
STATUTORY INSTRUMENTS

1997 No. 491

BROADCASTING

**The BBC Home Service Transfer Scheme
(Capital Allowances) Order 1997**

Made - - - - 26th February 1997

Coming into force - - 19th March 1997

The Secretary of State, in exercise of the powers conferred on her by section 135 of, and paragraphs 1, 14, 15, 17 and 28 of Schedule 7 to, the Broadcasting Act 1996⁽¹⁾, after consultation with the BBC and with the consent of the Treasury, hereby makes the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the BBC Home Service Transfer Scheme (Capital Allowances) Order 1997 and shall come into force on 19th March 1997.

(2) In this Order—

- (a) “the Act” means the Broadcasting Act 1996;
- (b) “the 1990 Act” means the Capital Allowances Act 1990⁽²⁾;
- (c) “the BBC” means the British Broadcasting Corporation;
- (d) “Castle” means the company registered with the name of Castle Transmission Services Limited and with the registration number 3196207, being a wholly-owned subsidiary of the BBC;
- (e) “the Transfer Day” means 27th February 1997; and
- (f) “the Transfer Scheme” means the scheme made by the BBC on 24th February 1997 pursuant to section 131(1) of the Act and with the approval of the Secretary of State given on 26th February 1997 pursuant to section 132(1) of the Act.

(1) 1996 c. 55.

(2) 1990 c. 1; section 24 was amended (by the insertion of subsection (6A)) by the Finance (No. 2) Act 1992 (c. 48) (“the 1992 Act”), section 68(3) and (9); section 25 was amended (by the insertion of subsection (3A)) by the Finance Act 1996 (c. 8) (“the 1996 Act”), section 135(1), (2), (3) and Schedule 21, paragraph 26(2); section 26 was amended (by the insertion of subsections (1)(ea), (eb), (ec) and (2AA)) by the 1992 Act, section 68(5), (6) and (9); section 34(1) was amended by the 1992 Act, section 71(1), (2) and (6); section 67A was inserted by the 1992 Act, section 68(1) and (8); section 83 was amended (by the insertion of subsection (7) and Schedule AA1) by the Finance Act 1994 (c. 9), section 117(1); section 126 was amended by the Finance Act 1993 (c. 34) (“the 1993 Act”), section 114(2) and Schedule 12, paragraph 4; section 128 was amended by the 1993 Act, section 114(2) and Schedule 12, paragraph 7; section 129 was amended by the 1993 Act, section 114(2) and Schedule 12, paragraph 8 and by the 1996 Act, section 135(1), (2) and (3), and Schedule 21, paragraph 33.

Machinery and Plant

2.—(1) For the purposes of Part II of the 1990 Act (capital allowances in respect of machinery and plant), Castle shall be treated as having incurred on the Transfer Day capital expenditure of the amount specified in column (2) of the relevant Part of the Schedule to this Order on the acquisition of the machinery and plant which are transferred to Castle in accordance with the Transfer Scheme and described in column (1) of the relevant Part of the Schedule to this Order, and which, by virtue of paragraph 14(1)(a) of Schedule 7 to the Act, are to be treated as if they had been acquired by Castle on the Transfer Day for the purposes for which they are, or have been, used by Castle on and after the Transfer Day.

(2) In this article, “the relevant Part” means, with respect to machinery and plant which is so installed or otherwise fixed in or to a building or any other description of land transferred in accordance with the Transfer Scheme to Castle as to become, in law, part of that building or other land, being a building or land which is leased by Castle to the BBC by any lease granted in pursuance of an obligation imposed by a provision contained in the Transfer Scheme by virtue of paragraph 2(1)(g) of Schedule 5 to the Act, Part I, and with respect to other machinery and plant, Part II.

Leased Fixtures

3. In respect of each of the leases granted by the BBC to Castle, or by Castle to the BBC, in pursuance of an obligation imposed by a provision contained in the Transfer Scheme by virtue of paragraph 2(1)(g) of Schedule 5 to the Act where such leases are either

- (a) leases in relation to which the conditions in paragraphs (a) and (b) of section 55(1) of the 1990 Act (expenditure incurred by incoming lessee: transfer of allowances) are fulfilled; or
- (b) leases in relation to which the conditions in paragraphs (a), (c) and (d) of section 56 of the 1990 Act (expenditure incurred by incoming lessee: lessor not entitled to allowances) are fulfilled,

Castle or, as the case may be, the BBC, shall be deemed for the purposes of Part II of that Act to have given as consideration for that lease a capital sum of nil.

Agricultural Buildings

4. Where there is transferred to Castle in accordance with the Transfer Scheme property which is the relevant interest in relation to any expenditure for which the BBC would be entitled to an allowance under Part V of the 1990 Act (capital allowances in respect of agricultural buildings) apart from section 128 of that Act, the expenditure which, by virtue of paragraph (b) of section 129(3) of the 1990 Act, is to be treated as the expenditure in respect of which Castle is entitled to the allowances mentioned in that paragraph shall be nil (without any reduction or addition under that paragraph).

26th February 1997

Virginia Bottomley
Secretary of State for National Heritage

We consent,

26th February 1997

Patrick McLoughlin
Richard Ottaway
Two of the Lords Commissioners of Her
Majesty's Treasury

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

SCHEDULE

Article 2

PART I—

MACHINERY AND PLANT FIXED TO LAND LEASED BACK TO BBC

(1) Asset	(2) Capital expenditure
Machinery and plant which is so installed or otherwise fixed in or to a building or any other description of land transferred in accordance with the Transfer Scheme to Castle as to become, in law, part of that building or other land, being a building or land which is leased by Castle to the BBC by any lease granted in pursuance of an obligation imposed by a provision contained in the Transfer Scheme by virtue of paragraph 2(1)(g) of Schedule 5 to the Act	Nil

PART II—

OTHER ASSETS

(1) Assets	(2) Capital Expenditure
All machinery and plant to which Part II of the 1990 Act applies, other than machinery and plant which is so installed or otherwise fixed in or to a building or any other description of land transferred in accordance with the Transfer Scheme to Castle as to become, in law, part of that building or other land, being a building or land which is leased by Castle to the BBC by any lease granted in pursuance of an obligation imposed by a provision contained in the Transfer Scheme by virtue of paragraph 2(1)(g) of Schedule 5 to the Act	£179,256,085

EXPLANATORY NOTE

(This note is not part of the Order)

This Order makes provision determining certain expenditure for the purposes of capital allowances available to Castle Transmission Services Limited (“Castle”), which is the successor, by virtue of a scheme (“the Transfer Scheme”) made by the British Broadcasting Corporation (“the BBC”) on 24th February 1997 pursuant to section 131(1) of the Broadcasting Act 1996 and approved by the Secretary of State on 26th February 1997, to certain of the property, rights and liabilities of the BBC attributable to the transmission of the BBC’s home services and ancillary services and activities.

Part II of the Capital Allowances Act 1990 (“the 1990 Act”) provides for the calculation of capital allowances available in respect of machinery and plant, and leased fixtures. Part V of the 1990 Act provides for the calculation of capital allowances in respect of agricultural buildings.

Article 2 of this Order and the Schedule specify the amount of capital expenditure which Castle is deemed to have incurred on the transfer day in respect of the machinery and plant (including leased fixtures) which vested in it in accordance with the Transfer Scheme.

Article 3 of this Order specified that Castle (in respect of leases granted by the BBC) and the BBC (in respect of leases granted by Castle) shall each be deemed to have paid a nil capital sum for the grant of any leases fulfilling the conditions therein set out which are granted in pursuance of an obligation in the Transfer Scheme.

Article 4 provides that, where relevant interests in agricultural buildings have been transferred from the BBC to Castle pursuant to the Transfer Scheme, the expenditure treated as that in respect of which Castle is entitled to capital allowances shall be nil.