



Children Act 1989

1989 CHAPTER 41

PART VI

COMMUNITY HOMES

58 Financial provisions applicable on cessation of controlled or assisted community home or disposal etc. of premises.

(1) Where—

- (a) the instrument of management for a controlled or assisted community home is revoked or otherwise ceases to have effect under section ^{F1} . . . , 56(3) or (4) (a) or 57(3) or (5); or
- (b) any premises used for the purposes of such a home are (at any time after 13th January 1987) disposed of, or put to use otherwise than for those purposes,

the proprietor shall become liable to pay compensation (“the appropriate compensation”) in accordance with this section.

(2) Where the instrument of management in force at the relevant time relates—

- (a) to a controlled community home; or
- (b) to an assisted community home which, at any time before the instrument came into force, was a controlled community home,

the appropriate compensation is a sum equal to that part of the value of any premises which is attributable to expenditure incurred in relation to the premises, while the home was a controlled community home, by the authority who were then the responsible authority.

(3) Where the instrument of management in force at the relevant time relates—

- (a) to an assisted community home; or
- (b) to a controlled community home which, at any time before the instrument came into force, was an assisted community home,

the appropriate compensation is a sum equal to that part of the value of the premises which is attributable to the expenditure of money provided by way of grant under

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section 82, section 65 of the ^{M1}Children and Young Persons Act 1969 or section 82 of the ^{M2}Child Care Act 1980.

- (4) Where the home is, at the relevant time, conducted in premises which formerly were used as an approved school or were an approved probation hostel or home, the appropriate compensation is a sum equal to that part of the value of the premises which is attributable to the expenditure—
- (a) of sums paid towards the expenses of the managers of an approved school under section 104 of the ^{M3}Children and Young Persons Act 1933; ^{F2} . . .
 - (b) of sums paid under section 51(3)(c) of the ^{M4}Powers of Criminal Courts Act 1973 [^{F3}or section 20(1)(c) of the Probation Service Act 1993] in relation to expenditure on approved probation hostels or homes. [^{F4}or
 - ^{F4}(c) of sums paid under section 3, 5 or 9 of the Criminal Justice and Court Services Act 2000 in relation to expenditure on approved premises (within the meaning of Part I of that Act).]
- (5) The appropriate compensation shall be paid—
- (a) in the case of compensation payable under subsection (2), to the authority who were the responsible authority at the relevant time; and
 - (b) in any other case, to the Secretary of State.
- (6) In this section—
- “disposal” includes the grant of a tenancy and any other conveyance, assignment, transfer, grant, variation or extinguishment of an interest in or right over land, whether made by instrument or otherwise;
- “premises” means any premises or part of premises (including land) used for the purposes of the home and belonging to the proprietor;
- “the proprietor” means—
- (a) the voluntary organisation by which the home is, at the relevant time, provided; or
 - (b) if the premises are not, at the relevant time, vested in that organisation, the persons in whom they are vested;
- “the relevant time” means the time immediately before the liability to pay arises under subsection (1); and
- “the responsible authority” means the local authority specified in the instrument of management in question.
- (7) For the purposes of this section an event of a kind mentioned in subsection (1)(b) shall be taken to have occurred—
- (a) in the case of a disposal, on the date on which the disposal was completed or, in the case of a disposal which is effected by a series of transactions, the date on which the last of those transactions was completed;
 - (b) in the case of premises which are put to different use, on the date on which they first begin to be put to their new use.
- (8) The amount of any sum payable under this section shall be determined in accordance with such arrangements—
- (a) as may be agreed between the voluntary organisation by which the home is, at the relevant time, provided and the responsible authority or (as the case may be) the Secretary of State; or
 - (b) in default of agreement, as may be determined by the Secretary of State.

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- (9) With the agreement of the responsible authority or (as the case may be) the Secretary of State, the liability to pay any sum under this section may be discharged, in whole or in part, by the transfer of any premises.
- (10) This section has effect regardless of—
- (a) anything in any trust deed for a controlled or assisted community home;
 - (b) the provisions of any enactment or instrument governing the disposition of the property of a voluntary organisation.

Textual Amendments

- F1** Word in s. 58(1)(a) repealed (1.4.2002) by 2000 c. 14, s. 117(2), **Sch. 6**; S.I. 2001/4150, **art. 3(3)(e)(viii)**; S.I. 2002/920, **art. 3(3)(g)** (with art. 3(5)-(10) and transitional provisions in Schs. 1-3 and to the amendment of art. 3 by S.I. 2002/1493, **art. 6**)
- F2** Word in s. 58(4)(a) repealed (1.4.2001) by 2000 c. 43, ss. 74, 75, Sch. 7 Pt. II para. 93(a), **Sch. 8**; S.I. 2001/919, **art. 2(f)(ii)(g)**
- F3** Words in s. 58(4)(b) inserted (5.2.1994) by 1993 c. 47, ss. 32, 33(2), **Sch. 3 para. 9(2)**
- F4** S. 58(4)(c) and the preceding word “or” inserted (1.4.2001) by 2000 c. 43, s. 74, **Sch. 7 Pt. II para. 93(b)**; S.I. 2001/919, **art. 2(f)(ii)**

Commencement Information

- I1** S. 58 wholly in force at 14.10.1991 see s. 108(2)(3) and S.I. 1991/828, **art. 3(2)**

Marginal Citations

- M1** 1969 c. 54.
M2 1980 c. 5.
M3 1933 c. 12.
M4 1973 c. 62.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 4(1A)(aa) inserted by 2009 c. 24 Sch. 6 para. 21(3)
- s. 4(1C) inserted by 2009 c. 24 Sch. 6 para. 21(4)
- s. 4ZA(2)(aa) inserted by 2009 c. 24 Sch. 6 para. 22(3)
- s. 4ZA(3A) inserted by 2009 c. 24 Sch. 6 para. 22(4)
- s. 8(4)(k) inserted by 2021 c. 17 s. 52(1)
- s. 31A(4A) inserted by 2014 c. 6 s. 15(2)(b)