

## Statement re Public Works Loan Application

On 28<sup>th</sup> March 2019, a resolution was passed, to approve the submission of a public works loan in the maximum amount of £1 million over a period of 40 years to assist in funding the proposed Community Hall and Sports Pavilion development.

Please see below for details:

### 737/2018-19 **COMMUNITY HALL AND SPORTS PAVILION PROJECT – PUBLIC MATTERS**

(xii) The Council next considered the need to apply for a Public Works Loan Board (PWLB) loan to mitigate any risk following any successful acquisition of satisfactory planning consent and during the fund-raising window prior to construction. It was noted that fund-raising would continue right through to project completion and hopefully, even, beyond but it was also noted that it was necessary for funding to be in place to avoid any financial risk arising out of potential funding delays. Having duly considered this matter, it was:

**PROPOSED BY:** Councillor Tillson

**SECONDED BY:** Councillor Stedham

**RESOLVED – that Subject to the approval of the Conditional Contract for the Sale of part of Land registered with HM Land Registry under Title Number K815301 and subsequent formal exchange of contract:**

- (i) **New Romney Town Council WILL, immediately following acquisition of satisfactory planning consent relating to this project and the Conditional Contract\* becoming Unconditional (or as soon as is practicable thereafter), seek the approval of the Secretary of State for Housing, Communities and Local Government to apply for a PWLB Loan of £1 million repayable over a period of up to 40 years for the purpose of providing a new, state of the art, Community Hall and Sports Pavilion at Station Road Sports Field, New Romney. The annual loan repayments will be approximately £41,650.**
- (ii) **it is also intended that New Romney Town Council WILL increase the Precept, commencing in 2020-21, by £21,000 to cover an element of the annual loan repayments, having already offset a substantial element of the repayments through the 2019-20 budgeting process; This being the equivalent of an additional 1.8% increase on the average Band D Council Tax Bill per year or £2.15 per year and this being actually lower than the maximum potential increase indicated to all residents during the recent funding consultation which resulted in the majority of respondees consenting to this action.**

\*Transfer of Title re sale of facilitating residential development land

Cllrs Carey, Cramp and Rev Cn McLachlan voted against the motion.  
Cllr Ms Snoad abstained from voting.

**@8.55PM** Cllr Rev Cn McLachlan left the Meeting Room.

**@8.57PM** Cllr Rev Cn McLachlan returned to the Meeting Room and re-joined the meeting.

**(xiii)** In light of the above resolution, the details and format of such a loan application was duly considered and it was:

**PROPOSED BY:** Councillor Rodriguez

**SECONDED BY:** Councillor Tillson

**RESOLVED – that the afore-mentioned loan approval application will take the form of two elements – a ‘full’ application - with full approval for 50% of the required amount being sought - to be drawn down in year one and within the relevant 12 month period – and an ‘in principle’ approval for 50% of the required amount being sought –with approval in full to then be sought and drawn down as necessary in year two, subject to requirement.**

Cllrs Cramp and Carey voted against the motion.  
Cllrs Rev Cn McLachlan and Ms Snoad abstained from voting.

**(xiv)** Noting that there may be potential for a planning condition to be applied to associated residential development which may affect residual land value, mitigating steps were considered and it was:

**PROPOSED BY:** Councillor Picco

**SECONDED BY:** Councillor Mrs Gould

**RESOLVED – that in the event of a lower land value being achieved from sale of facilitating residential development land identified within the afore-mentioned Conditional Contract, due to any specific planning condition applied to the afore-mentioned residential development, and having assessed the on-going financial viability of the project, the Council, if deemed appropriate, will not submit the loan approval application as detailed above until such time as adequate funding has been secured from other sources to ensure that the maximum required loan is limited to £1million repayable over 40 years but WILL be submitted immediately (or as soon as practicable) thereafter.**

Cllrs Cramp and Carey voted against the motion.  
Cllr Rev Cn McLachlan abstained from voting.

NB: The conditional contract referred to above was then approved by the Town Council at the meeting on 28<sup>th</sup> March 2019 and subsequently formally exchanged and the above resolutions have, therefore, met with the required caveat.