

---

STATUTORY INSTRUMENTS

---

**2001 No. 3042**

**LOCAL GOVERNMENT, ENGLAND**

**The Local Authorities (Companies)  
(Amendment No. 2) (England) Order 2001**

*Made* - - - - *5th September 2001*  
*Laid before Parliament* *10th September 2001*  
*Coming into force* - - *1st October 2001*

The Secretary of State for Transport, Local Government and the Regions, in exercise of the powers conferred upon him by sections 39(5) to (7) of the Local Government and Housing Act 1989<sup>(1)</sup>, and of all other powers enabling him in that behalf, hereby makes the following Order:

**Citation, commencement and extent**

1.—(1) This Order may be cited as the Local Authorities (Companies) (Amendment No. 2) (England) Order 2001 and shall come into force on 1st October 2001.

(2) The amendments made by article 2 have effect in relation to local authorities in England.

**Amendment of Order**

2.—(1) The Local Authorities (Companies) Order 1995<sup>(2)</sup> shall be amended in accordance with paragraphs (2) and (3).

(2) In article 14 (application of Part IV: requirement for credit cover), in paragraph (2), for the words “Part IV shall apply subject to the modification that” there shall be substituted the words “the requirement for credit cover in section 50(2) shall apply as if, but only as if,”.

(3) In article 15 (application of Part IV: increase in the basic credit approval), in paragraph (1), for the words “Part IV shall apply” there shall be substituted the words “the provisions in Part IV as to basic credit approvals shall apply”.

---

(1) 1989 c. 42. Section 39(1) (which prescribes the authorities to which Part IV of the Act applies) was amended by the Local Government (Wales) Act 1994 (c. 19), Schedule 16, paragraph 88; by the Police and Magistrates' Courts Act 1994 (c. 29), sections 30 and 93 and Schedule 9; by the Environment Act 1995 (c. 25) sections 73 and 120, Schedule 10, paragraph 31 and 24; by the Police Act 1997 (c. 50) section 67; by the Access to Justice Act 1999 (c. 22) Schedule 12, paragraphs 4 and 5; by the Greater London Authority Act 1999 (c. 29) section 111; and by S.I. 1996/633. The relevant powers of the Secretary of State have been devolved, in relation to Wales, by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672); see the reference to the Local Government and Housing Act 1989 in Schedule 1.

(2) S.I. 1995/849 amended by S.I. 1996/621 and 2001/722.

---

**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 Transport, Local Government and the Regions

*Alan Whitehead*  
Parliamentary Under-Secretary of State,  
Department for Transport, Local Government  
and the Regions

5th September 2001

---

## EXPLANATORY NOTE

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

Article 14 of the Local Authorities (Companies) Order 1995 (“the 1995 Order”) requires an authority to have available an amount of credit cover for the liabilities of companies which, for the purposes of Part IV of the Local Government and Housing Act 1989, are treated as companies regulated by the authority. Article 15(1) modifies Part IV by permitting an authority to treat a basic credit approval as increased by the amount by which its regulated companies reduce their liabilities. This Order amends both article 14(2) and 15(1) of the 1995 Order to make it clear that those articles do not apply the whole of Part IV to such companies.