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STATUTORY INSTRUMENTS

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**1990 No. 720**

**The Passenger Transport Executives  
(Capital Finance) Order 1990**

**Application of Part IV of the Act: additional credit allowance**

4.—(1) Where a Passenger Transport Authority, in accordance with article 2(1)(d), is to be treated as reducing its liabilities in respect of a financial year, Part IV of the Act shall apply as if, but only as if, the Authority were entitled to an amount of additional credit allowance equal to the reduction in liabilities for the Executive concerned.

(2) In paragraph (1) above, the reference to a reduction in liabilities for an Executive is a reference to the amount equal to the amount of the reduction of liabilities calculated under article 2(4) above.

(3) Each of the following amounts constitutes for this purpose an amount of additional credit allowance—

- (a) an amount by which, in accordance with a determination of the Authority, any basic credit approval issued or transferred to the Authority is treated as increased; and
- (b) a sum which, in accordance with a determination of the Authority, is to cease to be set aside as provision for credit liabilities.

(4) Any increase of a basic credit approval, in accordance with paragraph (3)(a) above, shall be treated as taking place, and any amount which is to cease to be set aside, in accordance with paragraph (3)(b) above, shall cease to be set aside, on the relevant date in the financial year in which the Executive concerned reduced its liabilities.

(5) If an amount ceases to be set aside in accordance with paragraph (3)(b) above,

- (a) the Authority's credit ceiling shall at that time be increased by an amount equal to the amount ceasing to be set aside, and
- (b) an amount shall at that time be deducted from the amount taken into account under section 62(1)(d) of the Act for the Authority equal to the amount ceasing to be set aside (and, by virtue of this subparagraph, the amount taken into account under section 62(1)(d) may, accordingly, be a negative amount).

(6) A determination by an Authority under paragraph (3) above shall not be made later than 30th September in the financial year following that in which, in accordance with paragraph (4) above, a basic credit approval is to be treated as increased or an amount ceases to be set aside.

(7) Any amount which ceases to be set aside in accordance with paragraph (3)(b) above may be applied by the Authority, according as it determines, for one or more of the purposes described in section 60(2) of the Act and, subject to paragraph (10) below, may be so applied in the financial year referred to in paragraph (4) above or in any later financial year.

(8) An amount which is applied as provision to meet credit liabilities as described in paragraph (7) above may be used as an amount of credit cover for the purposes of section 50 of the Act or article 3 above in accordance with a determination of the Authority referring to the credit arrangement, sum, consideration or additional liabilities, as the case may be.

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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(9) Where any amount is applied as described in paragraph (7) above, the amount taken into account under section 62(1)(d) of the Act for the Authority shall at that time be increased by an amount equal to the amount so applied.

(10) A determination by an Authority under paragraph (7) above as to the manner in which any amount is to be applied shall not be made later than 30th September in the financial year following that in which, in accordance with the determination, the amount is to be applied.