

**To: Chief Financial Officer  
of local authorities in  
England, Wales and Scotland**

**Circular No. 145**

**22 June 2010**

**LENDING ARRANGEMENTS: ADDITIONAL QUESTION TO APPLICANTS**

As provided in Circular 144, a local authority applying for a loan is asked the following questions:

- Is your authority complying with the appropriate requirements of the Board's current circulars?
- Is this application within the relevant legislation and your council's borrowing powers?

The authority is also asked for its Authorised Limit for Borrowing and Headroom.

In response to the Budget today, and from the date of this circular, applicants will be asked a further question:

- By when does the Director of Finance expect the loan to be entirely applied to expenditure?

The answer should be expressed in terms of the number of months from the point of application. The response to this question should be agreed in advance with the responsible finance officer.

This information will support the Coalition Government's plans to ensure that taxpayers' money is being spent responsibly and transparently and support efforts to tackle the structural deficit by improving forecasting of the timing of local authority borrowing and spending. This is particularly important given that the PWLB is effectively on-lending monies borrowed by central government.

The answer to the additional question will be recorded for monitoring purposes and included in the letter confirming the terms of the loan agreement.

**Mark Frankel  
Secretary**