



2011 CHAPTER 10

PART 1

FINANCIAL ADMINISTRATION

Credit arrangements

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.