

Policy and Resources Committee

Date:	22 January 2013
Title:	Town Hall Refurbishment
Purpose of the Report:	Information on Loans
Contact Officer:	Morag Robinson, Office Administration Manager

Background

The Town Hall windows are in a bad state of repair and it was agreed at the Policy and Resources Committee on 20 November 2012 that they are to be refurbished as soon as possible by the Council securing a loan to pay for the necessary works. Two options have been investigated – the Public Works Loan Board (PWLB) and the District Council's new Community Loan Scheme. The information regarding the loans is as follows:

Public Works Loan Board

- For a loan of £65,000 over a period of 20 years repayment, the half yearly costs are £2216.64 – annual costs £4433.28 (Appendix 1)
- Secretary of State approval to be sought

Community Loan Scheme – SODC

- Loans given can be no more than 30% of the total project cost.
- Maximum repayment period is 15 years.
- Loan approval is only given if it results in a community benefit to the area of South Oxfordshire.
- Interest rate – loans are lent at the Public Works Loan Board five year Equal Installment Payment (EIP) fixed rate plus a premium of 0.5% (N.B. the PWLB five year EIP fixed rate on 02 April 2012 was 1.6%. Therefore, in this example the rate charged would be 2.1%. The interest rate charged is adjusted every five years from 01 April following the five year and ten year anniversary of the loan's first advance.
- Loans of £50,000 - £1,000,000
- All loans to the value of £100,000 will be approved by Cabinet.
- A loan will not be made if the organisation does not have land or building on which a charge (or the value of the loan) can be made.
- Evidence of the approval from the Secretary of State must be provided.
- An independent valuation of the asset must be supplied.
- A copy of the Planning Consent for the project must be provided.
- The last 2 years audited accounts must be provided.
- Three up to date quotations for all aspects of the project must be supplied.
- Explanation on how the Town Council can afford/ will be able to pay back the loan.
- Full details of the insurance cover held by the Town Council must be submitted.

Risk Assessment

The windows are in a very bad state of repair and if work is not undertaken soon there is a danger that they may fall out.

Financially there must be a commitment in the budget each year to repay the loan costs.

Legal Powers: Local Government Act 1972, s133

Recommendation:

The Committee is recommended

- i) To agree to apply for a Public Works Loan for the refurbishment of the Town Hall windows.***