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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

Section 57 of the Local Government and Housing Act 1989 (“the 1989 Act”) empowers the Secretary of State to specify by regulations certain grants, contributions and subsidies paid to local authorities. Such grants etc. then become “specified capital grants” for the purposes of that section. Section 57 provides that if a local authority receive a specified capital grant their relevant credit approvals shall be reduced by deducting therefrom an amount equal to the specified capital grant received.

These Regulations amend the provisions relating to Wales in regulation 9 of the Local Authorities (Capital Finance) Regulations 1990. The effect of the amendments is to redefine the scope of “specified capital grants” as regards contributions paid by the Secretary of State towards local authority expenditure under—

- (a) Part XV of the Housing Act 1985 (c. 68) (in respect of (a) grants for works of improvement, repair and conversion, and (b) grants for thermal insulation and payments in respect of administrative expenses) where such expenditure is still being incurred under this legislation (which has been repealed with savings by the 1989 Act, section 194 and Schedule 12); and
- (b) Part VIII of the 1989 Act (in respect of grants towards costs of housing improvements and repairs etc.).

From 1st April onwards, contributions paid to Welsh local authorities in aid of their expenditure under the above provisions will, in general, come within the scope of “specified capital grants”.