

Short Explanation as to why a loan is required

Planning restrictions require us to keep the present hall open until the new one is up and operating, therefore money from the sale of the existing hall cannot be accessed in the short term to finance the build.

The Parish Council will consider whether to apply to the Ministry of Housing, Communities and Local Government for borrowing approval for a maximum loan of £446,000. If this is granted then the Parish Council would seek an offer of a loan from the Public Works Loan Board for £446,000 over 50 years. Once a new hall is built and funds can be released the PC are planning to speedily pay back £100,000 leaving a maximum loan balance going forward of £346,000.

The monies required for the build will be called down as needed in a series of small loans (up to the limit of the borrowing approval). This will enable the PC to take advantage of different interest rates and periods of borrowing and make earlier repayment of parts of the overall loan cheaper and easier. Exact timings and amounts for each draw down of funds will be dependent upon submission of developer invoices and how speedily HMRC refunds VAT payments.

The Parish Council will definitely not be increasing the precept in order to fund the loan next year or in future years. The current precept is adequate to service the loan repayments and to provide the level of service the PC has been able to historically provide in the village.

Please do come to the PC meeting on 21st August at 7.30pm when the final monies required will be considered and the PC will make its decision about the build and loan application. As soon as practicable after the meeting the Parish Council's decision will be posted on the PC website and the noticeboard - if the decision is in favour of seeking a loan a breakdown of the monies involved will also be published.