STATUTORY INSTRUMENTS

1975 No. 290

HOUSING, ENGLAND AND WALES

The Slum Clearance Subsidy (Transitional Provisions) Order 1975

Made - - -	3*rd March* 1975
Laid before Parliament	10*th March* 1975
Coming into Operation	31st *March* 1975

The Secretary of State for the Environment as respects England and the Secretary of State for Wales as respects Wales, in exercise of the powers conferred on them by section 254(1) and (2)(*c*) and (*h*) of the Local Government Act 1972(**a**) and by those provisions as extended by section 102(5) of the Housing Finance Act 1972(**b**) and of all other powers enabling them in that behalf, hereby make the following order:—

Citation and commencement

1. This order may be cited as the Slum Clearance Subsidy (Transitional Provisions) Order 1975 and shall come into operation on 31st March 1975.

Interpretation

2.—(1) The Interpretation Act 1889(**c**) shall apply for the interpretation of this order as it applies for the interpretation of an Act of Parliament.

(2) In this order, unless the context otherwise requires—

"the Regulations" means the Slum Clearance Subsidy Regulations 1974(**d**) and any reference to a numbered regulation shall be construed as a reference to the regulation bearing that number in the Regulations;

"former authority" means, in relation to any new authority, the authority who immediately before 1st April 1974 were the local authority for the purposes of Part III of the Housing Act 1957(**e**) for any area which is comprised in the district of the new authority;

"new authority" means the council of a district who are the local authority with respect to that district for the purposes of Part III of the Housing Act 1957; and

"slum clearance loss" means a loss incurred by an authority in or in connection with the exercise of their slum clearance functions.

(3) In this order, unless the context otherwise requires, any reference to an enactment shall be construed as a reference to that enactment as amended, extended or applied by or under any other enactment.

(4) Expressions used in this order which are also used in the Regulations shall, unless the context otherwise requires, have the same meaning in this order as they have in the Regulations.

(**a**) 1972 c. 70.
(**b**) 1972 c. 47.
(**c**) 1889 c. 63.
(**d**) S.I. 1974/618 (1974 I, p. 2473).
(**e**) 1957 c. 56.

Capital expenditure and capital receipts of former authorities

3.—(1) Subject to the following provisions of this order, in determining for the purposes of section 11 of the Housing Finance Act 1972 whether a new authority have incurred a slum clearance loss for the year 1974-75 or any subsequent year, and the amount of any such loss, account shall be taken of capital expenditure incurred by, and capital receipts due to, a former authority in respect of any area comprised in the district of the new authority if account would have been taken of such expenditure or receipts for that year under the Regulations if the Local Government Act 1972 had not been passed.

(2) Where by virtue of paragraph (1) above account is to be taken of any capital expenditure or capital receipts for any year, there shall, for the purposes of regulation 3(1), be included in the aggregate expenditure or, as the case may be, the aggregate receipts of the new authority equivalent annual amounts for that year calculated in accordance with the following provisions of this order in respect of such expenditure or, as the case may be, receipts.

Equivalent annual amounts

4.—(1) In any case where the former authority did not, and the new authority do not, operate a loans fund, the equivalent annual amount for any year in respect of any item of a capital nature shall be an amount equal to the equivalent annual amount which would have been included in the determination of the slum clearance loss of the former authority for that year if the Local Government Act 1972 had not been passed.

(2) If paragraph (1) above does not apply, the equivalent annual amount for any year in respect of any item of a capital nature shall be—

(*a*) if the relevant local authority operate a loans fund, an amount equal to the loan charges for that year which would be made, in accordance with the authority's normal financing and accounting practice, in the case of an advance from the authority's loans fund of an amount equal to the appropriate amount for that item repayable over a period beginning on 1st April 1974 and ending 60 years from the relevant date for that item; or

(*b*) if the relevant local authority do not operate a loans fund, an amount equal to the loan charges which would be payable for that year under a loan of an amount equal to the appropriate amount for that item repayable together with interest at the appropriate rate for that item over a period beginning on 1st April 1974 and ending 60 years from the relevant date for that item by equal annual instalments of principal and interest combined.

(3) The relevant local authority for the purposes of paragraph (2) above is—

(*a*) if the former authority operated a loans fund which was transferred by virtue of article 7 or 16 of the Local Authorities (England) (Property etc.) Order 1973(**a**) or by virtue of article 16 of the Local Authorities (Wales) (Property etc.) Order 1973(**b**) to an authority other than the new authority in question, the authority to whom the loans fund was transferred, or

(*b*) in any other case, the new authority.

(4) The appropriate amount for any item falling within paragraph (2) above shall be the balance of the principal which would have remained outstanding on 31st March 1974—

(**a**) S.I. 1973/1861 (1973 III, p. 6401). (**b**) S.I. 1973/1863 (1973 III, p. 6452).

(*a*) if the former authority operated a loans fund, on an advance conforming to the requirements of paragraph (2)(*a*) of regulation 11, or

(*b*) if the former authority did not operate a loans fund, on a loan conforming to the requirements of paragraph (2)(*b*) of regulation 11,

in respect of that item of capital expenditure or, as the case may be, capital receipt of the former authority.

(5) The relevant date for an item falling within paragraph (2) above and specified in column 1 of the following Table shall be 1st April in the year in which the corresponding event specified in column 2 of that Table occurred in relation to the former authority.

TABLE

1. Item	2. Event
(*a*) Expenditure deemed by regulation 6 to be incurred in respect of the appropriation of land to slum clearance functions.	(*a*) Resolution to appropriate the land to slum clearance functions.
(*b*) Expenditure deemed by regulation 9(1) to be incurred in respect of the exchange of land.	(*b*) Completion of the exchange.
(*c*) Receipt deemed by regulation 7 to be due in respect of the appropriation of slum clearance land to some other function.	(*c*) Resolution to appropriate the slum clearance land to that other function or first use of that land for the purposes of that function, whichever is the earlier.
(*d*) Receipt deemed by regulation 9(2) to be due in respect of the exchange of slum clearance land.	(*d*) Completion of the exchange.
(*e*) Expenditure other than expenditure within (*a*) or (*b*) above.	(*e*) Expenditure is paid.
(*f*) Receipt other than a receipt within (*c*) or (*d*) above.	(*f*) Receipt is received.

(6) The appropriate rate of any item falling within paragraph (2) above is the rate of interest for the year 1973–74 of the former authority on advances from their loans fund for the purposes of Parts II and III of the Housing Act 1957.

Apportionments

5. Any apportionment necessary to give effect to the foregoing provisions of this order shall be such as may be agreed by the new authorities concerned or, in the absence of such agreement, as may be determined by a person appointed for that purpose by those authorities or, if those authorities fail to agree on the appointment of such a person, as may be determined by the Secretary of State.

Anthony Crosland,
Secretary of State for the Environment.

28th February 1975.

John Morris,
Secretary of State for Wales.

3rd March 1975.

EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order makes transitional provisions to take account of the new authorities established by the Local Government Act 1972 in relation to slum clearance subsidy under section 11 of the Housing Finance Act 1972 and the Slum Clearance Subsidy Regulations 1974.

SI 1975/290
ISBN 0-11-050290-6

