

5. Public Works Loan Board

This option enables a parish council to access a loan to buy a pub and pay for any related improvements required at the time of purchase. The pub will then become an asset of the council and will be subject to the rules and conditions of ownership of that local authority.

In most instances this process will follow after the community registers the pub as a 'community asset' under the 'Right to Buy' legislation. The same process can be used to buy other local community assets such as a local shop.

A business plan is required to show that the loan is repayable from the proceeds of the business the business can be run by the parish council directly or rented/leased to an independent operator under a suitable contract.

The application will also require documented evidence that open meetings have been carried out to gain local residents' approval and support. From this, a working group can be created to work on the Business Plan and application process (which differs for each authority). The parish council cannot apply without the overall support of the residents in the community.

No interest payments can be made in year one of the loan. Any additional non recoverable costs to carry out due diligence, surveyor or legal costs must be borne by the parish council's own funds.

- This is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury.
- Nearly all borrowers are local authorities requiring loans for capital purposes.
- No registration at Companies House or elsewhere.
- Not an entity in its own right and therefore no corporation tax or VAT.
- There are no shareholding rules.
- The vehicle used to obtain the pub will make loan repayments to the PWLB. It would be anticipated that any interest on the loan will be an allowable expense if the entity pays corporation tax.

An example of a
community group operating
under this model is

The Dolphin,
Main Street, Bishampton, Nr. Pershore,
Worcestershire, WR10 2LX

01386 462343

contact@thedolphinbishampton.co.uk
www.thedolphinbishampton.co.uk

