



Local Government and Housing Act 1989

1989 CHAPTER 42

^{FIFTH}PART IV

REVENUE ACCOUNTS AND CAPITAL FINANCE OF LOCAL AUTHORITIES

Aggregate credit limit

62 Aggregate credit limit.

- (1) For each local authority there shall be an aggregate credit limit which, subject to subsection (2) below, at any time shall be the total at that time of—
- the authority's temporary revenue borrowing limit;
 - the authority's temporary capital borrowing limit;
 - the authority's credit ceiling, as determined under Part III of Schedule 3 to this Act; and
 - the excess of the authority's approved investments and cash over their usable capital receipts;

but the reference in paragraph (d) above to approved investments and cash does not include investments or cash held for the purposes of such a superannuation fund or trust fund as is referred to in paragraph (h) or paragraph (i) of subsection (2) of section 42 above.

- (2) On an application made by a local authority, the Secretary of State may direct that, for any period specified in the direction, the amount which, apart from the direction, would be the authority's aggregate credit limit at any time during that period shall be increased by an amount specified in the direction with respect to that period; and any increase specified in a direction under this subsection may be expressed to have effect subject to compliance with such terms and conditions as may be so specified.
- (3) Subject to subsection (4) below, an authority's temporary revenue borrowing limit at any time is whichever is the less of—

Status: Point in time view as at 27/11/2003. This version of this provision has been superseded.

Changes to legislation: Local Government and Housing Act 1989, Section 62 is up to date with all changes known to be in force on or before 23 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) the total sums which at that time remain to be received by the authority and which, as income, fall or will fall to be credited to a revenue account of the authority for the current financial year; and
 - (b) the aggregate of—
 - (i) the total sums which, up to and including that time (whether in the current or a previous financial year), the authority have disbursed in respect of expenditure which falls to be charged to a revenue account of the authority for the current financial year; and
 - (ii) any relevant arrears in respect of which provision has been or is to be charged to such a revenue account or which have been or are to be written off and charged to such a revenue account;

and for the purposes of paragraph (b)(ii) above “relevant arrears” are amounts in respect of income which remain to be received by the authority and which, as income, fall to be credited to a revenue account of the authority for the financial year beginning two years before the beginning of the current financial year.
- (4) At any time in a financial year the amount which, apart from this subsection, would be an authority’s temporary revenue borrowing limit shall be increased by the addition of an amount in respect of the immediately preceding financial year, being whichever is the less of—
- (a) the excess (if any) of the total sums which, up to and including that time, the authority have disbursed in respect of expenditure falling to be charged to a revenue account of the authority for that preceding year over the total sums which, up to and including that time, the authority have received in respect of income falling to be credited to such a revenue account; and
 - (b) the total sums which at that time remain to be received by the authority and which, as income, fall or will fall to be credited to a revenue account of the authority for that preceding year.
- (5) An authority’s temporary capital borrowing limit at any time is so much of the expenditure defrayed by the authority for capital purposes in the eighteen months ending at that time as is due to be, but at that time has not yet been, re-imbursed by any other person, excluding expenditure which is to be re-imbursed or met out of grants from a Community institution [^{F1}other than contributions from any of the Structural Funds]; and for this purpose it is immaterial whether the re-imburement is due as a result of an obligation arising by statute, contract or otherwise or is to take the form of a grant or other obligation voluntarily undertaken.
- (6) If at any time an authority’s usable capital receipts exceed their approved investments and cash referred to in paragraph (d) of subsection (1) above, the amount taken into account under that paragraph shall be a negative amount.
- (7) Where an amount taken into account under paragraph (c) or paragraph (d) of subsection (1) above is a negative amount, it shall be a deduction in determining the total referred to in that subsection.
- (8) Any reference in this section to an authority’s usable capital receipts at any time is a reference to the usable part of the authority’s capital receipts so far as they have not been applied before that time.

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Textual Amendments

F1 Words in s. 62(5) inserted (1.4.2000) by S.I. 2000/589, **art. 2(1)(3)**

Modifications etc. (not altering text)

C1 S. 62(1)(d) modified by S.I. 1990/719, **art. 4(5)(b)**, (8) and by S.I. 1990/720, **art. 4(5)(9)**

Status:

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