

16th February 2024

Dear

ATISN 20211 – Town and community council borrowing

Further to my letter dated 15th February 2024, please see below the answers to your request.

- 1) Is Wales Government the controlling Authority on whether Welsh Town and Community Councils can borrow money?

Yes. Town and community councils cannot borrow money without the formal consent of the Welsh ministers unless it is borrowed and repaid within the same financial year.

- 2) Does Wales Government hold guidelines on borrowing by Wales' Town and Community Councils?

Yes. Please see point 3.

- 3) If so, are the guidelines available to peruse on the internet and if so can I have a LINK?

Guidelines can be found on the internet at the following link:

[Borrowing approvals: guidance for community and town councils | GOV.WALES](#)

- 4) If not on the web, can I have a hard copy?

N/A.

- 5) If so, has Wales Government had a request from MAWR Community Council in Swansea to borrow money?

Welsh Government has not received an application from Mawr Community Council for a borrowing approval.

- 6) If so, how much and for what?

N/A

- 7) If so, what would be the source of such money e.g. Bank Loan or what, and at what interest if fixed, and if not fixed what current rate of interest at present?

The source of the loan and the interest rate are matters for the members of the council to discuss and agree. The Public Works Loan Board is the usual lender.

- 8) If so, does a borrowing Town and Community Council have to give full costed details of what the loan is needed for?

Welsh Government requires a business plan to support the borrowing approval application. The criteria for information to be included in the business plan is detailed in the guidance found in the link above and the plan should be proportionate to the amount borrowed.

- 9) If a request has been received from Mawr Community Council in Swansea could I have approximate details of what it is for?

N/A

- 10) If so, would Wales Auditor and its Unitary Authority be involved?

The town or community council may be required to apply to the unitary authority for planning permission.

Audit Wales is not involved at the borrowing approval application stage, but evidence of the borrowing approval may be required at audit.

I trust that this answers your questions, however if you require any further information please do not hesitate to contact me.

Yours sincerely