



OFFICE OF THE
DEPUTY PRIME MINISTER

Mrs Doreen Gladman
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A D SOLOMON
POLICY ADMINISTRATOR
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OFFICE OF THE DEPUTY PRIME MINISTER

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Our Ref: FLA 3/-10/26 Pt 2

1 May 2003

Dear Mrs Gladman

BORROWING APPROVAL

1. I am directed by the First Secretary of State to notify you that, in pursuance of his powers under paragraph 1(b) of Schedule 13 to the Local Government Act 1972, to assist the District Council to provide a Sports Centre for Lutterworth, is approved as a purpose for which Lutterworth Town Council may borrow an amount not exceeding £100,000.
2. Please note that this borrowing approval authorises the Council to borrow funds up to a specified amount. However, the Council should note **that this borrowing approval does not itself confer power on the Council to incur the planned expenditure.** The Council will need to satisfy itself that it does have the appropriate power before commencing any works.
3. This approval is given subject to the following conditions, and any borrowing by the Council in breach of any condition will not be authorised:-
 - (a) the Council may borrow only for the purpose specified in paragraph 1 above;
 - (b) borrowing under the authority of this approval must be undertaken within the period of the approval; **if the date of the approval (given above) is on or after 1st April and on or before 30th September, the period of the approval is a period of six months starting on the date of the approval;** otherwise the period of the approval is a period starting on the date of the approval and ending on the last day of the financial year;
 - (c) any borrowing by the Council after the end of the period of the approval will not be authorised by the approval;
 - (d) in a case where a loan agreement imposes on the Council an immediately binding obligation to borrow money at some future date, the Council will draw down the borrowed funds before the end of the period of the approval;
 - (e) the period for the repayment of any borrowing authorised by this approval must not exceed 25 years;

(f) **as soon as any money is borrowed, the Council will notify the department of the date of the loan and the amount borrowed;**

(g) the Council will notify the department that they have not undertaken any borrowing in reliance on the approval; and

(h) where the Council decide that they will not borrow the full amount specified in paragraph 1, they will inform the department of the amount they do intend to borrow.

4. The contact at the department is Mr Solomon whose details are shown at the top of this letter.

5. Permitted borrowing terms, and other useful information, are set out in the guidance leaflet on parish and town council borrowing that is available from the local county association or from the National Association of Local Councils.

6. Advice on the sources and methods of finance available to you, and other aspects of the borrowing system, can be obtained from the National Association of Local Councils (tel: 020 7637 1865). If you intend to borrow from the Public Works Loan Board (PWLb), any queries can be raised with them by contacting 020 7862 6610, or if you prefer, at their e-mail address of pwlb@dmo.gov.uk or at their website address of www.pwlb.gov.uk. **I am copying this letter to your local county association.**

Yours sincerely



PETER HART
Capital Finance & Accountancy Advice