
STATUTORY INSTRUMENTS

1995 No. 849

The Local Authorities (Companies) Order 1995

PART V

CAPITAL FINANCE

Dealings between members of a local authority group

17.—(1) This paragraph applies where a local authority—

- (a) become the lessees under a lease of any property, and the lessor under the lease and the authority are members of the same local authority group; or
- (b) enter into a contract for the supply of any property, and the other party to the contract and the authority are members of the same local authority group; and
- (c) in either case, the property in question was acquired by the company after it became a regulated company.

(2) Where paragraph (1) applies, the lease or the contract in question shall not be treated as a credit arrangement for the purposes of Part IV, and any variation of such a lease or contract shall not be treated as the variation of such an arrangement for those purposes.

(3) Where a local authority receive from a regulated company a sum which, apart from this paragraph, would be a capital receipt for the purposes of Part IV, the sum shall not be treated as a capital receipt for those purposes if the authority and the company are members of the same local authority group.

(4) Where a local authority receive from a regulated company any consideration which, apart from this paragraph, would fall within section 61(1), section 61 shall not apply to the consideration if the authority and the company are members of the same local authority group.