
STATUTORY INSTRUMENTS

1983 No. 147 (N.I. 1)

NORTHERN IRELAND

The Financial Provisions (Northern Ireland) Order 1983

Laid before Parliament in draft

Made

11th February 1983

Coming into operation in accordance with Article 1 (2)

ARRANGEMENT OF ORDER

PART I

INTRODUCTORY

Article

1. Title and commencement.
2. Interpretation.

PART II

FINANCIAL LIMITS, ETC.

3. Increase in certain issues out of Consolidated Fund.
4. Increase in loans and grants for harbour works, etc.
5. Increase in guarantees of loans raised by health and social services boards.
6. Abolition of Capital Purposes Fund.

PART III

GOVERNMENT LOANS

7. Interpretation (Part III).
8. Advances for government loans.
9. Terms, etc. of government loans.
10. General powers of Department as to government loans.
11. Default by borrower.
12. Additional interest on arrears of government loans.
13. Variation of terms of repayment of loans.
14. Deduction from grants, etc., of sums due under government loans.
15. Supplemental.

PART IV

ULSTER SAVINGS CERTIFICATES

16. Extension of currency of Ulster Savings Certificates by directions.

PART V

REPEALS, ETC.

17. Amendments, repeals and savings.

SCHEDULES:

Schedule 1—Descriptions of government loans.

Schedule 2—Provisions, deemed to be included in agreements for loans to district councils, etc.

Schedule 3—Amendments.

Schedule 4—Repeals.

At the Court at Buckingham Palace, the 11th day of February 1983

Present,

The Queen's Most Excellent Majesty in Council

Whereas a draft of this Order has been approved by a resolution of each House of Parliament:

Now, therefore, Her Majesty, in exercise of the powers conferred by paragraph 1 of Schedule 1 to the Northern Ireland Act 1974 (a), and of all other powers enabling Her in that behalf, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, as follows:—

PART I

INTRODUCTORY

Title and commencement

1.—(1) This Order may be cited as the Financial Provisions (Northern Ireland) Order 1983.

(2) This Order shall come into operation as follows—

(a) Part III and Schedules 1 to 3 and Part I of Schedule 4, on 1st April 1983;

(b) Article 6 and Part II of Schedule 4, on 1st April 1984;

(c) the other provisions, on the fourteenth day after the day on which this Order is made.

Interpretation

2. The Interpretation Act (Northern Ireland) 1954 (b) shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

(a) 1974 c. 28. (b) 1954 c. 33 (N.I.).

PART II

FINANCIAL LIMITS, ETC.

Increase in certain issues out of Consolidated Fund

3.—(1) In section 3 (1) of the Development Loans (Agriculture and Fisheries) Act (Northern Ireland) 1968 **(a)** (limit of £18 million on aggregate of loans issued to the Agricultural Loans Fund) for “eighteen million” substitute “twenty million”.

(2) In Article 15 (3) of the Housing (Northern Ireland) Order 1981 **(b)** (aggregate of outstanding advances to Housing Executive not to exceed £950 million) for “£950 million” substitute “£1,300 million”.

Increase in loans and grants for harbour works, etc.

4. In section 4 of the Harbours Act (Northern Ireland) 1970 **(c)** (limit of £15 million on aggregate of loans and grants under sections 2 and 3 of that Act) for “£15,000,000” substitute “£25 million”.

Increase in guarantees of loans raised by health and social services boards

5. In paragraph 5 *(a)* of Schedule 9 to the Health and Personal Social Services (Northern Ireland) Order 1972 **(d)** (guarantees by Department of Finance and Personnel of certain loans raised by Health and Social Services Boards not to exceed £600,000 of principal) for “six hundred thousand pounds” substitute “£1,200,000”.

Abolition of Capital Purposes Fund

6. Section 25 of the Exchequer and Financial Provisions Act (Northern Ireland) 1950 **(e)** (establishment of Capital Purposes Fund) is hereby repealed.

PART III

GOVERNMENT LOANS

Interpretation (Part III)

7. In this Part—

“the Act of 1957” means the Government Loans Act (Northern Ireland) 1957 **(f)**;

“the Department” means the Department of Finance and Personnel;

“government loan” means a loan made under Article 8;

“prescribed” means prescribed by regulations made by the Department subject to negative resolution;

“statutory provision” has the meaning assigned by section 1 *(f)* of the Interpretation Act (Northern Ireland) 1954.

Advances for government loans

8.—(1) The Department may advance money from the Consolidated Fund for the purpose of making any of the loans described in Schedule 1.

(a) 1968 c. 21.

(b) S.I. 1981/156 (N.I. 3).

(c) 1970 c. 1.

(d) S.I. 1972/1265 (N.I. 14).

(e) 1950 c. 3.

(f) 1957 c. 10.

(2) The aggregate of the sums advanced as government loans (including government loans outstanding under the Act of 1957 immediately before the commencement of this Part), less the total amount of principal repaid to the Consolidated Fund in respect of those loans, shall not exceed £700 million.

(3) The Department may borrow money for the purpose of providing for advances under this Article.

Terms, etc., of government loans

9.—(1) A government loan shall be made—

(a) upon such security; and

(b) on such terms as to rate of interest, repayment and otherwise, as may be determined by the Department.

(2) Schedule 2 shall have effect with respect to the provisions deemed to be included in agreements relating to government loans to district councils and certain joint committees.

(3) Borrowers of government loans shall pay the prescribed fees at the prescribed times.

(4) A loan referred to in paragraph 2 or 3 of Schedule 1 shall not be made for the purpose of discharging a debt incurred before the date on which the application for the loan is made.

(5) The Department may publish in the Belfast Gazette notices stating—

(a) the rates of interest upon which it is prepared to consider advancing money for any government loan or class of government loans specified in the notice; and

(b) the terms (including terms as to the amount of premium, if any, to be paid to the Consolidated Fund) upon which it is prepared, during such period or periods as may be mentioned in the notice, to agree to the premature repayment of any government loan or class of government loans specified in the notice.

(6) In this Article “security” includes a reference to a charge imposed by a statutory provision for securing loans made under Article 8 to a district council or joint committee established by two or more such councils.

General powers of Department as to government loans

10. The Department may, in relation to a government loan—

(a) make the loan by a single advance or by several advances;

(b) issue an advance under a loan at such time as appears to it to be expedient;

(c) refuse wholly, or for so long as it thinks fit, to issue any advance under the loan if—

(i) any sum is in arrear which is payable in respect of the loan, or of any previous loan or advance made by or through the Department, to the borrower or his predecessor for any purpose (whether that sum is payable as interest or as an instalment of principal or as a periodical payment of any annuity or rentcharge or otherwise); or

(ii) any provisions implied by virtue of Schedule 2 are not duly complied with;

- (d) before the full amount of the loan has been advanced, reduce the amount, or delay the issue, of any further advance;
- (e) refuse to make advances under the loan after 5 years from the date of the agreement for the loan.

Default by borrower

11. If a borrower of a government loan makes default—

- (a) in paying any money due in respect of the loan for a period exceeding 10 days after the money becomes due; or
- (b) in complying with any provisions implied by Schedule 2;

the entire amount of the principal outstanding under the loan at the time of the default, together with—

- (i) interest on it at the appropriate rate or rates;
- (ii) such interest as is chargeable under Article 12 on any sum which is in arrear at the time of default; and
- (iii) an amount equivalent to the premium which would have been payable by the borrower under Article 9 if the premature repayment of the loan had been agreed on the date when the loan and interest are repaid to the Department under this Article,

shall thereupon become payable and shall be paid by the borrower to the Department on demand.

Additional interest on arrears of government loans

12.—(1) Where any sum payable (whether for interest or as an instalment of principal or as a periodical payment of an annuity or rentcharge or otherwise) by the borrower in respect of any government loan is in arrear for more than thirty-one days, the Department may, notwithstanding any rule of law to the contrary, charge and recover interest on that sum from that borrower from—

- (a) the date when that sum became due, until
- (b) the date when that sum is paid.

(2) The rate of interest charged under paragraph (1) shall be the aggregate of—

- (a) the relevant rate in force on the date when the sum referred to in that paragraph became due; and
- (b) 2½ per cent., per annum.

(3) In this Article “relevant rate” means the rate of interest specified in a notice published under Article 9 as the normal rate for local or public loans for periods up to five years and repayable by annuity.

Variation of terms of repayment of loans

13.—(1) The Department may, in such cases and to such extent as it thinks fit, waive the payment of—

- (a) interest on any government loan (including interest charged under Article 12); and
- (b) premium payable by virtue of Article 9.

(2) Notwithstanding anything in any enactment, the Department may by agreement with the borrowers of any government loan or class of government loan vary the terms of repayment of that loan or class of loans in such respects and in such manner as may be agreed.

(3) Any instrument securing the repayment of any loan or class of loans in respect of which any variation has been agreed under paragraph (2) shall have effect subject to that variation.

(4) This Article does not affect the right of the Department to recover from the borrower or any surety the full amount of—

(a) any principal outstanding on foot of the loan;

(b) any interest (including interest charged under Article 12) or premium in respect of the loan.

Deduction from grants, etc., of sums due under government loans

14.—(1) Where, under a government loan, any sum is due and payable by the borrower, the amount of that sum may be deducted from any money payable to the borrower by any Northern Ireland department.

(2) An amount deducted under this Article shall be paid into the Consolidated Fund and credited as a payment by the borrower in respect of whom it was deducted.

Supplemental

15.—(1) The assets and liabilities of the Government Loans Fund are hereby transferred to the Consolidated Fund.

(2) Any reference to the Government Loans Fund in any statutory provision, judgment, decree, order, award, deed, contract, certificate or other document shall, unless the context otherwise requires, be construed as a reference to the Consolidated Fund.

(3) Any sum paid to the Department, by or on behalf of a borrower, in respect of a government loan shall be paid into the Consolidated Fund.

PART IV

ULSTER SAVINGS CERTIFICATES

Extension of currency of Ulster Savings Certificates by directions

16.—(1) Section 16 of the Exchequer and Financial Provisions Act (Northern Ireland) 1950 (which authorises regulations under section 15 of that Act to extend the currency of Ulster Savings Certificates) shall be amended as follows—

(a) in subsection (1)—

(i) for “by regulations made under the last preceding section provide” substitute “direct”;

(ii) for “the regulations apply” substitute “the direction applies”;

(iii) for “those regulations” substitute “the direction”;

(b) in subsection (4), after “regulation” insert “direction”.

(2) Paragraph (1) does not affect any regulations made by virtue of section 16 of that Act before the commencement of this Article, but any such regulations may be amended or revoked by a direction under that section (as amended by this Article) as if they were such a direction.

PART V

REPEALS, ETC.

Amendments, repeals and savings

17.—(1) The enactments set out in Schedule 3 shall have effect subject to the amendments specified in that Schedule.

(2) The enactments set out in Schedule 4 are hereby repealed to the extent specified in column 3 of that Schedule.

(3) The repeals effected by this Article shall not affect any mortgage, deed or agreement made, or thing done, under any enactment repealed by this Article.

(4) Any such agreement or thing shall, if it could have been made or done under this Order, have effect as if made or done under this Order and any such mortgage or deed, if with any necessary modifications it could have taken effect as an agreement made under this Order, shall, with those modifications, have effect as such an agreement.

N. E. Leigh,
Clerk of the Privy Council.

SCHEDULES

Article 8 (1).

SCHEDULE 1

DESCRIPTIONS OF GOVERNMENT LOANS

Local or public loans

1. A local or public loan, that is, a loan made subject to and in accordance with any statutory provision to—

- (a) a district council (or joint committee appointed by two or more such councils);
- (b) any other public authority, board, commissioners or public body of any kind constituted by or under any statutory provision.

General purposes loans

2. A general purposes loan, that is, a loan (other than a local or public loan) which the Department may make under any statutory provision.

Educational loans

3. A loan for educational purposes, that is, a loan (other than a local or public loan and a general purposes loan) for any of the following purposes—

- (a) the purchase, erection, extension, improvement or alteration of premises (including playgrounds and playing fields) and buildings (including residences for teachers employed in or caretakers having the care of such buildings) for primary or secondary schools or for colleges of education (not being schools or colleges in respect of which local or public loans may be made) or for training schools within the meaning of the Children and Young Persons Act (Northern Ireland) 1968 (a);
- (b) the equipment of such primary or secondary schools or colleges of education or of such training schools (including the establishment and equipment of libraries therefor).

Funding loans

4. A funding loan, that is, a loan for the purpose of operating a loans pool or a consolidated loans fund if the liability in respect of money borrowed for the purposes of

(a) 1968 c. 34.

the pool or fund was transferred to the Department by Article 6 of the Local Government (Transfer of Assets, Liabilities, etc.) Order (Northern Ireland) 1973 (a).

Article 9 (2).

SCHEDULE 2

PROVISIONS DEEMED TO BE INCLUDED IN AGREEMENTS FOR
LOANS TO DISTRICT COUNCILS, ETC.

The following provisions shall be deemed to be included in the agreement for any government loan to a district council or joint committee established by two or more such councils—

- (a) the borrower will comply—
 - (i) with any statutory provision which applies to the expenditure of the money advanced under the loan; and
 - (ii) with any statutory provision which applies to the purposes for which the loan has been made; and
 - (iii) with any directions given by the appropriate Government department in pursuance of any statutory provision which applies as mentioned in subparagraph (i) or (ii);
- (b) the borrower will pay to the Department interest on the loan at the following rates—
 - (i) if the loan is made by means of a single advance, at such rate as, under Article 9 (5), is in force when the loan is advanced; and
 - (ii) if the loan is made by means of several advances issued to the borrower on different dates, at such rate in respect of each advance as is in force under Article 9 (5) on the date when that advance is issued.

Article 17 (1).

SCHEDULE 3

AMENDMENTS

The Transport Act (Northern Ireland) 1967 (c. 37)

In section 51 (2)(c) for from "sums issued" onwards substitute "government loans under Part III of the Financial Provisions (Northern Ireland) Order 1983".

*The Development Loans (Agriculture and Fisheries)
Act (Northern Ireland) 1968 (c. 21)*

In section 5 (1) for from "loans" to "1957" substitute "or public loans within the meaning of paragraph 1 of Schedule 1 to the Financial Provisions (Northern Ireland) Order 1983".

*The Industrial and Provident Societies Act
(Northern Ireland) 1969 (c. 24)*

In section 31 (a) for from "local authority" to "1957 or" substitute "district council or joint committee constituted by two or more such councils or local authority within the meaning of".

The Land Registration Act (Northern Ireland) 1970 (c. 18)

In section 94, in the definition of "public or local body" for from "Government Loans Act" onwards substitute "Financial Provisions (Northern Ireland) Order 1983 as an authority or body to whom government loans may be made".

(a) S.R. & O. 1973 No. 227.

The Health and Personal Social Services (Northern Ireland) Order 1972
(S.I. 1972/1265 (N.I. 14))

In paragraph 5 (6) (a) of Schedule 17 for from "Government Loans Act" onwards substitute "Financial Provisions (Northern Ireland) Order 1983 as an authority or body to whom government loans may be made".

The Museums (Northern Ireland) Order 1981 (S.I. 1981/438 (N.I. 14))

In Article 7 (3) for "Government Loans Act (Northern Ireland) 1957" substitute "Schedule 1 to the Financial Provisions (Northern Ireland) Order 1983".

Article 17 (2).

SCHEDULE 4

REPEALS

PART I

REPEALS RELATING TO GOVERNMENT LOANS

Chapter or Number	Short Title	Extent of Repeal
1950 c. 3.	The Exchequer and Financial Provisions Act (Northern Ireland) 1950.	Sections 11 (1) (d), 13 and 16 (2) (c).
1957 c. 10.	The Government Loans Act (Northern Ireland) 1957.	The whole Act.
1958 c. 20.	The Administrative and Financial Provisions Act (Northern Ireland) 1958.	Section 8.
1968 c. 34.	The Children and Young Persons Act (Northern Ireland) 1968.	In Schedule 7, paragraph 16.
1971 c. 6.	The Financial Provisions Act (Northern Ireland) 1971.	Section 6.
1972 c. 9.	The Local Government Act (Northern Ireland) 1972.	In Schedule 8, paragraphs 15 to 18.
S.I. 1976/1212 (N.I. 21).	The Financial Provisions (Northern Ireland) Order 1976.	Articles 5 and 6.
S.I. 1978/1041 (N.I. 11).	The Financial Provisions (Northern Ireland) Order 1978.	Article 6.

PART II

REPEALS RELATING TO CAPITAL PURPOSES FUND

1950 c. 3.	The Exchequer and Financial Provisions Act (Northern Ireland) 1950.	Section 4 (i). In section 5 (1) (e), from “(including the setting aside” to “twenty-five of this Act”). In section 8A(b), from “including the repayment” to “twenty-five of this Act”.
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EXPLANATORY NOTE

(This Note is not part of the Order.)

This Order contains a number of miscellaneous financial provisions.

Articles 3 to 5 increase certain financial limits and Article 6 abolishes the Capital Purposes Fund. Articles 7 to 15 abolish the Government Loans Fund and provide for government loans (as defined by Article 7) to be made from the Consolidated Fund of Northern Ireland. Article 16 enables the Department of Finance and Personnel to extend the currency of Ulster Savings Certificates by administrative directions instead of by regulations.

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The Financial Provisions (Northern Ireland) Order 1983

Printed in Northern Ireland for Her Majesty's Stationery Office.

790 Z007 C13 2/83

ISBN 0 11 036147 4