

## Dersingham Village Centre – Report to June Full Council

Further to my report to Full Council last year, Council now needs to formally approve an application for a Public Works Loan to a maximum of £150,000. Permission has to be sought from the Secretary of state at the Dept of Communities and Local Government. Norfolk ALC also has to recommend approval.

Council will be aware that a Big Lottery Grant has been awarded to the project for a new Village Centre. Other grants have been applied for, some approved, and the Parish Council has earmarked funds in Reserves. Please refer to the attached spreadsheet.

All tenders came in over budget, but we approved our preferred contractor and have been working on cost savings with the architect and design engineers. Good progress has been made on this, and we are close to agreeing a total.

There will a shortfall in funding, which can be met by borrowing from the Public Works Loan Board. The Village Centre Committee and Finance and Administration Committees considered taking funds from personal investors on a short term basis but this could have adversely affected cash-flow. Also, it was felt that everyone should contribute to the project which will benefit the whole parish.

The maximum borrowing amount will be £150,000.00, but we expect this to be nearer to £100,000. It is recommended that we borrow as little as possible because there is a penalty for early repayment of the loan. Should a PW loan increase the precept, we would have to consult with parishioners.

Also, if there is more than 80% Public money, including grants, invested in the project, there is a risk that one of the Grant Funders (LEADER) could withdraw their offer. This is because it is sourced from the EU and subject to their rules.

In calculating the above amount, current office rent and costs and room hire were used. It has been agreed with DVCA (who will manage the new building) that the Parish Council will not pay rent or room hire fees for meetings in the Village Centre while it is servicing a loan. Repayment amounts from the PWBL fixed rate loan tables. With a fixed rate, Council will know what has to be budgeted each year and rates may rise in the future. Should repayments amount to less than current costs, the Parish Council should pay the difference in rent. This will be reviewed each year when setting the Precept.

<b>PC Annual Costs</b>	<b>£</b>
Office Rent	6300.00
Room Hire	1000.00
Cleaning, Electricity, Water	650.00
<b>Total</b>	<b>7950.00</b>

<b>Amount</b>	<b>100,000.00</b>	<b>125,000.00</b>	<b>150,000.00</b>
Up to 15 years	8416.00		
20 years	7060.00	8424.00	
25 years	6300.00	7890.00	
30 years	5833.00	7290.00	8700.00
40 years	5210.00	6312.00	7815.00

Sue Payne  
Chairman