



United Kingdom
Debt Management
Office

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www.dmo.gov.uk

Sent by email to request-659742-650f4b02@whatdotheyknow.com

5 May 2020

Dear Ms Mairey,

Response to your Freedom of Information (FOI) request:

Thank you for your email of 18 April 2020. You have requested the following information under the Freedom of Information Act 2000:

I would be grateful if you could please tell me all the loans that Lambeth Council has with the Public Works Loan Board.

Please could you tell me the dates, the amounts, and interest rates, and for what purpose.

The UK Debt Management Office (DMO) holds some of the information you have requested.

It may be helpful to provide some background in order to explain in more detail the role of the PWLB lending facility. 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 for capital projects.

HM Treasury is 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.

Major local authorities (e.g. metropolitan, borough, county, city and combined authorities) may take out PWLB loans. Since 2004, under the prudential regime, major local authorities are responsible for their own financial decision making. They are free to finance capital projects by borrowing, provided they can afford to service their debts out of their revenues. In deciding how much debt is affordable, major local authorities are required by law to "have regard" to the Prudential Code, published by the Chartered Institute of Public Finance and Accountancy (CIPFA), but have discretion to decide how to fulfil this statutory requirement.

Decisions over which capital projects to pursue and whether to borrow for these investments are the responsibility of the elected Council of each local authority, who are accountable to their electorates. Local authorities are free to borrow so long as the finance director is satisfied that they are acting in line with statute and can afford to repay the loan. The PWLB is a non-discretionary lender:

it does not ask the purpose of a loan, as this would duplicate the decision-making structures of the individual local authorities.

The list of loans outstanding for all local authorities as at 31 March 2020 (including Lambeth Council) is available on the DMO's website in a downloadable spreadsheet via the following link.

The data is available under the heading Year End Values.

<https://dmo.gov.uk/responsibilities/local-authority-lending/current-data/>

Yours sincerely

Records Management Service

D 020 7862 6528

E RecordsManagementService@dmo.gov.uk

Your Rights to Complain under the FOI Act

If you are not content with the service you have received in relation to your request and wish to make a complaint or request a review of our decision, you should write within two months of the date of this letter to the Records Management Service, UK Debt Management Office, Eastcheap Court, 11 Philpot Lane, London EC3M 8UD or email: recordsmanagementservice@dmo.gov.uk.

If you are not content with the outcome of your complaint, you may apply directly to the Information Commissioner for a decision. Generally, the ICO cannot make a decision unless you have exhausted the complaints procedure provided by the DMO. The Information Commissioner can be contacted:

Online at <https://ico.org.uk/make-a-complaint/>

By email at casework@ico.org.uk

By post at The Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF

By Telephone on 0303 123 1113

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