

# REPORT TO BICKLEIGH PARISH COUNCIL

## LOAN APPLICATION FROM THE PUBLIC WORKS LOAN BOARD (PWLB)

### January Council Meeting

#### Proposal

It is being proposed that **£250,000** be borrowed from the PWLB over a 17-year period to upgrade the Woolwell Centre building.

The precept will not be increased to pay off the loan.

**Borrowing: £250,000** (*annuity - fixed half-yearly payments to include principal and interest*).

**Term: Over 16.5 years, not more than 17 years**

**Interest Rate: 5.51%**

**Annual repayments: £22,840.96**

**Total Repayment: £388,296.32**

See Appendix A

#### Background

The Parish Council owns and is therefore responsible for the Woolwell Centre building which was constructed back in 2000. Unfortunately, due to a lack of planned and preventative maintenance the building has been neglected. A lot of the fundamental services which allow the centre to operate are now in a condition where it is no longer financially viable to repair or replace these items in a reactive way.

The systems which need addressing to not only ensure statutory compliance with industry standards but to also satisfy the operational expectations of the centre to ensure that the building provides users with the right internal environment whilst ensuring that we are being considerate of our carbon output. The systems in question are:

- Domestic Hot Water Services.
- General Ventilation.
- Heating Systems.
- Comfort Cooling Systems

All of these systems need the primary plant associated with them upgraded, along with a suitable control system which allows them to function efficiently. Without a suitable control system the Parish Council is guilty of using excessive amounts of energy which is not required. For example, the current heating control system for the centre is “all on”, when in

real terms there may only be a requirement for one room to be heated as other areas are not in use.

Although the PWLB will not cover every single element of the works required, the parish council believes can tackle the high priority initial issues and ensure that the centre is operating efficiently with a new package of plant equipment and fabric upgrades which will have a serviceable life of at least another 20+ years.

Once the project has been completed the council can then plan to engage a maintenance contractor to ensure that all the equipment is maintained as per manufacture recommendations, whilst also ensuring that there plan for the future replacement of items by including a budget for them annually.

With out this major expenditure on the building the parish council is at increasing risk that the building will become non-operational as it will not function as it should and would be a haven of non-compliance which would ultimately put the centre operators and public users at risk.

For this type of building to operate there are several legislative requirements which must be met and maintained, the parish council believe that by the level of expenditure commitment it will put the building back on track as to where it needs to be.

Finally, as a commitment to reducing our carbon output the parish council wishes to replace the aged and patch repaired flat roof to allow the installation of a PV array and upgrade the windows and doors, this will provide a better thermal performing building envelope. In turn collectively this will support making the centres existence as net Zero carbon building along with supporting it's operator "The Woolwell Community Centre" to reduce their annual energy bills.

The Parish Council does not have the funds available to undertake all the necessary works and is therefore proposed to take out a loan from the Public Works Loan Board. A previous loan for the construction of the centre has recently been paid off and the precept will therefore not need to be increased to make repayments on a further loan for the purpose of the required upgrades.

### **Works required**

The following works would be carried out using the loan:

- New windows
- New flat roof
- New external doors
- Heating controls upgrade to allow zonal control.
- New solar PV (60KWP)
- Main Hall air handling unit upgrade, to provide a heating and cooling facility. New AHU is to costly.
- New fire alarm interface units for new plant.
- New door holders linked to the fire alarm system.

- New Sanitaryware Doc M Pack and Fitting
- CCTV

### **Public Works Loan Board (PWLB)**

The PWLB lending facility is operated by the UK Debt Management Office (DMO) on behalf of HM Treasury. The facility provides loans to local authorities, and other specified bodies, from the National Loans Fund, operating within a policy framework set by HM Treasury. This borrowing is mainly for capital projects.

### **Public Consultation**

A 6-week public consultation from 6<sup>th</sup> November to 18<sup>th</sup> December was held using hard copy surveys available at the Woolwell Centre, Survey Monkey and a dedicated page on the Parish Council Website. The question asked was

**"Should the Parish Council go ahead with the loan application for upgrading the Woolwell Centre..... Yes or No?"**

Residents were made aware that there would be no increase in the precept for the purpose of paying off the loan.

### **Results of consultation**

65 residents replied 'Yes' to the hard copy survey

1 resident replied "No" to the hard copy survey

23 residents replied "Yes" to the Survey Monkey survey.

### **Budget and loan repayments**

The draft budget for 2024/25 (Appendix B) (to be approved at the January Council Meeting) demonstrates that the loan repayments are affordable. The draft budget for 2025/26 and 2026/27 further demonstrate that there is a very low risk of default on the loan. Reserves are in place however should there be an issue in a particular year.

## Appendix A

Data Date: 31-Oct-2023



United Kingdom  
Debt Management  
Office

### PWLB FIXED RATE LOANS ESTIMATED REPAYMENT COSTS

Amount of Advance: 250,000.00

Period (years)	Annuity			EIP			
	Rate %	½ Yearly Cost (£)	Total Cost (£)	Rate %	Initial ½ Yearly Costs (£)	Reduces by each ½ year (£)	Total Cost (£)
1 year	-	0.00	0.00	-	0.00	0.00	0.00
Over 1 not over 1½	-	0.00	0.00	-	0.00	0.00	0.00
Over 1½ not over 2	5.78	67,079.94	268,319.76	5.78	69,725.00	1,806.25	268,062.50
Over 2 not over 2½	5.73	54,378.40	271,892.00	5.73	57,162.50	1,432.50	271,487.50
Over 2½ not over 3	5.68	45,904.94	275,429.64	5.68	48,766.67	1,183.33	274,850.00
Over 3 not over 3½	5.63	39,847.28	278,930.96	5.64	42,764.29	1,007.14	278,200.00
Over 3½ not over 4	5.59	35,306.77	282,454.16	5.60	38,250.00	875.00	281,500.00
Over 4 not over 4½	5.55	31,772.46	285,952.14	5.56	34,727.78	772.22	284,750.00
Over 4½ not over 5	5.52	28,949.79	289,497.90	5.53	31,912.50	691.25	288,018.75
Over 5 not over 5½	5.49	26,639.15	293,030.65	5.50	29,602.27	625.00	291,250.00
Over 5½ not over 6	5.46	24,712.44	296,549.28	5.47	27,670.83	569.79	294,443.75
Over 6 not over 6½	5.43	23,080.99	300,052.87	5.45	26,043.27	524.04	297,687.50
Over 6½ not over 7	5.41	21,688.93	303,645.02	5.42	24,632.14	483.93	300,812.50
Over 7 not over 7½	5.39	20,482.38	307,235.70	5.40	23,416.67	450.00	304,000.00
Over 7½ not over 8	5.38	19,434.03	310,944.48	5.39	22,362.50	421.09	307,268.75
Over 8 not over 8½	5.36	18,502.26	314,538.42	5.37	21,418.38	394.85	310,412.50
Over 8½ not over 9	5.35	17,681.40	318,265.20	5.36	20,588.89	372.22	313,650.00
Over 9 not over 9½	5.35	16,955.21	322,148.99	5.35	19,845.39	351.97	316,875.00
Over 9½ not over 10	5.34	16,295.44	325,908.80	5.35	19,187.50	334.38	320,218.75
Over 10 not over 10½	5.34	15,706.73	329,841.33	5.34	18,579.76	317.86	323,425.00
Over 10½ not over 11	5.35	15,180.56	333,972.32	5.34	18,038.64	303.41	326,762.50
Over 11 not over 11½	5.35	14,694.36	337,970.28	5.34	17,544.57	290.22	330,100.00
Over 11½ not over 12	5.36	14,257.67	342,184.08	5.35	17,104.17	278.65	333,593.75
Over 12 not over 12½	5.37	13,857.75	346,443.75	5.35	16,687.50	267.50	336,937.50
Over 12½ not over 13	5.38	13,490.38	350,749.88	5.36	16,315.38	257.69	340,450.00
Over 13 not over 13½	5.39	13,151.94	355,102.38	5.36	15,959.26	248.15	343,800.00
Over 13½ not over 14	5.40	12,839.34	359,501.52	5.37	15,641.07	239.73	347,331.25
Over 14 not over 14½	5.42	12,557.95	364,180.55	5.38	15,345.69	231.90	350,875.00
Over 14½ not over 15	5.44	12,297.53	368,925.90	5.39	15,070.83	224.58	354,431.25
Over 15 not over 15½	5.45	12,047.92	373,485.52	5.41	14,827.02	218.15	358,200.00
Over 15½ not over 16	5.47	11,823.58	378,354.56	5.42	14,587.50	211.72	361,787.50
Over 16 not over 16½	5.49	11,614.89	383,291.37	5.43	14,363.26	205.68	365,387.50
Over 16½ not over 17	5.51	11,420.48	388,296.32	5.45	14,165.44	200.37	369,218.75
Over 17 not over 17½	5.53	11,239.13	393,369.55	5.46	13,967.86	195.00	372,850.00
Over 17½ not over 18	5.55	11,069.78	398,512.08	5.48	13,794.44	190.28	376,725.00
Over 18 not over 18½	5.57	10,911.46	403,724.02	5.49	13,619.26	185.47	380,387.50
Over 18½ not over 19	5.59	10,763.31	409,005.78	5.51	13,466.45	181.25	384,306.25

Appendix B

Code	Heading		Projected to 31 04 24	Draft 24 25 budget
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**Receipts**

1176	Precept		104303	
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**Other receipts**

1050	Grants Received - grass cutting		4848	4993
1050	other income		14143	
1190	Interest Received		1500	1000
<b>TOTAL INCOME</b>			<b>20491</b>	<b>5993</b>

<b>Admin &amp; Democratic Services</b>				
4000	Total staff costs		11200	11900
4003	Payroll Services		120	120
4005	Training & Conference Fees		0	100
4009	Communication		0	200
4010	Travel		0	50
4015	Room hire		700	700
4020	Printing, Postage and Stationery		30	80
4025	Insurance		3178	5000
4030	Subscriptions		720	898
4051	Bank Charges		108	220
4055	Audit		670	700
4056	Legal & Professional Fees		10000	5000
4057	Neighbourhood Plan		0	2000
4060	IT		1300	1000
4900	Loan Repayments		940	23000
4061	Contingency		5000	5000
			<b>33966</b>	<b>55968</b>
<b>Open Spaces</b>				
4300	Green space maintenance		7000	3000
4301	Grass cutting		4896	5000
			<b>11896</b>	<b>8000</b>
<b>Council Assets</b>				
4101	Street furniture		1249	0
4230	Maintenance General		1092	500
			<b>2341</b>	<b>500</b>

	<b>Community Grants</b>				
	Play park				
4200	Community Grants			6000	14000
4210	S137			50	50
4220	Grant Woolwell Centre			20000	20000
				<b>26050</b>	<b>34050</b>
	<b>Woolwell Centre</b>				
4230	Maintenance - general			12000	14000
4235	Keyholder Service			300	300
4240	Fire Alarms			1300	950
4245	Intruder Alarm			800	800
4246	Emergency lighting			450	450
4257	Heating, Vent, Aircon			1000	1000
				<b>15850</b>	<b>17500</b>
<b>TOTAL EXPENDITURE</b>				<b>£90,103.00</b>	<b>£116,018.00</b>

