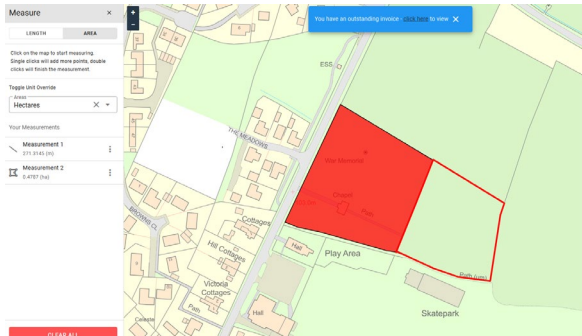


Parish Lands

The Parish Council considered a report (**WPC.20.09.07**) on Parish Lands at its meeting on 24th September (**Min.20.09.15 refers**). The meeting resolved to authorise the cost of valuing the land identified in plans A and B below to Red Book Standard.



Plan A



Plan B

The report from the valuers has now been received and is attached as Appendix A to this report.

The land has been valued as set out below:

Plan A	£10,000
Plan B	£45,000

Whilst there are reserves sufficient to purchase Plot A, the land owner initially indicated that his preferred option for sale was plot B, for which the parish council does not have the funds in reserve to purchase plot B.

The parish council could consider applying for a loan (powers under paragraph 2 of Schedule 1 of Local Government Act 2003) from the Public Loans Works Board, for which it would need to obtain initial permission from the Department for Communities and Local Government (DCLG). Detailed guidance on the procedure to be followed for such an application is set out in NALC Guidance note (Appendix B refers), but in summary:

1. Councils should only apply for borrowing approval (from DCLG) when they are fully ready to take up the borrowing, for example, when planning permission has been obtained.
 - a. **Action Point** – check if any planning approval would be required for change of use from agricultural to cemetery/allotments and/or affordable housing under an exception site
2. Applications by councils for borrowing approval should be sent to Suffolk Association of Local Councils, who, if it considers that the application form is complete with no obvious omissions or errors, and that the application is made in good faith, will forward the application to DCLG
3. **Local Accountability and Transparency**
Details of the project and plans for borrowing and loan repayment must be available to residents from an early stage. This could include discussion of proposals in open meetings, and ensuring that information is available for the

public before and after a decision is taken, for example on the council website or published in local newsletters. Evidence of this will be taken into account in considering whether to give approval for borrowing. When increasing precept to fund borrowing, evidence of public support for increasing the associated precept will be required to support the loan application.

4. **A Borrowing Approval is** a formal approval issued by the Secretary of State to borrow money. Where approval to borrow is given, as well as containing the legal authority for the council to borrow money, the approval will state the maximum amount of money that can be borrowed, the purpose for which the money may be used, the period within which money must be borrowed, and the maximum period within which the borrowing must be repaid.
5. **The parish council must supply the following information with the application for borrowing approval**
 - a. a copy of the council's budget for next year (or for the current year if next year's is not available),
 - b. a copy of the written report considered by the council in reaching its decision to apply for borrowing approval,
 - c. the full minutes of the meeting at which the resolution to make the application was passed,
 - d. evidence that residents have been consulted on the following:
 - i. the proposed project,
 - ii. the council's intention to borrow,
 - iii. proposals to increase the precept to meet borrowing costs, if applicable; and
 - iv. if applicable, evidence of public support to increase precept because of the proposed borrowing.
6. **What are the criteria for borrowing approval?**
 - a. the borrowing should be for a purpose that would be capital expenditure as defined in section 16 of the 2003 Act.
 - b. the amount to be borrowed should generally not be less than £5 multiplied by the number of local government electors (1015 = £5075).
 - c. any unallocated balances (including, where appropriate, capital receipts), beyond those required for the prudent financial management of the council, should be used in the project for which borrowing is required (current unallocated balances are £ . £ would be expected for prudent financial management, leaving £ for the project);
 - d. the council should have a realistic budget (this must be affordable, taking account
 - e. of its effect on the council's precept) for the servicing and repayment of the debt.
7. **When should a council apply?**
8. If an applicant council is successful, processing of the borrowing approval should generally take about 15 working days from the date of its receipt by DCLG. The borrowing approval will authorise the council to take out a loan within a period of twelve months starting with the date of issue of the borrowing approval.

Cost of loans from Public Works Loans Board

An indication of the likely costs for each half yearly payment, whether based on ... or based on today's interest rates is attached as Appendix C to this report. In summary, the maximum likely costs are estimated (although subject to change) at:

Principal amount	£10K		£45K	
	½ Yearly EIP Cost*	Total Annuity Cost**	½ Yearly EIP Cost*	Total Annuity Cost**
10 years	£553.00	£10,565.80	£2488.50	£47,546.20
25 years	£278.00	£12,143.50	£1251.00	£54,646.50
50 years	£196.50	£15,634.00	£884.25	£70,352.00

* EIP has a higher ½ yearly repayment and lower total cost

** Annuity has a lower ½ yearly repayment and a higher total cost.

I've shown here the highest costs for each repayment period on each principal amount.

Other cost implications:

The parish council would have to cover the cost of conveyancing the land and registering it with HM Land Registry, and although not confirmed, there may be additional charges:

- Annual drainage charge with the Environment Agency (@379.89p per hectare)
- Costs arising from any planning consents necessary – written pre application advice on a site over 1 Hectare is £744.
- Change(s) to access via cemetery and highway
- Clerk & RFO time to co-ordinate application(s) – an initial estimate of 6 hours per month

Other possible sources of funding:

- Wickhambrook Parish Council is a member of Community Land Trust. Some Community Land Trusts have raised funds for specific housing projects through share offers (similar in nature to crowd funding)
- Grant funding for specific elements of the project, for example, the establishment of allotments and/or a community orchard

The current suggestions for use of the land, if purchased are:**Plot A:**

1. Extension of Wickhambrook cemetery in current format; or
2. Creation of a natural woodland burial ground

Plot B:

1. Immediately to rear of Wickhambrook Cemetery:
 - a. Extension of Wickhambrook cemetery in current format; or
 - b. Creation of a natural woodland burial ground
2. To the north:
 - a. A pet cemetery
 - b. A community orchard
 - c. Allotment lands
 - d. Land available for future exception site of housing needs survey demonstrates a demand for affordable housing

The creation of a natural woodland burial ground would bring that portion of land into use as a cemetery earlier than if it were to be left until the existing cemetery had filled up. Consequently, some income may be generated earlier to cover the cost of the principal and interest payments.

Similarly, allocating some of the land under Plot B for use as a pet cemetery and allotments would also be likely to generate an income stream to offset repayment of a loan.

Action Points:

The Parish Council is asked to consider

- 1. Whether it wishes to pursue the purchase of the plot(s) of land to the rear of the cemetery, and whether to pursue plot A or Plot B**
- 2. Councillors are asked to identify their preference with respect to use of plot A, and any other possible uses of land which might become available under plot B.**
- 3. A likely timescale on which it wishes to proceed to preparing an application for borrowing approval and the necessary consultation with residents of the parish**
- 4. Additional resource and cost implications for completing this work which could be funded from existing general reserves.**

VALUATION

of

LAND TO THE REAR OF
WICKHAMBROOK CEMETERY

A Report and Valuation

for

WICKHAMBROOK PARISH COUNCIL

Made for the purposes of Internal Financial Planning

as at 13th November 2020

Ref: W352

1. PREAMBLE TO THE REPORT

1.1 Addressee

Wickhambrook Parish Council c/o Hilary Workman, Clerk to Wickhambrook Parish Council.

1.2 Instructions & Terms of Engagement

Instructions received from Hilary Workman on behalf of Wickhambrook Parish Council dated 21st October 2020, a copy of which are attached to this report.

The instructions were confirmed by Clarke & Simpson standard Terms of Business dated 10th November 2020 to comply with the RICS Valuation - Global Standards and a copy of which are attached to this report as **Appendix A**.

1.3 Property to be Valued

The land to the rear of Wickhambrook Cemetery. We have been instructed to value the land in two parts shown outlined on the plan in **Appendix B**. The smaller parcel of land equates to 1.16 acres (0.47 ha) and forms part of a larger field equating to 3.01 acres (1.22 ha).

1.4 Interest to be Valued

We are instructed to value the land freehold with vacant possession.

1.5 Owners and occupiers of the Property

Paul Harrod.

1.6 Purpose of the Valuation

For internal financial planning.

1.7 Basis of Valuation

Market value is defined in IVS 104 paragraph 30.1 of the RICS Valuation – Global Standards as:

‘the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

1.8 RICS Valuation Standards

This report is produced in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards.

1.8 Measurements

As taken on site and detailed in the report or scaled from mapping software.

1.9 Valuation Date

As at the date of inspection being 13th November 2020.

1.10 Date of Inspection

13th November 2020.

1.11 Details of the Inspection

An inspection of the property was undertaken by James Baker MRICS during dry and sunny weather conditions.

1.12 The Valuer

James Baker MRICS acting as external Valuer.

I confirm that James Baker MRICS has the relevant skills, knowledge and understanding to conduct this report and is a RICS Registered Valuer (no 1269639).

1.13 Professional Indemnity Insurance

Clarke & Simpson hold professional indemnity insurance with AXA and Burns & Wilcox with combined cover of £5,000,000 for each and every claim.

1.14 Conflicts of Interest

The Valuer has never previously undertaken any work for the landowner nor Wickhambrook Parish Council and therefore no conflict of interest arises.

1.15 Sources of Information

All information taken from inspection and from Mrs Hilary Workman as Clerk to the Parish Council.

Discussions within the firm with regards to comparable sale prices.

1.16 Investigations

We have not been instructed to make any specific investigations with regard to the property. Standard investigations into planning history have been undertaken with the local planning authority, the local Valuation Office Agency and the Environment Agency (if applicable).

1.17 Assumptions & Special Assumptions

Assumptions and special assumptions are set out fully in the attached Terms of Engagement in **Appendix A**.

We draw to your attention the following specific assumptions:-

- There are no leases or licences over the land hindering any sale to Wickhambrook Parish Council.

- That the access way to the north leading to the public highway is owned with the land and there are no restrictions for its use.
- That the land is not opted to tax for VAT purposes.

2 PROPERTY DESCRIPTION

2.1 Situation

The property is located to the rear of the cemetery in Wickhambrook. Depending on the part of the property that is to be purchased, the land will either be accessed through the existing cemetery or if the larger area is purchased the land can be accessed directly off the public highway to the north.

The property extends in total to 3.01 acres (1.22 ha) and is currently in arable cereal crop rotation. The property is bordered predominantly by mature hedging to all sides with a single access point to the north.

A plan of the land is attached in **Appendix B** and photographs of the land are attached in **Appendix C**.

2.2 Area

Option A : 1.16 acres (0.47 ha)

Option B : 3.01 acres (1.22 ha)

2.3 Land Grade

Shown as Grade 2 on the 1@250,000 Series Land Classification Plan. The soils are described as being of the 411d (Hanslope) Association which is described in more detail as '*slowly permeable calcareous clayey soils, some slowly permeable non-calcareous clayey soils. Slight risk of water erosion.*'

2.4 State of Repair

The land appears to be well farmed and maintained.

2.5 Services

Understood to be none.

2.6 Access to the Land

There is a single access point to the north along a narrow strip. We have assumed that this is owned with the land.

2.7 Flooding

It is understood the land is not liable to flood. A copy of the flood map is attached in **Appendix D**.

3. LEGAL

3.1 Report on Title

The title for the property has not been inspected. It is understood that there are no covenants, encumbrances or anything of any note that would affect the valuation. However, should such a factor be found at a later date we reserve the right to amend the valuation accordingly.

3.2 Tenure & Possession

The land is available freehold with vacant possession.

3.3 Tenancies, Leases

Understood to be none.

3.4 Land Designation

The land lies within

3.5 Sporting and Mineral Rights

Understood to be held with the freehold but not exercised.

3.6 Rights of Way, Public Footpaths, Bridleways, Easements, Wayleaves & Private Access

There is a public footpath adjacent to the southern boundary.

3.7 Taxation and VAT

It is assumed that the land is not opted to tax.

3.8 Outgoings

General Drainage Charge payable to the Environment Agency at the prevailing rate.

3.6 Town & Country Planning

The land falls under the jurisdiction of West Suffolk Council of West Suffolk House, Western Way, Bury St Edmunds, Suffolk IP33 3YU.

The land lies outside the development boundary of the village. However, the local authority is consulting on sites put forward under the Strategic Housing and Economic Land Availability Assessment (SHELAA). The site adjoining to the north east forms part of that consultation, however, the land subject to this report is not included.

4. EVALUATION

4.1 Methodology, Comparable Evidence & Commentary

The property has been valued using comparable evidence of nearby land sales. We have been asked to consider two possible areas of land to purchase. In providing our valuation we have considered comparable land sales together with our knowledge of the agricultural land market. It should be noted that if the smaller parcel of land is purchased it has no road frontage and,

as such, we have taken a discount on the value to reflect this. Generally, smaller parcels of land attract a higher premium than larger parcels of land which we have applied in this case.

In general farmland has avoided the downward economic trend in recent years and moved significantly upwards to unprecedented levels in 2014. Through 2015 and 2016 prices have gradually reduced to levels seen pre 2014 because an element of uncertainty has entered the market following the Referendum. Through 2017, 2018 and 2019 values remained generally steady. 2020 saw an unprecedented global pandemic known as Covid-19. Very little market activity occurred in comparison to previous years but where land did transact, values were holding up to levels seen before in our experience.

The outbreak of COVID-19, declared by the World Health Organisation as a ‘Global Pandemic’ on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, ‘lockdowns’ have been applied to varying degrees and to reflect further ‘waves’ of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date property markets are mostly functioning again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards, except as identified below.

For the avoidance of doubt this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuations cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

5. VALUATION

5.1 Valuation

Option A	£10,000
1.16 acres (1.22 ha) as shown coloured red on the attached plan	(TEN THOUSAND POUNDS)
Option B	£45,000
3.01 acres (1.22 ha) as shown coloured blue on the attached plan	(FORTY FIVE THOUSAND POUNDS)

5.2 **Disclaimer**

This report is confidential to Wickhambrook Parish Council. The report any part of it should not be disclosed to any third party other than the addressee as detailed in clause 1.1 and their legal representatives acting on their behalf without the expressed consent of the Valuer.



James Baker MRICS

Clarke & Simpson
Well Close Square
Framlingham
Suffolk IP13 9DU



Date

19 / 11 / 2020

6. **APPENDICES**

- 6.1 Appendix A: Instructions and Terms of Engagement
- 6.2 Appendix B: Plan
- 6.3 Appendix C: Flood Risk Map

APPENDIX A

Sarah Bullard

From: Hilary Workman <parishclerk@wickhambrook.org.uk>
Sent: 21 October 2020 14:01
To: James Baker
Subject: RE: land to rear of Wickhambrook cemetery

Follow Up Flag: Follow up
Flag Status: Flagged

Hello James, the Parish Council met on 24th September and decided to proceed with a Red Book valuation of the land, based on your quote below of not more than £450 plus VAT.

The original discussions with the land owner were for the portion of land outlined in red below:



The clerk has met with the landowner, who has indicated that whilst they would be interested in selling that portion of land outlined in red above, dividing the land would have the effect of limiting the use to which the remainder of the land could be put, particularly for agricultural purposes. The land owner has asked whether the Parish Council would be interested in a purchase of all the land (1.22ha) as indicated below.



So in effect we need a valuation for both the smaller and larger outlined areas. Please advise if you require any further information. Our next meeting is on 26th November, and ideally I would like to be able to report back then.

Kind regards

Hilary Workman

Clerk & RFO for Wickhambrook Parish Council

Tel: 07508 039810

E-mail: parishclerk@wickhambrook.org.uk - Please note the new address

Website: <https://wickhambrook.org/parish-council/#parish-council-contact>

My normal working days are Monday, Tuesday, Thursday and Friday.

Confidentiality and Privilege: This email and its attachments are intended for the above named only and may be confidential. If they have come to you in error you must take no action based on them, nor must you copy or show them to anyone; please reply to this email and highlight the error. Click here to view our [privacy notice](#).

Security Warning and Viruses: Please note that this email has been created in the knowledge that Internet email is not a 100% secure communications medium. We advise that you understand and accept this lack of security when emailing us. Although we have taken steps to ensure that this email and attachments are free from any virus, we advise that in keeping with good computing practice the recipient should ensure they are actually virus free.

From: Sarah Bullard <sbullard@clarkeandsimpson.co.uk> **On Behalf Of** James Baker

Sent: 24 September 2020 10:02

To: Hilary Workman <parishclerk@wickhambrook.org.uk>

Subject: RE: land to rear of Wickhambrook cemetery

Dear Mrs Workman

Many thanks for your time on the telephone and your email.

I would be pleased to help you by giving you a formal valuation of the land adjoining the Cemetery at Wickhambrook. Looking at it now on a plan I can see the complexities with it from a purchase point of view.

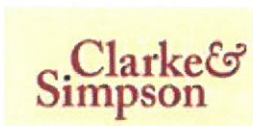
As requested my fee proposal for undertaking a formal Red Book valuation of the land you are looking to acquire will be in the region of £350-£450 plus VAT. I am happy to help you going forward with negotiations with the landowner if the Parish Council would like, and I suggest this work is undertaken at my hourly rate of £175 plus VAT.

I look forward to hearing from you once the Parish Council have met.

Kind regards
James

JAMES D G BAKER BSc (Hons) MRICS

M: 07775 001544



www.clarkeandsimpson.co.uk

The information contained in this message or any of its attachments may be privileged and confidential and is intended exclusively for the addressee. The views expressed may not be official policy but the personal views of the originator. If you are not the addressee, any disclosure, reproduction, distribution, dissemination or use of this communication is not authorised. If you have received this message in error, please advise the sender by using the reply facility in your email software. All messages sent and received by Clarke and Simpson are monitored for viruses, high risk file extensions, and inappropriate content. As a result users should be aware that mail may be accessed.

From: Hilary Workman <parishclerk@wickhambrook.org.uk>

Sent: 22 September 2020 16:38

To: James Baker <jbaker@clarkeandsimpson.co.uk>

Subject: FW: land to rear of Wickhambrook cemetery

Dear James, many thanks for your help with this. The land we are looking to purchase is apx 0.47Ha

Measure

LENGTH

AREA

Click on the map to start measuring.
Single clicks will add more points, double clicks will finish the measurement.

Toggle Unit Override

Areas

Hectares

Your Measurements

Measurement 1

271.3145 (m)

Measurement 2

0.4787 (ha)



Which forms part of a larger parcel of land which is 1.22 ha



The cemetery land is infilled in red.

Hilary Workman

Clerk & RFO for Wickhambrook Parish Council

Tel: 07508 039810

E-mail: parishclerk@wickhambrook.org.uk - Please note the new address

Website: <https://wickhambrook.org/parish-council/#parish-council-contact>

My normal working days are Monday, Tuesday, Thursday and Friday.

Confidentiality and Privilege: This email and its attachments are intended for the above named only and may be confidential. If they have come to you in error you must take no action based on them, nor must you copy or show them to anyone; please reply to this email and highlight the error. Click here to view our [privacy notice](#).

Security Warning and Viruses: Please note that this email has been created in the knowledge that Internet email is not a 100% secure communications medium. We advise that you understand and accept this lack of security when emailing us. Although we have taken steps to ensure that this email and attachments are free from any virus, we advise that in keeping with good computing practice the recipient should ensure they are actually virus free.

VALUATION TERMS OF ENGAGEMENT

Valuation of LAND TO THE REAR OF WICKHAMBROOK CEMETERY

On the instructions of WICKHAMBROOK PARISH COUNCIL

10 November 2020

The valuation required falls within the scope of the current edition of the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards, as amended, and will be carried out in accordance with these. The first requirement of the Standards is that instructions are confirmed in writing, in order to establish that the valuation will meet your needs. If there is any point which you do not understand, or if you believe that your instructions have been interpreted incorrectly, please contact us immediately.

- | | |
|--------------------------|--|
| A. Client | The valuation is on behalf of Wickhambrook Parish Council as stated. |
| B. Purpose | The valuation is for financial planning purposes and must not be used or relied upon for any other purpose. |
| C. Property | The property being valued is agricultural land. |
| D. Interest to be valued | The property is valued freehold with vacant possession. |
| E. Type | Agricultural land. |
| F. Valuation Basis | Market Value as defined in the RICS Valuation - Global Standards and the International Valuation Standards Committee under UK Guidance Note 3 – Valuations for Capital Gains Tax Inheritance Tax and Stamp Duty Land Tax in accordance with Section 272 of the Taxation and Chargeable Gains Act 1992, Section 160 of the Inheritance Tax Act 1934 and Section 118 of the Finance Act 2003 as:-

“The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time.” |
| G. Date | The valuation date is as at the date of inspection. |

- H. **Previous Involvement/Conflict of Interest** In preparing this valuation we are acting as independent valuers. Clarke and Simpson have never previously undertaken professional or valuation work for Wickhambrook Parish Council.
- I. **Assumptions** In preparing this valuation, assumptions and principles may be in accordance with the schedule attached. Special Assumptions may also need to be made which will be included within the text of the valuation report.
- J. **Inspection and Investigations** The valuation will be made following an internal and external inspection of the property. The valuer will provide a generic comment concerning the condition of the property, but they will not undertake a detailed investigation of the fabric or services.
- K. **Information** We may rely on information supplied by the client, owner, local authorities and other relevant sources and there may be limitations/ restrictions placed on some of the information provided.
- L. **Publication** Neither the whole nor any part of our valuation report or any reference thereto will be allowed to be included in any published document, circular or statement, or published in any way, without our prior written approval of the form and context in which it may appear.
- M. **Liability** Our valuation is provided for the stated purpose(s) and sole use of Wickhambrook Parish Council. It is confidential to them and their professional advisers, and we accept no responsibility whatsoever to any other party.
- N. **Standards** The valuation will be carried out in accordance with the RICS Global Standards.
- O. **Valuer Competency** The valuation will be carried out by a Chartered Surveyor who is a member of the RICS' Valuers Registration Scheme and who has the necessary knowledge, skills and understanding to competently value the subject property.
- P. **Fees** The fee for providing the valuation is £375 plus VAT.
- Q. **Complaints Handling Procedure** A copy of our Complaints Handling Procedure is available on request.
- R. **RICS Compliance** This valuation may be subject to monitoring by the RICS for the purposes of compliance with the Global Standards and

administration of the Institution's conduct and disciplinary regulations.

Signed: Date:

WICKHAMBROOK PARISH COUNCIL

SCHEDULE OF ASSUMPTIONS AND PRINCIPLES

1. Inspection and State of Repair

We have not been instructed to carry out a structural survey; a detailed inspection will not be made, therefore, of the fabric of any part of the property, nor of the drainage, electrical, heating or plumbing systems, nor of any plant and machinery at the property. We will not inspect those parts of the property, which are covered, unexposed or inaccessible: Such parts will be assumed to be in good condition and repair. Our valuation is therefore subject to any material defects which a subsequent detailed investigation might show.

2. Deleterious & Hazardous Materials

We are unable to state whether or not High Alumina Cement Concrete Calcium Chloride Additive, Woodwool Permanent Shuttering, Asbestos or other deleterious materials have been used in the construction/improvement or alteration of the properties. Our valuation is based on the assumption that they have not been used unless specifically stated in the Appendices to this Report and that there are no other material defects which a detailed structural investigation might reveal.

Notwithstanding the comments above, it is likely that the cement fibre cladding sheets to the roofs and walls of some buildings and property contain asbestos in common with most other cladding sheets used in buildings of this sort until 1999 when the use of asbestos for this purpose was discontinued.

The Control of Asbestos at Work Regulations 2002 introduced a new duty for people responsible for the maintenance of non-domestic premises to produce a register of materials either containing or presumed to contain asbestos. We have not seen a copy of such records or reports.

3. Contamination, Asbestos and Other Hazardous Materials

This property and its value may be affected by any of the following:

- (a) The presence of asbestos, materials containing asbestos, or other hazardous materials;
- (b) Contamination associated with such materials; or
- (c) Contamination in other respects.

We are not aware of the existence, content or results of any environmental audit or other environmental investigations or soil survey which may have been carried out on the property and which may have drawn attention to any contamination or possibility of contamination. We are also not aware of the existence, content of results of any report, risk assessment, or other investigation which may have been carried out on the property and which may have drawn attention to the presence of any asbestos, of any substance containing asbestos, or of any other hazardous material at the property, or to any risk or possibility of this.

As a result of all these factors, our report/valuation, and our advice contained in it, are based on the assumption that no contamination exists, and that no asbestos, no substance containing asbestos, and no other hazardous material is present at the property.

You should seek specialist advice on these issues. We reserve the right to amend our valuation and advice should such specialist advice reveal the presence or likely risks from an asbestos or contamination.

We will not carry out any investigations into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites. We have therefore assumed that none exists. However, should it subsequently be established that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce this valuation significantly.

4. Environmental Audits

In view of the size of the area we have only searched the Environment Agency website in respect of the land. We cannot accept liability for the scope or accuracy of any information provided from that source nor are we competent to comment on that information.

5. Fixtures and Fittings

All items in the nature of tenant's fixtures and fittings, plant and machinery except where specifically remarked upon are excluded in the valuation.

6. Pests and Diseases

No investigation has been carried out into any infestation of any part of the property of notifiable diseases or pests.

7. Title Deeds/Tenure

We have assumed unless informed to the contrary that the property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature which would have a material effect on value. Where we have seen documentation we recommend that reliance should not be placed on our interpretation without verification by your solicitors.

8. Local Authority Information

In the preparation of this valuation unless otherwise stated we have not made any written or verbal enquiries of the Local Planning or Highway Authority as to the effect of any town planning or highway proposals on the Property and, where supplied, have relied on information notified to us by yourselves or your advisors. We are not specifically aware of any planning proposals, unless referred to in this Report, affecting the Property or any contravention of

planning control. Our valuation is, therefore, on the basis that the buildings and the uses to which it is put is authorised by planning permission or has become established under the Town & Country Planning Act 1990.

9. Plans

The plans are for identification purposes only.

10. VAT

Our valuation makes no provision for the payment of Value Added Tax. If all or part of the property is taxable supply, it is assumed that the tax will be recovered by the purchaser and therefore the value would not be reduced. In the event of the property being sold, this may not be the case.

11. Comparable Evidence

Unless otherwise stated we may not have inspected internally or externally the properties set out in this report which are considered to be comparable market transactions either in terms of rental or capital value.

12. Stamp Duty

Our valuation is exclusive of Stamp Duty Land Tax

13. Sources of Information

The information in our Report regarding Council Tax/Uniform Business Rates, planning and highways is obtained either orally or in writing from the Local Authorities. We believe it to be correct, but we cannot accept liability for incorrect information from these sources.

14. Soil Analysis and Site Conditions

We are not making any investigations regarding soil stability, mining, geographical conditions or contaminated land and assume that, unless information has been provided to the contrary, the sites in each case and in adjoining or nearby land are not contaminated and that there are no dangerous materials in the vicinity of the properties.

15. Minerals

For the purpose of this Report we assume that there is good title to to any mineral rights described.

16. Grants

Unless referred to specifically in our report, we have not taken account of any grants or other subsidies which may have been received or may be available in respect of the property nor any liability to repay such sums which may arise on disposal.

17. Mortgage and Financial Encumbrance

No allowance is made for the existence of any mortgage or other similar financial encumbrance on or over the property.

18. Archaeology

No account has been taken of any additional costs of delays, which may be caused as a result of archaeological excavations or recording, which may be required. We reserve the right to alter our valuation if such works materially affect the property in any way.

19. Insurance

Capital values quoted are not appropriate for insurance purposes, which should be calculated on a re-instatement or indemnity basis.

Where required an indication of reinstatement costs for insurance purposes will be provided but no reliance should be placed on this. Separate professional advice should be sought in respect of building costs of the property.

Unless expressly advised to the contrary we assume that appropriate insurance cover is and will continue to be available on commercially acceptable terms.

Our valuation is on the basis that the properties are insured against risks of loss or damage including damage caused by Acts of Terrorism as defined by the 2000 Terrorism Act. We assume that the insurer, with whom cover has been placed, is reinsured by the Government backed insurer, Pool Reinsurance Company Limited.

Our valuation is made on the assumption that the properties are insured against damage by flood and rising water table.

20. Taxation & Costs of Sale

No allowance is made for any liability which might arise upon a disposal or deemed disposal in respect of Capital Gains Tax and other tax impositions, and our valuation is gross of costs of realisation.

21. Measurement and Areas

All measurements set out in the report are carried out in accordance with the Code of Measuring Practice issued by the RICS unless specifically stated that we have relied on another source.

AGRICULTURAL

22. Statutory Control of Farming Practices

Our valuation makes no allowance for the possibility that the property is, or may in the future be, within an area which is the subject of any compulsory scheme to control farming practices in the interests of the environment protection

23. Tenant Right

Our valuation excludes any consideration for tenant right matters. A separate allowance should be made for the value of seeds, fertilisers, sprays, cultivation and residual values in accordance with statutory and customary valuation procedure.

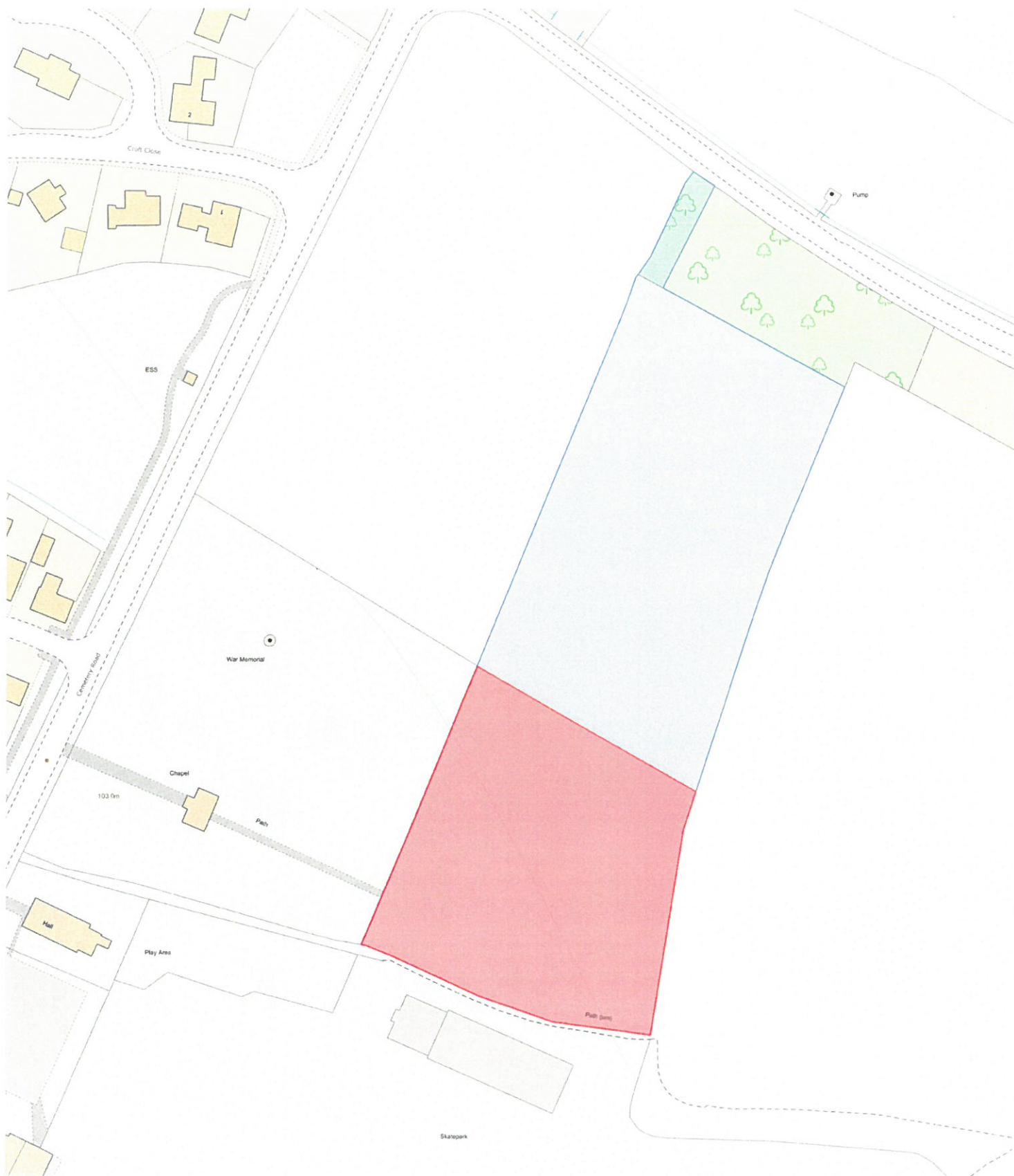
24. Quota

We understand that all quota referred to in our valuation is properly apportioned to the property and that there has been no third party use of the land over the previous five years that would give rise to an apportionment of quota elsewhere. We have assumed that transfers of quota to or from the holding carried out since the original quota allocation have been documented and comply with all legislation and regulations affecting quota transfer. Any future transfer of quota will require the agreement of all those with an interest in the quota (e.g. Landlords, mortgagee, beneficiaries of trust etc). Our valuation is on the basis that such agreement would be confirmed.

25. Basic Payment Scheme

The farm or farmland is valued inclusive of the BPS Entitlements registered on the land effective from the 2015 Scheme year.

APPENDIX B



Produced on Nov 19, 2020.

© Crown copyright and database right 2020 (licence number 100059532).

Reproduction in whole or in part is prohibited without the prior permission of Ordnance Survey

20 m

Scale 1:1250 (at A4)



APPENDIX C





APPENDIX D

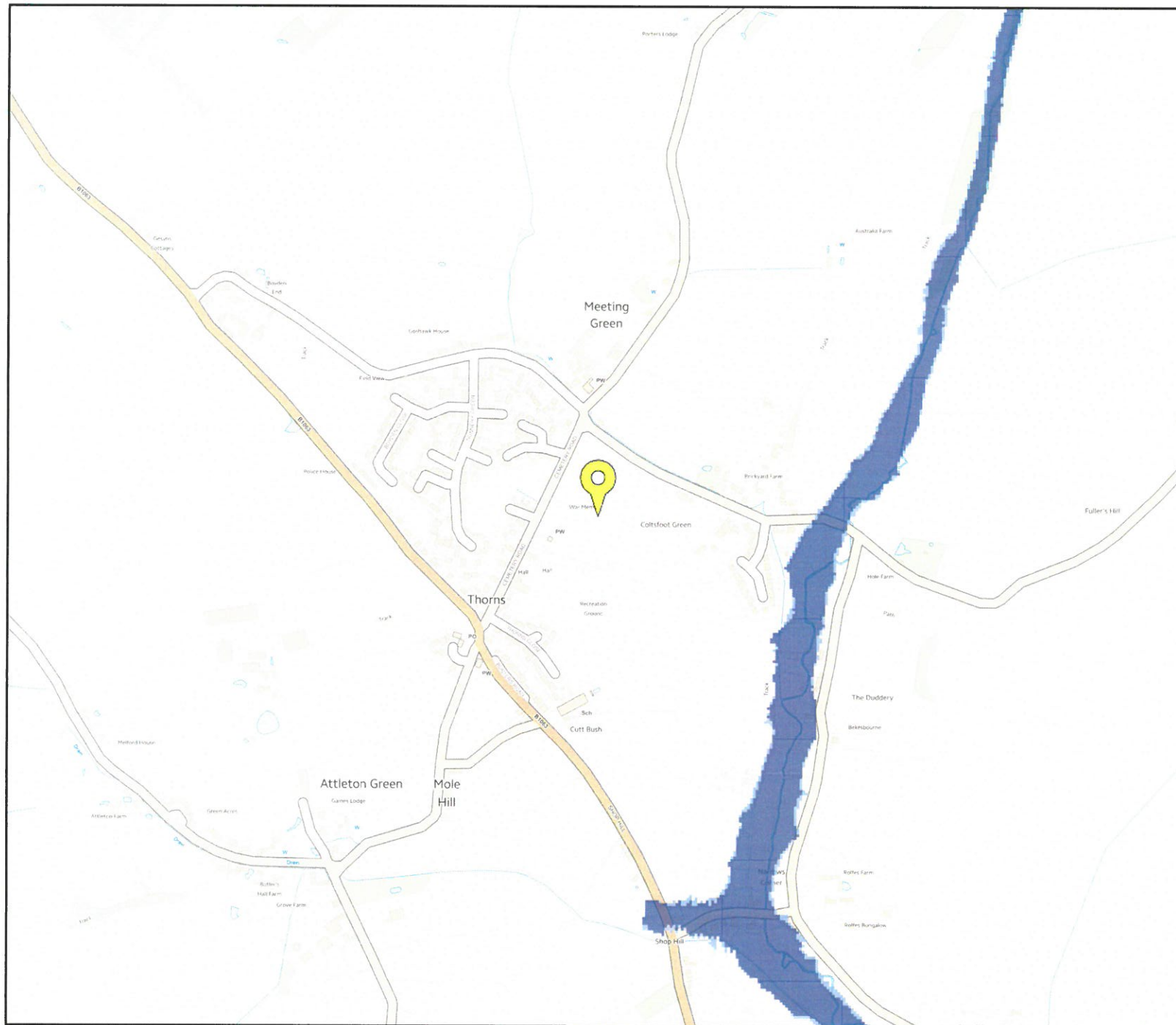
Flood map for planning

Your reference
WPC

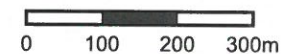
Location (easting/northing)
574647/255464

Scale
1:10000

Created
18 Nov 2020 16:21



-  Selected point
-  Flood zone 3
-  Flood zone 3: areas benefiting from flood defences
-  Flood zone 2
-  Flood zone 1
-  Flood defence
-  Main river
-  Flood storage area





A checklist of key information to be provided with any Parish and Town Councils borrowing application

Councils wishing to borrow will have to get in touch with the County Association, whether a member or not, to submit the Application Form. Where a borrowing approval is required the purpose must be detailed on the application and in a report to Council. Approvals should only be sought for capital expenditure. Please complete the borrowing application form and provide the following supporting information;

1. Copy of full minute of the Full Council Meeting with the resolution to seek the Secretary of State's approval for the proposed borrowing;
2. Copy of the Council's budget for the current year, and next year (if available), showing the provision made to meet the loan costs;
3. Full report to the Council or business case. This should include a breakdown of the proposed works, estimated costs, financial planning to fund the loan repayments and the steps/options the Council/has in place to mitigate the risk for not being able to afford the loan repayments;
4. Please provide information on how the Council will afford the loan repayments, breakdown of funding resources, amounts to be used from reserves, and any increase of precept to fund the borrowing;
5. If the Council precept is to be increased to cover the loan repayment, please confirm the amount and percentage of the planned increase related to the loan only (if possible how much increase for house holders at Band D);
6. If applicable, please provide evidence of public support to increase the precept to cover the loan repayment (e.g. the result of any consultation).
7. You still need to provide details how local residents were consulted on the project and associated borrowing even if you are not increasing precept to fund the loan (e.g. newsletter/website/in the agenda of public meeting).

Full provision of this information with the application demonstrating that it meets the guidance criteria will expedite the approval process. For further information,

- Please read full guide to parish borrowing in Page 5;
- For any queries, please contact your local association at first instance or;
- For clarification on aspect of this guidance, please contact Midi Zeroual at DCLG on 0303 444 2838 / email: parish.borrowing@communities.gsi.gov.uk



APPLICATION FOR BORROWING APPROVAL FOR TOWN/PARISH COUNCILS

- If you have any queries about completing this form please contact your local county association.
- When completing this form please use CAPITALS.
- Once completed and signed please send this form to your local county association.

Name of Council	
Name of Clerk Working Address (inc. Postcode) Email address Telephone	
Name of Chair Home Address (inc. Postcode) Email address Telephone	
District/Unitary Council area	
Purpose of Borrowing Please give a brief description of the purpose for which funds are required. Example of Capital projects : Purchase of land/building or, construction/building works or, provision of other assets or; provision of grants to another body for a Capital expenditure	
Total Contract/Project Value	£
Funding from Council's own resources	£
Funding from other sources	£
Amount to be borrowed	£

Deadline for approval (if applicable) If borrowing is required by a specific date – eg an auction date, or to meet matchfunding requirements - give details here.	
Is funding from other sources confirmed?	Yes No
Proposed Borrowing Source	
Intended Borrowing Term (please specify the number of years)	
Details of Existing Loans	1st loan 2nd loan 3rd loan 4th loan
Date Taken Out	
Amount Outstanding	£ £ £ £
Unexpired Term	
Are you increasing Precept to fund this borrowing?	Yes No
What will be the amount and percentage of the planned increase per annum?	£ %
What will cost band D per annum?	£
If applicable, have you assessed the extent of public support to increase precept for this loan?	Yes No
If yes, what were the results of the assessment to increase precept for this loan?	
Precept for previous year:	£ for Band D:
Precept for Current year:	£ for Band D:
Precept for next year:	£ for Band D:
Number of Electorate	
Value and purpose of all funds, capital/revenue reserves and balances currently held	

<p>Have you provided the following supporting evidence?</p> <p>a) Full Council minutes with resolution to apply to DCLG for borrowing approval</p> <p>b) Report to the Council</p> <p>c) Council Budget for current year and next year if available</p> <p>d) Consultation and outcome of consultation</p>	<p>Please tick the appropriate box</p> <p>a) Yes</p> <p>b) Yes</p> <p>c) Yes</p> <p>d) Yes</p>
---	--

Approval of Full Council

The above application was agreed by resolution of the full council on..... (date), the Report to Council and Budget attached have been taken to and approved by the full Council, and the draft Minutes attached have been seen and authorised for submission by the Chairman.

The Council undertakes to notify the Department for Communities and Local Government (DCLG), as soon as reasonably practicable, in the event:-

- of not exercising the approval, or,
- it finds that the original amount requested is greater than the actual borrowing need.

SIGNED..... **DATE**.....
(Chair of the Council)

NAME.....

SIGNED..... **DATE**.....
(Responsible Financial Officer)

NAME.....

Please send signed, completed forms and all supporting information to your county association of local councils.

Failure to submit all required information will delay your borrowing approval.

A GUIDE TO PARISH AND TOWN COUNCIL BORROWING IN ENGLAND

Introduction

1. In this guide, all references to statutory provisions are to provisions in the Local Government Act 2003 ('the 2003 Act'). References to parish councils include those designated as town councils, village councils, community councils, neighbourhood councils and city councils in England.

2. This guide replaces all previous guidance on borrowing by parish councils in England and reflects the legal framework in force as at 1 April 2015. The law that allows a parish council to borrow money is contained in paragraph 2 of Schedule 1. Before such a council can borrow a sum of money, it must first receive an approval to borrow from the "appropriate person": in England the Secretary of State by way of the Department for Communities and Local Government (DCLG), and in Wales, the Welsh Ministers. Evidence of the borrowing approval may be required at audit.

3. This guide sets out the criteria that the Secretary of State generally applies in deciding whether to give borrowing approval, and how parish councils should go about applying for approval. It applies only to England. Community and town councils in Wales should contact the Local Government Finance Division of the Welsh Government (telephone: 029 20 823227 or 029 20 825223) for details of the approval system applicable to them.

4. There is no national limit on the total annual amount of borrowing approvals that will be granted. Councils should only apply for borrowing approval when they are fully ready to take up the borrowing, for example, when planning permission has been obtained. Applications by councils for borrowing approval should be sent to the local County Association affiliated to the National Association of Local Councils (NALC). This applies whether or not the council is a member of NALC.

5. If the Association considers that the application form is complete with no obvious omissions or errors, and that the application is made in good faith, the application will be forwarded to DCLG. Where an Association has any concerns it will raise the matter with the council. The council may, if it wishes, take up any disputed issue with DCLG. The review by the County Association is intended to assist councils in submitting well-founded applications to DCLG. The County Association will provide a brief factual report to DCLG with the application.

Local Accountability and Transparency

6. The Government's localism agenda aims to place more power into people's hands. For democratic accountability to increase, local people need to be able to hold local authorities to account over how they spend public funds and the decisions that are made on their behalf. This principle applies to decisions made by all levels of local government, including parish councils. Transparency is the foundation of this accountability and, if people are to play a bigger role in society, they need to have the tools and information to enable them to do so.

7. When considering whether to apply for borrowing approval, parish councils should be fully open and transparent with their residents and taxpayers in all their dealings. Details of the project and plans for borrowing and loan repayment must be available to residents from an early stage. This could include discussion of proposals in open meetings, and ensuring that information is available for the public before and after a decision is taken, for example on the council website or published in local newsletters. Evidence of this will be taken into account in considering whether to give approval for borrowing. When increasing precept to fund borrowing, evidence of public support for increasing the associated precept will be required to support the loan application.

What is a Borrowing Approval?

8. It is a formal approval issued by the Secretary of State to borrow money.

9. The Secretary of State's decision on the borrowing application will be sent direct to the Clerk to the council. A copy of the decision letter will also be sent to the Chair of the council and the local County Association. Where approval to borrow is given, as well as containing the legal authority for the council to borrow money, the approval will state the maximum amount of money that can be borrowed, the purpose for which the money may be used, the period within which money must be borrowed, and the maximum period within which the borrowing must be repaid.

10. Where a council wishes to use borrowed money for a purpose other than that specified in the borrowing approval letter, written consent to the change of use must be obtained from DCLG, prior to committing to the expenditure. This applies to unused funds.

Who can apply for Borrowing Approval?

11. Any parish council in England.

When is a Borrowing Approval not required?

12. Under paragraph 2(3)(a)(i) of Schedule 1, no approval is required for borrowing by temporary loan or overdraft from a bank or otherwise of sums which the council may temporarily require to meet expenses pending the receipt of revenues receivable by it in respect of the period of account in which the expenses are chargeable.

13. A council may also borrow by temporary loan or overdraft pending the raising of the loan permitted by a borrowing approval (paragraph 2(3)(a)(ii) of Schedule 1). A council must be in possession of the borrowing approval when the temporary loan is taken out, but no second approval is required. The temporary loan must be for the purpose of meeting expenses intended to be met by the approved borrowing. A council can also raise a further loan to repay the original loan without the need for another approval, so long as the new borrowing takes place within the fixed period (paragraph 2(3)(b) of Schedule 1). For the meaning of "fixed period" see paragraph 33 of this guide.

14. In all other circumstances, borrowing approval is required.

How is an application for borrowing approval made?

15. In the first instance, councils should complete the application form included in this guidance. Contact should also be made with the local County Association who will process the application form once it is completed. All questions in the form need to be answered and all supporting information must be supplied (see paragraph 16 below). The making of the application requires approval by resolution of the full council (paragraph 4 of Schedule 1). The form must be signed by the Chair of the council and the responsible financial officer (in most councils the Clerk is also the responsible financial officer, but the post is sometimes a separate appointment). The completed form must be sent in hard copy to the County Association (see paragraph 4 above).

What information must be provided?

16. In addition the form must be accompanied by:-

- a copy of the council's budget for next year (or for the current year if next year's is not available),
- a copy of the written report considered by the council in reaching its decision to apply for borrowing approval,
- the full minutes of the meeting at which the resolution to make the application was passed,
- evidence that residents have been consulted on the following:
 - i) the proposed project,
 - ii) the council's intention to borrow,
 - iii) proposals to increase the precept to meet borrowing costs, if applicable; and
 - iv) if applicable evidence of public support to increase precept because of the proposed borrowing.

17. Where the council intends to provide a grant to another body the references to "project" in this guide and in the application form apply to the assistance being provided by the council, not to the project towards which the assistance is given. For example, if a council wishes to borrow £50,000 to part finance a grant of £100,000 towards the construction by a local charity of a village hall costing £250,000, the application form should show £100,000 as the total cost of the project and £50,000 as the amount to be borrowed, and explain how the remaining £50,000 is to be financed by the council.

Parish council precepts and council tax referendum principles

18. When planning budgets and considering whether to apply for borrowing approval, parish councils should bear in mind the provisions of Chapter 4ZA of Part 1 of the Local Government Finance Act 1992 relating to council tax referendums. Each year, the Secretary of State will determine "excessiveness principles". If an authority breaches those principles, it must arrange a referendum to seek the approval of its local electors to the excessive increase in council tax it has set. For 2014-15, no

principles were set for parish councils: so the new referendum provisions did not apply to them for that year.

19. However, Ministers have made it clear that when setting principles in future years, the Secretary of State will consider whether principles should be set in respect of parish councils, in light of the extent to which restraint in relation to council tax in 2014-15 has been exercised.

20. Ministers are putting on notice that they are prepared, if necessary, to apply the referendum thresholds to larger town and parish councils from 2015-16 onwards to provide protection for local taxpayers and extend the principle of direct democracy.

21. If the Secretary of State decides to determine council tax referendum principles in relation to parish councils for the financial year 2015-16, (and in subsequent financial years), a parish council would need to consider whether its relevant basic amount of council tax¹ was excessive by reference to those principles. Councils with precept increases resulting in a relevant basic amount of council tax which exceeded the principles would be required to hold a referendum to seek local electors' approval to that increase. The result of the referendum would be binding and where an increase was not approved, the parish precept would be substituted with a precept that produced a relevant basic amount of council tax that was not excessive by reference to the principles. Parish councils would be responsible for meeting the costs of any referendum.

22. It should be noted that the Secretary of State will **not** exclude increases in parish council tax precepts attributable to a borrowing approval when considering whether to set council tax referendum principles for parish councils in 2015-16 and in future years.

23. The Secretary of State intends to determine excessiveness principles in parallel with the process for deciding the annual local government finance settlement for each year; so it is expected that principles will be proposed in November/December alongside the announcement of the provisional settlement.

What are the criteria for borrowing approval?

24. The Secretary of State will generally apply the following criteria in deciding whether to give borrowing approval:

- a) the borrowing should be for a purpose that would be capital expenditure as defined in section 16 of the 2003 Act. Appendix A to this guide explains what is covered by the section 16 definition;
- b) the amount to be borrowed should generally not be less than £5 multiplied by the number of local government electors for the area of the council as counted at the latest register for the electoral roll. However, the Department will consider applications for a lower borrowing amount where the total project cost is above the threshold and grants or other resources intended for the project expenditure will be refused or reduced if the borrowing does not go ahead;

¹ For the meaning of "relevant basic amount of council tax" see section 52ZX(5) of the Local Government Finance Act 1992.

- c) any unallocated balances (including, where appropriate, capital receipts), beyond those required for the prudent financial management of the council, should be used in the project for which borrowing is required;
- d) the council should have a realistic budget (this must be affordable, taking account of its effect on the council's precept) for the servicing and repayment of the debt. The Secretary of State will expect to see that the affordability of the loan charges and any other revenue costs arising from the project is demonstrated in the written report to the council recommending the borrowing application. A copy of the report should be submitted with the application form. The report should provide:
- an estimate of the annual costs, and an indication of whether they will be covered by reductions in other expenditure, or by additional income from the precept or other sources,
 - in cases where an increase in the precept is proposed, an estimate of the amount of the increase in both monetary and percentage terms, and recognition that any proposed increase in precept may be subject to council tax referendum principles in future years,
 - evidence that any risks and uncertainties affecting the financing of the project have been taken into account in assessing its affordability,
 - details of any significant financial developments that might affect the ability of the council to finance the costs in future years, so far as can reasonably be foreseen.
- e) The council should have consulted local residents on the project and associated borrowing. The format of consultation with residents is a matter for the council to decide, however councils should note the following:
- details of the project and plans for borrowing and loan repayment must be accessible to residents from an early stage,
 - decisions on borrowing must be taken in an open and transparent way, following discussion in open meetings,
 - inclusion of the matter on an agenda for a public meeting of the council will not, in itself, be considered sufficient evidence of consultation,
 - the council should ensure that information about the progress of the project continues to be available to residents following the approval to borrow,
 - in particular, any proposal to increase the precept to meet borrowing costs **must** be backed by evidence of public support.

When should a council apply?

25. All councils are encouraged to let their County Associations know of their borrowing requirements as soon as possible. However, councils should not apply for borrowing approval until all negotiations have been completed and all other consents (eg planning permission) have been obtained. If an applicant council is successful, processing of the borrowing approval should generally take about 15 working days from the date of its receipt by DCLG. The borrowing approval will authorise the council to take out a loan within a period of twelve months starting with the date of issue of the borrowing approval.

How much can a council borrow?

26. The amount that an individual council will be authorised to borrow will normally be limited to a maximum of £500,000 in any single financial year for any single purpose.

27. Where borrowing approval is sought for an amount higher than £500,000, DCLG may issue the borrowing approval phased over the life of the project. An approval-in-principle for the full amount will normally be issued at the outset of the project, with formal approval letters issued at stages agreed with the council. DCLG may request project progress reports at any time during the phased approvals process.

28. A council wishing to borrow more than £500,000 is encouraged to contact DCLG as early as possible to discuss the approvals process.

Where can councils go for funds?

29. Councils may not, without the consent of HM Treasury, borrow otherwise than in sterling (section 2(3)). In practice, most councils are likely to obtain funds from the Public Works Loan Board or the clearing banks. When councils apply for funds, the Public Works Loan Board will insist that they have sight of the original borrowing approval. Loans may also be taken out from private or voluntary sector organisations, or from individuals. Irrespective of the proposed source of borrowing, councils must have borrowing approval in place before arranging a loan. Evidence of the borrowing approval may be required at audit. Councils are advised to seek appropriate advice.

30. Councils are reminded that the decision to borrow must be taken by the full council (paragraph 2(4) of Schedule 1). This is a separate decision from the decision to apply for borrowing approval. Lenders will generally offer a variety of loan structures such as fixed or variable repayment rates of interest, discount or premiums for early repayment in certain circumstances.

Timing of borrowing

31. A council may borrow by temporary loan or overdraft pending the raising of the loan permitted by a borrowing approval (paragraph 2(3)(a)(ii) of Schedule 1). This means that progress on a project need not be delayed until the longer-term borrowing is arranged. See paragraph 13 above for the requirement for borrowing approval in these circumstances.

Security for the lender

32. All borrowing by a council, together with interest on it, is charged indifferently on all the revenues of the council (section 13(3)). A council cannot mortgage or charge any of its property as security for money borrowed or which it otherwise owes; any security given in breach of this provision is unenforceable (section 13(1) and (2)).

Period of loan

33. Councils must determine the period within which the money borrowed will be repaid, and they are required to make charges to revenue account sufficient to repay the principal within that period and meet the interest charges on the borrowing (paragraphs 3 and 5 of Schedule 1). The period determined is known as the "fixed period", and the council's determination requires the consent of the Secretary of State. The borrowing approval letter will normally specify the maximum period for the repayment of the loan. The maximum period will begin on the date on which the money is borrowed, and will generally be either:

- *50 years*, for the acquisition of, or works on or to, land, buildings, roads or structures, or the making of grants for such purposes; or
- *10 years or life span of an asset*, in all other cases.

34. Councils are asked to consider carefully whether it would be appropriate to borrow for the permitted maximum or for a shorter period. Generally the borrowing period should be no greater than the period for which the expenditure is forecast to provide benefits to the council (or the body being assisted). Thus if a piece of equipment is only thought likely to last for five years, it would be more appropriate to borrow for five years than for the ten years that the borrowing approval might permit.

When a borrowing approval is no longer required

35. If a council finds it no longer needs the borrowing approval issued to it, it must inform DCLG.

36. If a council finds that it does not need to borrow the full amount as specified in the approval letter, DCLG should be informed of the actual loan amount as soon as is reasonably practical.

Best Practice

- Seek appropriate advice and guidance at early stage of the project.
- Programme prudent use of balances as well as borrowing.
- Budgets or revised budgets should be considered before applying for borrowing approval.
- The borrowing term should not exceed the life of the asset.
- Even if the council secures an interest free loan, it will still require borrowing approval.
- Consult local residents about the proposed project and the intention to borrow.
- Make sure residents have access to as much information as possible about the project and loan, both before and after the decision to borrow.
- If increasing precept, ensure residents are consulted on the increase and obtain evidence to support loan application.

APPENDIX A

DEFINITION OF CAPITAL EXPENDITURE

- 1 Section 16 of the 2003 Act defines "capital expenditure" as "expenditure of the authority which falls to be capitalised in accordance with proper practices". In turn section 21(2) defines "proper practices" as those accounting practices that local authorities are required to follow by virtue of any enactment, or of a code of practice or other document specified in regulations. Under this power the Secretary of State has specified (among other documents) the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* ("the Code"). The Code does not apply to parish councils. However, the first of the criteria set out in paragraph 24 of this guide relies on the Code's provisions to provide a definition of capital expenditure for parishes consistent with the definition applicable elsewhere in the public sector. This is done purely to ensure that all applications are judged against uniform criteria, and does not imply that the Code is in any way applicable to a parish council's accounting statements.
- 2 The key relevant paragraphs of the 2012-13 Code for the purposes of the capital expenditure definition are as follows:

4.1.2.11 Property, plant and equipment are tangible assets (ie assets with physical substance) that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one period.

Recognition

4.1.2.16 The cost of an item of property, plant and equipment falling under this section of the Code shall be recognised (and hence capitalised) as an asset on a local authority Balance Sheet if, and only if:

- it is probable that the future economic benefits or service potential associated with the item will flow to the authority, and
- the cost of the item can be measured reliably.

4.1.2.17 Costs that meet the recognition principle in paragraph 4.1.2.16 include initial costs of acquisition and construction, and costs incurred subsequently to enhance, replace part of, or service the asset.

The Code goes on to exclude day-to-day servicing (ie repairs and maintenance) from the definition if they do not add to the future economic benefits or service potential of the asset.

- 3 In addition, section 16 allows the Secretary of State to adjust the definition of capital expenditure by regulation, and, in the case of a particular authority, by direction. Regulation 25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), as amended, provides as follows:

Expenditure to be capital expenditure

25. —(1) For the purposes of Chapter 1 of Part 1 the following expenditure of a local authority, incurred on or after 1st April 2004, shall be treated as being capital expenditure insofar as it is not capital expenditure by virtue of section 16(1) —

(a) expenditure incurred on the acquisition or preparation of a computer program, including expenditure on the acquisition of a right to use the program, if the authority acquire or prepare the program for use for a period of at least one year for any purpose relevant to its functions;

(b) subject to paragraph (2), the giving of a loan, grant or other financial assistance to any person, whether for use by that person or by a third party, towards expenditure which would, if incurred by the authority, be capital expenditure;

(c) the repayment of any grant or other financial assistance given to the local authority for the purposes of expenditure which is capital expenditure;

(d) subject to paragraph (3) the acquisition of share capital in any body corporate;

(e) expenditure incurred on works to any land or building in which the local authority does not have an interest, which would be capital expenditure if the local authority had an interest in that land or building;

(ea) expenditure incurred on the acquisition, production or construction of assets for use by or disposal to, a person other than the local authority which would be capital expenditure if those assets were acquired produced, or constructed for use by the local authority; and

(f) the payment of any levy by a local authority under section 136 of the Leasehold Reform Housing and Urban Development Act 1993 (levy on disposals)

(2) Where the expenditure referred to in paragraph (1)(b) is a loan given by a parish council or charter trustees to any person, it shall not be treated as being capital expenditure by virtue of this regulation.

(3) Where the expenditure referred to in paragraph (1)(d) is—

(a) an investment in a money market fund; or

(b) an investment in the shares of a company to which Part 4 of the Finance Act 2006 (Real Estate Investment Trusts) applies; or

(c) the acquisition of shares in an investment scheme approved by the Treasury under section 11 (1) of the Trustee Investments Act 1961 (local authority investment schemes).

it shall not be treated as being capital expenditure by virtue of this regulation.

Parish councils should note in particular the effect of paragraph (2) of the regulation.



United Kingdom
Debt Management
Office

PWLB lending facility

T 020 7862 6610
E pwlb@dmo.gov.uk
www.dmo.gov.uk

LOANS TO PARISH, TOWN AND COMMUNITY COUNCILS

1. Powers to Lend

The PWLB lending facility is operated by the UK Debt Management Office (DMO) on behalf of HM Treasury and provides loans to local authorities, and other specified bodies, from the National Loans Fund, operating within a policy framework set by HM Treasury. This borrowing is mainly for capital projects. HM Treasury are responsible for the lending policy and for setting interest rates for PWLB loans. The day to day lending activities including advancing new PWLB loans and collecting repayments are delegated to the DMO. The DMO's responsibilities are for timely administration of the function within the set framework.

2. Purposes for which loans may be made

Loans may be made to finance capital payments for which a council has a formal borrowing approval. A council may also apply for a loan to replace short-term borrowings (including a bank overdraft) or revenue balances used temporarily for the purpose stated in the approval.

3. Borrowing Approval

HM Treasury will only lend once a borrowing approval has been obtained. The letters are issued by the Ministry of Housing, Communities and Local Government (MHCLG) - formerly DCLG, or, in the case of Welsh councils, the Welsh Government (WG). Borrowing approvals state, amongst other things, the purpose of a loan, the amount and the maximum period over which it can be taken.

The related borrowing may only be undertaken within the terms and time limit of the approval. It is not obligatory for the approval to be taken up in a single loan, and separate applications may be made in respect of a scheme where, for example, the expenditure is spread over several months, provided that the loans are covered by a valid approval.

The initial approach for a borrowing approval should be made to the local County Association of Local Councils. In the case of Welsh councils, the approach is direct to the Welsh Government.

4. Security for Loans

Under the provisions of the Public Works Loan Acts of 1965 and 1967, loans from HM Treasury are secured by an automatic charge on the revenues of the council and not on the council's property.

5. Applications for Loans

Applications should be made by the Responsible Finance Officer (RFO) on Form **LC1**, copies of which may be obtained from the UK Debt Management Office (DMO) website. The completed form should be accompanied by the following documentation:

- i. Scanned copy of a blank cancelled cheque or an original bank statement (bearing the details of the bank account to which the advance is to be made)
- ii. Completed direct debit mandate
- iii. The DMO are advised of all valid borrowing approval letters directly from MHCLG or the Welsh Government so a copy of the letter is **not** required

The application should be sent to the DMO via email at least **one week** before a loan is required. In completing form LC1 the RFO will be required to supply the following details. Non-receipt of information will result in a delay to the advance.

- Full name of the authority (including County)
- Purpose of loan
- Sum required (must be expressed in whole pounds)
- Type of loan required
- Half-yearly interest payment days (for fixed rate loans)
- Payment frequency (for variable rate loans)
- Method of repayment
- Period of repayment
- Preferred date of advance (optional)

On receiving an application the DMO will review and notify the RFO via email when all checks are completed. The notification will provide the Clerk with the PWLB electronic template, please note the following timetable to agree the final terms of the loan including the rate of interest and the date for the advance.

RFO telephones to agree terms (i.e. agreement date)	Day of loan advance (i.e. advance date)
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Monday
Friday	Tuesday

Where a bank holiday intervenes the timetable moves back by the appropriate number of days. Thus, if a Monday is a non-working day and the advance is required to be made on the Tuesday, the agreement would need to be made the previous Thursday.

Following the loan agreement, a confirmation letter outlining the terms agreed will be emailed to the authority by close of business on the agreement day.

6. Types of Loan

There are two types of loans available from the PWLB lending facility:

- (a) Fixed rate loans, on which the rate of interest is fixed for the life of the loan, and
- (b) Variable rate loans, on which the rate of interest is variable at one, three or six monthly intervals. Once chosen, the roll-over period remains unchanged for the life of the loan.

7. Method of Repayment

There are two repayment methods open to Parish, Town and Community Councils:

Annuity: half yearly payments where each payment is of a constant amount inclusive of principal and interest (available on fixed rate loans only)

Equal Instalments of Principal (EIP): half yearly payments where each payment consists of a constant instalment of principal plus a diminishing amount of interest, calculated on the balance of principal then outstanding

The minimum repayment period on either method is two years.

The PWLB lending facility also offers Maturity loans at fixed or variable interest rates. The applicant will need to demonstrate how the principal repayment will be met at the end of the term during the borrowing approval process.

8. Interest Rates

The PWLB's interest rates are determined by HM Treasury in accordance with section 5 of the National Loans Act 1968. In practice, rates are set by the DMO on HM Treasury's behalf in accordance with agreed procedures and methodologies which are described in a **DMO Technical Note**.

In the case of fixed rate loans, a precise rate of interest is prescribed. In the case of variable rate loans the rate is fixed by reference to a formula. The rate of interest charged on a fixed rate loan or the formula for a variable rate loan will be that agreed by telephone two working days before the date of advance.

Fixed interest rates are set twice daily by 9:30am and 12:30pm with a separate rate calculated in 6 monthly bands for periods up to 50 years. Once a loan has been agreed, the rate of interest is fixed for the duration of the loan. Payments are at regular half-yearly intervals (e.g. 1 April and 1 October) but the borrower may choose the half-yearly days so long as the first date is no later than six months from the date of advance. Scheduled interest payments are calculated by applying half of the annual interest rate to the balance of the loan outstanding at the start of the half-year. If the date a loan is issued does not fall on one of the half-yearly days, the borrower pays an amount for the broken period from the date the loan is issued to the date of the first half-yearly payment.

Variable interest rates are set daily with separate rates for 1, 3 and 6 monthly roll-over periods, which are applicable to both EIP and Maturity loans. Borrowers choose the roll-over period of the loan at the time it is agreed. Interest payments are calculated by reference to the balance outstanding since the last loan payment and the number of days in the roll-over period.

Further information on interest rates, including a **Technical Note** on their calculation can be found on the DMO website, www.dmo.gov.uk.

9. Loan Repayment Periods

A council may choose the repayment period within the following limits, subject to the maximum repayment period specified in the borrowing approval.

		Minimum period (years)	Maximum period (years)
Fixed rate loans	Maturity	1	50
	Annuity or EIP	2	50
Variable rate loans	Maturity	1	10
	EIP	2	10

Although the borrowing approval will state the maximum period for the borrowing, a lesser period may be chosen, as generally a council should not borrow for longer than necessary.

10. Fees

Under the Public Works Loans (Fees) Regulations 1991, as amended, the fees payable by councils in respect of advances from PWLB lending facility are:

Fixed rate loans	35p for every £1,000 or part of £1,000
Variable rate loans	45p for every £1,000 or part of £1,000

The minimum fee payable is £25.

11. Advance of Loans

A loan when authorised will be transmitted electronically to the council's receiving bank account. The sum to be transmitted will be the amount of the loan less the fee. Interest will be charged from the date of advance.

12. Scheduled Repayment of Loans

Scheduled repayments due from parish, town and community councils are collected by direct debit. A **direct debit instruction** must be provided with the **LC1** application form.

A council should ensure that its paying bank account has, on a scheduled repayment day, sufficient funds for the due amount. Repayment notices are issued via email approximately 28 calendar days prior to each loan repayment. When a repayment date falls on a non-working day, the relevant payment will be made on the next working day. Repayment notices are not invoices and scheduled repayments are due under the terms of the loan agreement irrespective.

Further information on payment by direct debit is available from the DMO website <https://www.dmo.gov.uk/responsibilities/local-authority-lending/paying-by-direct-debit/>

HM Treasury reserves the right to charge interest on late payments, which will be at the Bank of England base rate for the day from the relevant payment date to the date on which PWLB lending facility bank account is credited. The same terms apply to delayed premature repayments.

13. Premature (early) Repayments

Minor authorities should not borrow for longer than necessary. Repayment amounts are calculated on the assumption that the loan will run to maturity and normally a loan is repayable only by the regular payments due under the agreed terms. The DMO on behalf of HM Treasury cannot renegotiate a loan and, while it will usually accept a premature repayment in whole or in part, in all instances the terms will not favour the borrower over the National Loans Fund. Breakage costs are charged equivalent to the net present value of the outstanding amount of the loan, in line with standard actuarial practice. This means a premium will be payable when the interest rate on the loan to be repaid is higher than the current 'premature repayment' rate for a loan repayable by the same method as, and over the same period as that remaining on, the loan which it is proposed to repay. When the interest rate on the loan to be repaid is lower than the equivalent 'premature repayment' rate, a discount will be allowed. Please note that early repayments will not be accepted for loans that have been in existence for less than one year or fixed rate loans that have less than one year to maturity.

14. Refinancing

The DMO on behalf of HM Treasury will allow a minor authority to replace a fixed rate loan with another fixed rate loan, subject to the authority gaining a borrowing approval letter for the new borrowing. Similarly, borrowers are permitted to replace a fixed rate loan with a variable rate loan or *vice versa*. However, in all cases the terms for accepting early repayment will apply, so that, again, **the terms will not favour the borrower** over the National Loans Fund. Accordingly, the cost of paying off a high-rated loan will tend to offset the financial advantage of a lower rate on the replacement loan, which loan will be subject to the fee for a new advance.

15. Premature (early) Repayments: Procedure

The DMO on behalf of HM Treasury has discretion to accept a premature repayment:

- in whole, which means 'paying off', or redeeming, the loan in full; or
- in part ('paying down'), which reduces the debt while leaving an outstanding amount of principal remaining to be serviced.

On request, the DMO can provide an indication of the cost of paying off a debt at the rates in force on the day. Generally, however, it is for local authorities to take their own advice, including any necessary financial and legal advice.

Repayment in full ('paying off')

For reasons of timing, remittances for paying off a loan will normally be accepted only by bank transfer. Should a council wish to pay off a loan, the clerk or responsible financial officer would need to email the DMO to make a formal request to repay. The PWLB lending facility follows a timetable of two working days. Accordingly, the request would need to be made two working days before the intended settlement date. On making the agreement the DMO will confirm the settlement costs. This will entail calculating a premium/discount on the outstanding balance of principal according to the appropriate rate in the 'premature repayment' set of rates prevailing at the time of the agreement. Interest accruing from the previous scheduled repayment date will be included in the settlement sum as necessary. Once the DMO has quoted the amount required to pay off the debt, the council should arrange for payment to reach the PWLB lending facility bank account on the agreed date:

Sort Code **60-70-80**

Account No. **10013288**

Account Name **PUBLIC WORKS LOAN**

The DMO on behalf of HM Treasury will provide confirmation of the agreement. All confirmations will be sent via email to an authorised dealer.

Partial repayment ('paying down')

It is open to an authority to make a partial early repayment ('pay down'). The payment will be applied to the outstanding balance net of any premium or discount and accrued interest, and the authority notified once the funds are received of the effect on its outstanding balance of principal and future scheduled repayments. Please note that early repayments will not be accepted for loans that have been in existence for less than one year or fixed rate loans that have less than one year to maturity

16. Further Information

Enquiries should be made to the contact points shown in the heading to this note. The DMO's website has a dedicated page on lending to **parish councils and drainage boards** which provides the following information:

- Links to related websites (e.g. Ministry of Housing, Communities and Local Government or the Welsh Government)
- Calculator for indicative interest rates and loan charges for new advances
- Application forms



**PWLB FIXED RATE LOANS
ESTIMATED REPAYMENT COSTS**

Amount of Advance: 10,000.00

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
1 year	-	0.00	0.00	-	0.00	0.00	0.00
Over 1 not over 1½	-	0.00	0.00	-	0.00	0.00	0.00
Over 1½ not over 2	0.91	2,528.50	10,114.00	0.91	2,545.50	11.38	10,113.75
Over 2 not over 2½	0.91	2,027.38	10,136.90	0.91	2,045.50	9.10	10,136.50
Over 2½ not over 3	0.92	1,693.60	10,161.60	0.92	1,712.67	7.67	10,161.00
Over 3 not over 3½	0.93	1,455.27	10,186.89	0.93	1,475.07	6.64	10,186.00
Over 3½ not over 4	0.94	1,276.58	10,212.64	0.94	1,297.00	5.88	10,211.50
Over 4 not over 4½	0.95	1,137.67	10,239.03	0.95	1,158.61	5.28	10,237.50
Over 4½ not over 5	0.96	1,026.59	10,265.90	0.96	1,048.00	4.80	10,264.00
Over 5 not over 5½	0.96	935.48	10,290.28	0.96	957.09	4.36	10,288.00
Over 5½ not over 6	0.97	859.84	10,318.08	0.97	881.83	4.04	10,315.25
Over 6 not over 6½	0.98	795.87	10,346.31	0.98	818.23	3.77	10,343.00
Over 6½ not over 7	0.99	741.09	10,375.26	0.99	763.79	3.54	10,371.25
Over 7 not over 7½	1.00	693.64	10,404.60	1.00	716.67	3.33	10,400.00
Over 7½ not over 8	1.01	652.17	10,434.72	1.01	675.50	3.16	10,429.25
Over 8 not over 8½	1.03	615.87	10,469.79	1.03	639.74	3.03	10,463.50
Over 8½ not over 9	1.04	583.40	10,501.20	1.04	607.56	2.89	10,494.00
Over 9 not over 9½	1.05	554.38	10,533.22	1.05	578.82	2.76	10,525.00
Over 9½ not over 10	1.06	528.29	10,565.80	1.06	553.00	2.65	10,556.50
Over 10 not over 10½	1.08	504.98	10,604.58	1.08	530.19	2.57	10,594.00
Over 10½ not over 11	1.09	483.58	10,638.76	1.09	509.05	2.48	10,626.75
Over 11 not over 11½	1.11	464.33	10,679.59	1.11	490.28	2.41	10,666.00
Over 11½ not over 12	1.12	446.46	10,715.04	1.12	472.67	2.33	10,700.00
Over 12 not over 12½	1.14	430.31	10,757.75	1.14	457.00	2.28	10,741.00
Over 12½ not over 13	1.16	415.46	10,801.96	1.15	442.12	2.21	10,776.25
Over 13 not over 13½	1.17	401.47	10,839.69	1.17	428.87	2.17	10,819.00
Over 13½ not over 14	1.19	388.78	10,885.84	1.19	416.64	2.13	10,862.75
Over 14 not over 14½	1.21	377.00	10,933.00	1.20	404.83	2.07	10,900.00
Over 14½ not over 15	1.22	365.78	10,973.40	1.22	394.33	2.03	10,945.50
Over 15 not over 15½	1.24	355.57	11,022.67	1.24	384.58	2.00	10,992.00
Over 15½ not over 16	1.26	346.04	11,073.28	1.26	375.50	1.97	11,039.50
Over 16 not over 16½	1.28	337.12	11,124.96	1.27	366.53	1.92	11,079.50
Over 16½ not over 17	1.30	328.76	11,177.84	1.29	358.62	1.90	11,128.75
Over 17 not over 17½	1.31	320.65	11,222.75	1.31	351.21	1.87	11,179.00
Over 17½ not over 18	1.33	313.27	11,277.72	1.33	344.28	1.85	11,230.25
Over 18 not over 18½	1.35	306.33	11,334.21	1.34	337.27	1.81	11,273.00
Over 18½ not over 19	1.37	299.79	11,392.02	1.36	331.16	1.79	11,326.00

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
Over 19 not over 19½	1.39	293.61	11,450.79	1.38	325.41	1.77	11,380.00
Over 19½ not over 20	1.41	287.78	11,511.20	1.40	320.00	1.75	11,435.00
Over 20 not over 20½	1.42	281.98	11,561.18	1.41	314.40	1.72	11,480.50
Over 20½ not over 21	1.44	276.76	11,623.92	1.43	309.60	1.70	11,537.25
Over 21 not over 21½	1.46	271.81	11,687.83	1.45	305.06	1.69	11,595.00
Over 21½ not over 22	1.48	267.11	11,752.84	1.47	300.77	1.67	11,653.75
Over 22 not over 22½	1.50	262.65	11,819.25	1.48	296.22	1.64	11,702.00
Over 22½ not over 23	1.51	258.13	11,873.98	1.50	292.39	1.63	11,762.50
Over 23 not over 23½	1.53	254.11	11,943.17	1.52	288.77	1.62	11,824.00
Over 23½ not over 24	1.55	250.28	12,013.44	1.53	284.83	1.59	11,874.25
Over 24 not over 24½	1.56	246.35	12,071.15	1.55	281.58	1.58	11,937.50
Over 24½ not over 25	1.58	242.87	12,143.50	1.56	278.00	1.56	11,989.00
Over 25 not over 25½	1.60	239.56	12,217.56	1.58	275.08	1.55	12,054.00
Over 25½ not over 26	1.61	236.12	12,278.24	1.59	271.81	1.53	12,106.75
Over 26 not over 26½	1.63	233.11	12,354.83	1.61	269.18	1.52	12,173.50
Over 26½ not over 27	1.64	229.95	12,417.30	1.62	266.19	1.50	12,227.50
Over 27 not over 27½	1.66	227.21	12,496.55	1.63	263.32	1.48	12,282.00
Over 27½ not over 28	1.67	224.29	12,560.24	1.65	261.07	1.47	12,351.25
Over 28 not over 28½	1.68	221.50	12,625.50	1.66	258.44	1.46	12,407.00
Over 28½ not over 29	1.70	219.11	12,708.38	1.67	255.91	1.44	12,463.25
Over 29 not over 29½	1.71	216.53	12,775.27	1.69	253.99	1.43	12,535.00
Over 29½ not over 30	1.72	214.05	12,843.00	1.70	251.67	1.42	12,592.50
Over 30 not over 30½	1.73	211.66	12,911.26	1.71	249.43	1.40	12,650.50
Over 30½ not over 31	1.75	209.66	12,998.92	1.72	247.29	1.39	12,709.00
Over 31 not over 31½	1.76	207.45	13,069.35	1.73	245.23	1.37	12,768.00
Over 31½ not over 32	1.77	205.33	13,141.12	1.74	243.25	1.36	12,827.50
Over 32 not over 32½	1.78	203.28	13,213.20	1.75	241.35	1.35	12,887.50
Over 32½ not over 33	1.79	201.30	13,285.80	1.76	239.52	1.33	12,948.00
Over 33 not over 33½	1.80	199.40	13,359.80	1.77	237.75	1.32	13,009.00
Over 33½ not over 34	1.81	197.56	13,434.08	1.78	236.06	1.31	13,070.50
Over 34 not over 34½	1.82	195.80	13,510.20	1.79	234.43	1.30	13,132.50
Over 34½ not over 35	1.83	194.09	13,586.30	1.80	232.86	1.29	13,195.00
Over 35 not over 35½	1.84	192.44	13,663.24	1.81	231.35	1.27	13,258.00
Over 35½ not over 36	1.84	190.55	13,719.60	1.82	229.89	1.26	13,321.50
Over 36 not over 36½	1.85	189.01	13,797.73	1.83	228.49	1.25	13,385.50
Over 36½ not over 37	1.86	187.53	13,877.22	1.83	226.64	1.24	13,431.25
Over 37 not over 37½	1.87	186.10	13,957.50	1.84	225.33	1.23	13,496.00
Over 37½ not over 38	1.87	184.41	14,015.16	1.85	224.08	1.22	13,561.25
Over 38 not over 38½	1.88	183.07	14,096.39	1.85	222.37	1.20	13,607.50
Over 38½ not over 39	1.88	181.47	14,154.66	1.86	221.21	1.19	13,673.50
Over 39 not over 39½	1.89	180.23	14,238.17	1.87	220.08	1.18	13,740.00
Over 39½ not over 40	1.90	179.02	14,321.60	1.87	218.50	1.17	13,786.75
Over 40 not over 40½	1.90	177.55	14,381.55	1.88	217.46	1.16	13,854.00
Over 40½ not over 41	1.90	176.11	14,441.02	1.88	215.95	1.15	13,901.00
Over 41 not over 41½	1.91	175.02	14,526.66	1.89	214.98	1.14	13,969.00

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
Over 41½ not over 42	1.91	173.65	14,586.60	1.89	213.55	1.13	14,016.25
Over 42 not over 42½	1.92	172.64	14,674.40	1.90	212.65	1.12	14,085.00
Over 42½ not over 43	1.92	171.34	14,735.24	1.90	211.28	1.10	14,132.50
Over 43 not over 43½	1.92	170.07	14,796.09	1.90	209.94	1.09	14,180.00
Over 43½ not over 44	1.92	168.83	14,857.04	1.91	209.14	1.09	14,249.75
Over 44 not over 44½	1.93	167.94	14,946.66	1.91	207.86	1.07	14,297.50
Over 44½ not over 45	1.93	166.76	15,008.40	1.91	206.61	1.06	14,345.25
Over 45 not over 45½	1.93	165.61	15,070.51	1.92	205.89	1.05	14,416.00
Over 45½ not over 46	1.93	164.48	15,132.16	1.92	204.70	1.04	14,464.00
Over 46 not over 46½	1.93	163.38	15,194.34	1.92	203.53	1.03	14,512.00
Over 46½ not over 47	1.93	162.31	15,257.14	1.92	202.38	1.02	14,560.00
Over 47 not over 47½	1.93	161.26	15,319.70	1.93	201.76	1.02	14,632.00
Over 47½ not over 48	1.93	160.23	15,382.08	1.93	200.67	1.01	14,680.25
Over 48 not over 48½	1.93	159.22	15,444.34	1.93	199.59	0.99	14,728.50
Over 48½ not over 49	1.93	158.24	15,507.52	1.93	198.54	0.98	14,776.75
Over 49 not over 49½	1.93	157.28	15,570.72	1.93	197.51	0.97	14,825.00
Over 49½ not over 50	1.93	156.34	15,634.00	1.93	196.50	0.97	14,873.25

Note: 1. If a borrower wishes to make a premature repayment of a loan, either in whole or in part, it should contact the Board giving full details beforehand. The Board will usually agree to accept this request but it should be noted that a premium will be payable when the interest rate on the loan to be repaid is higher than the current rate applying to the premature repayment of a loan repayable by the same method and over the same period as that remaining on the loan which it is proposed to repay. When the interest rate on the loan to be repaid is lower than the current rate applying to the premature repayment, a discount will be allowed.



United Kingdom
Debt Management
Office

**PWLB FIXED RATE LOANS
ESTIMATED REPAYMENT COSTS**

Amount of Advance: 45,000.00

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
1 year	-	0.00	0.00	-	0.00	0.00	0.00
Over 1 not over 1½	-	0.00	0.00	-	0.00	0.00	0.00
Over 1½ not over 2	0.91	11,378.26	45,513.04	0.91	11,454.75	51.19	45,511.88
Over 2 not over 2½	0.91	9,123.22	45,616.10	0.91	9,204.75	40.95	45,614.25
Over 2½ not over 3	0.92	7,621.21	45,727.26	0.92	7,707.00	34.50	45,724.50
Over 3 not over 3½	0.93	6,548.70	45,840.90	0.93	6,637.82	29.89	45,837.00
Over 3½ not over 4	0.94	5,744.62	45,956.96	0.94	5,836.50	26.44	45,951.75
Over 4 not over 4½	0.95	5,119.50	46,075.50	0.95	5,213.75	23.75	46,068.75
Over 4½ not over 5	0.96	4,619.65	46,196.50	0.96	4,716.00	21.60	46,188.00
Over 5 not over 5½	0.96	4,209.67	46,306.37	0.96	4,306.91	19.64	46,296.00
Over 5½ not over 6	0.97	3,869.27	46,431.24	0.97	3,968.25	18.19	46,418.63
Over 6 not over 6½	0.98	3,581.43	46,558.59	0.98	3,682.04	16.96	46,543.50
Over 6½ not over 7	0.99	3,334.89	46,688.46	0.99	3,437.04	15.91	46,670.63
Over 7 not over 7½	1.00	3,121.40	46,821.00	1.00	3,225.00	15.00	46,800.00
Over 7½ not over 8	1.01	2,934.75	46,956.00	1.01	3,039.75	14.20	46,931.63
Over 8 not over 8½	1.03	2,771.43	47,114.31	1.03	2,878.81	13.63	47,085.75
Over 8½ not over 9	1.04	2,625.31	47,255.58	1.04	2,734.00	13.00	47,223.00
Over 9 not over 9½	1.05	2,494.72	47,399.68	1.05	2,604.67	12.43	47,362.50
Over 9½ not over 10	1.06	2,377.31	47,546.20	1.06	2,488.50	11.93	47,504.25
Over 10 not over 10½	1.08	2,272.43	47,721.03	1.08	2,385.86	11.57	47,673.00
Over 10½ not over 11	1.09	2,176.09	47,873.98	1.09	2,290.70	11.15	47,820.38
Over 11 not over 11½	1.11	2,089.47	48,057.81	1.11	2,206.27	10.86	47,997.00
Over 11½ not over 12	1.12	2,009.06	48,217.44	1.12	2,127.00	10.50	48,150.00
Over 12 not over 12½	1.14	1,936.41	48,410.25	1.14	2,056.50	10.26	48,334.50
Over 12½ not over 13	1.16	1,869.55	48,608.30	1.15	1,989.52	9.95	48,493.13
Over 13 not over 13½	1.17	1,806.62	48,778.74	1.17	1,929.92	9.75	48,685.50
Over 13½ not over 14	1.19	1,749.50	48,986.00	1.19	1,874.89	9.56	48,882.38
Over 14 not over 14½	1.21	1,696.50	49,198.50	1.20	1,821.72	9.31	49,050.00
Over 14½ not over 15	1.22	1,645.99	49,379.70	1.22	1,774.50	9.15	49,254.75
Over 15 not over 15½	1.24	1,600.06	49,601.86	1.24	1,730.61	9.00	49,464.00
Over 15½ not over 16	1.26	1,557.17	49,829.44	1.26	1,689.75	8.86	49,677.75
Over 16 not over 16½	1.28	1,517.04	50,062.32	1.27	1,649.39	8.66	49,857.75
Over 16½ not over 17	1.30	1,479.44	50,300.96	1.29	1,613.78	8.54	50,079.38
Over 17 not over 17½	1.31	1,442.90	50,501.50	1.31	1,580.46	8.42	50,305.50
Over 17½ not over 18	1.33	1,409.72	50,749.92	1.33	1,549.25	8.31	50,536.13
Over 18 not over 18½	1.35	1,378.49	51,004.13	1.34	1,517.72	8.15	50,728.50
Over 18½ not over 19	1.37	1,349.04	51,263.52	1.36	1,490.21	8.05	50,967.00

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
Over 19 not over 19½	1.39	1,321.26	51,529.14	1.38	1,464.35	7.96	51,210.00
Over 19½ not over 20	1.41	1,295.01	51,800.40	1.40	1,440.00	7.88	51,457.50
Over 20 not over 20½	1.42	1,268.92	52,025.72	1.41	1,414.81	7.74	51,662.25
Over 20½ not over 21	1.44	1,245.40	52,306.80	1.43	1,393.18	7.66	51,917.63
Over 21 not over 21½	1.46	1,223.12	52,594.16	1.45	1,372.76	7.59	52,177.50
Over 21½ not over 22	1.48	1,201.99	52,887.56	1.47	1,353.48	7.52	52,441.88
Over 22 not over 22½	1.50	1,181.93	53,186.85	1.48	1,333.00	7.40	52,659.00
Over 22½ not over 23	1.51	1,161.60	53,433.60	1.50	1,315.76	7.34	52,931.25
Over 23 not over 23½	1.53	1,143.48	53,743.56	1.52	1,299.45	7.28	53,208.00
Over 23½ not over 24	1.55	1,126.25	54,060.00	1.53	1,281.75	7.17	53,434.13
Over 24 not over 24½	1.56	1,108.55	54,318.95	1.55	1,267.12	7.12	53,718.75
Over 24½ not over 25	1.58	1,092.93	54,646.50	1.56	1,251.00	7.02	53,950.50
Over 25 not over 25½	1.60	1,078.04	54,980.04	1.58	1,237.85	6.97	54,243.00
Over 25½ not over 26	1.61	1,062.54	55,252.08	1.59	1,223.13	6.88	54,480.38
Over 26 not over 26½	1.63	1,048.99	55,596.47	1.61	1,211.31	6.83	54,780.75
Over 26½ not over 27	1.64	1,034.76	55,877.04	1.62	1,197.83	6.75	55,023.75
Over 27 not over 27½	1.66	1,022.42	56,233.10	1.63	1,184.93	6.67	55,269.00
Over 27½ not over 28	1.67	1,009.33	56,522.48	1.65	1,174.82	6.63	55,580.63
Over 28 not over 28½	1.68	996.75	56,814.75	1.66	1,162.97	6.55	55,831.50
Over 28½ not over 29	1.70	985.99	57,187.42	1.67	1,151.61	6.48	56,084.63
Over 29 not over 29½	1.71	974.38	57,488.42	1.69	1,142.96	6.44	56,407.50
Over 29½ not over 30	1.72	963.22	57,793.20	1.70	1,132.50	6.38	56,666.25
Over 30 not over 30½	1.73	952.48	58,101.28	1.71	1,122.45	6.31	56,927.25
Over 30½ not over 31	1.75	943.49	58,496.38	1.72	1,112.81	6.24	57,190.50
Over 31 not over 31½	1.76	933.55	58,813.65	1.73	1,103.54	6.18	57,456.00
Over 31½ not over 32	1.77	923.97	59,134.08	1.74	1,094.63	6.12	57,723.75
Over 32 not over 32½	1.78	914.75	59,458.75	1.75	1,086.06	6.06	57,993.75
Over 32½ not over 33	1.79	905.86	59,786.76	1.76	1,077.82	6.00	58,266.00
Over 33 not over 33½	1.80	897.30	60,119.10	1.77	1,069.89	5.94	58,540.50
Over 33½ not over 34	1.81	889.04	60,454.72	1.78	1,062.26	5.89	58,817.25
Over 34 not over 34½	1.82	881.08	60,794.52	1.79	1,054.92	5.84	59,096.25
Over 34½ not over 35	1.83	873.40	61,138.00	1.80	1,047.86	5.79	59,377.50
Over 35 not over 35½	1.84	865.99	61,485.29	1.81	1,041.05	5.74	59,661.00
Over 35½ not over 36	1.84	857.46	61,737.12	1.82	1,034.50	5.69	59,946.75
Over 36 not over 36½	1.85	850.55	62,090.15	1.83	1,028.19	5.64	60,234.75
Over 36½ not over 37	1.86	843.89	62,447.86	1.83	1,019.86	5.56	60,440.63
Over 37 not over 37½	1.87	837.45	62,808.75	1.84	1,014.00	5.52	60,732.00
Over 37½ not over 38	1.87	829.84	63,067.84	1.85	1,008.36	5.48	61,025.63
Over 38 not over 38½	1.88	823.84	63,435.68	1.85	1,000.67	5.41	61,233.75
Over 38½ not over 39	1.88	816.63	63,697.14	1.86	995.42	5.37	61,530.75
Over 39 not over 39½	1.89	811.02	64,070.58	1.87	990.37	5.33	61,830.00
Over 39½ not over 40	1.90	805.61	64,448.80	1.87	983.25	5.26	62,040.38
Over 40 not over 40½	1.90	798.96	64,715.76	1.88	978.56	5.22	62,343.00
Over 40½ not over 41	1.90	792.48	64,983.36	1.88	971.78	5.16	62,554.50
Over 41 not over 41½	1.91	787.59	65,369.97	1.89	967.42	5.12	62,860.50

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
Over 41½ not over 42	1.91	781.44	65,640.96	1.89	960.96	5.06	63,073.13
Over 42 not over 42½	1.92	776.87	66,033.95	1.90	956.91	5.03	63,382.50
Over 42½ not over 43	1.92	771.02	66,307.72	1.90	950.76	4.97	63,596.25
Over 43 not over 43½	1.92	765.30	66,581.10	1.90	944.74	4.91	63,810.00
Over 43½ not over 44	1.92	759.73	66,856.24	1.91	941.11	4.88	64,123.88
Over 44 not over 44½	1.93	755.74	67,260.86	1.91	935.37	4.83	64,338.75
Over 44½ not over 45	1.93	750.43	67,538.70	1.91	929.75	4.78	64,553.63
Over 45 not over 45½	1.93	745.24	67,816.84	1.92	926.51	4.75	64,872.00
Over 45½ not over 46	1.93	740.18	68,096.56	1.92	921.13	4.70	65,088.00
Over 46 not over 46½	1.93	735.23	68,376.39	1.92	915.87	4.65	65,304.00
Over 46½ not over 47	1.93	730.39	68,656.66	1.92	910.72	4.60	65,520.00
Over 47 not over 47½	1.93	725.66	68,937.70	1.93	907.93	4.57	65,844.00
Over 47½ not over 48	1.93	721.03	69,218.88	1.93	903.00	4.52	66,061.13
Over 48 not over 48½	1.93	716.51	69,501.47	1.93	898.17	4.48	66,278.25
Over 48½ not over 49	1.93	712.09	69,784.82	1.93	893.43	4.43	66,495.38
Over 49 not over 49½	1.93	707.76	70,068.24	1.93	888.80	4.39	66,712.50
Over 49½ not over 50	1.93	703.52	70,352.00	1.93	884.25	4.34	66,929.63

Note: 1. If a borrower wishes to make a premature repayment of a loan, either in whole or in part, it should contact the Board giving full details beforehand. The Board will usually agree to accept this request but it should be noted that a premium will be payable when the interest rate on the loan to be repaid is higher than the current rate applying to the premature repayment of a loan repayable by the same method and over the same period as that remaining on the loan which it is proposed to repay. When the interest rate on the loan to be repaid is lower than the current rate applying to the premature repayment, a discount will be allowed.