

Public Works Loan for the Reading Room - 2019/20 Shipton Precept Summary

The background and the process surrounding a Public Works Loan to fund the Reading Room project is complicated and so below is a clarification of what is being proposed:

Background

The original intention for the Reading Room was a small extension and renovation of the existing building. The rough estimate of cost (obtained in 2017) for this work was £150k. However, having provided more detailed requirements to 3 builders we now have detailed quotes ranging from £250K – £300K for the planned extension and renovation of the existing Reading Room. These quotes do not include any allowance for 'risk', that is 'potential unknowns' that may be found when the works get underway.

Therefore, we believe that it is sensible to consider the option of demolishing the existing building and building a new, fit for purpose Village Hall with modern facilities that can serve the community for many years to come. We are advised that this could be achieved for less cost than the extension and renovation option and mitigates against much of the potential unknown risks. It also has the significant benefit of being a VAT free build. The Reading Room trustees are currently working towards applying for planning permission for a rebuild option.

Raising sufficient funds for either the renovation or the rebuild options (both in the region of £250k) from grants and local fundraising is likely to be a daunting and lengthy (some might say, impossible) task. Therefore, the Parish Council approached the Trustees with a suggestion to support a Public Works Loan of around £250K, to ensure that the project could go ahead.

Public Works Loan Process

A Public Works Loan is a loan taken out by the Parish Council (from the Public Works Loan Board, an Executive Agency of HM Treasury) which is paid back by villagers through the Shipton precept on their council tax bill over a specified number of years – we are proposing 50 years in order to keep any increase in precept as low as possible. The Shipton precept is that part of the Council Tax bill which is used by the Parish Council to spend within the parish. The Parish Council has agreed to raise the 2019/20 precept to finance the repayment of the Public Works Loan. This will increase the cost of the average Band D household in Shipton by approximately £4.50 per month. This increase has been requested at this time because there is only one opportunity each year for this to happen, which is now, at the beginning of the Council budgetary year.

This decision does not mean that a loan will be taken on; it just means that we will be in a position to make the repayments **should** a loan be taken on.

Before any loan is approved by the Public Works Loan Board it is a part of the process that we are required to demonstrate that we have village support for the

project. We will do this over two consultations. The first will be an initial consultation, if possible completed before the end of April, where we present the options available together with pros and cons and estimated costs. This will indicate to us how best to spend our time and Reading Room funds most effectively to acquire detailed costings of the various options.

Assuming that there is sufficient support and guidance at this initial stage we will proceed to get to the point where we have detailed costs and will then consult again to ensure we still have backing of the village for any Public Works Loan to finance the supported project.

There will be no application for any loan until after the results of this second consultation are known.

In the event that the rebuild option (or any other option for that matter) is not supported by the Village then a loan will not be applied for.

In that case any increased precept can be returned to Villagers in the form of a reduced precept at the start of the next budgetary year. The advantage to having increased the precept this year is that, **should** the Village support the rebuild option, we will not have to wait another year before starting the Public Works Loan process but could press on with the work.

Should anyone have further questions or have suggestions then please email to Shiptonparishcouncil@gmail.com or Shiptonreadingroom@gmail.com