



## 2011 CHAPTER 10

### **PART 1**

#### **FINANCIAL ADMINISTRATION**

##### *Credit arrangements*

##### **“Credit arrangements”**

**17.—**(1) For the purposes of this Part, a council shall be taken to have entered into a credit arrangement where—

- (a) it enters into a transaction which gives rise to a liability on its part, and
- (b) the liability is a qualifying liability.

(2) A transaction entered into by a council is to be taken for the purposes of subsection (1) as giving rise to a liability on the part of the council if—

- (a) it falls in accordance with proper practices to be treated for the purposes of the council's accounts as giving rise to such a liability, or
- (b) it falls in accordance with regulations to be treated as falling within paragraph (a).

(3) The reference in subsection (1)(b) to a qualifying liability is to any liability other than—

- (a) a liability to repay money,
- (b) a liability in respect of which the date for performance is less than 12 months after the date on which the transaction giving rise to the liability is entered into, and
- (c) a prescribed liability.

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*Changes to legislation: There are currently no known outstanding effects for the Local Government Finance Act (Northern Ireland) 2011, Cross Heading: Credit arrangements. (See end of Document for details)*

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#### Modifications etc. (not altering text)

- C1** Ss. 17-22 applied (with mods) (2.7.2013) by [The Local Government \(Statutory Transition Committees\) Regulations \(Northern Ireland\) 2013](#) (S.R. 2013/179), regs. 1(1), 23, **Sch. 3**

#### Commencement Information

- I1** S. 17 wholly in operation at 1.4.2012; s. 17 not in operation at Royal Assent see s. 47(1); s. 17 in operation for certain purposes at 10.9.2011 otherwise 1.4.2012 by [S.R. 2011/306](#), **art. 2(1)(3)**, **Sch.**
- I2** S. 17 in operation at 1.4.2012 in so far as not already in operation by [S.R. 2011/306](#), **art. 2(3)**

### Control of credit arrangements

**18.—**(1) A council may not enter into, or vary, a credit arrangement if doing so would result in a breach of—

- (a) the limit determined by it under section 13, or
- (b) any limit applicable to it under section 14.

(2) In applying those limits for the purposes of subsection (1)—

- (a) entry into a credit arrangement shall be treated as the borrowing of an amount of money equal to the cost of the arrangement, and
- (b) variation of a credit arrangement shall be treated as the borrowing of an amount of money equal to the cost of the variation.

(3) Regulations may make provision about the calculation for the purposes of subsection (2) of the cost of a credit arrangement or a variation and, in particular, about the treatment of options.

#### Modifications etc. (not altering text)

- C1** Ss. 17-22 applied (with mods) (2.7.2013) by [The Local Government \(Statutory Transition Committees\) Regulations \(Northern Ireland\) 2013](#) (S.R. 2013/179), regs. 1(1), 23, **Sch. 3**

#### Commencement Information

- I3** S. 18 wholly in operation at 1.4.2012; s. 18 not in operation at Royal Assent see s. 47(1); s. 18 in operation for certain purposes at 10.9.2011 otherwise 1.4.2012 by [S.R. 2011/306](#), **art. 2(1)(3)**, **Sch.**
- I4** S. 18 in operation at 1.4.2012 in so far as not already in operation by [S.R. 2011/306](#), **art. 2(3)**

**Changes to legislation:**

There are currently no known outstanding effects for the Local Government Finance Act (Northern Ireland) 2011, Cross Heading: Credit arrangements.