



Department for
Communities and
Local Government

Susan Thornton-Bjork
Town Hall
Melbourn Street
Royston
Herts SG8 7DA

Our Ref:
SRP 5/23/05 Application 2014-15 (12)

12 May 2014

Dear Mrs Thornton-Bjork

BORROWING APPROVAL

1. I am directed by the Secretary of State to notify you that, in pursuance of his powers under paragraph 2(2) of Schedule 1 to the Local Government Act 2003, the purchase of the Market Place, is approved by him as a purpose for which Royston Town Council, "the Council", may borrow an amount not exceeding £300,000.

2. Please note that this borrowing approval authorises the Council to borrow funds up to a specified amount. However, the Council should note that this borrowing approval does not itself confer power on the Council to incur the planned expenditure. The Council will need to satisfy itself that it does have the appropriate power before the expenditure is incurred.

3. When deciding whether to apply for borrowing in line with this approval, the council should be aware that Ministers have decided that council tax referendum principles will not be set in respect of parish councils for 2014-15. However, they have made it clear that the decision in respect of council tax referendum principles for local councils in 2015-16 will take account of the extent to which councils' restraint in relation to council tax in 2014-15 has been exercised.

4. If council tax referendum principles were to be applied to parish councils for 2015-16, all council tax precepts would be considered against the "excessiveness principles" determined by the Secretary of State. Councils with precept increases which exceeded the principles would be required to hold a referendum to seek the approval of local electors; the result of the referendum would be binding. Councils would be responsible for meeting the costs of any referendum.

5. It should be noted that a precept increase which was attributable to this borrowing approval would not be excluded from consideration under council tax referendum principles.

6. This approval is given subject to the following conditions, and any borrowing by the Council in breach of any of these conditions will not be authorised by this approval:

- (a) the Council may borrow only for the purpose specified in paragraph 1 above;
- (b) borrowing under the authority of this approval must be undertaken within the period of the approval. The approval is valid for one year from the date given above;
- (c) any borrowing by the Council after the end of the period of the approval will not be authorised by this approval;
- (d) in a case where a loan agreement imposes on the Council an immediately binding obligation to borrow money at some future date, the Council will draw down the borrowed funds before the end of the period of the approval;
- (e) where the Council borrows any money in reliance on this approval, it will notify the Department for Communities and Local Government (DCLG) of the date of the loan and the amount borrowed, as soon as is reasonably practicable;
- (f) where the Council has not undertaken any borrowing and does not intend to undertake any borrowing, in reliance on this approval, the Council is requested to notify DCLG as soon as is reasonably practicable.

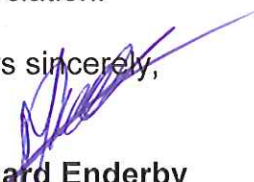
7. In exercise of his powers under paragraph 5 of Schedule 1 to the Local Government Act 2003, the Secretary of State consents to any period determined by the Council as the period within which the money borrowed in reliance on this approval is to be repaid, provided that the period is not greater than 50 years, starting on the date on which the money is borrowed.

8. Advice on the sources and methods of finance available, and a guidance leaflet about the borrowing approval system, may be obtained from your local County Association. Councils intending to borrow from the Public Works Loan Board (PWLB) should visit the Board's website in the first instance www.pwlb.gov.uk. PWLB may be contacted on 0207 862 6610 or e-mailed at pwlb@dmo.gsi.gov.uk.

9. The contact at this office for any enquiries is Midi Zeroual on 0303 444 2838 or e-mail to parish.borrowing@communities.gsi.gov.uk.

10. I am copying this letter to the Chair of the Council and to your local County Association.

Yours sincerely,


Richard Enderby
Strategy, Revenue and Capital Division