

# Godstone Parish Council

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

## Clerk to the Parish Council

S Endersby

## Admin Assistant

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## MINUTES

of the meeting of the Finance Committee of Godstone Parish Council on  
**Friday 11 August 2023 at 11am at The Bounty, Godstone Green.**

**Members:** Cllrs C Farr, S Farr and C White  
**Apologies:** Cllrs L Case and K Ward  
**Absent:** Cllr I Smith  
**Present:** S Endersby (Clerk)

### 1. Apologies for absence

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

**RESOLVED** - The meeting was deemed quorate.

### 2. Declaration of Interest

All committee members present declared an interest in item 3 as residents of the Parish who all pay towards the precept of the Parish council. Dispensation for each Member of the Committee 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.

### 3. Consider the financial position of the council in order to make a recommendation to full council on the financing of the purchase of the Parish council office The Bounty:

The committee noted information provided to council by the Clerk of estimated loan repayment amounts:

		PWLB FIXED RATE LOANS ESTIMATED REPAYMENT COSTS Annuity Over 25 not over 25½				Current amount in Budget for Rent/Repayments £4,900		
		Bounty		Rate %	½ Yearly	Total Cost	Annual Loan Repayment Cost	Budget amount minus annual repayment
		Agreed sale price						
		£93,000.00						
Option A	From reserves	£20,000.00						
	Loan amount	£73,000.00		5.63	£2,713.62	£138,394.62	£5,427.24	-£527.24
Option B	From reserves	£25,000.00						
	Loan amount	£68,000.00		5.63	£2,527.76	£128,915.76	£5,055.52	-£155.52
Option C	From reserves	£27,000.00						
	Loan amount	£66,000.00		5.63	2,453.41	130,811.43	£4,906.82	-£6.82
Option D	From reserves	£30,000.00						
	Loan amount	£63,000.00		5.63	2,341.89	119,436.39	£4,683.78	£216.22
Option E	From reserves	£35,000.00						
	Loan amount	£58,000.00		5.63	£2,156.03	£109,957.53	£4,312.06	£587.94
Option F	From reserves	£40,000.00						
	Loan amount	£53,000.00		5.63	£1,970.16	£100,478.16	£3,940.32	£959.68

It was further noted by the committee that the matters detailed below did not have allocated funds within the FY2023-24 budget, Bounty back rent if it became payable; installation of water at the allotments; Playground emergency spend on Embankment slide; Playground emergency spend if other issues arise; Playground Roundabout spend; and to replace trees removed after the Tree Survey recommended works being completed.

The Committee noted that there was still some budget remaining to complete tree works recommended by the Tree Survey, but that it should not be assumed that the amount would cover the full cost of works.

The committee noted that there were other potential funding options for certain projects, for example the Surrey County Councillor (Cllr C Farr) Surrey Fund.

A review of the budget could be completed to consider areas where spend had been lower than budgeted, i.e., elections for managing unbudgeted matters to assist in the management of the council's allocation of funds.

The committee noted that CIL funds were available and noted information that provided an overview of what CIL could be considered for, although the committee noted final confirmation would be sought:

*The levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities. This definition allows the levy to be used to fund a very broad range of facilities such as play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities.*

*Local authorities must spend the levy on infrastructure needed to support the development of their area, and they will decide what infrastructure is needed.*

*The levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support development.*

*A local council must use CIL receipts passed to it in accordance with regulation 59A or 59B to support the development of the local council's area, or any part of that area, by funding—  
(a) the provision, improvement, replacement, operation or maintenance of infrastructure; or  
(b) anything else that is concerned with addressing the demands that development places on an area.*

3.1 Consider and agree if it is recommended that reserves be used, and if it is proposed that reserves be used agree the amount to be recommended.

**RESOLVED** – The committee unanimously agreed that the recommendation to full council be to use £30k from the council's general reserves.

3.2 Consider and agree what amount of loan be recommended and applied for from the Public Works Loan Board (PWLB) and include an estimate of what the annual loan repayments would be.

**RESOLVED** – The committee unanimously agreed that the recommendation to full council be to apply to the PWLB for a loan of £63k.

3.3 Consider and agree on what borrowing term be recommended for a loan application to the PWLB.

**RESOLVED** – The committee unanimously agreed that the recommendation to full council be to apply to the PWLB for a loan over a borrowing term of Over 25years (not over 25½ years).

3.4 Consider and agree the recommendation of method of repayment for a loan application to the PWLB (loans repayable by the annuity and EIP (equal instalments of principal) methods).

**RESOLVED** – The committee unanimously agreed that the recommendation to full council be to apply to the PWLB for a loan applying the annuity method of repayment.

3.5 Consider if the recommendations would require an increase in the council tax precept (2024-2025) for the purpose of loan repayments (An increase to the precept would be subject to a precept increase consultation) and advise council as appropriate.

**RESOLVED** – The committee unanimously agreed that the recommendation to full council be to apply to the PWLB for a loan with no increase to the precept being 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.

It was noted during the course of the meeting that there was Validation Indemnity insurance to be confirmed at a cost of £42.32 and a reminder that a PWLB application fee would apply.

**RESOLVED** – The committee unanimously agreed that the recommendation to full council also include the recommendation to approve the cost and action to proceed with Validation Indemnity insurance (£42.32) and that there would be a PWLB application fee applicable.

**Part 2 – None.**

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

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Chairperson

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Dated