

1988 No. 1019

LOCAL GOVERNMENT, ENGLAND AND WALES
LONDON GOVERNMENT

**The London Government Reorganisation (Transfer of
Loans) (Amendment) Order 1988**

<i>Made - - - -</i>	<i>9th June 1988</i>
<i>Laid before Parliament</i>	<i>20th June 1988</i>
<i>Coming into force</i>	<i>11th July 1988</i>

The Secretary of State for the Environment, in exercise of the powers conferred on him by section 67(3) of the Local Government Act 1985(a), and of all other powers enabling him in that behalf, hereby makes the following Order:

1. This Order may be cited as the London Government Reorganisation (Transfer of Loans) (Amendment) Order 1988 and shall come into force on 11th July 1988.

2. For article 4 of the London Government Reorganisation (Transfer of Loans) Order 1988(b) there shall be substituted—

“4.—(1) Paragraph 7 of Schedule 13 to the Local Government Act 1972(c) (accounting requirements) shall apply to the amount of the liability apportioned to each council by article 2(2) as if—

- (a) that amount had been borrowed by that council to defray expenditure;
- (b) that expenditure fell to be defrayed from the council's Housing Revenue Account(d); and
- (c) the fixed period were a period of 33 years commencing with the financial year beginning 1st April 1988.

(2) Paragraph 8 of that Schedule (power to borrow during the fixed period for repaying loans) shall apply to the amount referred to in paragraph (1) above as if that amount were money borrowed by that council under paragraph 1(b) of that Schedule and the fixed period were the period mentioned in paragraph (1)(c) above.

(3) Paragraph 11 of that Schedule (security for loans) shall apply to the amount referred to in paragraph (1) as if that amount were money borrowed by that council.

(4) Paragraphs 12 and 13 of that Schedule (joint borrowing and loans between authorities) shall not be taken to authorise any council mentioned in Schedule 1 to this Order to borrow jointly with, or lend to, any other council so mentioned for the purpose for which that other council is empowered to borrow by virtue of paragraph (2) above.”.

9th June 1988

Nicholas Ridley
Secretary of State for the Environment

(a) 1985 c.51.

(b) S.I. 1988/233.

(c) 1972 c.70.

(d) The account referred to in section 417 of the Housing Act 1985 (c.68).

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the London Government Reorganisation (Transfer of Loans) Order 1988 (S.I. 1988/233; "the principal Order") by substituting a new article 4 (application of general provisions relating to borrowing).

The effect of the new article 4(1), (2) and (3) is to apply paragraphs 7, 8 and 11 of Schedule 13 to the Local Government Act 1972 (accounting requirements, power to borrow during the fixed period for repaying loans, and security for loans), with appropriate modifications, to the amount of the liability transferred to the councils listed in Schedule 1 to the principal Order. The new article 4(4) renders paragraphs 12 and 13 of Schedule 13 (joint borrowing and loans between authorities) inapplicable where the borrowing or lending is for a purpose for which the councils are empowered to borrow by virtue of the principal Order.

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