



Local Government Act 2003

2003 CHAPTER 26

PART 3

GRANTS ETC

CHAPTER 2

OTHER GRANTS ETC

38 [F¹Local loans]

- (1) The Secretary of State may, if he thinks it appropriate, make payments to the [F²Treasury, in respect of local loans made under section 3 of the National Loans Act 1968,] so as to reduce or extinguish such debt (whether then due or not) of a local authority in England to [F³the Treasury] as he thinks fit.
- (2) The National Assembly for Wales may, if it thinks it appropriate, make payments to the [F²Treasury, in respect of local loans made under section 3 of the National Loans Act 1968,] so as to reduce or extinguish such debt (whether then due or not) of a local authority in Wales to [F³the Treasury] as the Assembly thinks fit.
- (3) The amount—
 - (a) required to extinguish a debt, or
 - (b) by which a payment reduces a debt,shall be such as may be determined by [F⁴the Treasury].
- (4) [F⁵The Treasury] may refuse to accept a payment which the Secretary of State or the National Assembly for Wales proposes to make to them under this section.
- (5) In this section “local authority” means—
 - (a) in relation to England—
 - (i) a district council,

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Act 2003. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (ii) a county council that is the council for a county in which there are no district councils,
 - (iii) a London borough council,
 - (iv) the Common Council of the City of London, or
 - (v) the Council of the Isles of Scilly; and
- (b) in relation to Wales, a county council or a county borough council.

Textual Amendments

- F1** S. 38 heading substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(2)** (with art. 9)
- F2** Words in s. 38 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(3)** (with art. 9)
- F3** Words in s. 38 substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(4)** (with art. 9)
- F4** Words in s. 38(3) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(5)** (with art. 9)
- F5** Words in s. 38(4) substituted (25.2.2020) by [The Public Bodies \(Abolition of Public Works Loan Commissioners\) Order 2020 \(S.I. 2020/176\)](#), art. 1(2), **Sch. 1 para. 82(6)** (with art. 9)

Commencement Information

- I1** S. 38 partly in force; s. 38 in force for E. at 18.11.2003 see s.128(2)(b)
- I2** S. 38 in force at 27.11.2003 for W. by [S.I. 2003/3034](#), art. 2, **Sch. 1 Pt. 1**

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Local Government Act 2003. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act applied (with modifications) by [S.I. 2024/414 art. 5Sch. 1 para. 13](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 18(2A) inserted by [2007 c. 28 Sch. 14 para. 5\(2\)\(b\)](#)
- s. 24(1) s. 24 renumbered as s. 24(1) by [2007 c. 28 Sch. 14 para. 5\(3\)](#)
- s. 24(2) inserted by [2007 c. 28 Sch. 14 para. 5\(3\)](#)