

STATUTORY INSTRUMENTS

**2003 No. 3146**

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

**PART 5**

**SUPPLEMENTARY**

**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 <sup>F2</sup>... in any body corporate; <sup>F3</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>F4</sup>; and
- [<sup>F5</sup>(ea) expenditure incurred on the acquisition, production or construction of assets for use by, or disposal to, a person other than the local authority which would be capital expenditure if those assets were acquired, produced or constructed for use by the local authority; and]
- (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>F6</sup>(3) Where the expenditure referred to in paragraph (1)(d) is—

- <sup>F7</sup>(a) .....
- <sup>F8</sup>(b) .....

[ an investment in the shares of a company to which [<sup>F10</sup>Part 12 of the Corporation Tax Act <sup>F9</sup>(c) 2010] (Real Estate Investment Trusts) applies [<sup>F11</sup>; <sup>F12</sup>...]]

**Changes to legislation:** *The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, Section 25 is up to date with all changes known to be in force on or before 11 June 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) View outstanding changes*

[ the acquisition of shares in an investment scheme approved by the Treasury under <sup>F13</sup>(d) section 11(1) of the Trustee Investments Act 1961 (local authority investment schemes),]<sup>F14</sup>or

(e) an investment in a relevant UCITS,]

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** Words in reg. 25(1)(d) 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), **7(a)** (with reg. 1(4))
- F3** 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)**
- F4** 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)**
- F5** Reg. 25(1)(ea) substituted (31.3.2012) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2012 (S.I. 2012/265), regs. 1(2), **7(b)** (with reg. 1(4))
- F6** 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)**
- F7** Reg. 25(3)(a) 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(3)**
- F8** Reg. 25(3)(b) 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), **7(c)** (with reg. 1(4))
- F9** Reg. 25(3)(c) and word inserted (1.4.2007) by The Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2007 (S.I. 2007/573), regs. 1(1), **2(b)**
- F10** Words in reg. 25(3)(c) substituted (31.12.2020) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019 (S.I. 2019/396), regs. 1(2), **4(b)**; 2020 c. 1, Sch. 5 para. 1(1)
- F11** Word in reg. 25(3)(c) substituted for comma (1.4.2010) by The Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010 (S.I. 2010/454), regs. 1(1)(b), **5(a)**
- F12** Word in reg. 25(3)(c) 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), **4(c)**; 2020 c. 1, Sch. 5 para. 1(1)
- F13** Reg. 25(3)(d) inserted (1.4.2010) by The Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2010 (S.I. 2010/454), regs. 1(1)(b), **5(b)**
- F14** Reg. 25(3)(e) and word inserted (31.12.2020) by The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2019 (S.I. 2019/396), regs. 1(2), **4(d)**; 2020 c. 1, Sch. 5 para. 1(1)

### Commencement Information

- I1** 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)**

**Changes to legislation:**

The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, Section 25 is up to date with all changes known to be in force on or before 11 June 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.

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