
STATUTORY INSTRUMENTS

2003 No. 3146

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

PART 1

PRELIMINARY

Citation, commencement, application and interpretation

1.—(1) These Regulations may be cited as the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and shall come into force for the purposes of regulations 1 and 2 on 1st January 2004 and for all other purposes on 1st April 2004.

[^{F1}(2) Regulations 2 to 26, 27(2), 32 to 34 and the Schedule apply only in relation to local authorities in England.]

(3) Regulations 2 to 6, 8, 9, 10(3) to (6), 12 to 22, 23(d) to (f), 24, 27(1), 28, 29, 32 and 33 shall not apply to parish councils and charter trustees.

[^{F2}(3A) Regulations 27(1), 28 and 29 shall not apply to any person or body which is a local authority for the purposes of section 21 by virtue of subsection (6)(b), (d), (e), (g), (h), (k) or (l) of that section.]

(4) In these Regulations, unless the context indicates otherwise, any reference to a Part, section or Schedule is a reference to a Part or section of, or Schedule to, the Local Government Act 2003.

(5) In these Regulations—

[^{F3}“the 1993 Act” means the Leasehold Reform, Housing and Urban Development Act 1993;]

[^{F4}“affordable housing” and “provision of affordable housing” have the meaning given in ^{F5}regulation 18;]

[^{F3}“associates” has the same meaning as in section 135 of the 1993 Act (disposals of dwelling-houses by local authorities);]

[^{F6}“available capital allowance” has the meaning given in regulation 15;]

^{F7}
...

“CIPFA” means the body—

- (a) constituted by Royal Charter on 6th January 1959 and originally named “The Institute of Municipal Treasurers and Accountants”;
 - (b) whose name was changed to “The Chartered Institute of Public Finance and Accountancy” by Royal Charter on 24th October 1973; and
 - (c) registered with the Charity Commissioners of England and Wales (number 231060);
- “debt-free authority” means a local authority which has no money outstanding by way of borrowing other than disregarded borrowing;

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“disregarded borrowing” has the same meaning as that term had on 31st March 2004 in regulation 65 of the Local Authorities (Capital Finance) Regulations 1997 (capital receipts of debt-free authorities)(1);

“dwelling” means any building or part of a building which is occupied as a dwelling, or is a hostel providing accommodation for persons who, for the purposes of Part VII of the Housing Act 1996 (homelessness)(2), are homeless, or persons who have a special need for accommodation arising from physical or mental disability, age, infirmity or other special social disability or disadvantage;

[^{F8}“dwelling-house” has the same meaning as in section 135 of the 1993 Act;]

[^{F9}“EEAUCITS” has the same meaning as in section 237 of the Financial Services and Markets Act 2000]

“housing land” means any land, house or other building in relation to which the local authority is, or has been immediately before disposal of it, subject to the duty under section 74 of the Local Government and Housing Act 1989 (duty to keep Housing Revenue Account)(3);

[^{F10}“introductory tenant” has the same meaning as in Chapter 1 of Part V of the Housing Act 1996 (introductory tenancies);]

[^{F10}“long lease” means a lease for a term of years certain exceeding 21 years other than a lease which is terminable before the end of that term by notice given by or to the landlord;]

F11 ...

F12 ...

“the National Association of Local Councils” means the unincorporated association of that name which was established in 1947(4);

[^{F13}“notifiable allowance” means the amount notified by the local authority to the Secretary of State in compliance with regulation 3 of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations 2012;]

[^{F13}“poolable amount” means the sum of the specified amounts calculated from capital receipts received by the local authority in the [^{F14}financial year] and the sub-liability calculated for the [^{F14}financial year];]

“qualifying disposal” means a disposal of an interest in housing land which is a qualifying disposal for the purposes of section 135 or 136 of the [^{F15}1993 Act] (disposals of dwelling-houses by local authorities)(5); ^{F16} ...

F17 ...

[^{F18}“relevant commencement date” means the time at which regulation 5 of the Local Government (Miscellaneous Amendments) (EU Exit) Regulations 2018 comes into force;]

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- (1) S.I. 1997/319; regulation 65 was amended by S.I. 2001/3649. There are other amendments to regulation 65 but none is relevant. S.I. 1997/319 will be revoked on 1st April 2004 by virtue of the repeal of Part IV of the Local Government and Housing Act 1989 (c. 42) under which it was made. See S.I. 2003/2938 (C. 107).
 - (2) 1996 c. 52; Part VII was amended by sections 117 and 169 of, and paragraph 116 of Schedule 14 and Schedule 16 to, the Immigration and Asylum Act 1999 (c. 33), sections 5 to 12 of, paragraphs 2 and 7 to 21 of Schedule 1 and Schedule 2 to, the Homelessness Act 2002 (c. 7), and paragraphs 89 to 92 of Schedule 3 to the Adoption and Children Act 2002 (c. 38). There are other amendments to Part VII that are not relevant to these Regulations.
 - (3) 1989 c. 42; section 74 was amended by section 222 of, and paragraph 24(2) of Schedule 18 to, the Housing Act 1996.
 - (4) The National Association of Local Councils' current address is 109 Great Russell Street, London WC1B 3LD and their website address is www.nalc.gov.uk.
 - (5) 1993 c. 28; section 135 was amended by S.I. 1996/2325. There are other amendments to section 135 and amendments to section 136 that are not relevant to these Regulations.

[^{F18c}“relevant period” means the period beginning with the relevant commencement date and ending immediately before the time at which the [^{F19}five] year anniversary of the relevant commencement date falls;]

[^{F20c}“relevant disposal period” means the period of five years ending with the date of the disposal;]

^{F21} ...

[^{F22c}“relevant UCITS” means—

- (a) a UKUCITS; or
- (b) during the relevant period, an EEAUCITS which was recognised under section 264 of the Financial Services and Markets Act 2000 immediately prior to the relevant commencement date; or
- (c) during the relevant period, a sub-fund of an EEAUCITS which—
 - (i) is a recognised scheme for the purposes of Part 17 of the Financial Services and Markets Act 2000 by virtue of regulation 62(1) of the Collective Investment Schemes (Amendment etc.)(EU Exit) Regulations 2019, and
 - (ii) meets the conditions in regulation 63(3) of the Collective Investment Schemes (Amendment etc.)(EU Exit) Regulations 2019; [^{F23}or
- (d) an EEA UCITS which is a recognised scheme under section 271A or 272 of the Financial Services and Markets Act 2000, or
- (e) an EEA UCITS—
 - (i) to which Article 4(1)(aa) of [Regulation 2017/1131](#) of the European Parliament and of the Council of 14th June 2017 on Money Market Funds applies, and
 - (ii) which is marketed in accordance with Chapter 3 of Part 6 of the Alternative Investment Fund Managers Regulations 2013;]]

[^{F20c}“secure tenant” has the same meaning as in Part IV of the Housing Act 1985 (secure tenancies and rights of secure tenants);]

[^{F24c}“securitisation transaction” means a disposal for consideration by a local authority of all or part of its interest in specified revenues, where disposal includes both sale and assignment;]

[^{F25c}“shared ownership lease” means a lease of a dwelling granted on payment of a premium calculated by reference to a percentage of the market value of the dwelling;]

[^{F20c}“small scale disposal” means a disposal by a local authority of an interest in housing land to any person where—

- (a) the Secretary of State has given consent to the disposal under section 32 (power to dispose of land held for the purposes of Part II) or 43 (consent required for certain disposals not within section 32) of the Housing Act 1985;
- (b) he has given that consent subject to the conditions that the local authority—
 - (i) takes reasonable steps to ascertain whether the majority of secure tenants and introductory tenants who would be affected by the disposal are not opposed to it; and
 - (ii) is satisfied that, at the time of the disposal, the majority of those tenants are not likely to be opposed to the disposal;
- and
- (c) the aggregate of the following, namely—
 - (i) the number of dwelling-houses included in the disposal; and

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- (ii) the number of dwelling-houses which, within the relevant disposal period, have been previously disposed of by the authority to that person, or that person and any associates of his taken together,

is not more than 499,

but for the purposes of this definition, a disposal of any dwelling-house shall be disregarded if at the time of the disposal the local authority's interest in the dwelling-house is or was subject to a long lease; and]

F7 ...

“the Society of Local Council Clerks” means the registered trade union of that name (Trade Union reference 1200T) which was established in 1972;

[^{F26}“specified amount” means the amount calculated in accordance with regulation 14;]

[^{F27}“sub-fund” means a sub-fund of a UCITS within the meaning of section 237(4) of the Financial Services and Markets Act 2000;]

[^{F26}“sub-liability” means the amount [^{F28}(“K”)] calculated in accordance with ^{F29}... [^{F30}paragraph 13] of the Schedule; ^{F31}...]

[^{F26}“the 2011-2012 buy back reduction” means the amount calculated in compliance with regulation 3 of the Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No 2) Regulations 2012];

[^{F32}“UCITS” has the same meaning as in section 236A of the Financial Services and Markets Act 2000; and]

[^{F32}“UKUCITS” has the same meaning as in section 237 of the Financial Services and Markets Act 2000.]

Textual Amendments

- F1** Reg. 1(2) substituted (1.4.2015) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2015 (S.I. 2015/341), regs. 1, **2(2)(a)**
- F2** Reg. 1(3A) inserted (1.4.2015) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2015 (S.I. 2015/341), regs. 1, **2(2)(b)**
- F3** Words in reg. 1(5) 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), **2(a)**
- F4** Words in reg. 1(5) inserted (1.4.2006) by The Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006 (S.I. 2006/521), regs. 1(1), **2(1)(a)** (with reg. 1(3))
- F5** Words in reg. 1(5) replaced (14.6.2012) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.3) Regulations 2012 (S.I. 2012/1324), regs. 1(2), **3**
- F6** Words in reg. 1(5) inserted (1.4.2006) by The Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2006 (S.I. 2006/521), regs. 1(1), **2(1)(b)** (with reg. 1(3))
- F7** Words in reg. 1(5) omitted (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), **4(a)** (with reg. 10)
- F8** Words in reg. 1(5) 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), **2(b)**
- F9** Words in reg. 1(5) inserted (31.12.2020) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019 (S.I. 2019/396), regs. 1(2), **3(a)**; 2020 c. 1, Sch. 5 para. 1(1)
- F10** Words in reg. 1(5) 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), **2(c)**
- F11** Words in reg. 1(5) omitted (1.6.2024) by virtue of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2024 (S.I. 2024/602), regs. 1(2), **2(2)(a)**

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- F12** Words in reg. 1(5) omitted (1.4.2012) by virtue of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012 (S.I. 2012/265), regs. 1(3), **3(b)** (with reg. 1(4))
- F13** Words in reg. 1(5) inserted (1.4.2012) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012 (S.I. 2012/711), regs. 1(2), **4(b)** (with reg. 10)
- F14** Words in reg. 1(5) substituted (30.6.2021) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2021 (S.I. 2021/611), regs. 1(2), **3(a)** (with reg. 7(1))
- F15** Words in reg. 1(5) substituted (16.12.2004) by The Local Authorities (Capital Finance and Accounting) (Amendment) (England) (No. 2) Regulations 2004 (S.I. 2004/3055), regs. 1(1), **2(d)(i)**
- F16** Word in reg. 1(5) omitted (16.12.2004) by virtue of The Local Authorities (Capital Finance and Accounting) (Amendment) (England) (No. 2) Regulations 2004 (S.I. 2004/3055), regs. 1(1), **2(d)(ii)**
- F17** Words in reg. 1(5) omitted (30.6.2021) by virtue of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2021 (S.I. 2021/611), regs. 1(2), **3(b)** (with reg. 7(1))
- F18** Words in reg. 1(5) inserted (31.12.2020) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019 (S.I. 2019/396), regs. 1(2), **3(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F19** Word in reg. 1(5) substituted (1.6.2024) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2024 (S.I. 2024/602), regs. 1(2), **2(2)(b)**
- F20** Words in reg. 1(5) 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), **2(e)**
- F21** Words in reg. 1(5) omitted (30.6.2021) by virtue of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2021 (S.I. 2021/611), regs. 1(2), **3(c)** (with reg. 7(1))
- F22** Words in reg. 1(5) inserted (31.12.2020) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019 (S.I. 2019/396), regs. 1(2), **3(c)**; 2020 c. 1, Sch. 5 para. 1(1)
- F23** Words in reg. 1(5) inserted (1.6.2024) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2024 (S.I. 2024/602), regs. 1(2), **2(2)(c)**
- F24** Words in reg. 1(5) inserted (1.4.2012) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012 (S.I. 2012/265), regs. 1(3), **3(c)** (with reg. 1(4))
- F25** Words in reg. 1(5) inserted (1.4.2012) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012 (S.I. 2012/711), regs. 1(2), **4(e)** (with reg. 10)
- F26** Words in reg. 1(5) inserted (1.4.2012) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No. 2) Regulations 2012 (S.I. 2012/711), regs. 1(2), **4(f)** (with reg. 10)
- F27** Words in reg. 1(5) inserted (31.12.2020) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019 (S.I. 2019/396), regs. 1(2), **3(d)**; 2020 c. 1, Sch. 5 para. 1(1)
- F28** Word in reg. 1(5) inserted (30.6.2021) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2021 (S.I. 2021/611), regs. 1(2), **3(d)(i)** (with reg. 7(1))
- F29** Word in reg. 1(5) omitted (30.6.2021) by virtue of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2021 (S.I. 2021/611), regs. 1(2), **3(d)(ii)** (with reg. 7(1))
- F30** Words in reg. 1(5) substituted (13.8.2013) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) (No.2) Regulations 2013 (S.I. 2013/1751), regs. 1(2), **3**
- F31** Word in reg. 1(5) omitted (31.12.2020) by virtue of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019 (S.I. 2019/396), regs. 1(2), **3(e)**; 2020 c. 1, Sch. 5 para. 1(1)
- F32** Words in reg. 1(5) inserted (31.12.2020) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019 (S.I. 2019/396), regs. 1(2), **3(f)**; 2020 c. 1, Sch. 5 para. 1(1)

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Commencement Information

- II** Reg. 1 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:

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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\(4\)\(c\)](#)