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STATUTORY INSTRUMENTS

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**1991 No. 385 (S.38)**

**LOCAL GOVERNMENT, SCOTLAND**

**The Local Authority Stocks and Bonds  
(Scotland) Amendment Regulations 1991**

<i>Made</i>	- - - -	<i>25th February 1991</i>
<i>Laid before Parliament</i>		<i>8th March 1991</i>
<i>Coming into force</i>	- -	<i>29th March 1991</i>

The Secretary of State, in exercise of the powers conferred upon him by section 16 as read with paragraph 5(1) of Schedule 3 to the Local Government (Scotland) Act 1975(1) and of all other powers enabling him in that behalf, with the consent of the Treasury, hereby makes the following Regulations:

**Citation, commencement and interpretation**

1.—(1) These Regulations may be cited as the Local Authority Stocks and Bonds (Scotland) Amendment Regulations 1991 and shall come into force on 29th March 1991.

(2) In these Regulations, “the principal Regulations” means the Local Authority Stocks and Bonds (Scotland) Regulations 1975(2).

**Amendment of the principal Regulations**

2.—(1) In the cross heading of regulation 3 of the principal Regulations, the words “and bonds” shall be deleted.

(2) For paragraph (1) of regulation 4 of the principal Regulations(3) there shall be substituted the following:—

**“Issue of Bonds**

4.—(1) Every bond issued by a local authority shall, subject to the next following paragraph—

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(1) 1975 c. 30; section 16 was amended by the Abolition of Domestic Rates Etc. (Scotland) Act 1987 (c. 47), Schedule 6; paragraph 5(1) was amended by the Stock Transfer Act 1982 (c. 41), section 5(2).  
(2) S.I. 1975/825, amended by S.I. 1984/1652.  
(3) Regulation 4 was amended by S.I. 1984/1652.

- (a) bear interest at such rate (whether fixed or variable) as the local authority shall determine at the time of issue of the bond;
- (b) if it is a negotiable bond, be issued for a period of not less than one year; and
- (c) be issued on terms such that the total of payments which fall to be made by the local authority under the bond, other than payments in respect of interest, shall not, on the date on which the bond is issued, exceed the amount of money borrowed by the authority under the bond by more than—
  - (i) fifteen per cent of the amount borrowed, or
  - (ii) if less, the product of one half of one per cent of the amount borrowed multiplied by the number of relevant years,

and, for the purposes of this sub-paragraph, the “number of relevant years” means the number of complete periods of twelve months in the period beginning on the date on which the bond is issued and ending on the last date by which all payments by the authority under the bond fall to be made.”.

St. Andrew’s House,  
Edinburgh  
20th February 1991

*Allan Stewart*  
Parliamentary Under Secretary of State Scottish  
Office

We consent,

25th February 1991

*Thomas Sackville*  
*Sydney Chapman*  
Two of the Lords Commissioners of Her  
Majesty’s Treasury

## EXPLANATORY NOTE

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

These Regulations amend regulation 4(1) of the Local Authority Stocks and Bonds (Scotland) Regulations 1975 (“the principal Regulations”) by adding at sub-paragraph (c) terms of repayment of bonds issued by local authorities.

Regulation 4(1)(c) of the principal Regulations, as amended by these Regulations, repeats a similar provision in a General Consent dated 19th October 1983, published by Her Majesty’s Stationery Office and issued under the Control of Borrowing Order 1958 (S.I. 1958/1208), which in turn was made under the Borrowing (Control and Guarantees) Act 1946 (c. 58) (“the 1946 Act”). The 1946 Act was repealed by section 4 of the Government Trading Act 1990 (c. 30), with effect on 11 th February 1991 in terms of the [Government Trading Act 1990 \(Appointed Day\) Order 1991 \(S. I. 1991/132\)](#), and therefore on that date the General Consent and Order mentioned above were revoked.