
STATUTORY INSTRUMENTS

1995 No. 798

**The Local Government Changes for
England (Capital Finance) Regulations 1995**

PART IV

PROVISION FOR CREDIT LIABILITIES

Interpretation of Part

14. In this Part—

“PCL” means the amount for the time being set aside by a local authority (whether voluntarily or pursuant to a requirement under Part IV of the 1989 Act) as provision to meet credit liabilities;

“relevant amount” means, in relation to a credit arrangement and a participant authority, the amount determined in accordance with the formula in paragraph 7 of the Schedule to the Transfer of Property Regulations as that paragraph has effect subject to paragraph 1(3) of that Schedule; and

“vesting day” means the day when rights and liabilities under a credit arrangement are vested as mentioned in regulation 3(4) above in another local authority.

PCL of designated authority

15.—(1) Subject to paragraph (2), on the reorganisation date there shall be added to the PCL of a designated authority in relation to an abolished authority an amount equal to the PCL of the abolished authority on the last day of the preliminary period.

(2) Where any amount is added to the PCL of a participant authority by virtue of regulation 16(1) or (2) below, an equivalent amount shall be deducted on the same day from the PCL of the designated authority.

PCL of participant authority

16.—(1) Subject to paragraph (2), where a credit arrangement is treated by virtue of regulation 3 above as having been entered into by—

- (a) a participant authority; or
- (b) a participant authority and any other local authority or the Residuary Body jointly and severally, an amount equal to the relevant amount for that arrangement shall be added on the vesting day to the PCL of the participant authority in question.