

---

## EXPLANATORY NOTE

*(This note does not form part of the Regulations)*

Part IV of the Local Government and Housing Act 1989 makes provision for the capital finance of local authorities.

Section 49(2) of that Act sets out a formula for determining, for the purposes of Part IV, the value of the consideration falling to be given by an authority under a credit arrangement in any financial year after the year in which the arrangement comes into being.

The percentage rate of discount prescribed for a financial year is one of the elements which make up the formula.

For the financial year beginning on 1st April 2001 these Regulations prescribe a percentage rate of discount of 7 per cent which is 0.5 per cent less than the rate of discount prescribed for 2000/2001.