
STATUTORY INSTRUMENTS

2004 No. 3055

**The Local Authorities (Capital Finance and Accounting)
(Amendment) (England) (No. 2) Regulations 2004**

Capital receipts reduced by consideration for former new town assets

4. After regulation 20 of the Principal Regulations, there shall be inserted—

“Capital receipts reduced by consideration for former new town assets

20A.—(1) Subject to regulation 12(5), for the purposes of calculating the amount specified in regulation 12(4), a capital receipt derived from a disposal by a local authority of an interest in housing land, which meets the conditions specified in paragraph (2), shall be treated as reduced by an amount determined in accordance with paragraph (3).

(2) For the purposes of paragraph (1), the disposal meets the conditions specified in this paragraph if—

- (a) the local authority acquired the interest from a new town corporation;
- (b) the new town corporation disposed of the interest pursuant to section 36 of the New Towns Act 1981 (functions of Commission)⁽¹⁾ or regulations made under section 172(1) of the Local Government and Housing Act 1989 (transfer of new town housing stock)⁽²⁾; and
- (c) the whole or part of the consideration to be given by the local authority for the acquisition of the interest from the new town corporation is required to be given on the disposal of the interest by the local authority.

(3) For the purposes of paragraph (1), the amount of the reduction is an amount equal to the value of the consideration that the local authority is required to give, as described in paragraph (2)(c), on making the disposal from which the capital receipt is derived.

(4) In this regulation, “new town corporation” means the Commission for the New Towns or a development corporation, within the meaning of the New Towns Act 1981⁽³⁾.”

(1) 1981 c. 64. Section 36 was amended by sections 1 and 14 of, and paragraph 4 of Schedule 3 and Schedule 4 to, the New Towns and Urban Development Corporations Act 1985 (c. 5) and S.I. 1998/85.

(2) 1989 c. 42; relevant regulations made under section 172 are the New Towns (Transfer of Housing Stock) Regulations 1990 (S.I. 1990/1700, amended by S.I. 1990/2366 and 1991/1281).

(3) See sections 3 (establishment of development corporations for new towns) and 35 (establishment of the Commission).