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WELSH STATUTORY INSTRUMENTS

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**2003 No. 3239**

**The Local Authorities (Capital Finance  
and Accounting) (Wales) Regulations 2003**

**PART 4**

**SUPPLEMENTARY**

**Expenditure to be capital expenditure**

**20.**—(1) For the purposes of Chapter 1 of Part 1 the following expenditure of a local authority must be treated as being capital expenditure insofar as it is not capital expenditure by virtue of section 16(1) —

- (a) expenditure incurred on the acquisition or preparation of a computer program, including expenditure on the acquisition of a right to use the program, if the authority acquire or prepare the program for use for a period of at least one year for any purpose relevant to its functions;
- (b) the making of an advance or the giving of a grant or other financial assistance to any person, whether for use by that person or by a third party, towards expenditure which would, if incurred by the authority, be capital expenditure;
- (c) the making of a relevant payment.

(2) For the purposes of paragraph 1(b), expenditure incurred by a local authority on the making of advances, grants or other financial assistance—

- (a) to an officer of the authority pursuant to the terms and conditions of that officers employment; or
- (b) in connection with the appointment of a person as an officer of the authority, to that person in so far as, apart from this regulation, it would be expenditure for capital purposes, shall not be expenditure for capital purposes.

(3) For the purposes of paragraph (1)(c), “relevant payment” means the payment made to the National Assembly for Wales under regulation 10(4), or that part of it, which is in respect of the relevant notional capital receipt, where—

- (a) “relevant notional capital receipt” means the notional capital receipt, or that part of it, which is in respect of consideration R;
- (b) “consideration R” means the consideration N, or that part of it, in respect of which there would be relevant capital expenditure;
- (c) “consideration N” means the consideration for a disposal, or the non-money part of it, in respect of which the authority determines a notional capital receipt under regulation 15; and
- (d) “relevant capital expenditure” means any expenditure that, if the authority were to incur expenditure on whatever the consideration N consists of, would be capital expenditure.