



Local Government and Housing Act 1989

1989 CHAPTER 42

PART IV

REVENUE ACCOUNTS AND CAPITAL FINANCE OF LOCAL AUTHORITIES

Borrowing

44 Borrowing limits etc

- (1) A local authority may not at any time borrow an amount which would cause the total of—
 - (a) the amount outstanding at that time by way of principal of money borrowed by the authority, and
 - (b) the aggregate cost (as determined below) at that time of the credit arrangements entered into by the authority, other than arrangements excluded by regulations under paragraph 11 of Schedule 3 to this Act,to exceed the aggregate credit limit for the time being applicable to the authority by virtue of section 62 below.
- (2) The Secretary of State may by regulations make provision, in the interests of prudent financial management, regulating borrowing by local authorities; and a local authority may not borrow to any extent or in any manner which would contravene any provision of the regulations.
- (3) A local authority may not borrow any amount which would cause any limit for the time being determined by the authority under section 45 below to be exceeded.
- (4) References in this section and sections 45 to 47 below to borrowing by an authority are references to borrowing not only under section 43 above but also under any other power for the time being available to the authority under any enactment, whenever passed.
- (5) For the purposes of subsection (1) above, the temporary use by a local authority for a purpose other than that of the fund in question of money forming part of such a

Status: This is the original version (as it was originally enacted).

superannuation fund or trust fund as is referred to in paragraph (h) or paragraph (i) of subsection (2) of section 42 above shall be treated as borrowing.

- (6) A person lending money to a local authority shall not be bound to enquire whether the authority have power to borrow the money and shall not be prejudiced by the absence of any such power.