

COLN ST DENNIS PARISH COUNCIL
Meeting No 206
Coln Valley Village Hall 21 February 2013

Present:

Nicky Talbot Rice - Chairman
Graeme Matthew
Philip Allen
Malcolm Carmichael
Nick Dummett
Matthew Bradley – acting clerk

Also present: 3 residents.

1. Apologies and acting clerk.

Apologies had been received from the clerk, Veronica Dean, who had an emergency need to be with her mother in hospital. The councilors unanimously agreed to appoint Matthew Bradley to act as clerk for the meeting.

2. Minutes of Last Meeting

The chairman read out the minutes of the last meeting. Those who had been present agreed they were a true record.

It was noted that the re-routing of the footpath from above Pindrup to the Fossebridge Inn had been satisfactorily resolved.

3. 2013/14 Budget, Precept and proposal to raise a Public Works Loan

The members of the Parish Council considered the papers which had been tabled (attached to this minute for information). Views from parishioners present were sought. It was noted that the budget line “Insurance of the bus shelter” should read “Insurance including the bus shelter”. With this alteration and in the light of the discussion, the Parish Council unanimously resolved:

- i) To adopt the budget outlined in paper attachment 1 with the underlying parish precept of £1,200.
- ii) That increasing that precept to £2000 for 2013/2014 and to £2,700 for subsequent years was quite affordable.
- iii) The risks of raising a public works loan to contribute to the funding of the rebuilding of the village hall, as described in paper attachment 2, up to a maximum of £25,000 repayable over 25 years at a fixed annual payment were acceptable. The Parish Council should therefore apply at the appropriate time to the Secretary of State for permission to borrow and subsequently for a public works loan. The amount of the loan to be determined in the light of the success of the village hall trust in raising funds from other sources.
- iv) To set the total precept for 2013/2014 at £2000 it being recognised that if the village hall rebuild were delayed then any surplus in the precept could be either carried forward as an increase in the contingency reserve or offset by a reduction in the precept for the next year.

4. Planning Applications

- Glebe Farm

MC queried the fourth building shown in red on the location plan, which is not otherwise referred to in the Application. NTR will seek clarification on this from the Applicant.

It was resolved that a Planning Condition be sought requiring screening of the eastern building (no.3 on the site plan) from the road. Otherwise the Parish Council had no objection to the application.

5. Flooding and Road Maintenance

GKM reported that the flooding in Coln St Dennis had been caused by a blocked culvert, and suggested that this should be the subject of routine clearing. NTR will approach Mr Swift of GCC Highways to ask whether the Highways Department would undertake this.

One resident (Andy Pease) reported that he had approached the Highways Department himself in order to expedite road repairs, particularly pothole-filling. AP had met Mr Swift that morning and resurfacing works had begun that day in Coln St Dennis, with work to progress at a later date along the road to Calcot and then uphill towards the Salt Way (past Glebe Farm).

It was noted that all residents should be encouraged to report potholes to the Council as only then would they have liability for any damage to cars.

The council thanked AP for his initiative and it was agreed that GKM and AP will meet separately to discuss future liaison with the Highways Department.

6. AOB

- gritting

AP raised the issue of gritting; he pointed out that the road that passes below his house to the Fosse Way was not gritted this winter, and that Mike could not use the Manitou and snowplough on it due to lack of manoeuvring space. He had had discussions with Highways whose attitude had not been initially helpful. AP will be meeting Mr Skillen in early March to discuss further.

GKM commented that there is political pressure on Parishes to raise money themselves for the procurement of their own gritting equipment and that the Parish Council had previously decided not to accept the highways gritting bins as they would cost the parish £300 each. GKM will include gritting in his discussions with AP.

- Fossebridge noticeboard

AP reported that the noticeboard had collapsed. NTR asked AP to make any necessary repairs, there may be funds next year for a proper replacement

The meeting closed at 7.40pm

Coln St Dennis Parish Council Budget and Precept for 2013/2014.

Attached to this note are:

- Attachment 1. A table showing the latest estimate of funding and expenditure in the year 2012/2013 and an estimate of expenditure for 2013/2014 with the resultant level of precept to cover that expenditure.
- Attachment 2. a proposal for the Parish Council to make an application to the Secretary of State for permission to borrow and subsequently to apply for a public works loan of up to £25,000 as a contribution to the funding of the rebuilding of the Coln Valley Village Hall. This will result in an increase in the parish precept over attachment 1.

The following should be noted:

- 1) Most expenditure is on regular recurring items such as insurance of the bus stop shelter. A large item is the need to repaint the three telephone boxes which the parish has acquired from BT. The initial cost is high at £400 per box because there had been little maintenance over the last three years. The Parish Council had therefore decided to spread the initial painting over three years. Thereafter the boxes will need to be painted every 5 years and it is recommended that an amount of £200 per annum be accrued each year from 2015/2016 for this purpose.
- 2) There was one item of £335 in the current year to cover the cost of the planning application for the village hall. This is one off cost. All further cost of rebuilding maintaining and running the village hall will be met by the Coln Valley Village Hall trust.
- 3) The Parish Council has in the past built up a reserve of some £600 to £700 to cover unforeseen expenditure. It can be seen that this reserve was substantially reduced to fund the cost of the planning application and a large proportion of the cost of repainting the first telephone box. It is proposed that allowance of £200 p.a is made in future expenditure to cover unforeseen costs. If this contingency allowance is not used then it will be carried forward until a total reserve of £600 to £700 has been built up.
- 4) The expenditure for 2013/2014 has been estimated allowing for some inflation and the contingency allowance of £200. This level of expenditure will give rise to an increase in the precept from £700 to £1200 in 2013/2014. This is equivalent to an increase in the precept for a band D dwelling from £5.58 to £9.57 pa.
- 5) As the only asset which the council owns is the bus shelter and the parish has no intention of applying to take over activities from other authorities such as the district council or Gloucestershire highways the parish council is confident that there are no major risks of calls on its funds which would not be covered by the contingency allowance of £200 pa mentioned in 3 above. The Parish Council has no borrowing.
- 6) Against this background the parish Council is being asked to consider raising a public works loan. The risks associated with this loan are detailed in the attachment to this note. It can be seen that at current interest rates the cost of interest and repayment of a fixed interest 25year loan will be some £1482 p.a. This translates to an increase in the parish precept of £11.82 for a band D dwelling in a full year. It is however likely that the funding need of the village

hall will not arise till September 2013 and therefore in this year the increase in precept will be approximately half of the above sums.

- 7) Taken in conjunction with (4) above the precept would be £2000 in 2013/2014 rising to £2700 thereafter.
- 8) It should be noted that after 2015 the underlying expenditure of the parish may decline as the first phase of painting the telephone boxes will be completed and if there is no further unforeseen expenditure the annual contribution of £200 to the contingency fund may not be needed. Both these factors may lead to future precepts being lower than £2700 in the longer term.
- 9) The total council tax on a band D residence in the parish is about £1000 pa. In this context a total parish precept of some £21 is not significant.

The Parish Council is asked to consider whether:

- the above represents a fair statement of the council's future funding requirements and liabilities
- the increase in precept to £2000 in 2013/2014 and £2700 thereafter is reasonable and affordable.
- the parish council should apply for permission to borrow and subsequently for a fixed interest public works loan of upto £25,000 to be repaid over 25years.

Veronica Dean
Clerk to Coln st Dennis Parish Council.

18th February 2013

Coln St Dennis Parish Budgets

The following table details current year expenditure and the budget for next year. It is anticipated that there will be no further significant expenditure in the current year and that the estimate is therefore very accurate. The budget for next year is before any funding costs of the proposed Public Works loan grant to the village hall trust.

	<u>2012/2013</u>	<u>2013/2014</u>
Balance c/f from previous year	686.81	81.80
Expenditure;		
Insurance including bus shelter	262.03	300.00
Painting of telephone boxes	400.00	400.00
Council expenses	180.00	180.00
Fee for use of village hall	30.00	30.00
Subscriptions to: GAPTC	43.98	45.00
GRCC	25.00	25.00
CPRE	29.00	29.00
Planning fee	335.00	
Contingency allowance		200.00
Total expenditure	1305.01	1209.00
Precept (actual/proposed)	700.00	1200.00
Balance carried forward	81.80	72.80

18th February 2013

Attachment 2.

To: Coln St Dennis Parish Council

Proposal to raise a Public Works Loan.

Coln St Dennis Parish Council is not permitted to borrow money on a long term basis unless it has Approval to Borrow from the Secretary of State. Public Works loans are available to Parish Councils to fund community and other capital investment projects.

It is proposed that Coln St Dennis Parish Council apply for Approval to Borrow for a public works loan to contribute to the funding of the rebuilding of the Coln Valley Village Hall. The loan would be serviced and repaid by an increase in the parish precept. The loan moneys would be passed to the Coln Valley Village Hall Trust as a grant towards the rebuilding of the village hall.

Public Works Loans are available for amounts up to £500,000 and can be repaid over periods up to 50 years. The period of repayment should relate to the life of the asset to be funded. Interest can be fixed or variable. There are three possible methods of interest/repayment:

- (i) **Annuity** half-yearly payments where each payment is of a constant amount, inclusive of principal and interest,
- (ii) **EIP** (equal instalments of principal) half-yearly payments where each payment consists of a constant instalment of principal plus a diminishing amount of interest calculated on the balance of principal then outstanding,
- (iii) **Maturity** half-yearly payments where each payment is of interest only with a single repayment of principal at the maturity of the loan

All methods can be used for fixed rates but only EIP or Maturity with variable rates. In either case the rate is set 48 hours before the loan is drawn down.

It is recommended that the parish council consider a fixed interest annuity. While this will give a slightly higher interest rate today it will mean that the annual payment is constant and predictable.

As an illustration were the Parish Council to take out a fixed interest annuity Public Works Loan today for £25,000 repayable over 25 years the fixed interest rate would be 3.33% and the annual cost would be £1482 giving a total cost over the life of the loan of £37,030. This is equivalent to a increasing the Band D council tax by 11.80 p.a.

Raising a public works loan is in two stages:

- 1) Applying to the Secretary of State via the Department for Communities and Local Government approval to borrow.
- 2) With the approval to apply to the Public Loan Board for a loan consistent with the terms of the approval to borrow.

Applying for Approval to Borrow should only be done when the parish is fully ready to take up the loan e.g. we have planning permission for the hall; the application to the public loan board can follow at any time within 12 months. Given that planning

permission has now been granted to rebuild the village hall and that construction may start in the second half of this year it is appropriate to consider whether to increase the precept for 2013/14 in anticipation of raising a public works loan and to apply to the Secretary of State for permission to borrow.

The risks for the Parish Council associated with a public works loan to fund the village hall rebuild arise from possible failures of the project resulting in the Coln Valley Village Hall Trust being short of funds and turning to the Parish Council for financial support. The Parish Council is under no legal or other obligation to the village hall trust and the repayment of a public works loan is secured by the parish precept not the income of the village hall. Nevertheless the risks which should be considered are:

- failure of the project to raise sufficient funds. It is the responsibility of the Coln Valley Village Hall Trust to raise funds for the hall. The grant from the Parish Council would only amount to a modest proportion of the total cost. The Parish Council will not apply for a public works loan until it is clear that the trust has secured the rest of the funding required.
- The cost of the rebuild exceeds the estimates and further funding is required. Again it is the trust's responsibility to either alter the specification for the hall or to raise additional funds from local sources. The parish council will assure itself that the trust's estimates are soundly based.
- The long term use of the hall is insufficient to cover its operating and maintenance costs. The parish council understand that the trust is taking a very conservative view of use of the hall given the very strong support there has been from residents for the rebuilding project. Failure to cover operating costs is seen as low risk. The hall is small with low operating costs the majority of which are variable with use. If therefore usage is lower than anticipated it is likely that the operating cost deficit will be a few hundred pounds a year. Experience has shown that this amount can be raised from the local community through fund raising events such as the summer barbeque. There is therefore a very low risk that the Trust will look to the parish council to make up any operating cost deficit. Nevertheless the Parish Council will assure itself that the estimates for use of the hall contained in the trust's business plan are realistic before advancing the loan.
- The village hall is damaged due for instance to fire. The hall will be insured by the Trust and the Parish Council will assure itself that the insurance is adequate and in place each year.

By opting for a fixed interest loan the Parish Council avoid the risk of increasing interest rates over the term of the loan.

The amount of the loan will be no greater than £25,000 but the exact amount to be applied for will be determined as the balancing item after all other funding possibilities have been fully explored by the Coln Valley Village Hall Trust.

Veronica Dean,
Clerk to Coln St Dennis Parish Council
18th February 2013