



Town and Country Planning Act 1959

1959 CHAPTER 53

PART II

ACQUISITION, APPROPRIATION AND DISPOSAL OF LAND BY LOCAL AUTHORITIES AND OTHER PUBLIC BODIES

27 Application of capital money on disposal of land

(1) Where by any enactment—

- (a) provision is made as to the application of capital money received by an authority to whom this Part of this Act applies, or by any class of such authorities, in respect of land disposed of by them, but
- (b) it is provided (in whatsoever terms) that the application of capital money thereunder shall be effected only with the consent of a Minister specified therein or in a manner approved by a Minister so specified,

the enactment shall have effect, in relation to the application after the commencement of this Act of capital money by an authority to whom this Part of this Act applies, in cases fulfilling any one or more of the conditions specified in the next following subsection, as if it made the provision referred to in paragraph (a) of this subsection without any such provision as is referred to in paragraph (b) of this subsection.

(2) The said conditions, in relation to capital money received by an authority in respect of land disposed of by them, are the following, that is to say,—

- (a) that the capital money received in respect of the disposal of that land does not exceed the relevant limit;
- (b) that the capital money is to be applied by the authority in or towards the repayment of a debt incurred by them wholly or in part for the purpose of acquiring or developing that land or otherwise in connection with that land;
- (c) that the capital money is to be applied by the authority in or towards the repayment of a debt of the authority which is repayable within a period of which, at the date of the application of the capital money, not less than fifteen years remain unexpired;

- (d) that the capital money is to be applied by the authority for a purpose for which they have obtained the consent of a Minister, or have been authorised by a local enactment, to borrow money on terms providing for repayment within a period of not less than fifteen years;
 - (e) that the capital money is to be applied from a capital fund established under section one of the Local Government (Miscellaneous Provisions) Act, 1953, or established under a local enactment which includes a provision requiring moneys derived from the sale of land which are applied from the fund to be repaid to the fund from the account to which the moneys are advanced.
- (3) For the purposes of paragraph (a) of the last preceding subsection the relevant limit shall be ascertained as follows, that is to say—
- (a) in the case of capital money received by the council of a county, county borough or metropolitan borough, or by the Common Council of the City of London, the relevant limit shall be the sum of one thousand pounds;
 - (b) in the case of capital money received by the council of a county district, or by the Council of the Isles of Scilly, the relevant limit shall be whichever is the lesser of the two following amounts, that is to say, the sum of one thousand pounds, and the amount estimated for the purposes of subsection (2) of section nine of the Rating and Valuation Act, 1925, to be the product, for the financial year in which the capital money is to be applied, of a rate of one penny in the pound for the rating area consisting of that county district, or of the Isles of Scilly, as the case may be ;
 - (c) in the case of capital money received by any other authority to whom this Part of this Act applies, the relevant limit shall be the sum of five hundred pounds.
- (4) On any application, by an authority to whom this Part of this Act applies, of capital money received by them as mentioned in paragraph (a) of subsection (1) of this section, other than an application falling within the next following subsection, such adjustment shall be made in the accounts of the authority as may be requisite in the circumstances.
- (5) Where after the commencement of this Act any capital money falls to be applied by an authority to whom this Part of this Act applies, in respect of the disposal by the authority of any land held by the authority for the purposes of any of their functions, and the capital money is applied for the purposes of some other function of the authority (including the purposes of the repayment of any debt incurred by the authority for the purposes of that other function), then, if either of those functions is a grant-aided function, such adjustment shall be made in the accounts of the authority as the Minister of Housing and Local Government may direct.
- (6) Nothing in the preceding provisions of this section shall be construed as affecting the operation of subsection (3) of section two of the Local Government (Miscellaneous Provisions) Act, 1953 (which provides, with respect to the application of capital money from a capital fund established under that Act, that the amount to be applied in any one transaction shall not exceed such sum as the Minister of Housing and Local Government may determine), or of any corresponding provision of a local enactment relating to the application of money from a capital fund.
- (7) The foregoing provisions of this section shall not apply to Scotland ; but section one hundred and sixty-eight of the Local Government (Scotland) Act, 1947 (which makes provision, among other things, for the adjustment in certain cases of the accounts of local authorities in respect of capital money received on the disposal of land), shall

have effect as if for the proviso to subsection (1) of that section there were substituted the following proviso, that is to say—

“Provided that—

- (a) on any application by a local authority of capital money received by them as mentioned in this subsection, other than an application falling within the next following paragraph, such adjustment shall be made in the accounts of the authority as may be requisite in the circumstances;
- (b) where any capital money received by a local authority as mentioned in this subsection in respect of land held by them for the purposes of any of their functions is applied by them for the purposes of some other function of theirs (including the purposes of the repayment of any debt incurred by them for the purposes of that other function), then, if either of those functions is a grant-aided function, such adjustment shall be made in the accounts of the authority as the Secretary of State may direct.”