

Godstone Parish Council

(incorporating the Villages of Godstone, South Godstone and Blindley Heath)

Clerk to the Parish Council

S Endersby

The Bounty
Godstone Green
Godstone, Surrey, RH9 8DY

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MINUTES

of the extraordinary meeting of Godstone Parish Council held on
Friday 11 August 2023 at 12.00pm at The Bounty, Godstone Green.

Members: Cllrs J Gardner, C Farr, S Farr, I Smith, C White and C Edwards
Apologies: Cllrs L Case and K Ward
Present: S Endersby (Clerk)

1. Questions from Members of the Public - None

2. Apologies and reasons for absence

2.1 Apologies were received from Councillors L Case and K Ward due to prior personal commitments.

RESOLVED - The meeting was deemed quorate.

3. Declarations of Interest

All councillors present declared an interest in item 4 as residents of the Parish who all pay towards the precept of the Parish council. Dispensation for each Member of the Council was given to enable them to discuss and vote on the financing to purchase the parish office known as the Bounty on the grounds that the transaction of business will be impeded given the number of Councillor's who would otherwise be prohibited from participating in this item of business.

4. Consider the Recommendations of the Finance Committee in relation to the financing of the purchase of The Bounty

The Finance Committee, having considered the council's financial position; reserves and commitments make the following recommendation:

- i. Use £30k of Parish council reserves towards the purchase of The Bounty.
- ii. Apply for a Public Works Loan Board (PWLB) loan of £63k.
- iii. Apply for the loan over a borrowing term of Over 25years (not over 25½ years).
- iv. Applying the annuity method of repayment
- v. No increase to the precept would be required as the current amount budgeted for the payment of the rent for The Bounty will cover the annual loan repayment amount estimated currently as £4,683.
- vi. Proceed with the purchase with immediate effect using all current funds available to the council whilst applying for the PWLB loan. The loan is the proposed long term and appropriate finance plan to fund the purchase and although reserves do allow council to proceed with immediate effect, the PWLB Loan is required to replace the diminished reserves that would initially cover the full purchase cost.

Council considered the Finance Committee report.

The council discussed that there was a possibility that the annual loan repayment amount could vary dependent on the interest rate at the time a loan is confirmed. It was noted that the proposal did leave some flexibility to cover any small changes by the amount in the budget currently used to pay rent.

It was noted that there was potential income from a long-term wayleave agreement coming up for renewal in the next few years that could be used to pay off the loan. The council noted that it was advised that early repayment was not a recommended option, and the loan should be paid over the proposed term to avoid any financial penalties.

Noting point vi., the council are aware that the matter has been going on for some time and confirmed that any finalising of the finance arrangements should not cause any further delay. Council considered and were satisfied that the current financial position of the council makes it possible to proceed with the purchase, whilst applying for the PWLB loan which is still required to cover the cost of the sale in the long term. Council noted that total reserves held made this possible in the short term and if necessary designated reserve refunds (included in the total reserves) could also be reallocated short term if the need arose.

4.1 Council considered seeking the approval of the Secretary of State for Levelling Up, Housing and Communities to apply for a Public Works Loan Board (PWLB) loan of £63,000 over the borrowing term of Over 25years (not over 25½ years) for the purchase of The Bounty (the Parish Office). The annual loan repayments will come to around £4,684, applying the annuity method of repayment.

RESOLVED – Members unanimously resolve to agree to seek the approval of the Secretary of State for Levelling Up, Housing and Communities to apply for a Public Works Loan Board (PWLB) loan of £63,000 over the borrowing term of Over 25years (not over 25½ years) for the purchase of The Bounty (the Parish Office). The annual loan repayments will come to around £4,684, applying the annuity method of repayment.

4.2 Council to confirm if any increase to the council tax precept for the purpose of loan repayments would be applicable (An increase to the precept would be subject to a precept increase consultation.)

RESOLVED – Members unanimously resolved that it was agreed that no increase to the council tax precept for the purpose of the loan repayments was proposed or necessary and therefore did not require a consultation in relation to the precept amount.

The council noted the Finance Committees also reported and recommended to approve the cost and action to proceed with Validation Indemnity insurance at a cost of £42.32 and that there would be a PWLB application fee applicable.

RESOLVED – Members unanimously resolved that council proceed with Validation Indemnity insurance at a cost of (£42.32).

RESOLVED – Members unanimously resolved that council accepted that payment of the PWLB application fee would be required.

Council discussed that following the purchase of The Bounty, work required on the building would need to be addressed and planned and reserves available (once the PWLB had been completed) could be drawn on as part of the planning process.

ACTION – EM8/23 – 1 – Clerk to proceed with preparation of the relevant papers to apply for the PWLB loan.

Part 2 – None.

----- Meeting ended -----

Chairperson

Dated