
STATUTORY INSTRUMENTS

2004 No. 534

The Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004

Pooling of receipts from disposals of housing land

3. In regulation 12 of the Principal Regulations (pooling of receipts from disposals of housing land)—

(a) in sub-paragraph (c) of paragraph (3), for “30th June in the financial year immediately following the financial year in which the capital receipt was received” there shall be substituted “the balance payment date”;

(b) for sub-paragraph (d) of paragraph (3), there shall be substituted—

“(d) if the balance is negative—

- (i) subject to paragraph (vi), the local authority may offset the amount it paid in excess of the specified amount, together with the amount of any interest it paid to the Secretary of State in respect of that excess, (“the excess amount”) against any further specified amount, estimated amount or amount of interest payable to the Secretary of State by the local authority under this regulation or regulation 13;
- (ii) where the local authority offsets the excess amount in accordance with paragraph (i), it shall notify the Secretary of State of this, and the amount of the offset, at the time it pays the further specified amount, estimated amount or interest as the case may be;
- (iii) where the local authority does not have, or will not have within the relevant 6 month period, any further specified amount, estimated amount or interest against which it can offset the excess amount, it may notify the Secretary of State in writing that it is unable to offset the excess amount;
- (iv) subject to paragraph (v), where the local authority does not have, or will not have within the relevant 3 month period, any further specified amount, estimated amount or interest against which it can offset the excess amount, and the local authority would, if it could not offset the excess amount within the relevant 3 month period, suffer severe financial problems, it may notify the Secretary of State in writing of the problems and request the Secretary of State to repay the excess amount to it;
- (v) where the local authority notifies the Secretary of State under paragraph (iv), it shall do so within the period of 14 days immediately following the balance payment date or within such longer period as is agreed by the Secretary of State;
- (vi) subject to paragraph (ix), where the local authority notifies the Secretary of State under paragraph (iii) or (iv), it may not offset the excess amount against any further specified amount, estimated amount or interest;
- (vii) as soon as reasonably practicable after the Secretary of State receives written notification from the local authority under paragraph (iii) or, if later,

the statement under sub-paragraph (c), he shall repay the excess amount to the local authority;

(viii) where the Secretary of State receives written notification from the local authority under paragraph (iv) within the period required by paragraph (v) and is satisfied that the local authority would suffer severe financial problems if he does not repay the excess amount to it, he shall repay the excess amount to the local authority as soon as reasonably practicable after he is so satisfied (whether or not he does so during or after the relevant 3 month period);

(ix) where the Secretary of State receives written notification from the local authority under paragraph (iv) within the period required by paragraph (v) and is not satisfied that the local authority would suffer severe financial problems if he does not repay the excess amount to it, he shall notify the local authority, as soon as reasonably practicable, that he is not so satisfied and paragraph (vi) shall not apply.”; and

(c) after paragraph (5), there shall be added—

“(6) In this regulation—

“balance payment date” means the last day of the calendar month immediately following—

- (a) 31st March;
- (b) 30th June;
- (c) 30th September; or
- (d) 31st December,

whichever of those is the earliest date following the due date;

“the relevant 6 month period” means the period beginning on the balance payment date and ending on the last day of the calendar month that is six months after the balance payment date; and

“the relevant 3 month period” means the period beginning on the balance payment date and ending on the last day of the calendar month that is three months after the balance payment date.”.