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STATUTORY INSTRUMENTS

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**1992 No. 2428**

**The Local Authorities (Funds) (England) Regulations 1992**

**Calculation of interest on amount of instalments**

8.—(1) Interest payable under regulation 7 in respect of an amount outstanding shall be calculated as the rate which is 2 per cent. above the highest base rate quoted by any of the reference banks at any time in the period for which that interest is payable.

(2) The interest shall be paid at the same time as the amount outstanding is paid.

(3) For the purposes of paragraph (1), the reference banks are the seven largest institutions—

(a) authorised by the Bank of England under the Banking Act 1987(1), and

(b) incorporated in and carrying on a deposit-taking business within the United Kingdom,

which quote a base rate in sterling.

(4) For the purposes of paragraph (3), the size of an institution is to be determined by reference to its total consolidated gross assets denominated in sterling, as shown in its audited end-year accounts last published before the period for which interest is payable begins.

(5) In this regulation—

“consolidated gross assets” of an institution is a reference to the gross assets of that institution together with any subsidiary (within the meaning of section 736 of the Companies Act 1985)(2);

“a deposit-taking business” has the meaning given in section 6 of the Banking Act 1987 but subject to any order under section 7 of that Act.

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(1) 1987 c. 22.

(2) 1985 c. 6; section 736 was substituted by section 144(1) of the Companies Act 1989 (c. 40).