
STATUTORY INSTRUMENTS

1995 No. 1041

LOCAL GOVERNMENT, ENGLAND AND WALES
WALES

**The Local Government Reorganisation
(Wales) (Capital Finance) Order 1995**

<i>Made</i>	- - - -	<i>11th April 1995</i>
<i>Laid before Parliament</i>		<i>12th April 1995</i>
<i>Coming into force</i>	- -	<i>4th May 1995</i>

The Secretary of State for Wales, in exercise of the powers conferred upon him by section 54(1) and (2)(e) of the Local Government (Wales) Act 1994⁽¹⁾, and of all other powers enabling him in that behalf, hereby makes the following Order:

Citation, commencement and interpretation

1.—(1) This Order may be cited as the Local Government Reorganisation (Wales) (Capital Finance) Order 1995 and shall come into force on 4th May 1995.

(2) In this Order—

“the 1989 Act” means the Local Government and Housing Act 1989⁽²⁾;

“the 1994 Act” means the Local Government (Wales) Act 1994;

“new authority” means a county or county borough council established under the 1994 Act; and

“the transitional period” means the period commencing on 4th May 1995 and ending on 31st March 1996.

Application of Part IV of the 1989 Act

2.—(1) Section 44(6) of the 1989 Act shall not apply to an agreement to borrow money entered into in contravention of section 51 of the 1994 Act.

(2) In relation to the transitional period, the other provisions of Part IV of, and Schedule 3 to, the 1989 Act shall apply to a new authority with the modifications specified in the Schedule to this Order.

(1) 1994 c. 19.
(2) 1989 c. 42.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Application of the Local Authorities (Capital Finance) Regulations

3.—(1) In relation to the transitional period, the Local Authorities (Capital Finance) Regulations 1990(3) shall apply to a new authority as if regulations 23, 24, 25 and 26 of, and Schedules 4 and 5 to, those Regulations were omitted.

(2) Part II of the Schedule to the Local Authorities (Capital Finance) (Approved Investments) Regulations 1990(4) shall be amended by the insertion after “1. County councils.” of “1A. County borough councils.”.

(3) S.I. 1990/432; relevant amending instruments are S.I. 1991/500 and 1993/520.
(4) S.I. 1990/426; amended by S.I. 1991/501.

SCHEDULE

Article 2

MODIFICATIONS TO CERTAIN PROVISIONS OF PART IV OF THE 1989 ACT

1. Section 43 shall have effect as if for the words “by means of a loan instrument” in subsection (2) there were substituted the words “from a local authority which shall cease to exist as a result of the Local Government (Wales) Act 1994, by means of a loan instrument the rights and obligations under which are not transferable”.

2. Section 45 shall have effect as if:—

(a) in subsection (2), for the words “subsection (3)” there were substituted the words “subsections (2A) and (3)”; and

(b) after subsection (2) the following subsection were inserted—

“(2A) In relation to the financial year commencing on 1st April 1995, the duty to determine the limits referred to in subsection (1) above shall be performed as soon as reasonably practicable after 4th May 1995.”.

3. Section 46 shall have effect as if subsection (2) were omitted.

4. Section 53 shall have effect as if:—

(a) in subsection (1), at the beginning there were inserted the words “Subject to subsection (1A) below,”; and

(b) after subsection (1) the following subsection were inserted—

“(1A) A basic credit approval for the financial year commencing on 1st April 1995 shall be issued as soon as reasonably practicable after 4th May 1995.”.

5. Schedule 3 shall have effect as if—

(a) paragraphs 1 to 9 were omitted;

(b) in paragraph 10(1), for the words “1st April 1990” there were substituted the words “4th May 1995”;

(c) after paragraph 10(1) the following sub-paragraph were inserted—

“(1A) Subject to the provisions of paragraphs 11, 12, 13 and 14 below, a new authority’s credit ceiling on 4th May 1995 shall be nil.”;

(d) in paragraphs 11, 12, 13 and 14, for the words “1st April 1990” wherever they appear, there were substituted the words “4th May 1995”; and

(e) in paragraph 15—

(i) in sub-paragraph (1), after the word “sub-paragraphs”, there were inserted the word “(1A),” and after the word “principal” there were inserted the words “(“the principal amount”)”; and

(ii) after sub-paragraph (1) the following sub-paragraph were inserted—

“(1A) For the financial year commencing on 1st April 1995 the principal amount for a new authority shall be nil.”.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

Signed by authority of the Secretary of State for Wales

11th April 1995

Gwilym Jones
Parliamentary Under Secretary of State
Welsh Office

EXPLANATORY NOTE

(This note is not part of the Order)

The Local Government (Wales) Act 1994 (“the 1994 Act”) provides for local government changes in Wales. The new Welsh local authorities will be elected on 4th May 1995. This Order makes provision with respect to the application of Part IV (“Part IV”) of the Local Government and Housing Act 1989 (“the 1989 Act”) (revenue accounts and capital finance of local authorities) to Welsh local authorities during the transitional period (4th May 1995 to 31st March 1996). Provision is also made with regard to the application of the regulations made under Part IV (“the capital finance regulations”).

Article 2(1) disapplies section 44(6) of the 1989 Act (lender’s protection) to borrowing by existing authorities if section 51 of the 1994 Act (requiring the consent of the new authorities to certain contracts) is contravened. Article 2(2) and the Schedule modify, for the transitional period, the scope of new authorities’ borrowing powers and the requirements for them to make minimum revenue provision. They also make other modifications of a consequential and transitional nature.

Article 3(1) disapplies, for new authorities in the transitional period, the provisions of the capital finance regulations relating to minimum revenue provision. Article 3(2) amends the capital finance regulations to ensure that all the new authorities are included in the list of bodies with whom approved investments can be made.