

STATUTORY INSTRUMENTS

1983 No. 147 (N.I. 1)

The Financial Provisions (Northern Ireland) Order 1983

11th February 1983

PART I
Introductory

Title and commencement

- 1.—(1) This Order may be cited as the Financial Provisions (Northern Ireland) Order 1983.
(2) This Order shall come into operation as follows—
- (a) Part III and Schedules 1 to 3 and Part 1 of Schedule 4, on 1st April 1983;
 - (b) Article 6 and Part II of Schedule 4, on 1st April 1984;
 - (c) the other provisions, on the fourteenth day after the day on which this Order is made.

Interpretation

2. The Interpretation Act (Northern Ireland) 1954^{F1} shall apply to Article 1 and the following provisions of this Order as it applies to a Measure of the Northern Ireland Assembly.

F1 1954 c. 33. (N.I.).

PART II
Financial limits, etc.

Increase in certain issues out of Consolidated Fund

3.—^{F2}(1)
Para.(2) rep. by 1984 NI 7

F2 Art. 3(1) repealed (29.4.2014) by Financial Provisions Act (Northern Ireland) 2014 (c. 6), s. 13(1), Sch.

Articles 4,5 rep. by 1984 NI 7

Abolition of Capital Purposes Fund

6. Section 25 of the Exchequer and Financial Provisions Act (Northern Ireland) 1950^{F3} (establishment of Capital Purposes Fund) is hereby repealed.

F3 1950 c. 3.

PART III

Government loans

Interpretation (Part III)

7. In this Part—

“the Act of 1957” means the Government Loans Act (Northern Ireland) 1957

^{F4}“the Department” means the Department of Finance and Personnel;

“government loan” means a loan made under Article 8;

“prescribed” means prescribed by regulations made by the Department subject to negative resolution;

“statutory provision” has the meaning assigned by section 1(f) of the Interpretation Act (Northern Ireland) 1954.

[^{F5}“variable interest loan” means a government loan the rate of interest on which may vary.]

F4 1957 c. 10.

F5 1984 NI 7

Advances for government loans

8.—(1) The Department may advance money from the Consolidation Fund for the purpose of making any of the loans described in Schedule 1.

(2) The aggregate of the sums advanced as government loans (including government loans outstanding under the Act of 1957 immediately before the commencement of this Part), less the total amount of principal repaid to the Consolidated Fund in respect of those loans, shall not exceed^{F6} £2,400 million].

(3) The Department may borrow money for the purpose of providing for advances under this Article.

F6 1991 NI 6

Terms, etc., of government loans

9.—(1) A government loan shall be made—

(a) upon such security; and

(b) on such terms as to rate of interest, repayment and otherwise,

as may be determined by the Department.

(2) Schedule 2 shall have effect with respect to the provisions deemed to be included in agreements relating to government loans to district councils and certain joint committees.

(3) Borrowers of government loans shall pay the prescribed fees at the prescribed times.

(4) A loan referred to in paragraph 2 or 3 of Schedule 1 shall not be made for the purpose of discharging a debt incurred before the date on which the application for the loan is made.

(5) The Department may publish in the Belfast Gazette notices stating—

(a) the rates of interest upon which it is prepared to consider advancing money for any government loan or class of government loans specified in the notice^[F7] subject, in the case of variable interest loans, to any subsequent variation in the ratio of interest]; and

^[F8](aa) the rates of interest chargeable under Article 12 in respect of any variable interest loan or class of variable interest loans specified in the notice; and]

(b) the terms (including terms as to the amount of premium, if any, to be paid to the Consolidated Fund) upon which it is prepared, during such period or periods as may be mentioned in the notice, to agree to the premature repayment of any government loan or class of government loans specified in the notice.

^[F7(5A)]In the case of variable interest loans, notices published under paragraph (5)(a)^[F8] or (aa)] may state the rates of interest by describing a formula which may give varying results at various times.]

(6) In this Article “security” includes a reference to a charge imposed by a statutory provision for securing loans made under Article 8.^{F8} . . .

F7 1984 NI 7

F8 1989 NI 7

General powers of Department as to government loans

10. The Department may, in relation to a government loan—

(a) make the loan by a single advance or by several advances;

(b) issue an advance under a loan at such time as appears to it to be expedient;

(c) refuse wholly, or for so long as it thinks fit, to issue any advance under the loan if—

(i) any sum is in arrear which is payable in respect of the loan, or of any previous loan or advance made by or through the Department, to the borrower or his predecessor for any purpose (whether that sum is payable as interest or as an instalment of principal or as a periodical payment of any annuity or rentcharge or otherwise); or

(ii) any provisions implied by virtue of Schedule 2 are not duly complied with;

(d) before the full amount of the loan has been advanced, reduce the amount, or delay the issue, of any further advance;

(e) refuse to make advances under the loan after 5 years from the date of the agreement for the loan.

Default by borrower

11. If a borrower of a government loan makes default—

(a) in paying any money due in respect of the loan for a period exceeding 10 days after the money becomes due; or

(b) in complying with any provisions implied by Schedule 2;

the entire amount of the principal outstanding under the loan at the time of the default, together with—

- (i) interest on it at the appropriate rate or rates;
- (ii) such interest as is chargeable under Article 12 on any sum which is in arrear at the time of default; and
- (iii) an amount equivalent to the premium which would have been payable by the borrower under Article 9 if the premature repayment of the loan had been agreed on the date when the loan and interest are repaid to the Department under this Article,

shall thereupon become payable and shall be paid by the borrower to the Department on demand.

Additional interest on arrears of government loans

12.—(1) Where any sum payable (whether for interest or as an instalment of principal or as a periodical payment of an annuity or rentcharge or otherwise) by the borrower in respect of any^[F9] variable interest loan is in arrear or in respect of any government loan which is not a variable interest loan] is in arrear for more than thirty-one days, the Department may, notwithstanding any rule of law to the contrary, charge and recover interest on that sum from that borrower from—

- (a) the date when that sum became due, until
- (b) the date when that sum is paid.

^[F9](1A) The rate of interest charged under paragraph (1) in respect of a variable interest loan shall be such as may be determined by the Department under Article 9.]

(2) The rate of interest charged under paragraph (1)^[F9] in respect of a government loan which is not a variable interest loan] shall be the aggregate of—

- (a) the relevant rate in force on the date when the sum referred to in that paragraph became due; and
- (b) 2½ per cent., per annum.

(3) In this Article “relevant rate” means the rate of interest specified in a notice published under Article 9 as the normal rate for local or public loans for periods up to five years and repayable by annuity.

F9 1989 NI 7

Variation of terms of repayment of loans

13.—(1) The Department may, in such cases and to such extent as it thinks fit, waive the payment of—

- (a) interest on any government loan (including interest charged under Article 12); and
- (b) premium payable by virtue of Article 9.

(2) Notwithstanding anything in any enactment, the Department may by agreement with the borrowers of any government loan or class of government loan vary the terms of repayment of that loan or class of loans in such respects and in such manner as may be agreed.

(3) Any instrument securing the repayment of any loan or class of loans in respect of which any variation has been agreed under paragraph (2) shall have effect subject to that variation.

(4) This Article does not affect the right of the Department to recover from the borrower or any surety the full amount of—

- (a) any principal outstanding on foot of the loan;

(b) any interest (including interest charged under Article 12) or premium in respect of the loan.

Deduction from grants, etc., of sums due under government loans

14.—(1) Where, under a government loan, any sum is due and payable by the borrower, the amount of that sum may be deducted from any money payable to the borrower by any Northern Ireland department.

(2) An amount deducted under this Article shall be paid into the Consolidated Fund and credited as a payment by the borrower in respect of whom it was deducted.

Supplemental

15.—(1) The assets and liabilities of the Government Loans Fund are hereby transferred to the Consolidated Fund.

(2) Any reference to the Government Loans Fund in any statutory provision, judgement, decree, order, award, deed, contract, certificate or other document shall, unless the context otherwise requires, be constructed as a reference to the Consolidated Fund.

(3) Any sum paid to the Department, by on or behalf of a borrower, in respect of a government loan shall be paid into the Consolidated Fund.

PART IV

Ulster saving certificates

Art. 16 rep. by 2004 NI 22

Article 17—Amendments, repeals and savings

SCHEDULES

SCHEDULE 1

Article 8 (1).

Descriptions of government loans

Local or public loans

1. A local or public loan, that is, a loan made subject to and in accordance with any statutory provision to—

- (a) a district council (or joint committee appointed by two or more such councils);
- (b) any other public authority, board, commissioners or public body of any kind constituted by or under any statutory provision.

General purpose loans

2. A general purposes loan, that is, a loan (other than a local or public loan) which the Department may make under any statutory provision.

Educational loans

3. A loan for educational purposes, that is, a loan (other than a local or public loan and a general purpose loan) for any of the following purposes—

- (a) the purchase, erection, extension, improvement or alteration of premises (including playgrounds and playing fields) and buildings (including residences for teachers employed in or caretakers having the care of such buildings) for primary or secondary schools or for colleges of education (not being schools or colleges in respect of which local or public loans may be made) or for training schools within the meaning of the Children and Young Persons Act (Northern Ireland) 1968^{F10}.
- (b) the equipment of such primary or secondary schools or colleges of education or of such training schools (including the establishment and equipment of libraries therefor).

F10 1968 c. 34.

Funding loans

4. A funding loan, that is, a loan for the purpose of operating a loans pool or a consolidated loans fund if the liability in respect of money borrowed for the purposes of the pool or fund was transferred to the Department by Article 6 of the Local Government (Transfer of Assets, Liabilities, etc.) Order (Northern Ireland) 1973^{F11}.

F11 S.R. & O. 1973 No. 227.

SCHEDULE 2

Article 9 (2).

Provisions deemed to be included in agreements for loans to district councils, etc.

The following provisions shall be deemed to be included in the agreement for any government loan to a district council or joint committee established by two or more such councils—

- (a) the borrower will comply—
 - (i) with any statutory provision which applies to the expenditure of the money advanced under the loan; and
 - (ii) with any statutory provision which applies to the purposes for which the loan has been made; and
 - (iii) with any directions given by the appropriate Government department in pursuance of any statutory provision which applies as mentioned in sub-paragraph (i) or (ii);
- (b) the borrower will pay to the Department interest on the loan at the following rates—
 - (i) if the loan is made by means of a single advance, at such rate as, under Article 9(5), is in force^{F12} when the application for the advance is received by the Department]; and
 - (ii) if the loan is made by means of several advances issued to the borrower on different dates, at such rate in respect of each advance as is in force under Article 9(5) on the date^{F12} when the application for that advance is received by the Department^{F13} subject, if the loan is a variable interest loan, to any subsequent variation in the rate of interest.]

F12 1991 NI 6
F13 1984 NI 7

F12 1991 NI 6
F13 1984 NI 7

Schedule 3—Amendments

Schedule 4—Repeals

Changes to legislation:

There are currently no known outstanding effects for the The Financial Provisions (Northern Ireland) Order 1983.