STATUTORY INSTRUMENTS

# 1982 No. 302

# LOCAL GOVERNMENT, ENGLAND AND WALES

## The Local Government (Prescribed Expenditure) (Amendment) Regulations 1982

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| *Made* - - - | *4th March* 1982 |
| *Laid before Parliament* | *10th March* 1982 |
| *Coming into Operation* | *1st April* 1982 |

The Secretary of State for the Environment in relation to England, and the Secretary of State for Wales in relation to Wales, in exercise of the powers conferred on them by sections 72(3), 75(5) and 84 of, and paragraphs 2 and 4 of Schedule 12 to, the Local Government, Planning and Land Act 1980(**a**) and of all other powers enabling them in that behalf, hereby make the following regulations:—

**1.** These regulations may be cited as the Local Government (Prescribed Expenditure) (Amendment) Regulations 1982 and shall come into operation on 1st April 1982.

**2.** The Local Government (Prescribed Expenditure) Regulations 1981(**b**) shall be amended as follows.

**3.** For regulation 4 there shall be substituted the following:—

"**4.**—(1) A leasehold interest in:—

(*a*) a dwelling-house held under Part V of the Housing Act 1957 (**c**), or

(*b*) any other land

shall be treated as if it were not mentioned in section 75(2) of the Act, except in the case of an interest described in sub-paragraph (*b*) above to the extent of:—

(i) the amount which an authority was taken to have paid under section 80 of the Act on the acquisition of that interest or any superior interest in the land, or

(ii) the amount paid by way of prescribed expenditure by an authority on the construction, preparation, conversion, improvement, renewal or replacement of buildings and structures on the land.

(**a**) 1980 c.65. (**b**) S.I. 1981/348. (**c**) 1957 c.56.

(2) In this regulation a leasehold interest means a leasehold interest which:—

(*a*) has an unexpired term not exceeding twenty years which is not capable of being renewed or extended so that the unexpired term and any renewal or extension of the interest together exceed twenty years;

(*b*) if it is granted to commence on the expiry of another interest, does not, together with any interest in the same land previously disposed of by an authority, exceed twenty years;

and in the case of a dwelling-house held under Part V of the Housing Act 1957 includes a periodic tenancy.".

**4.** In paragraph (1) of regulation 6 for the figure "£5,000" there shall be substituted the figure "£5,500".

**5.** For paragraph 1 in column 1 of Schedule 1 there shall be substituted the following:—

"1. A dwelling-house held under Part V of the Housing Act 1957 and normally let or available for letting, not being—

(i) a dwelling-house disposed of on a shared ownership tenancy, or

(ii) a dwelling-house requiring significant repair or improvement or both and disposed of on condition that the purchaser executes significant works of repair or improvement or both within a specified period.".

**6.** In Schedule 2—

(*a*) in paragraph 4 for the words "for expenses against a person by an authority under any default power" there shall be substituted the words "in respect of damage to or loss or destruction of buildings or structures, vehicles, vessels, movable or immovable plant, machinery or apparatus"; and

(*b*) after paragraph 10 there shall be inserted the following paragraph:—

"11. Any grant of a capital nature made to an authority by any of the following bodies:—

(a) the Manpower Services Commission,

(b) the Countryside Commission,

(c) the Sports Council,

(d) the Sports Council for Wales,

(e) the Development Commission,

(f) the Welsh Development Agency,

(g) the Development Board for Rural Wales,

(h) the English Tourist Board,

(i) the Wales Tourist Board,

(j) the Arts Council of Great Britain,

(k) the Museums and Galleries Commission,

(l) the Council for Educational Technology,

(m) an urban development corporation,

(n) a water authority,

(o) a research council,

(p) an area museum council,

(q) the Council for Museums in Wales.".

7. In Schedule 3—

(*a*) in paragraph 1 after the word "Expenditure" there shall be inserted the words "on the Central Criminal Court and";

(*b*) for sub-paragraph (2) of paragraph 3 there shall be substituted the following:—

"(2) In this Paragraph a leasehold interest means—

(*a*) an interest granted for a term not exceeding twenty years which is not capable of being renewed or extended so that the interest and any renewal or extension together exceed twenty years and, if the interest is granted to commence on the expiry of another, one which, together with any interests previously acquired by the authority, does not exceed twenty years, and

(*b*) an interest granted for a term exceeding twenty years, where—

(i) that interest is granted to commence on the expiry of another leasehold interest (in this paragraph referred to as "the former interest");

(ii) the former interest was acquired (whether by grant or assignment) before 1st April 1980, and

(iii) the former interest was for a term which did not exceed twenty years.".

(*c*) for paragraph 5 there shall be substituted the following paragraph—

"5. Expenditure on a project which is the subject of a grant from the Secretary of State under section 272 of the Highways Act 1980(**a**) which represents 100% of the cost of construction improvement or widening of any highway.";

(*d*) paragraph 7 shall be deleted;

(*e*) in paragraph 9 for the words from "destruction of" to the end there shall be substituted the words "property of a kind described in that paragraph, or is defrayed from an insurance or contingency fund maintained by an authority for that purpose."; and

(*f*) after paragraph 12 there shall be inserted the following paragraph—

"13. Expenditure by an authority on the making of a loan to an employee for the purchase by him of a car where it is essential for that employee to have the use of a car for the discharge of his official duties.".

*Michael R. D. Heseltine,*
4th March 1982. Secretary of State for the Environment.

*Nicholas Edwards,*
4th March 1982. Secretary of State for Wales.

(**a**) 1980 c.66.

## EXPLANATORY NOTE

*(This Note is not part of the Regulations.)*

These regulations amend the Local Government (Prescribed Expenditure) Regulations 1981. Section 72(3) of the Local Government, Planning and Land Act 1980 provides that an authority to which Part VIII of the Act applies may make payments in respect of prescribed expenditure equal to or less than the aggregate of various amounts including the authority's net capital receipts or such proportion of them as may be prescribed. The 1981 regulations specified with certain exceptions a proportion of 50% in relation to the disposal of certain dwelling-houses. These regulations make a further exception in relation to dwelling-houses in need of significant improvement or repair. The regulations also provide that certain grants are to be treated as capital receipts and that disposals of certain short leasehold interests are not to be so treated except to a specified extent. They also amend to £5,500 the figure below which expenditure in connection with the acquisition, renewal or replacement of certain assets is not to be prescribed expenditure and alter some of the circumstances in which expenditure by such an authority is not to be prescribed expenditure for the purposes of Part VIII of the Act.

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