

SCHEDULE 3

PROVISIONS SUPPLEMENTING PART G

PART II

MINIMUM REVENUE PROVISION

6.—(1) Subject to sub-paragraphs (2) and (3) below, for any financial year the Authority's minimum revenue provision shall be the aggregate of—

- (a) an amount in respect of principal which, except in so far as regulations applied by paragraph 1(2) above otherwise provide, shall be the prescribed percentage of the Authority's adjusted credit ceiling on the last day of the immediately preceding year; and
- (b) an amount in respect of notional interest on each credit arrangement entered into by the Authority which came into being before the beginning of that year, other than an arrangement excluded by regulations applied by virtue of paragraph 1(2) above.

(2) If the Authority's credit ceiling on the last day of a financial year is nil or negative amount, the Authority's minimum revenue provision for the immediately following financial year shall be nil.

(3) In the case of a credit arrangement falling within article G11 of this Order (initial and subsequent cost of credit arrangements), the Secretary of State may provide that the amount referred to in sub-paragraph (1)(b) above is nil.

7. In paragraph 6(1)(a) above the "prescribed percentage" means such percentage, as may be prescribed for the purposes of paragraphs 15(1)(a) and 16(1)(a) of Schedule 3 of the 1989 Act by regulations made by the Secretary of State under Part IV of that Schedule.

8.—(1) Any reference in this Part of this Schedule to the Authority's adjusted credit ceiling at any time or their adjusted initial credit ceiling is a reference to its credit ceiling or, as the case may be, initial credit ceiling, determined in accordance with Part I of this Schedule.

(2) Without prejudice to the generality of sub-paragraph (1) above, for the purpose of determining the Authority's adjusted credit ceiling or adjusted initial credit ceiling at any time, where regulations under paragraph 18 of Schedule 3 to the 1989 Act require amounts which are taken into account in determining the Authority's credit ceiling or initial credit ceiling to be treated as having been repaid, in whole or in part, by reference to amounts set aside as provision for credit liabilities and also, in such cases as may be specified in the regulations, may require an authority to determine which of the amounts so taken into account are to be treated as so repaid, then the same requirements shall apply in relation to the determination of the Authority's credit ceiling.

9.—(1) Subject to paragraph 6(3) above, for any financial year, the amount referred to in paragraph 6(1)(b) above in respect of notional interest on a credit arrangement is that determined by the formula—

$$\frac{a \times b}{100}$$

where, subject to sub-paragraphs (2) and (3) below,—

"a" is the cost of that arrangement on 1st April in that financial year; and

"b" is the percentage rate of discount prescribed in article G11(2) of this Order (initial and subsequent cost of credit arrangements) for the financial year in which the arrangement came into being.

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(2) In the case of a credit arrangement which has been varied as mentioned in article G13(3) of this Order (variation of credit arrangements), “b” in the formula in sub-paragraph (1) above is the percentage rate of discount prescribed under article G11(2) of this Order (initial and subsequent cost of credit arrangements) for the financial year in which the arrangement was so varied or, as the case may be, last varied.

(3) In the case of a credit arrangement falling within article G11(3) of this Order (initial and subsequent cost of credit arrangements) where the Secretary of State by regulations made under Part IV of Schedule 3 to the 1989 Act provides that “b” in the formula under sub-paragraph (1) of paragraph 19 of the Schedule above shall be such figure as may be specified in, or determined under, the regulations then “b” in the formula under sub-paragraph (1) above should also be the same figure as may be specified in, or determined under, those regulations.