

## SCHEDULE 2

### Transitional Provisions and Savings

#### Capital Finance — Part 1 of the Act

3.—(1) Any credit arrangement —

- (a) within the meaning of section 48 of the Local Government and Housing Act 1989 (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.).

(2) The usable part of any capital receipt —

- (a) within the meaning of section 60(2) of the Local Government and Housing Act 1989 (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,

is to 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.