EXPLANATORY MEMORANDUM TO

THE LOCAL LOANS (PROCEDURE) (AMENDMENT) REGULATIONS 2010

2010 No. 2576

1. This explanatory memorandum has been prepared by the Public Works Loan Commissioners and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

The Public Works Loan Commissioners (generally known as the Public Works Loan Board – 'PWLB') are a statutory body, with the function of making loans to local authorities and other public bodies. These Regulations amend the Local Loans (Procedure) Regulations 1968, so that the PWLB is no longer required to use accounts at the Bank of England for the purpose of making loans, and receiving repayments. The Bank of England is withdrawing its retail banking functions, and therefore the PWLB – as with many other public bodies – intends to use the Government Banking Service.

3. Matters of special interest to the Joint Committee on Statutory Instruments
None

4. Legislative Context

These Regulations amend the procedures by which the PWLB makes loans, by removing references to accounts at the Bank of England. These amendments will enable the PWLB to use accounts at banks other than the Bank of England, which is seeking to withdraw its retail banking services. More specifically, the PWLB intends to transfer to the Government Banking Service. The Regulations also give the PWLB more flexibility in methods of transferring money when making loans.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is simply laid before Parliament, and does not amend primary legislation, no statement is required.

7. Policy background

The amendments are necessary to enable the PWLB to use the Government Banking Service, once the Bank of England withdraws its retail banking services. The amendments also give the PWLB more flexibility in the manner in which it advances loans.

8. Consultation outcome

There has been no consultation in relation to these Regulations.

9. Guidance

Guidance is not necessary for these Regulations.

10. Impact

An Impact Assessment has not been prepared for this instrument, because no impact on the private or voluntary sector is foreseen.

11. Regulating small business

The legislation does not apply to small businesses.

12. Monitoring & review

Not applicable.

13. Contact

Sean O'Grady at HM Treasury can answer any queries regarding the instrument.
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