
STATUTORY INSTRUMENTS

2004 No. 534

The Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004

Interest on late payments

4. For regulation 13 of the Principal Regulations (interest on late payments), there shall be substituted—

“Interest on late payments

13.—(1) The local authority shall use capital receipts, which it has derived from the disposal of housing land, to pay interest to the Secretary of State in accordance with the following provisions of this regulation.

(2) Where the local authority—

- (a) does not calculate the estimated amount; and
- (b) does not pay part or all of the specified amount to the Secretary of State by the due date,

the local authority shall pay interest to the Secretary of State on the unpaid amount of the specified amount.

(3) Where the local authority—

- (a) does calculate the estimated amount; and
- (b) does not pay part or all of the estimated amount to the Secretary of State by the due date,

the local authority shall pay interest to the Secretary of State on the unpaid amount of the estimated amount.

(4) Where the local authority does not pay part or all of the amount of the balance, if any, to the Secretary of State by the balance payment date, the local authority shall pay interest to the Secretary of State on the unpaid amount of the balance.

(5) The interest shall be calculated on any unpaid amount at a rate of one per cent. above base rate on a day to day basis compounded with three-monthly rests.

(6) Where interest is payable by virtue of paragraph (2) or (3), the interest on the unpaid amount shall be calculated for the period starting on the day after the due date and ending on the date of payment of the unpaid amount.

(7) Where interest is payable by virtue of paragraph (4), the interest on the unpaid amount shall be calculated for the period starting on the day after the balance payment date and ending on the date of payment of the unpaid amount.

(8) The local authority shall pay to the Secretary of State any interest, payable in respect of any unpaid amount, on the date on which it pays the unpaid amount to him.

(9) In this regulation—

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

“the balance”, “the balance payment date”, “the due date”, “the estimated amount” and “the specified amount” have the same meaning as those terms have in regulation 12;

“base rate” means the base rate for the time being quoted by the reference banks or, where there is for the time being more than one such base rate, the rate which, when the base rate quoted by each bank is ranked in descending sequence of seven, is fourth in the sequence; and

“reference banks” means the seven largest persons for the time being who—

- (a) have permission under Part IV of the Financial Services and Markets Act 2000 (permission to carry on regulated activities)(1) to accept deposits;
- (b) are incorporated in the United Kingdom and carrying on there a regulated activity of accepting deposits; and
- (c) quote a base rate in sterling,

and for the purpose of this definition the size of a person at any time is to be determined by reference to the gross assets denominated in sterling of that person, together with any subsidiary (as defined in section 736 of the Companies Act 1985 (“subsidiary”, “holding company” and “wholly owned subsidiary”)(2)), as shown in the audited end-of-year accounts last published before that time.”.

(1) 2000 c. 8, to which there are amendments not relevant to these Regulations.

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