

# 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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## CONSULTATION

### CONSULTATION ON THE PURCHASE OF THE BOUNTY AND ASSOCIATED BORROWING FROM THE PUBLIC WORKS LOAN BOARD (PWLB)

Godstone Parish Council have been in discussions with the Godstone 1<sup>st</sup> Scout Group (the 'Scouts') to purchase The Bounty building which is owned by the Scouts and currently leased by Godstone Parish Council (the 'Council') and used as the Parish office. It is a positive opportunity for both the Parish council and the Scouts whilst continuing to ensure The Bounty's continued use for the community in the future.

The Council and Scouts have agreed a purchase price and both organisations are working to ensure they fulfil their legal obligations, the Scouts as a charitable organisation and the Council as a Local Authority.

As part of the process, the Council are obliged to consult with local residents.

The Council have considered the purchase of The Bounty and the financial implications and in order to purchase the Bounty the Council are intending to apply for a Loan from the Public Works Loan Board (PWLB).

Information about local authority lending and the PWLB is available online <https://www.dmo.gov.uk/responsibilities/local-authority-lending> as well as the National Association of Local Councils (NALC) guidance notes included with this consultation document.

The Proposal is to apply for a fixed rate loan on an Annuity 25-year length term.

The Council considered the factors involved, between continuing to rent under the current lease arrangement or purchasing the Bounty, and are satisfied that applying for a loan to purchase the Bounty would provide a long-term benefit and ability to better plan the Councils' future financial commitments.

A loan repayment would not increase the Precept for FY2022-2023 as this has already been set.

For the financial year FY2023-2024, the council will need to consider if an increase to the precept is required either for an obligation to pay rent under the current lease or to make loan repayments, whichever is applicable.

Any potential impact on the precept will be dependent on:

- The fixed loan repayment amount compared to the amount that would still need to be budgeted to cover rental payments.
- If it is possible to earmark non-fixed income received in FY2022-23.
- Reserves held at the end of FY2022-23.

In the long term, purchasing the Bounty will enable the Council to stabilise the amount of precept required to cover the cost of the Parish office. A fixed loan repayment would not require long term annual increases in the precept each year, that would need to be included for Quinquennial rent reviews in future budgets if the Council continued to rent The Bounty.

If you have any questions, please contact the Clerk so they can be addressed by the Parish Council at its next full council meeting on Monday 6 June 2022 or complete feedback using the following link: <https://www.surveymonkey.co.uk/r/N9BY3Q8>

11 May 2022