
STATUTORY INSTRUMENTS

1986 No. 1398

LOCAL GOVERNMENT, ENGLAND AND WALES

**The Local Government Reorganisation (Debt Administration)
(West Midlands) (Amendment) Order 1986**

Made - - - - - *7th August 1986*

Laid before Parliament 18th August 1986

Coming into Operation 8th September 1986

The Secretary of State for the Environment, in exercise of the powers conferred upon him by section 66(1) of the Local Government Act 1985(a), on the application of the councils of the districts in the metropolitan county of West Midlands, hereby makes the following order:—

1. This order may be cited as the Local Government Reorganisation (Debt Administration) (West Midlands) (Amendment) Order 1986 and shall come into operation on 8th September 1986.

2. The Local Government Reorganisation (Debt Administration) (West Midlands) Order 1986(b) shall be amended by substituting for article 9 the following article —

“9.—(1) On or before 30th November in each year the designated council shall notify each relevant authority of its estimate of the interest rate which is to apply in the next financial year and of its revised estimate of the interest rate in respect of the current financial year.

(2) On 30th June in each year commencing with the financial year beginning 1st April 1987 each relevant authority shall pay to the designated council an amount of interest which shall be calculated by multiplying its current deemed borrowing by one half of the estimated interest rate.

(3) On 31st December in each year each relevant authority shall pay to the designated council an amount of interest which shall be calculated by multiplying its current deemed borrowing by one half of the revised estimated interest rate.

(a) 1985 c.51.

(b) S.I. 1986/553.

(4) On 31st December in each year each relevant authority shall pay to the designated council, in addition to the payment required under paragraph (3), or shall receive from that council, as the case may be, the amount of any difference between the amount paid by the authority to that council on 30th June under paragraph (2) or, in relation to the financial year ending 31st March 1987, paragraph (2) of the article for which this article is substituted and the amount which the authority would then have paid if the revised estimated interest rate had applied.

(5) On 31st March in each year each relevant authority shall pay to the designated council the principal repayment for that financial year.

(6) On or before 30th June in each year commencing with the financial year beginning 1st April 1987 the designated council shall notify each relevant authority of the actual interest rate for the preceding financial year. Any difference between the amounts received by the designated council during the preceding financial year and the amounts which that council would have received if the actual interest rate had then applied shall be paid by the relevant authority to that council or, as the case may be, by that council to the relevant authority, on 31st July.

(7) Paragraphs (2), (3) and (5) shall apply to payments which the designated council is required to make by virtue of articles 7(3) and 8(3) as if those payments were repayments of principal and payments of interest made by a relevant authority.

(8) Paragraphs (4) and (6) shall apply in relation to the payment to or by the designated council of the amount of any difference between the amounts paid by that council under paragraphs (2) and (3) and the amounts which that council would have paid if the revised estimated or actual interest rates had applied, as they apply to payments to or by a relevant authority.”.

Nicholas Ridley,
Secretary of State for the Environment.

7th August 1986.

EXPLANATORY NOTE

(This note is not part of the order.)

This order amends the Local Government Reorganisation (Debt Administration) (West Midlands) Order 1986 by substituting a new article 9 (administrative arrangements). The order, as amended, requires payments of interest to be made on 30th June and 31st December instead of on 30th June and 31st March. The date on which the revised estimated interest rate is to be notified is brought forward from 31st December to 30th November to take account of the change in the payment date. Adjustments reflecting differences between the estimated and revised estimated interest rates are to be made on 31st December instead of on 31st March.