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TOWN COUNCILS ACT (CHAPTER 329A)

TOWN COUNCILS (EXPENDITURE LIMITS FOR LIFT UPGRADING WORKS) RULES 2005

ARRANGEMENT OF RULES

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In exercise of the powers conferred by section 24I (1) (e) and (2) of the Town Councils Act, the Minister for National Development hereby makes the following Rules:

Citation and commencement

1. These Rules may be cited as the Town Councils (Expenditure Limits for Lift Upgrading Works) Rules 2005 and shall come into operation on 5th December 2005.

Definitions

2. In these Rules, unless the context otherwise requires —

“beneficiary flat” has the same meaning as in the Town Councils (Polling for Lift Upgrading Works) Rules 2005 (G.N. No. S 772/2005);

“lift upgrading works” means lift upgrading works under Part IVA of the Act;

“sinking fund”, in relation to a Town Council, means the sinking fund established under section 33(4) of the Act for improvements to and the management and maintenance of residential property within the Town under the charge of that Town Council;

“Town Council Fund”, in relation to a Town Council, means the Town Council Fund established under section 33(1) of the Act for improvements to and the management and maintenance of residential property within the Town under the charge of that Town Council.

Expenditure to be met from sinking fund in first instance

3. Subject to rules 4, 5 and 6, all expenses incurred by a Town Council in carrying out any lift upgrading works within its Town shall be met from and paid out of —

- (a) in the first instance, the sinking fund of that Town Council; and
- (b) the Town Council Fund of that Town Council.

Initial spending limit for sinking fund

4.—(1) Except as otherwise provided in rule 6, the maximum amount a Town Council may withdraw from its sinking fund to meet the net amount of its expenses in carrying out lift upgrading works shall be \$5,000 for each beneficiary flat in respect of which those lift upgrading works are or are to be carried out by the Town Council.

(2) In this rule, the net amount of a Town Council’s expenses in carrying out lift upgrading works shall be the amount ascertained by subtracting from the total amount of its expenses in carrying out the lift upgrading works for each beneficiary flat in a precinct the amount of improvement contributions due and payable by the owner or owners of that beneficiary flat in that precinct.

Withdrawals from Town Council Fund

5. Where a Town Council has incurred, or is likely to incur, any expenditure for lift upgrading works that exceeds \$5,000 for each beneficiary flat in respect of which those lift upgrading works are or

are to be carried out, the Town Council may withdraw moneys from its Town Council Fund to meet the additional expenditure for those lift upgrading works if, and only if —

- (a) the additional expenditure was reasonably not foreseeable until after the Town Council called for tenders for the lift upgrading works or, provision for that additional expenditure was not made before calling for tenders for those lift upgrading works because of an erroneous omission or understatement not due to any negligence on the part of the Town Council or any of its officers; and
- (b) the Town Council Fund is sufficient to meet the additional expenditure.

Approval for further withdrawals from sinking fund

6.—(1) Where a Town Council has incurred, or is likely to incur, any expenditure for lift upgrading works that exceeds \$5,000 for each beneficiary flat in respect of which those lift upgrading works are or are to be carried out, and the Town Council is not authorised under rule 5 to withdraw moneys from its Town Council Fund to meet that additional expenditure, the Town Council may, with the approval of the Minister, further withdraw from its sinking fund such amounts as are essential to meet that additional expenditure, subject to the limit prescribed in paragraph (2).

(2) The total amounts withdrawn under rule 4 and paragraph (1) for any lift upgrading works carried out or to be carried out by a Town Council shall not exceed 10% of the total sum standing to the credit of its sinking fund as at 31st March 2004.

Penalty

7. Any Town Council which withdraws from its sinking fund or Town Council Fund other than in accordance with rule 4, 5 or 6 shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000.

Made this 28th day of November 2005.

TAN TEE HOW
*Permanent Secretary,
Ministry of National Development,
Singapore.*

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