

SCHEDULE 3

PROVISIONS SUPPLEMENTING PART G

PART I

CREDIT CEILING

1.—(1) On 1st April 1998 the Authority’s credit ceiling shall be nil and, thereafter should be determined, subject to any prescribed modifications, in accordance with the following provisions of this Part of this Schedule.

(2) In sub-paragraph (1) above “prescribed” means prescribed by the Secretary of State in regulations made under Part III of Schedule 3 to the 1989 Act, which shall apply to the Authority as they apply to the NCS Service Authority; and references in those regulations to local government enactments shall be interpreted as references to the equivalent provisions of, or as applied by, this Order.

2.—(1) If a credit approval is used by the Authority to any extent as mentioned in article G17 of this Order (use of credit approvals by the Authority), then, subject to sub-paragraph (2) below, the Authority’s credit ceiling shall at that time be increased by an amount equal to the extent to which the credit approval is so used.

(2) If, in reliance on a credit approval, the Authority enters into or agrees to the variation of a credit arrangement of the same description as a credit arrangement excluded by regulations made by the Secretary of State under paragraph 11(2) of Schedule 3 to the 1989 Act then no account shall be taken under sub-paragraph (1) above of that use by the Authority of the credit approval.

3.—(1) If the Authority sets aside an amount as provision to meet credit liabilities (whether or not pursuant to a requirement to do so) then, subject to sub-paragraph (2) below, the Authority’s credit ceiling shall at that time be reduced by an amount equal to the amount so set aside (and, by virtue of this paragraph, that ceiling may, accordingly, be a negative amount).

(2) This paragraph does not apply with respect to—

- (a) an amount which, in relation to a credit arrangement, other than one excluded by virtue of the application of paragraph 2(2) above, is applied or charged (as an amount of credit cover) as mentioned in paragraph (b) or paragraph (c) of article G12(3) of this Order (limits on powers to enter into credit arrangements); or
- (b) so much of an amount set aside under article G24 of this order (duty to set certain amounts aside as provision to meet credit liabilities) as provision to meet credit liabilities as (in accordance with Part II of this Schedule) is referable to notional interest on credit arrangements.

(3) For the purpose of this paragraph, an amount set aside under article G24(1) of this Order (duty to set certain amounts aside as provision to meet credit liabilities) in respect of any financial year shall be treated as set aside on the last day of that year.

4. If, the Authority applies or transfers under sub-paragraph (2) of article G25 of this Order (use of amounts set aside to meet credit liabilities) an amount set aside as mentioned in sub-paragraph (1) of that article, the Authority’s credit ceiling shall at that time be increased by an amount equal to the amount so applied or transferred.