
STATUTORY INSTRUMENTS

2008 No. 414

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008

Loans and guarantees

6. After regulation 30D(1) insert—

“Interest on stepped interest rate loans taken out by local authorities

30E.—(1) This regulation applies where on any day before 9th November 2007 a local authority had taken out a stepped interest rate loan.

(2) The local authority shall charge to a revenue account for each financial year beginning with the financial year ending on 31st March 2008 and ending with the last financial year in which the loan agreement subsists—

- (a) the amount of the interest, if any, which it is due to pay in that financial year in accordance with the loan agreement; or
- (b) an amount calculated in accordance with the accounting practices identified in regulation 31.

(3) In this regulation, “stepped interest rate loan” means a loan taken out by a local authority at an interest rate which increases in one or more increments during the period for which the loan agreement subsists.

Financial guarantees given by local authorities

30F.—(1) This regulation applies where on any day before 9th November 2007 a local authority had given a financial guarantee on behalf of another person.

(2) The amount the local authority charges to a revenue account with respect to the guarantee for each financial year beginning with the financial year ending on 31st March 2008 and ending with the last financial year in which the risk guaranteed subsists shall be calculated either—

- (a) in accordance with proper practices for the financial year beginning on 1st April 2006; or
- (b) in accordance with the accounting practices identified in regulation 31.”.