

STATUTORY INSTRUMENTS

2003 No. 3146

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003

PART 4

CAPITAL RECEIPTS

POOLING OF RECEIPTS

[^{F1}Pooling of receipts from housing land

12.—(1) The local authority must use capital receipts to pay the poolable amount in respect of each [^{F2}financial year] to the Secretary of State on or before the following dates (“the due date”)—

- (a) [^{F3}30th April in the following financial year;] or
- (b) if later, such date as is notified to the local authority by the Secretary of State.

(2) Where the poolable amount paid to the Secretary of State has been incorrectly calculated by the local authority, the local authority must—

- (a) pay any outstanding amount to the Secretary of State (including any interest payable under regulation 13); or
- (b) offset any amount paid in excess of the poolable amount against any further poolable amount payable to the Secretary of State under this regulation.]

Textual Amendments

- F1** Regs. 12-19 substituted for regs. 12-21 (1.4.2012) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/711\)](#), regs. 1(2), **7** (with reg. 10)
- F2** Words in reg. 12(1) substituted (30.6.2021) by [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2021 \(S.I. 2021/611\)](#), regs. 1(2), **4(a)** (with reg. 7(1))
- F3** Reg. 12(1)(a) substituted (30.6.2021) by [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2021 \(S.I. 2021/611\)](#), regs. 1(2), **4(b)** (with reg. 7(1))

[^{F1}Interest on late payments

13.—(1) The local authority must use capital receipts, which it derived from the disposal of housing land, to pay interest to the Secretary of State in accordance with the following provisions of this regulation.

(2) Where the local authority does not pay part or all of the poolable amount to the Secretary of State by the due date, the local authority shall pay interest to the Secretary of State on the unpaid part amount of the poolable amount.

Changes to legislation: *The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, POOLING OF RECEIPTS is up to date with all changes known to be in force on or before 17 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(3) The interest shall be calculated on any unpaid amount at [^{F4}the applicable rate] on a day to day basis compounded with [^{F5}yearly] rests.

(4) Where interest is payable by virtue of paragraph (2), the interest on the unpaid amount shall be calculated for the period starting on the day after the due date and ending on the date of the payment of the unpaid amount.

(5) The local authority must pay to the Secretary of State any interest, payable in respect of any unpaid amount, on the date on which it pays the unpaid amount.

(6) In this regulation—

[^{F6}“applicable rate” means whichever is the higher of—

- (a) 1%; and
- (b) 1% above base rate;]

“base rate” means the base rate for the time being quoted by the reference banks or, where there is for the time being more than one such rate, the rate which, when the base rate quoted by each bank is ranked in descending sequence of seven, is fourth in the sequence; and

“reference banks” means the seven largest persons for the time being who—

- (i) have permission under Part IV of the Financial Services and Markets Act 2000 (permission to carry on regulated activities) to accept deposits;
- (ii) are incorporated in the United Kingdom and carry on there a regulated activity of accepting deposits; and
- (iii) quote a base rate in sterling,

and for the purpose of this definition the size of any person at any time is to be determined by reference to the gross assets denominated in sterling by that person, together with any subsidiary (as defined in section 1159 of the Companies Act 2006), as shown in the audited end-of-year accounts last published before that time.]

Textual Amendments

- F1** Regs. 12-19 substituted for regs. 12-21 (1.4.2012) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 2\) Regulations 2012](#) (S.I. 2012/711), regs. 1(2), 7 (with reg. 10)
- F4** Words in [reg. 13\(3\)](#) substituted (30.6.2021) by [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2021](#) (S.I. 2021/611), regs. 1(2), **5(a)(i)** (with reg. 7(2))
- F5** Word in [reg. 13\(3\)](#) substituted (30.6.2021) by [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2021](#) (S.I. 2021/611), regs. 1(2), **5(a)(ii)** (with reg. 7(2))
- F6** Words in [reg. 13\(6\)](#) inserted (30.6.2021) by [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2021](#) (S.I. 2021/611), regs. 1(2), **5(b)** (with reg. 7(2))

[^{F1}Specified amount

14.—[^{F7}(1) This regulation applies to the following capital receipts arising from the disposal of housing land prior to 1st April 2012—

- (a) amounts received by the local authority as mortgagee of any housing land;
- (b) amounts received on or after 1st April 2006, in relation to the disposal of the authority’s rights and obligations as mortgagee of any dwelling; and

Changes to legislation: *The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, POOLING OF RECEIPTS is up to date with all changes known to be in force on or before 17 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (c) amounts received pursuant to the enforcement of a covenant contained in a conveyance of a freehold or grant of a leasehold in compliance with section 155 of the Housing Act 1985 (repayment of the right to buy discount).]

[^{F8}(2) Where this regulation applies, the specified amount is an amount equal to 75% of the capital receipt in relation to the disposal of housing land.]

^{F9}(3)

Textual Amendments

- F1** Regs. 12-19 substituted for regs. 12-21 (1.4.2012) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/711\)](#), regs. 1(2), **7** (with reg. 10)
- F7** Reg. 14(1) substituted (1.4.2013) by [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2013 \(S.I. 2013/476\)](#), regs. 1(3), **3(1)(a)** (with reg. 7)
- F8** Reg. 14(2) substituted (1.4.2013) by [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2013 \(S.I. 2013/476\)](#), regs. 1(3), **3(1)(b)** (with reg. 7)
- F9** Reg. 14(3) omitted (1.4.2013) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2013 \(S.I. 2013/476\)](#), regs. 1(3), **3(1)(c)** (with reg. 7)

Commencement Information

- I1** Reg. 14 in force at 1.1.2004 for specified purposes and 1.4.2004 in so far as not already in force, see [reg. 1\(1\)](#)

Capital receipt treated as reduced

^{F10}**15.**

Textual Amendments

- F10** Regs. 15-19 omitted (1.4.2013) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2013 \(S.I. 2013/476\)](#), regs. 1(3), **3(2)** (with reg. 7)

Available capital allowance

^{F10}**16.**

Textual Amendments

- F10** Regs. 15-19 omitted (1.4.2013) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2013 \(S.I. 2013/476\)](#), regs. 1(3), **3(2)** (with reg. 7)

Available Social HomeBuy allowance

^{F1}**16A.**

Changes to legislation: *The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, POOLING OF RECEIPTS is up to date with all changes known to be in force on or before 17 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1 Regs. 12-19 substituted for regs. 12-21 (1.4.2012) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/711\)](#), regs. 1(2), **7** (with reg. 10)

Total Social HomeBuy allowance

^{F1}**16B.**

Textual Amendments

F1 Regs. 12-19 substituted for regs. 12-21 (1.4.2012) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/711\)](#), regs. 1(2), **7** (with reg. 10)

Total capital allowance

^{F10}**17.**

Textual Amendments

F10 Regs. 15-19 omitted (1.4.2013) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2013 \(S.I. 2013/476\)](#), regs. 1(3), **3(2)** (with reg. 7)

Provision of affordable housing

^{F10}**18.**

Textual Amendments

F10 Regs. 15-19 omitted (1.4.2013) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2013 \(S.I. 2013/476\)](#), regs. 1(3), **3(2)** (with reg. 7)

Regeneration projects

^{F10}**19.**

Textual Amendments

F10 Regs. 15-19 omitted (1.4.2013) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) Regulations 2013 \(S.I. 2013/476\)](#), regs. 1(3), **3(2)** (with reg. 7)

Capital receipts reduced by costs of buying back dwellings in the preceding year

^{F1}**20.**

Changes to legislation: *The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, POOLING OF RECEIPTS is up to date with all changes known to be in force on or before 17 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1 Regs. 12-19 substituted for regs. 12-21 (1.4.2012) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/711\)](#), regs. 1(2), 7 (with reg. 10)

Capital receipts reduced by consideration for former new town assets

^{F1}20A.

Textual Amendments

F1 Regs. 12-19 substituted for regs. 12-21 (1.4.2012) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/711\)](#), regs. 1(2), 7 (with reg. 10)

Transitional reductions for debt-free authorities

^{F1}21.

Textual Amendments

F1 Regs. 12-19 substituted for regs. 12-21 (1.4.2012) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(England\) \(Amendment\) \(No. 2\) Regulations 2012 \(S.I. 2012/711\)](#), regs. 1(2), 7 (with reg. 10)

Non-money receipts

22.—(1) Subject to paragraphs (2) to (4), where on or after 1st April 2004 a local authority makes a disposal, other than a qualifying disposal [^{F11}or a small scale disposal], of an interest in housing land—

- (a) which is a disposal of the kind mentioned in section 9(1) (capital receipt) and the consideration for the disposal does not consist wholly of money payable to the authority; or
- (b) in respect of which the authority receives otherwise than in the form of money any consideration which, if received in that form, would be a capital receipt under section 9,

the authority shall determine the amount (the “notional capital receipt”) which would have been the capital receipt if the consideration for the disposal had been wholly in money payable to the authority.

(2) Where money is payable to the authority in respect of the disposal, the notional capital receipt shall be determined by deducting the amount of that money from the amount which would have been the capital receipt if the consideration for the disposal had been wholly in money payable to the authority.

(3) Where the consideration for the disposal, or part of the consideration, consists of—

- (a) the grant of a right to the local authority to nominate a person either to occupy any dwelling or to acquire the freehold of, or a leasehold interest in, any dwelling; or
- (b) an undertaking given to the local authority to allow only a person of a particular description to occupy any dwelling or acquire the freehold of, or a leasehold interest in, any dwelling,

Changes to legislation: *The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, POOLING OF RECEIPTS is up to date with all changes known to be in force on or before 17 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

the amount of the notional capital receipt in respect of that consideration or that part of the consideration, as the case may be, shall be treated as nil.

(4) For the purposes of determining the notional capital receipt for a disposal, the consideration for the disposal shall be deemed to be received by the authority at the time that the authority makes the disposal.

(5) For the purposes of Chapter 1 of Part 1, a notional capital receipt shall be treated as a capital receipt and the amount specified in regulation 12(4) shall be calculated accordingly.

Textual Amendments

F11 Words in [reg. 22\(1\)](#) inserted (16.12.2004) by [The Local Authorities \(Capital Finance and Accounting\) \(Amendment\) \(England\) \(No. 2\) Regulations 2004 \(S.I. 2004/3055\)](#), [regs. 1\(1\), 5](#)

Commencement Information

I2 [Reg. 22](#) in force at 1.1.2004 for specified purposes and 1.4.2004 in so far as not already in force, see [reg. 1\(1\)](#)

Changes to legislation:

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, POOLING OF RECEIPTS is up to date with all changes known to be in force on or before 17 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Instrument associated Parts and Chapters:

Whole provisions yet to be inserted into this Instrument (including any effects on those provisions):

- reg. 1(3A) substituted by [S.I. 2024/478 reg. 2\(2\)\(b\)](#)
- reg. 28(4)-(7) inserted by [S.I. 2024/478 reg. 2\(4\)\(c\)](#)