

**NOTICE OF PUBLIC MEETING.
To all Residents of the Parish of Willersey.**

Notice is hereby given of a Public Meeting to be held in The Village Hall on Friday 17th January 2020 at 7.30pm.

The purpose of the meeting is to discuss and vote on a proposition by the Parish Council to ask the Public Works Loan Board for a long term loan. The purpose of the loan is to enable the Parish Council to help the Village Hall Committee by carrying out urgently needed refurbishments to the Hall.

The Parish Council has received a £60k contribution for these works from Newlands Homes, with a further £40k promised at some time in the future from Blue Cedar Homes once they have sold 50% of their open to market properties on the Broadway Road. The Parish Council have also applied for grants from the Cotswold District Council and the National Lottery Awards for All; the results of these grant applications are not yet known. In order to make up the shortfall in the project funding the Parish Council intend taking out the loan and financing it by an increase in council tax.

The following is formal notice of the meeting.

Notice to Residents.

At the Willersey Parish Council meetings on 10th December 2019 and 16th December, it was RESOLVED to seek the approval of the Secretary of State for Housing, Communities & Local Government to apply for a PWLB loan of up to £252000 over the borrowing term of 35 years for the redevelopment of the Village Hall. The annual loan repayments will come to around £11981.

It is also intended to increase the council tax precept for the purpose of the loan repayments by up to 98% which is the equivalent of an extra £25.46 per year. This will be subject to a council tax precept increase consultation.

If you have any views or opinions you wish to feed in, please contact the Parish Council direct, otherwise there will be a meeting, open to all residents on Friday 17th January at 7.30pm in the Village Hall to discuss and vote on the matter which will be decided by a simple majority.

Email;- willerseyparishcouncil@btinternet.com

Willersey Parish Council. 16th December 2019

VILLAGE HALL REDEVELOPMENT CASE

Introduction

The Council is being asked to approve a resolution to finance the refurbishment of the village hall using a combination of S106 receipts from recent housing developments by Newlands and Blue Cedar, and a loan from the PWLB financed by an increase in the precept.

The Need

The hall was built in 1968 in a matter of 10 weeks, and is a wooden frame building with a metal roof, wooden cladding and no insulation. An architect's survey in 2016 showed that it now needs serious remedial works.

These works will cost approx. £332k, and raising such a sum is beyond the ability of the village hall committee which has the management responsibility for the hall. Only the Parish Council (PC) has the ability to take out a loan and thus finance the project.

The hall is the centre of the village community and its accounts show that it is rented out for 900 hours per year which means there is at least one activity in the hall every day with over 25 different organizations making use of its facilities. Its continuing use is fundamental to village life and after 50 years of use, its refurbishment falls to this generation to organize.

A growing population in Willersey, 16% increase in dwellings last year, means that the hall is no longer of sufficient size to accommodate popular events. The project therefore allows for the removal of the stage and its replacement with a movable version and storage area thus increasing the usable hall size by 20%.

The population of Willersey is 850 of whom 36% are over the age of 65 (compared with a national average of 18%) and thus more likely to use the village hall and also more likely to suffer from mobility issues. The project allows for improvements to disability access with ramps and handrails to meet the latest national standards.

Letters of support for the refurbishment have been received from numerous village organizations including the WI, the Snooker Club and importantly the Village School which has no hall of its own and regularly uses the village hall for assemblies and indoor sports.

Consultation

The renovation project originated from the Village Hall Management Committee (VHC) which is made up of representatives of 9 village organizations plus 3 others and has the support of those organizations. The VHC developed the project to the stage where planning permission was obtained and a well attended open day was held in May 2018 to display the plans to residents and start a fund raising effort and the project was advertised on the parish website

At the end of the year it was apparent that with a village population of around 900 it would be impossible to reach the target and therefore the VHC approached the Parish Council (PC) for support. The PC established a working group of councillors and members of the VHC to define the details of the project and this working group has informed the PC who have managed the project forward.

Timing

The reasons for undertaking the project now are :

- The hall suffers from a total lack of insulation. CDC have declared a climate emergency which means that they are more likely to look favorably on grant applications addressing the issue.
- The money from Newlands must be used within the next 4 years or be repaid.
- Interest rates are currently low and the loan can be taken out with a fixed interest rate over the lifetime of the loan.
- An Easter start date allows for construction during the summer months which is helpful since the roof will be removed.
- The hall continues to deteriorate and the sooner refurbishment occurs the sooner residents can benefit.
- Running costs of the hall will reduce as a result of investment in insulation and energy saving measures.
- The precept for the coming financial year is set in January.

Benefits

- The project will result in a village hall that is compatible with modern standards.
- Remedying the lack of insulation will result in a reduction in greenhouse gas emissions and a warmer space for users.
- The improvements in disability access will benefit the 36% of village residents categorized as elderly.
- Ongoing maintenance and running costs will be significantly reduced and new activities will be possible.
- The removable stage will give a greater space and capacity which is of particular use to the village school.

More importantly the hall will be able to continue its role as the centre of the village community for the next 35 years without requiring major repair.

Legal & VAT Position

The Parish Council is the sole custodian trustee of the Village Hall. There is a separate Village Hall Management Committee (VHC) to whom all management issues of the hall have been delegated and which is established as a separate registered charity submitting accounts annually to the Charity Commission. These arrangements were made in 1968 and approved by the Ministry of Local Government.

This means that the sole function of the PC is to hold the title to the deeds of the property in trust on behalf of the residents of Willersey. Should it ever be decided to dispose of the property then it would require the consent of both the VHC and the PC who would sign the relevant documents.

Because of this clear separation of responsibilities HMRC have decreed that the PC may reclaim VAT on works for the village hall that are funded solely by the PC and then gifted to the VHC without expectation of anything in return.

Legal advice, confirmed by extensive correspondence with HMRC has confirmed that VAT can be recovered by the Parish Council (PC) as Custodian Trustee for construction related capital costs only, but not by the Village Hall Committee (VHC), resulting in a 20% reduction in project costs. However, this is conditional upon the required funding being supplied by the PC and not the VHC. If the VHC were to pass its reserves to the PC for use then this would be classified as tax evasion. Therefore, the VHC will use its reserves to pay for fixtures and fittings once the project is completed.

Finance

The services of a Quantity Surveyor have been retained and the project has been through a tender process with 7 potential contractors. These have been assessed against criteria of value and quality utilizing advice from the Architect and the QS.

The total project cost is £332k. Of this £60k has been received as a result of the Newlands development and there is the potential for grants of £20k to be confirmed within the next 3 months and the certainty of £40k from the Blue Cedar development but at an indeterminate time in the future.

An advance from the Parish Council reserves has been incorporated which will be repaid when grants or the Blue Cedar contribution has been received. It has not been deemed prudent to start the project without the total sum required being in place but if funds are received which are additional to those budgeted then the PWLB loan can be reduced.

As a result, the total borrowing requirement is £252k.

Numerous organizations have been assessed as sources of grants and applications were made to Cotswold DC & the National Lottery Awards for All.

The Council will apply for a loan of £252k over 35 years. Interest payments will be £10k pa and the precept will need to rise by £25 for the duration of the loan to £53pa.

The project budget & cash flow forecast are attached.

Loan

A loan taken from the Public Works Loan Board is only granted after a detailed and rigorous assessment process. This process focuses on the ability of the Parish Council to repay the loan and also continue its normal activities. It is also necessary to demonstrate that the project has been well publicized and that there is public support.

The loan can be likened to a mortgage in that the benefit of the property can be enjoyed whilst the loan is being repaid. The term of the loan is 35 years which is a conservative estimate of the future life of the hall given by the architect and the interest rate is 3.3%. Repayments will be made under the annuity method which means that the same amount will be repaid each year for 35 years. The real value of these repayments will reduce each year with inflation.

In order to repay the loan, the precept (council tax) will need to increase by 50p per week or £25 per year.

Precept

Willersey has one of the lowest precepts for an active parish council in the Cotswold District Council area. This means that the increase in precept to fund the project, although modest in size, will nevertheless result in a large percentage increase. Precepts for neighbouring councils and some who have undertaken recent construction projects are shown below for comparison.

Willersey 2019/20	£26
Willersey 2020/21	£52
Moreton in Marsh	£84
Weston sub edge	£58
Broadway	£90
Mickleton	£30
Hucclecote – refurbished hall	£55
Naunton – refurbished hall	£59
Honeybourne – new hall	£101

The precept increase of £25 pa represents a 98% increase.

Village Hall Financing £

Expenditure:

Build Cost	282250
QS, Architect & preliminaries	34250
[Contingency	25000]
Stage & Audio visual	15500
Total	332000

Financed by:

S106 Reserve (from Newlands)	60000
Public Works Loan	252000
Parish Council General Reserve	20000
Total	332000

Possible Additional Funds

Cotswold DC grant	10000
National Lottery grant	10000
S106 Blue Cedar contribution	40000

The sum of the S106 contribution from the Blue Cedar housing development is certain but the date of receipt is not. The grant applications have been made.

Precept increase to finance the loan

PWLB	252000
Annual repayment	11981
Tax base band D equivalents	470.5
Band D increase £	25.46
2019/20 Precept	25.93
2020/21 precept increase %	98%
2020/21 precept	51.39