
STATUTORY INSTRUMENTS

1997 No. 319

The Local Authorities (Capital Finance) Regulations 1997

PART XI

THE ADJUSTED CREDIT CEILING

Adjusted credit ceiling

124. At any time on or after 1st April 1997, a local authority's adjusted credit ceiling shall be their credit ceiling at that time, as determined under Part III of Schedule 3 to the Act, subject to the modifications prescribed for the purposes of Part IV of that Schedule in the following provisions of this Part.

Basis of determination

125. The starting point for determining a local authority's adjusted credit ceiling on 1st April 1997 shall be the amount which was the authority's adjusted credit ceiling on 31st March 1997.

Amounts set aside—transferred property and deemed borrowing

126. In determining their adjusted credit ceiling at any time, a local authority shall disregard any reduction in their credit ceiling which results from the setting aside under section 59(1) of the reserved part of a capital receipt where the sum received is a capital receipt by virtue of regulation 56, 57 or 58, and the reserved part is 100 per cent. by virtue of regulation 68.

Amounts set aside—transferred debt of designated councils

127. In determining their adjusted credit ceiling at any time, a local authority shall disregard any reduction in their credit ceiling which results from the setting aside under section 63(1) of any amount which, for the purposes of regulation 131, the authority are required to determine under regulation 135 (transferred debt of designated councils).

Amounts set aside—advances to housing associations

128. In determining their adjusted credit ceiling at any time, a local authority shall disregard any reduction in their credit ceiling which results from the setting aside under section 59(1) of the reserved part of a sum received which is a capital receipt by virtue of section 58(1) (c) or (d), and is paid in respect of an advance made by the authority on or before 30th September 1989—

- (a) to a housing association (within the meaning given to that expression in section 1 of the Housing Associations Act 1985(1)); and

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- (b) for the purposes of expenditure in respect of which the association in question received a grant under section 50 of the Housing Act 1988⁽²⁾, section 41(1) of the Housing Associations Act 1985⁽³⁾ or section 29(1) of the Housing Act 1974⁽⁴⁾.

Amounts set aside—interests in a regulated company

129. In determining their adjusted credit ceiling at any time, a local authority shall disregard any reduction in their credit ceiling which results from the setting aside of any amount which the authority determine to set aside as credit cover in accordance with article 14 of the Local Authorities (Companies) Order 1995⁽⁵⁾.

(2) 1988 c. 50.

(3) Section 41 was repealed by section 140(2) of, Schedule 18 to, the Housing Act 1988.

(4) 1974 c. 44 Section 29 was repealed by section 3 of, and Schedule 1 to, the Housing (Consequential Provisions) Act 1985 (c. 71).

(5) S.I. 1995/849; amended by S.I. 1996/621.