

BURTON SALMON PARISH COUNCIL

Report to Full Council

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To: All Parish Councillors
From: Debi Meir, Clerk to the Council
Date: 25th September 2023
Re: PWLB application for the purchase of Burton Salmon Village Hall

Introduction:

Burton Salmon Village Hall is currently owned and run by the Burton Salmon Village Hall Trust, who have informed the Parish Council that they can no longer continue to do so and have asked the Parish Council to take it over. If the Parish Council do not do so the village hall and land would have to be sold on the open market, which would see the village hall lost to the community and the land put to some other use, most likely housing. The village hall is an important asset to the community, which is regularly used by community groups, exercise classes and community events at Christmas, Easter and Summer.

Loan cost:

To take over the ownership and running of the village hall the Parish Council would need to pay the Village Hall Trust approximately £60,000 to enable it to pay off its outstanding debt. An estimate of the repayments for a PWLB loan of £60,000 over 50 years has been obtained and the cost and additional precept requirement is summaries in the table below.

Village Hall Purchase Loan requirement information	
Amount of Advance:	£60,000
Period	50 years
Rate	5.36%
Annuity ½ Yearly cost ¹	£1,730.94
Annual cost	£3,461.88
Current contribution made to village Hall Trust ²	£2,271.12
Additional annual cost for the loan	£1,190.76
Band D equivalent properties	189.26
2023-24 Band D charge	£59.50
Additional loan cost per band D property	£6.29
% increase in band D charge	10.6%

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1. A fixed rate annuity loan has been used so the repayment amount is the same each year for the duration of the loan, to give the council certainty over the future costs of the loan which will help with future planning and budgeting.
2. The Parish Council currently provides the Village Hall Trust with this amount of funding each year towards repaying its debt to support it in providing this facility for the community. If the Parish Council were to take over the village hall, this funding could be put towards the loan repayment costs, so this amount of the repayments would not need to be funded from a precept increase.

Public Consultation:

To obtain the views of the residents on the proposal, a general public consultation and precept increase survey was undertaken by distributing a flyer to all 184 households in the Parish during the last week of July 2023, with a deadline for the survey to be returned of 31st August 2023. Residents were given the option to return the survey to the postbox at the village hall or digitally by email. The results of the survey are summarised in the tables below:

Total number of households surveyed	184
Total number of surveys returned	49
Response rate	27%

		Are you in FAVOUR of the Parish Council going ahead with the purchase of Burton Salmon Village Hall	Are you in FAVOUR of the Parish Council going ahead with the purchase of Burton Salmon Village Hall if it includes a council tax precept increase of 10.6% (equivalent to £6.29 a year for a band D household) for the purpose of the loan repayments?
Responses by email	YES	9	8
	NO	0	1
Responses in post-box	YES	36	33
	NO	4	7
All Responses	YES	45	41
	NO	4	8
Total responses		49	49
% of Total responses	YES	92%	84%
	NO	8%	16%

Conclusion:

The public response was overwhelmingly in favour of the Parish Council purchasing the village hall (92%) and in favour of going ahead with the purchase with the required precept increase (84%)

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Next Steps:

The survey results indicate strong public support for your proposal to purchase the village hall so this valuable community asset can be retained for their use. To proceed with the project you are required to consider this report at your meeting on 27th September 2023 and resolve to seek Secretary of State approval to apply for the required loan of £60,000 over the borrowing term of 50 years.

The documents to be submitted for the application are:

1. A completed application form
2. A copy of the full minutes from the meeting where it was resolved to seek secretary of state approval for the proposed borrowing
3. Budget for this and the next financial year
4. This full report to Council and copy of the public consultation document
5. Projected 5 year cashflow forecast demonstrating loan affordability

The application and supporting information must first be submitted to The Yorkshire Local Councils Association (YLCA), for checking before it is sent to the Secretary of State for approval. Processing of the application approval should generally take about 15 working days and once authorised the loan must be taken out within 12 months of the borrowing approval being issued.

Debi Meir (Mrs)
Burton Salmon Parish Council Clerk