

## SCHEDULE

### TRANSITIONAL PROVISIONS AND SAVINGS

#### ***Capital finance—Local Government and Housing Act 1989***

1. Sections 39 (application of Part 4) and 66 (interpretation of Part 4) of the 1989 Act shall continue to have effect on and after 1st April 2004, as if those sections had not ceased to have effect or been repealed by virtue of the Act, for the purposes of the transitional provisions and savings in paragraphs 2 to 11 below.

2. Sections 40 to 42 of the 1989 Act (capital purposes and charge of expenditure to revenue account) shall continue to have effect in relation to expenditure incurred by a local authority before 1st April 2004 as if those sections had not ceased to have effect or been repealed by virtue of the Act.

3. Any direction made under section 40(6) of the 1989 Act (capital purposes)—

- (a) in respect of expenditure which may be treated by the authority concerned as expenditure for capital purposes; and
- (b) in which the period specified under section 40(6)(d) ends on or after 1st April 2004,

shall continue to have effect on and after 1st April 2004 as if it were a direction made under section 16(2)(b) of the Act (“capital expenditure”), and accordingly the expenditure referred to in the direction may be treated by the authority concerned as capital expenditure for the purposes of Chapter 1 of Part 1 of the Act.

4. Section 45 of the 1989 Act (the authority’s own limits) shall continue to have effect on and after 18th November 2003 in relation to limits for the financial year beginning on 1st April 2003 as if section 45 had not ceased to have effect or been repealed by virtue of the Act.

5. Section 53 of the 1989 Act (basic credit approvals) shall continue to have effect on and after 18th November 2003—

- (a) in relation to any basic credit approval issued for the financial year beginning on 1st April 2003; and
- (b) for the purposes of section 54(4) of the 1989 Act (supplementary credit approvals),

as if section 53 had not ceased to have effect or been repealed by virtue of the Act.

6. Sections 54 to 57 of the 1989 Act (credit approvals) shall continue to have effect until but not including 1st October 2004, as if they had not ceased to have effect or been repealed by virtue of the Act, for the purposes of any basic credit approval or supplementary credit approval issued before that date for a financial year, or period, beginning before 1st April 2004.

7. Sections 58, 59 and 61 of the 1989 Act (capital receipts) shall continue to have effect until but not including 1st October 2004, as if they had not ceased to have effect or been repealed by virtue of the Act, for the purposes of section 60 of the 1989 Act (the usable balance of capital receipts).

8. Section 60 of the 1989 Act shall continue to have effect until but not including 1st October 2004, as if it had not ceased to have effect or been repealed by virtue of the Act, for the purposes of any determination made under that section in respect of the usable part of the authority’s capital receipts that are to be applied before 1st April 2004.

9. Part 4 of Schedule 3 to the 1989 Act (minimum revenue provision) shall continue to have effect until but not including 1st October 2004, as if it had not ceased to have effect or been repealed by virtue of the Act, for the purposes of section 63(1) of the 1989 Act (duty to set certain amounts aside as provision to meet credit liabilities).

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10. Subsections (1) and (5) of section 63 of the 1989 Act shall continue to have effect until but not including 1st October 2004, as if they had not ceased to have effect or been repealed by virtue of the Act, for the purposes of any determination under that section made before that date in relation to the financial year beginning on 1st April 2003.

11. Section 65 of the 1989 Act (information) shall continue to have effect on and after 1st April 2004, as if it had not ceased to have effect or been repealed by virtue of the Act, for the purposes of any information required by the Secretary of State for any purpose specified in paragraph (a), (b) or (c) of subsection (1) insofar as it relates to any financial year beginning before 1st April 2004.

### **Capital finance—Greater London Authority Act 1999**

12. Section 113 of the 1999 Act (aggregate credit approval for Authority and functional bodies) shall continue to have effect on and after 18th November 2003—

- (a) in relation to any aggregate credit approval issued for the financial year beginning on 1st April 2003; and
- (b) for the purposes of section 114(4) of the 1999 Act (additional credit approval),

as if section 113 had not ceased to have effect or been repealed by virtue of the Act.

13. Sections 114, 115(1)(b) and (3) and 116 to 118 of the 1999 Act (credit approvals) shall continue to have effect until but not including 1st October 2004, as if they had not ceased to have effect or been repealed by virtue of the Act, for the purposes of any aggregate credit approval or additional credit approval issued before that date for a financial year, or period, beginning before 1st April 2004.

14. The definitions of “additional credit approval”, “aggregate credit approval”, “category”, “notice” and “use” in section 126 of the 1999 Act (interpretation of Chapter 4) shall continue to have effect as if—

- (a) the sections of the 1999 Act mentioned in those definitions had not ceased to have effect or been repealed by virtue of the Act; and
- (b) paragraph 78 of Schedule 7 to the Act had not been commenced,

for the purposes of the transitional provisions and savings in paragraphs 12 and 13 above.

### **Capital finance—Part 1 of the Act**

15. Any determination made under section 3(1) or (2) of the Act (duty to determine affordable borrowing limit) shall not apply in relation to how much money the authority can afford to borrow in the financial year beginning on 1st April 2003.

16. Any regulations made or directions given under section 4 of the Act (imposition of borrowing limits) shall not apply in relation to the financial year beginning on 1st April 2003.

17. Any credit arrangement—

- (a) within the meaning of section 48 of the 1989 Act (credit arrangements);
- (b) in existence immediately before 1st April 2004; and
- (c) which, if it had been entered into on 1st April 2004, would be a credit arrangement within the meaning of section 7 of the Act (“credit arrangements”),

shall be treated as if it were a credit arrangement for the purposes of Chapter 1 of Part 1 of the Act (capital finance etc).

18. The usable part of any capital receipt—

- (a) within the meaning of section 60(2) of the 1989 Act (the usable balance of capital receipts); and
- (b) which is not applied by the local authority in any financial year beginning before 1st April 2004,

shall be treated as if it were a capital receipt within the meaning of section 9 of the Act (“capital receipt”) for the purposes of Chapter 1 of Part 1 of the Act.

**19.** The Secretary of State may only request information under section 14 of the Act (information) for the purposes of any financial year beginning on or after 1st April 2004.

### **Financial administration**

**20.** Sections 25 (budget calculations: report on robustness of estimates etc) and 26 (minimum reserves) of the Act shall not apply in relation to calculations for the purposes of the financial year beginning on 1st April 2003.

**21.** Section 27 of the Act (budget calculations: report on inadequacy of controlled reserve) shall not apply in relation to calculations for the purposes of any financial year beginning before 1st April 2005.

### **Local retention of rates**

**22.** Paragraph 5(6) and (6A) of Schedule 8 to the Local Government Finance Act 1988(1) shall continue to have effect for any financial year beginning on or before 1st April 2004 as if the amendments for which section 70 of the Act provides had not been made.

### **Major precepting authorities: combined fire authorities**

**23.** Section 6 of the Fire Services Act 1947(2) and section 39(1) of the Local Government Finance Act 1992(3), shall continue to have effect for any financial year beginning on or before 1st April 2003 as if the amendments for which section 83 of and paragraph 1 of Schedule 7 to the Act provide and the revocations in Part 2 of Schedule 8 (except for the revocation relating to the National Assembly for Wales (Transfer of Functions) Order 1999(4)) to the Act had not been made.

### **Housing revenue account**

**24.** Any direction made under item 9 in part 1 of Schedule 4 to the 1989 Act, which has effect for any financial year beginning on or after 1st April 2004 shall continue to have effect, and shall have effect as if it were made under item 9 as substituted by paragraph 33(3) of Schedule 7 to the Act.

**25.** Where, in any financial year beginning on or after 1st April 2004, additional rent rebates are granted in respect of a financial year beginning on or before 1st April 2003, the application of paragraph 33(4) of Schedule 7 to the Act and Schedule 8 to the Act, so far as relating to item 4 in Part 2 of Schedule 4 to the 1989 Act shall have effect so that such rent rebates are debited in the year in which they are paid to a revenue account of the authority other than its housing revenue account.

**26.** Sections 79(2), 80(1) to (4) and 80A(4) of and items 5 and 9 of part 1 and item 4 of part 2 of Schedule 4 to the 1989 Act(5), section 24(3) of the Housing Act 1985(6), sections 140B, 140C,

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(1) 1988 c. 41. Sub-paragraph (6A) is inserted by section 104 of and paragraph 6(11) of Schedule 10 to the Local Government Finance Act 1992 (c. 14).

(2) 1947 c. 41.

(3) 1992 c. 14.

(4) S.I.1999/672.

(5) Section 80A is inserted by section 222 of and paragraph 5 of Schedule 18 to the Housing Act 1996 (c. 52).

(6) 1985 c. 68.

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140D and 140G of the Social Security Administration Act 1992<sup>(7)</sup> and paragraph 7(3) and (4) of Schedule 1 to the Social Security Administration (Fraud) Act 1997<sup>(8)</sup> shall continue to have effect for any financial year beginning on or before 1st April 2003 as if—

- (a) the amendments for which sections 89, 90(1) to (3), 92(1) of and paragraphs 31, 33(2) to (5), 36 to 39 of Schedule 7 to the Act provide; and
- (b) the repeals in Schedule 8 to the Act relating to the Social Security Administration Act 1992, the Social Security Administration (Fraud) Act 1997, section 80(2) and (3) of and item 5 in part 1 and item 4 in part 2 of Schedule 4 to the 1989 Act,

had not been made.

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(7) 1992 c. 5. Sections 140B, 140C, 140D and 140G are inserted by section 121 of and paragraph 4 of Schedule 12 to the Housing Act 1996 (c. 52).

(8) 1997 c. 47.