

TOLLER PORCORUM PARISH COUNCIL

Full Parish Council Meeting | Wednesday 8 July 2026

Appendix E – PWLB Loan

Prepared by Clare Smith, clerk/RFO

Minute reference: 26/07-7.iv

The Public Works Loan Board (PWLB) lending facility from government provides loans to local authorities and other specified bodies. Loans can be used to finance capital payments; non-recurring cash outflows for capital expenditure, such as buying or upgrading long-term assets like buildings. TPPC is investigating a PWLB loan to support the repair of the church roof through the Church for Future Generations project.

Repayment

Fixed rate loans are recommended to enable the council to budget correctly for the length of any loan. Budgeting for a variable rate loan will always be a best guess.

Fixed rate loans have three repayment options:

- **Annuity:** fixed half-yearly payments of equal amounts of loan and interest
- **Equal Instalments of Principal (EIP):** equal half-yearly instalments of loan and diminishing interest on the balance
- **Maturity:** half-yearly payments of interest only with a single repayment of loan at the end of the term – not recommended

Fees

For every £1,000: 35p for fixed rate loans, 45p for variable rate loans with minimum fee of £25. Each of the loans below would incur a £25 fee which would be deducted from any loan.

Borrowing approval

Has to be sought from the Ministry of Housing, Communities and Local Government (MHCLG) before a loan can be applied for. DAPTC ensures forms and supporting documents are in order and submits the request on behalf of council. Approval can take 1 – 4 months.

Supporting documents:

- Community Engagement Evidence – vital to demonstrate residents have been consulted and support a loan and its purpose when repayment is through increase in the precept
- Financial and Business Case – including costings and repayment schedules, justification for the precept increase and its sustainability and a risk analysis and contingency planning
- Council Approval - formal approval by the full council is mandatory

If borrowing approval is granted it can be held until TPPC is ready to apply for the loan.

Application process

Made to the UK Debt Management Office (DMO) using relevant form and providing required details at least two weeks before loan is required.

TOLLER PORCORUM PARISH COUNCIL

Full Parish Council Meeting | Wednesday 8 July 2026

Once checks are completed the DMO will notify the clerk and final terms of the loan will be agreed including rate of interest and date of advance.

Other considerations

Receiving borrowing approval entails a lot of work and DAPTC have advised that increased hours will be required for the clerk, leading to increased staff costs.

Loan amounts to be considered

(Interest rate, repayment and total costs use estimates from the DMO. Impact on precept and Band D figures are estimates by the clerk)

£5,000 loan

Annuity					
Repayment period	Interest rate %	Annual repayment	Total cost	Impact on current precept %	Impact on current Band D
5 years	5.32	£1,152.06	£5,760.30	10.85	£6.45
10 years	5.53	£657.64	£6,576.40	6.20	£3.68
15 years	5.80	£503.62	£7,554.30	4.74	£2.82
20 years	6.08	£435.42	£8,708.40	4.10	£2.44

EIP							
Repayment period	Interest rate %	1st annual repayment	Total cost	Impact on current precept %	Impact on current Band D £	Impact on current precept at end of repayment period £/%	
5 years	5.31	£1,252.22	£5,730.13	11.80	£7.01	£1,039.74	9.80
10 years	5.49	£767.64	£6,441.13	7.23	£4.30	£520.68	4.91
15 years	5.72	£614.57	£7,216.50	5.79	£3.44	£347.45	3.27
20 years	5.95	£543.78	£8,049.38	5.12	£3.04	£261.06	2.46

£10,000 loan

Annuity					
Repayment period	Interest rate %	Annual repayment	Total cost	Impact on current precept %	Impact on current Band D
5 years	5.32	£2,304.10	£11,520.50	21.71	£12.89
10 years	5.53	£1,315.28	£13,152.80	12.39	£7.36
15 years	5.80	£1,007.24	£15,108.60	9.49	£5.64
20 years	6.08	£870.86	£17,417.20	8.20	£4.87

EIP							
Repayment period	Interest rate %	1st annual repayment	Total cost	Impact on current precept %	Impact on current Band D £	Impact on current precept at end of repayment period £/%	
5 years	5.31	£2,504.45	£11,460.25	23.59	£14.02	£2,079.65	19.59

TOLLER PORCORUM PARISH COUNCIL

Full Parish Council Meeting | Wednesday 8 July 2026

10 years	5.49	£1,535.27	£12,882.25	14.46	£8.59	£1,040.99	9.81
15 years	5.72	£1,229.13	£14,433.00	11.58	£6.88	£695.45	6.55
20 years	5.95	£1,087.56	£16,098.75	10.25	£6.09	£522.12	4.92

£15,000 loan

Annuity					
Repayment period	Interest rate %	Annual repayment	Total cost	Impact on current precept %	Impact on current Band D
5 years	5.32	£3,456.16	£17,280.80	32.56	£19.34
10 years	5.53	£1,972.92	£19,729.20	18.59	£11.04
15 years	5.80	£1,510.86	£22,662.90	14.23	£8.46
20 years	6.08	£1,306.28	£26,125.60	12.31	£7.31

EIP							
Repayment period	Interest rate %	1st annual repayment	Total cost	Impact on current precept %	Impact on current Band D	Impact on current precept at end of repayment period £/%	
5 years	5.31	£3,756.67	£17,190.38	35.39	£21.02	£3,119.39	29.39
10 years	5.49	£2,302.91	£19,323.38	21.69	£12.89	£1,561.67	14.71
15 years	5.72	£1,843.70	£21,649.50	17.37	£10.32	£1,042.90	9.82
20 years	5.95	£1,631.34	£24,148.13	15.37	£9.13	£783.18	7.38

£20,000 loan

Annuity					
Repayment period	Interest rate %	Annual repayment	Total cost	Impact on current precept %	Impact on current Band D
5 years	5.32	£4,608.22	£23,041.10	43.41	£25.79
10 years	5.53	£2,630.56	£26,305.60	24.78	£14.72
15 years	5.80	£2,014.48	£30,217.20	18.98	£11.27
20 years	6.08	£1,741.70	£34,834.00	16.41	£9.75

EIP							
Repayment period	Interest rate %	1st annual repayment	Total cost	Impact on current precept %	Impact on current Band D	Impact on current precept at end of repayment period £/%	
5 years	5.31	£5,008.90	£22,920.50	47.19	£28.03	£4,159.30	39.18
10 years	5.49	£3,070.55	£25,764.50	28.93	£17.18	£2,082.35	19.62
15 years	5.72	£2,458.27	£28,866.00	23.16	£13.76	£1,390.35	13.10
20 years	5.95	£2,175.12	£32,197.50	20.49	£12.17	£1,044.24	9.84