STATUTORY INSTRUMENTS

2001 No. 384

LOCAL GOVERNMENT, ENGLAND

The Local Authorities (Capital Finance) (Rate of Discount for 2001/02) (England) Regulations 2001

Made - - - - -	*13th February 2001*
Laid before Parliament	*20th February 2001*
Coming into force - -	*1st April 2001*

The Secretary of State for the Environment, Transport and the Regions, in exercise of the powers conferred upon him by section 49(2) of the Local Government and Housing Act 1989(**a**) hereby makes the following Regulations:

Citation, commencement and extent

1. These Regulations, which extend to England only(**b**), may be cited as the Local Authorities (Capital Finance) (Rate of Discount for 2001/02) (England) Regulations 2001 and shall come into force on 1st April 2001.

Rate of discount

2. The percentage rate of discount prescribed for the financial year beginning on 1st April 2001 for the purposes of defining "r" in section 49(2) of the Local Government and Housing Act 1989 shall be 7.5 per cent.

Signed by authority of the Secretary of State
for the Environment, Transport and the Regions

Hilary Armstrong
Minister of State
13th February 2001 Department of the Environment, Transport and the Regions

(**a**) 1989 c. 42.
(**b**) The relevant powers of the Secretary of State have been devolved, in relation to Wales, by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672); see the reference to the Local Government and Housing Act 1989 in Schedule 1.

[DETR 2069]

EXPLANATORY NOTE

(This note is not 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) sets out a formula for determining for the purposes of Part IV the value of the consideration falling to be given by a local authority under a credit arrangement in any financial year after the one in which the arrangement comes into being. The percentage rate of discount prescribed for the financial year is one of the factors referred to in the formula. For the financial year beginning on 1st April 2001 these Regulations prescribe 7.5 per cent. which is 0.4 per cent. less than the rate of discount prescribed for 2000/2001.

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