

# Public Works Loan Board: Final report

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1 April 2019 – 24 February 2020

March 2020



# Public Works Loan Board

## Final Report

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Works Loan  
Commissioners) Order  
2020



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# Foreword

We would like to express our sincere appreciation to all Public Works Loan Commissioners<sup>1</sup> for their commitment and support throughout their terms. The successes of the PWLB would not have been possible without their valued contribution.

**HM Treasury**

March 2020

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<sup>1</sup> See annex for list of the Commissioners in post during 1 April 2019 – 24 February 2020.



## Introduction

- 1.1 The Public Works Loan Board (the “Board”) has been the main lender to local authorities through the provision of PWLB loans. These loans play an essential role in the local government finance system and support local authorities in delivering good value-for-money services to their constituents.
- 1.2 Monies for PWLB loans are provided for by Act of Parliament and drawn from the National Loans Fund (NLF). The NLF is HM Government’s main borrowing and lending account and is administered by HM Treasury.
- 1.3 Historically the Board existed in law as a body of Loan Commissioners, who were independent of HM Treasury and provide PWLB loans to local authorities. The loans were administered by the UK Debt Management Office (DMO) on their behalf.
- 1.4 Following a review of the role of the Commissioners in 2014, the Government consulted on abolishing the Board and transferring its function to another entity in May 2016. The results of this consultation were published in November 2016, concluding that the Board should be abolished, and its powers transferred to HM Treasury under the Public Bodies Act 2011.
- 1.5 Subsequently, on 25 February 2020, the Board of Commissioners was abolished under the Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020. This report provides the requisite statements for the period since 31 March 2019, when the Board published their latest annual report, under section 5(3) of the Public Works Loans Act 1875.

## Financial Summary

- 1.6 Between 1 April 2019 – 24 February 2020, the Board continued to provide cost-effective lending to local authorities, meeting their requirements in terms of amounts, timing and duration of borrowing.
- 1.7 The Board offered both fixed and variable rate PWLB loans during the period, at rates calculated by the UK Debt Management Office (DMO) using the methodology specified by HM Treasury. The Board also continued to offer PWLB loans at concessionary rates to eligible local authorities as specified by HM Treasury.
- 1.8 The audited annual report and accounts for PWLB lending during the entire 2019/20 financial year will be published in summer 2020.
- 1.9 Below is an overview of the period 1 April 2019 – 24 February 2020 as stipulated under article 6 of The Public Bodies (Abolition of Public Works Loan Commissioners) Order 2020:

- a) monies issued to the Commissioners:

Cash advanced<sup>2</sup> between 1 Apr 2019 – 24 Feb 2020 was £7,141 million.

- b) loans granted by the Commissioners:

Loans<sup>3</sup> agreed between 1 Apr 2019 – 24 Feb 2020 was £6,846 million.

Note: the difference between (a) and (b) is due to a 2-day processing period for loans, meaning some loans were agreed before 1 April 2019, but advanced on 1 or 2 April 2019.

- c) the execution of the duties of the Commissioners

Historically the statutory role of the Commissioners was to consider loan applications from local authorities and other prescribed bodies. However, this has not been the case since 2004, following the introduction of the Prudential Code, which devolved borrowing decisions to Local Authorities. Where loans were made, it was the statutory requirement for the Commissioners to collect the repayments.

The Commissioners had delegated responsibility for authorising loans and collecting due payments to the Secretary. The Secretary is an employee of the DMO and the day-to-day operations of the PWLB have been fully integrated within the operations of the DMO.

The governance of the PWLB lending function has now transferred to HM Treasury. The facility continues to operate as before, administered by the DMO, and the Public Works Loans Secretary will provide regular reports to HM Treasury of lending activity.

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<sup>2</sup> the movement of funds between the Exchequer and the Board to fund the advances made by the Commissioners.

<sup>3</sup> the total advances granted/agreed by the Commissioners but not necessarily made during the period.

- d) any difference that may have arisen between the Commissioners and any public department respecting the grant of any loan or the construction of any Act relating to the loans by the Commissioners:

We can confirm that no differences arose between the Commissioners and any department in respect of the above.

- e) any other particulars as the Treasury may think fit:

The repayments collected by the PWLB between 1 Apr 2019 – 24 Feb 2020 was £4,439 million. This includes all cash collected including repayments of principal, interest and premium payments.

## Annex

### Commissioners of the Public Works Loan Board at Abolition

Appointment began

2009	Mr John CAMPBELL (Chair)
2010	Mrs Maureen WELLEN (Deputy Chair)
2009	Mr Richard GIBSON
2013	Mr Mike WEAVER
2015	Mrs Joanne FINTZEN
2015	Mr Robin PADDOCK

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