subsection (6) to the application of conditions while the company has been under the control of the local authority is a reference to their application while the company has been under the control of either the transferor authority or any transferee authority;
- (d) the reference in paragraph (c) of subsection (6) to directors of the company having been members or officers of the authority is a reference in relation to any time before the reorganisation date to their having been members or officers of the transferor authority, and in relation to any time on or after that date is a reference to their having been members of the relevant transferee authority;
- (e) the reference in paragraph (d) of subsection (6) to the company’s occupation of land is, in relation to any time before the reorganisation date, to the occupation of land in which the transferor authority had an interest, and in relation to any time on or after that date is a reference to land in which the relevant transferee authority had an interest;
- (f) the reference in paragraph (e) of subsection (6) to an agreement is to an agreement entered into with the transferor authority;
- (g) the references in paragraphs (f) to (h) to the lending of money or the making of any grant are references to lending or, as the case may be, the making of any grant by the transferor authority before the reorganisation date or by a transferee authority on or after that date.

(2) Where by virtue of or under any provision made under the Act, on or after the reorganisation date there become vested in a local authority (“transferee authority”) rights and liabilities of another local authority (“the transferor authority”) in relation to a company which immediately before that date is, for the purposes of Part V of the 1989 Act, a company under the influence of that authority,

section 69 of that Act shall have effect on and after the reorganisation date in relation to that company and that transferee authority with the following modifications—

- (a) in paragraph (a) of subsection (3), the reference to payments by the authority is, in relation to any time before the reorganisation date, to payments by the transferor authority, and in relation to any time on or after that date, to payments by a transferee authority;
 - (b) in paragraphs (c) and (d) of subsection (3), references to grants made and loans made or guaranteed include grants made or, as the case may be, loans made or guaranteed by—
 - (i) the transferor authority,
 - (ii) a transferee authority, or
 - (iii) a company under the control of the transferor authority or a transferee authority;
 - (c) in paragraph (e) of subsection (3), the reference to an interest in land obtained from the local authority or a company under the control of the local authority is to an interest in land obtained from either the transferor authority, a transferee authority or, as the case may be, a company under the control of the authority which made the land available;
 - (d) in paragraph (d) of subsection (5) and paragraph (b) of subsection (6), references to a person being associated with the authority are to be construed in relation to any time before the reorganisation date as references to that person being associated with the transferor authority, and in relation to any time on or after that date as references to that person being associated with a transferee authority.
- (3) In this regulation—
- (a) “the 1989 Act” means the Local Government and Housing Act 1989⁽¹⁾;
 - (b) references to a company under the control of an authority are to be construed in accordance with Part V of the 1989 Act; and
 - (c) “the relevant transferee authority”, in relation to a company and any time, means the transferee authority in which the investments, rights or liabilities of the transferor authority in relation to that company are or were for the time being vested.

(1) 1989 c. 42.