



# PUBLIC WORKS LOAN BOARD

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To the Chief Financial Officer  
of local authorities in  
England, Wales and Scotland

**CIRCULAR NO. 126**

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## QUOTAS FOR 2002 - 2003

1. The Public Works Loan Commissioners have decided that the quota levels in respect of the financial year 2002-2003 will be the same as those for 2001-2002. The quota formula will continue to provide some incentive to local authorities to apply their set aside provisions to meet credit liabilities, in line with Government intentions.
2. The quota entitlement for each authority will therefore be:
  - for authorities in England and Wales, the sum of  
Basic and Supplementary Approvals used in 2002-2003  
and  
Repayments of principal due in 2002-2003 on loans borrowed from the Board;
  - for authorities in Scotland, the sum of  
Capital Consent Allocations used in 2002-2003  
and  
Repayments of principal due in 2002-2003 on loans borrowed from the Board  
less  
Scheduled debt amortisation

The quota will be reduced to the extent, if any, that an overdrawn has occurred in a preceding year and has not been fully adjusted
3. Quota loans will continue to be made available at either 'Lower' or 'Higher' rates dependent, in England and Wales, on the level of an authority's unapplied provision to meet credit liabilities and, in Scotland, the amount of an authority's unapplied capital receipts.
4. Authorities are encouraged to approach the Board if they consider they have a requirement not provided for within the quota entitlement.
5. The Commissioners will continue to be prepared to consider making loans in addition to the quota entitlement, where they deem it appropriate, in support of the Government's stated policy that the great majority of local authorities requirements for borrowing should be met by the Board, including loans for the replacement of market debt and or short term borrowings.
6. Enquiries relating to this circular may be made to 020 7270 3876.