Does CIPFA still issue a defined interest rate for capital charges?

The last Local Authority Accounting (LAAP) Bulletin defining interest rates for the purpose of determining capital charges was LAAP 97 issued October 2014 in respect of 2014/2015.

There are no plans to issue further LAAP Bulletins in this area. For assets carried at current value, the rate was based on the discount rate that HM Treasury uses for central government capital charging purposes on the 1 October of the preceding year. For assets carried at historical cost the rate to be applied was based on the average PWLB interest rate applying to the longest dated maturity loan generally offered by the PWLB, for example 49.5 – 50 years during September of the previous year. The PWLB website has details of historical rates.

DISCLAIMER

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