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STATUTORY INSTRUMENTS

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**2003 No. 3146**

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

**PART 5**

**SUPPLEMENTARY**

**Guidance**

**24.** In carrying out its functions under Chapter 1 of Part 1, a local authority shall have regard to the code of practice contained in the document entitled “Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes” published by CIPFA, as amended or reissued from time to time<sup>(1)</sup>.

**Commencement Information**

**II** Reg. 24 in force at 1.1.2004 for specified purposes and 1.4.2004 in so far as not already in force, see [reg. 1\(1\)](#)

**Expenditure to be capital expenditure**

**25.—(1)** For the purposes of Chapter 1 of Part 1 the following expenditure of a local authority, incurred on or after 1st April 2004, shall be treated as being capital expenditure insofar as it is not capital expenditure by virtue of section 16(1) —

- (a) expenditure incurred on the acquisition or preparation of a computer program, including expenditure on the acquisition of a right to use the program, if the authority acquire or prepare the program for use for a period of at least one year for any purpose relevant to its functions;
- (b) subject to paragraph (2), the giving of a loan, grant or other financial assistance to any person, whether for use by that person or by a third party, towards expenditure which would, if incurred by the authority, be capital expenditure;
- (c) the repayment of any grant or other financial assistance given to the local authority for the purposes of expenditure which is capital expenditure;
- (d) [<sup>F1</sup>subject to paragraph (3),] the acquisition of share capital or loan capital in any body corporate; <sup>F2</sup>...
- (e) expenditure incurred on works to any land or building in which the local authority does not have an interest, which would be capital expenditure if the local authority had an interest in that land or building [<sup>F3</sup>; and

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(1) The current issue of this document was published in London in 2001. ISBN 0 85299 943 7.

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*Changes to legislation: The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, PART 5 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

(f) the payment of any levy by a local authority under section 136 of the Leasehold Reform Housing and Urban Development Act 1993 (levy on disposals)].

(2) Where the expenditure referred to in paragraph (1)(b) is a loan given by a parish council or charter trustees to any person, it shall not be treated as being capital expenditure by virtue of this regulation.

[<sup>F4</sup>(3) Where the expenditure referred to in paragraph (1)(d) is—

- (a) an investment in a money market fund; or
- (b) the acquisition of loan capital in—
  - (i) a multilateral development bank; or
  - (ii) a financial institution that is guaranteed by the United Kingdom Government,

It shall not be treated as being capital expenditure by virtue of this regulation.]

#### Textual Amendments

- F1** Words in [reg. 25\(1\)\(d\)](#) inserted (1.4.2004) by [The Local Authorities \(Capital Finance and Accounting\) \(Amendment\) \(England\) Regulations 2004 \(S.I. 2004/534\)](#), regs. 1(1), **5(1)(a)(i)**
- F2** Word in [reg. 25\(1\)\(d\)](#) omitted (1.4.2004) by virtue of [The Local Authorities \(Capital Finance and Accounting\) \(Amendment\) \(England\) Regulations 2004 \(S.I. 2004/534\)](#), regs. 1(1), **5(1)(a)(ii)**
- F3** [Reg. 25\(1\)\(f\)](#) and word added (1.4.2004) by [The Local Authorities \(Capital Finance and Accounting\) \(Amendment\) \(England\) Regulations 2004 \(S.I. 2004/534\)](#), regs. 1(1), **5(1)(b)**
- F4** [Reg. 25\(3\)](#) added (1.4.2004) by [The Local Authorities \(Capital Finance and Accounting\) \(Amendment\) \(England\) Regulations 2004 \(S.I. 2004/534\)](#), regs. 1(1), **5(1)(c)**

#### Commencement Information

- I2** [Reg. 25](#) in force at 1.1.2004 for specified purposes and 1.4.2004 in so far as not already in force, see [reg. 1\(1\)](#)

### Expenditure not to be capital expenditure

**26.** Expenditure incurred by a local authority on the giving of loans, grants or other financial assistance—

- (a) to an officer of the authority pursuant to the terms and conditions of his employment; or
- (b) in connection with the appointment of a person as an officer of the authority, to that person,

in so far as, apart from this regulation, it would be capital expenditure, shall be treated for the purposes of Chapter 1 of Part 1 as not being capital expenditure.

#### Commencement Information

- I3** [Reg. 26](#) in force at 1.1.2004 for specified purposes and 1.4.2004 in so far as not already in force, see [reg. 1\(1\)](#)

**Status:**

Point in time view as at 01/04/2006.

**Changes to legislation:**

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