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STATUTORY INSTRUMENTS

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**2001 No. 262**

**TRANSPORT**

**The Strategic Rail Authority (Capital Allowances) Order 2001**

*Made* - - - - - *26th January 2001*

*Coming into force* - - - - - *1st February 2001*

The Secretary of State for the Environment, Transport and the Regions, in exercise of his powers under paragraphs 5 and 13 of Schedule 26 to the Transport Act 2000<sup>(1)</sup>, hereby makes the following Order:—

**Citation, commencement and interpretation**

1.—(1) This Order may be cited as the Strategic Rail Authority (Capital Allowances) Order 2001 and shall come into force on 1st February 2001.

(2) In this Order—

“the Act” means the Transport Act 2000, and

“the BTP Transfer” means the transfer of property, rights and liabilities effected by paragraph 11 of Schedule 18 to the Act.

**Capital Allowances for plant and machinery on transfer to the Strategic Rail Authority from the Franchising Director**

2.—(1) Paragraph (2) applies in relation to the property to which a transfer to the Authority by virtue of section 215 of the Act relates and which is plant and machinery of the type described in sub-paragraph (1)(b) of paragraph 5 of Schedule 26 to the Act.

(2) For the purposes of the Capital Allowances Acts, the Authority shall be taken to have incurred, on the provision of the property described in column (1) of the table in the Schedule to this Order, capital expenditure of the amount specified against that property in column (2) of that table.

**Capital Allowances for plant and machinery on transfer of property, rights and liabilities relating to the British Transport Police**

3.—(1) The amounts to be allocated to the Strategic Rail Authority for the purposes of sub-paragraph (3) of paragraph 13 of Schedule 26 to the Act, in respect of expenditure by reference to which capital allowances may be made by virtue of sub-paragraph (2) of that paragraph, shall be such

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(1) 2000 c. 38.

amounts as the Secretary of State shall determine to be equal to the amount or amounts which on the assumptions specified in paragraph (2) below would, but for the BTP Transfer, have represented the balance referred to in paragraph (3) below.

(2) The assumptions referred to in paragraph (1) are that—

- (a) the activity of the Board comprising the discharge of the functions (including any matters undertaken for the purpose of discharging those functions) transferred by Schedule 18 to the Act had at all times been a separate trade from any other carried on by the Board, and
- (b) an accounting period of the Board had ended immediately prior to the time at which the transfer effected by the BTP Transfer comes into effect.

(3) The balance referred to in paragraph (1) above is such a balance as, in calculating the qualifying expenditure of the Board for the purposes of computing the profits of the separate trade referred to in paragraph 2(a) above for the accounting period starting immediately after the accounting period referred to in paragraph 2(b) above, would have constituted the balance referred to in section 25(1)(b) of the Capital Allowances Act 1990(2).

(4) Any determination pursuant to paragraph 1 above may be modified by the Secretary of State on one or more occasions if it should appear to him that the total amounts of expenditure attributable to the Board, in relation to any particular category of property by reference to which capital allowances may be made, is different from that taken into account by the Secretary of State when the original determination in respect of the relevant matters, or (as the case may be) any modification previously made under this paragraph to such determination, was made.

Signed by authority of the Secretary of State for the Environment, Transport and the Regions

*Keith Hill*  
Parliamentary Under Secretary of State,  
Department of the Environment, Transport and  
the Regions

26th January 2001

SCHEDULE

Article 2

WRITING DOWN ALLOWANCES—PLANT AND MACHINERY

<b>(1)</b> <b>Description</b>	<b>(2)</b> <b>Amount of capital expenditure</b>
All machinery and plant to which Part II of the Capital Allowances Act 1990 applies	£470,600

**EXPLANATORY NOTE**

*(This note is not part of the Order)*

This Order makes provision relating to the expenditure which the Strategic Rail Authority, for the purposes of capital allowances under the Corporation Tax Acts, is to be taken as having incurred on certain plant and machinery which is transferred to it under provisions in Part IV of the Transport Act 2000.

Article 2 prescribes the amount of expenditure which the Authority, for the purposes of capital allowances under the Corporation Tax Acts, is to be taken as having incurred on the plant and machinery which is transferred to it from the Franchising Director by virtue of section 215 of the Transport Act 2000.

Article 3 provides a mechanism for the determination of the amount of expenditure which the Strategic Rail Authority (“the Authority”) is for capital allowances purposes to be taken as having incurred on the plant and machinery which is transferred to it from the British Railways Board by virtue of paragraph 11 of Schedule 18 to the Transport Act 2000 (transfer of property, rights and liabilities relating to the British Transport Police).

The amount will be that determined by the Secretary of State to be equivalent to the plant and machinery capital allowances “pool” attributable to the British Transport Police activities (calculated on the notional basis that these had been at all times treated separately from the remainder of the Board’s activities) in the British Railways Board immediately prior to the transfer.