

## SCHEDULES.

### EIGHTH SCHEDULE

#### RULES REGULATING THE ADMINISTRATION OF A LOANS FUND ESTABLISHED BY A COUNTY COUNCIL OR TOWN COUNCIL UNDER THIS ACT.

##### *Provisions relating to Revenue.*

##### *Revenue and expenditure.*

- 17 The council shall from time to time pay to the loans fund such sums as are required from time to time to enable the fund to meet the interest payable on sums borrowed by the council and any other sums directed to be debited to the interest account and the expenses of the loans fund and any other sums directed to be debited to the loans fund expenses account, which sums shall be provided by the several borrowing accounts of the council in accordance with the provisions of rules 18 and 19 hereof.

##### *Interest account.*

- 18 (1) There shall be charged to the interest account and credited to each account of the council which has from time to time during the year any revenue balance in the loans fund interest at a rate to be determined by the council.
- (2) There shall be charged to the interest account and credited to each account of the council from which a capital sum (otherwise than by way of reduction of an advance) has during the year been carried to the loans fund interest at a rate to be determined by the council, such rate being equal as nearly as may be to the rate of interest which would be payable on money borrowed during the year of account under a statutory borrowing power.
- (3) There shall be charged to each borrowing account of the council which has from time to time during the year received temporary advances of money from the loans fund for current and other expenses, and credited to the interest account interest at a rate to be determined by the council.
- (4) Subject to the provisions of this paragraph and of the immediately succeeding paragraph of this rule, the amount of the interest payable during the year by the council on sums borrowed by the council (including interest credited to accounts of the council under paragraphs (1) and (2) of this rule) after deducting the interest received during the year on investments and on loans to other local authorities and the interest charged to borrowing accounts in respect of temporary advances under paragraph (3) of this rule, and allowing for any sums directed by or in accordance with these rules to be debited or credited to the interest account (in this rule referred to as " the net amount "), shall be apportioned at the close of the year between the several borrowing accounts of the council in the manner following, that is to say:—
- (a) there shall first be charged or allowed to each borrowing account, in respect of any advance or repayment of an advance which has been made or received

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during the year the appropriate amount in respect of interest for the period between the date of the advance or repayment and the close of the year, calculated at the average rate payable by the council on money borrowed on account of the loans fund;

- (b) the net amount (adjusted to give effect to paragraph (a) hereof) shall be apportioned among the borrowing accounts in the proportion which the advances to each borrowing account outstanding at the commencement of the year bear to the total of the outstanding advances to all the borrowing accounts at such commencement:

Provided that—

- (i) the council may, in the case of local bonds under the Housing (Scotland) Acts, 1925 to 1946, or in any other case where special circumstances exist, make such special charge on account of interest as the council think equitable; and
- (ii) wherever the charge in respect of interest affects the amount of any Exchequer grant, such charge shall be subject to the approval of the Minister concerned.
- (5) The council in their discretion may, in lieu of the provisions of the immediately preceding paragraph of this rule but subject always to the proviso thereto, apportion the net amount for any year among the accounts of the council in proportion to the average amount of advances to each borrowing account during the year, so however that if this method of apportionment is adopted, the amount of advances to each borrowing account shall be adjusted by monthly transfers between the loans fund and the several borrowing accounts, and the monthly amounts so ascertained for each account shall form the basis for calculating the average amount of advances to each borrowing account during the year.

*Loans fund expenses account.*

19 There shall be ascertained at the close of each year all revenue expenditure (exclusive of interest) in connection with the loans fund during the year, including without prejudice to the said generality—

- (a) any expenses in connection with borrowing money (other than expenses of the creation and issue of stock),
- (b) any annual contribution to meet deferred charges, -so far as they relate to expenses of the creation and issue of stock,
- (c) any loss in connection with investments debited to the loans fund expenses account under rule 15 hereof, and any sums transferred to the credit of the loans fund reserve account from the loans fund expenses account under rule 16 hereof, and
- (d) any other expenses incurred in connection with the management or investment of the loans fund, including such proportion of the remuneration of officers and general administration expenses of the council as may reasonably be allocated to the fund;

and from the total expenditure so ascertained there shall be deducted—

- (a) any items of expenditure during the year which are specifically and properly chargeable to borrowing accounts of the council,
- (b) any profit in connection with investments credited to the loans fund expenses account during the year under rule 15 hereof, and
- (c) any fees or other revenue receipts of the loans fund;

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and the balance remaining shall be apportioned among the borrowing accounts in the proportion which the advances to each borrowing account outstanding on the last day of the year bear to the total of all such advances at that date :

Provided that the council may in their discretion apportion the said balance among the borrowing accounts of the authority in proportion to the average amount of advances to each borrowing account during the year, so however that, if this method of apportionment is adopted, the amount of advances to each borrowing account shall be adjusted by monthly transfers between the loans fund and the several accounts, and the monthly amounts so ascertained for each account shall form the basis of calculating the average amount of advances to each borrowing account during the year.