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WELSH STATUTORY INSTRUMENTS

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**2002 No. 2118**

**The Local Authorities (Companies)  
(Amendment) (Wales) Order 2002**

**Amendment of Order**

2.—(1) The Local Authorities (Companies) Order 1995<sup>(1)</sup> shall be amended in accordance with paragraphs (2) to (4) below.

(2) In article 14 (application of Part IV: requirement for credit cover)—

(a) in paragraph (2), for the words “Part IV shall apply subject to the modification that” there shall be substituted the words “the requirement for credit cover in section 50(2) shall apply as if, but only as if”;

(b) for paragraph (5) there shall be substituted the following paragraph—

“(5) For the purposes of this article, in relation to any financial year beginning on or after 1st April 2002, one or more of the following amounts, in any combination, constitutes an amount of credit cover—

(a) an amount which the authority determine to set aside from the usable part of the authority’s capital receipts or from a revenue account as provision to meet credit liabilities (being an amount over and above amounts required to be set aside by virtue of any other provision of Part IV);

(b) an amount by which the authority determine to treat as reduced the balance of a credit approval;

(c) an amount by which the authority determine to treat as reduced any credit cover provision designated in accordance with paragraph (8).”;

(c) after paragraph (7) there shall be added the following paragraph—

“(8) Where, in relation to any financial year ending on or after 31st March 2002, a basic credit approval having effect for that year is, pursuant to article 15, treated as increased by any amount, the authority may—

(a) where a determination under section 56(1) is made in respect of part only of that amount, designate all or part of the residue of that amount as credit cover provision; or

(b) where no determination under section 56(1) is made in respect of any part of that amount, designate all or part of that amount as credit cover provision.”.

(3) In article 15 (application of Part IV: increase in the basic credit approval), in paragraph (1), for the words “Part IV shall apply” there shall be substituted the words “the provisions in Part IV as to basic credit approvals shall apply”.

(4) In paragraph (1) of article 16 (liabilities of regulated companies)—

(a) for sub-paragraph (bb)<sup>(2)</sup> there shall be substituted the following—

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

(2) Sub-paragraph (bb) was inserted by S.I. 1996/621.

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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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“(bb) the company’s assets shall not be treated as reduced by the defraying, after the relevant date, of expenditure for any purpose, where that expenditure is defrayed from monies accumulated before the relevant date.”;

(b) for paragraph (i) of sub-paragraph (c) there shall be substituted the following—

“(i) any liability under a credit transaction (whether entered into by the company before, on or after the relevant date),”.

(5) In paragraph (5B) of article 16(3), for the words “paragraphs (5A) and (5B)” there shall be substituted the words “paragraphs (5) and (5A)”.