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STATUTORY INSTRUMENTS

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**1996 No. 633**

**The Local Government Reorganisation  
(Wales) (Capital Finance) Order 1996**

**Capital receipts to be treated as reduced**

7.—(1) Where a new authority receives from the Residuary Body for Wales a relevant capital receipt and at any time during the relevant period the new authority has made a decision to which paragraph (4) refers, then—

- (a) section 59(2) of the 1989 Act shall not apply to determine the reserved part of that relevant capital receipt;
- (b) regulations made under section 59 of the 1989 Act shall not apply to determine the reserved part of that relevant capital receipt; and
- (c) for the purposes of Part IV of the 1989 Act the reserved part of that relevant capital receipt shall be nil.

(2) In this article, “relevant capital receipt” is any sum which, by virtue of paragraph 13 of Schedule 13 to the 1994 Act, is treated as a capital receipt for the purposes of section 58 of the 1989 Act, and which—

- (a) when received by the Residuary Body for Wales would, apart from that paragraph, be treated as a capital receipt for the purposes of section 58 of the 1989 Act if received by a local authority;
- (b) would be so treated because—
  - (i) the sum was received by the Residuary Body for Wales in respect of the disposal of an interest in an asset, and
  - (ii) at the time of the disposal, expenditure by a local authority on the acquisition of the asset would be expenditure for capital purposes within the meaning of section 40 of the 1989 Act; and
- (c) was received by the Residuary Body for Wales in respect of the disposal of an interest in land which, immediately before 1st April 1996, was used for the purpose of local authority offices.

(3) In this article, “relevant period”, in relation to a relevant capital receipt, is the period commencing on 1st April 1996 and ending on the day before the relevant capital receipt is received by the new authority.

(4) This paragraph refers to a decision of the new authority—

- (a) either to acquire an interest in land (“the new land”) or to carry out works to a building (“the new building”), or both; and
- (b) to use the new land or the new building, or both (as the case may be) for the purpose of local authority offices.