



STATEMENT FROM WEST HANNINGFIELD PARISH COUNCIL

INFORMATION CONCERNING YOUR
VILLAGE HALL

&

PUBLIC WORKS LOANS



CHAIRMAN'S REPORT—Cllr Karen Jones

I think the time is now right to explain in more detail the Parish Council's stance on funding the proposed building of the new village hall in West Hanningfield by way of a Public Works Loan.

I'm sure you will recall that a public consultation took place in November 2021 to ascertain, firstly the level of support in the Parish for the building of a new hall and secondly to secure agreement to a proposed increase in council tax to fund the hall by way of a Public Works Loan. On the basis of the responses received, the Parish Council was asked by the Village Hall Trustees to apply for a Public Works Loan. At the time we were asked to apply for the sum of £975,000.

However, the amount is now £1.2 million. Currently the Parish Council has not made any decision to apply for a Public Works Loan because no councillor has put forward a proposal to do this.

The law that allows a parish council to borrow money is contained in paragraph 2 of Schedule 1 of Local Government Act 2003. Before the Parish Council can borrow a sum of money, it must first receive an approval to borrow from the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC). To do this we would approach our County Association of Local Councils to make the application on our behalf. If the Association considers that the application is complete with no obvious omissions or errors and that the application is made in good faith, then this will be forwarded to DLUHC. It is important to state that approval from the Secretary of State has to be in place before the Parish Council can make a loan application.

If a parish council intends to increase the council tax precept for the purpose of repaying a Public Works Loan then it MUST show evidence of support from residents in order to get the loan approved by the DLUHC. The Guidance published by the DLUHC states that evidence of support from residents can only come from a council tax precept increase survey/poll, plus a general project consultation, which must be conducted by the Parish Council. This is very much a mandatory requirement of the borrowing approval and so cannot be avoided.

Increasing the precept is not something the Parish Council undertakes lightly and particularly so during this current cost of living crisis. We were not prepared to increase the 2023-24 precept to fund a public works loan when we hadn't even formally applied for one. And more importantly, as we hadn't applied for a loan, residents had not been given the opportunity to make their views known about a potential increase to their council tax; therefore we could make no judgement on the level of support for this. It is vitally important that a public works loan application demonstrates appropriate public support, as well as detailed and robust plans to pay off the loan.

The Parish Council has always strived to ensure that any increases to its precept is fair and reasonable; in fact in the last two years we have actually managed to reduce the amount we ask residents to contribute.

For information, the 'Precept' forms part of your Council Tax that you pay to Chelmsford City Council each month and this part comes directly to the Parish Council. We then use this to cover spending on delivering services for the people of West Hanningfield. Any increase to our Precept results in an increase in the amount of council tax you pay to Chelmsford City Council. The Parish Council is responsible for ensuring that they achieve the best value for this money and that it is spent in the interests of the whole community.

It is likely that Chelmsford City Council, Essex County Council (ECC), ECC Adult Social Care, alongside the Police, Fire and Crime Commissioner, may also increase their precepts next year, which could result in an additional financial burden for residents.

The role of the Parish Council is to represent the interests of the whole community. We volunteer to be elected or co-opted to make decisions on behalf of the people in the Parish and we have an overall responsibility for the well-being of our community. A Parish Council is a corporate body, a legal entity and is accountable to the local community. As the authority closest to the people, parish councils are invariably the first place people will go with concerns or ideas. For this reason they are considered to be a vital part of any community.

Please be assured that this Parish Council will continue to act in the best interests of all residents at all times.

Sending my best wishes to all.

Karen Jones, Chairman

COUNCIL TAX—WHAT IS IT?

The council tax you pay each year is made up of a number of separate charges and precepts controlled and voted on by a various individual organisations.. The Parish Precept is the part of your council tax bill that goes directly to the Parish Council for it to maintain the village.

COUNCILLORS—WHAT DO THEY DO?

Your Parish Councillors are elected by **YOU** to make decisions on your behalf, including how to spend **YOUR** money.

WHAT DECISIONS HAVE THE PARISH COUNCIL MADE RECENTLY THAT AFFECT YOUR COUNCIL TAX?

On the 19th December 2022, The Parish Council agreed the precept for 2023-2024. Crucially, this did NOT include increasing the amount **YOU** pay by c.£67,000 every year for the next 45 years to fund the re-build of the Village Hall. A total cost to council taxpayers of c.£3m

WHY DID THE PARISH COUNCIL VOTE THIS WAY?

For some time, the Parish Council has been considering a request from the Village Hall Trustees to apply for a loan for £1,200,000 to fund the rebuild of the Village Hall. In order to give proper consideration to this request, the Parish Council attended Public Works Loan training as well as taking advice from the Legal Department at the County Association and the Department for Levelling Up, Housing and Communities (DLUHC).

When reaching their decision, Councillors considered the following:

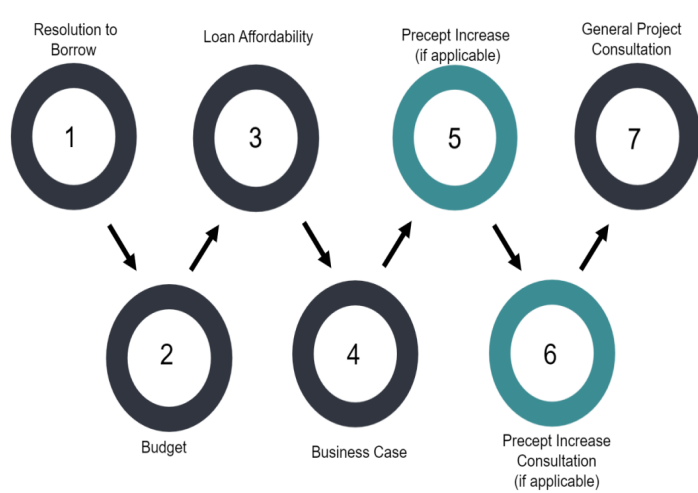
- There is NO legal relationship between the Parish Council and the Village Hall, so it is **NOT** the Parish Council's responsibility to maintain the Village Hall. The Trustees have that responsibility.
- The land on which the Village Hall stands is leased from Essex & Suffolk Water and the lease expires in 2066 (43 years). The Parish Council do not consider it appropriate to borrow £1,200,000 over a period of 45 years to build a Village Hall on land owned by Essex & Suffolk Water.
- The Parish Council's view is that the amount it been asked to borrow and repay is disproportionate to the size of West Hanningfield (c.920 electors and c.530 properties). It would very much restrict the Parish Councils options to fund other smaller local projects that would benefit all residents.
- If the Parish Council were to face any future financial difficulty, how would it go about honouring the loan repayments. Would it call upon its reserves? Would it look to increase its precept? Would it re-adjust its budget to cut back on other expenditure? All of these options would create a further burden on the Council Tax payer.
- The period of the loan requested is 45 years. This means **YOU** could still be paying off a loan two years after the lease has expired. Potentially the land together with the hall **YOU** paid for could be passed back to Essex & Suffolk Water who own the freehold interest in the land.
- The Parish Council has seen little evidence that the Village Hall Trustees have sourced grants elsewhere to pay for the build. Even with a substantial grant the Trustees have applied for (£250,000) they still expect **YOU** to fund a loan for £1.2M. The Parish Council is of the view that no benefactor would grant a significant amount of money to build a new Village Hall when **YOU** would have already given the Village Hall Trustees £1,200,000.
- West Hanningfield has around 920 electors of which approximately 33% (over 300) live over 3 miles from the centre of the village (such as Temple Grove, Templeton Park, Bakers Lane, Stock Road and Foxborough Chase) and are less likely to make use of the Village Hall. These 'far-flung' Council Tax payers will nevertheless still be required to take on the burden of a significant hike in their Council Tax bill to fund the proposed Village Hall.
- The Parish Council has not seen an up to date business plan or costings.
- In the current economic climate, the Parish Council do not feel it right to expect **YOU** to pay for a hall not every council tax payer uses.
- It is a complex process to apply for a Public Works Loan which would undoubtedly have an impact on the Clerk's workload. The Parish Council would need to consider increasing the Clerk's hours or employing an Assistant Clerk; a further burden on the Council Tax Payer.

HOW HAVE OTHER VILLAGE HALLS FUNDED THEIR BUILDING WORKS?

- Woodham Ferrers Village Hall—Partial rebuild c.20 years ago, funded entirely by grants, including a substantial grant from the National Lottery.
- Sandon Village Hall—It is expected a committee be set up to manage the project and appoint professional fundraisers to facilitate construction.
- Good Easter Village Hall—Early stages, but the Parish Council has no intention of applying for a Public Works Loan. They also plan to keep costs down by using students from Writtle College & Chelmsford College, for the design and build under supervision of course!
- Eastham Memorial Hall—rebuilt in 2020. Budgeted around £325,000. Secured most of the costs by way of a Lottery Grant for c.£275,000. No Public Works Loan.
- Downview Hall—built in 2018 at a cost of c.£1,800,000 funded entirely by grants.
- Bruisyard Village Hall—Build funded by grants, including just £300 from the Parish Council.

It goes to show—it can be done; **YOU** don't have to pay for the Village Hall to be re-built.

PUBLIC WORKS LOAN APPLICATION PROCESS



To date the Clerk has received requests from 3% of the electorate asking for the Parish Council to commence the process to apply for a Public Works Loan.

Part of the process when applying for a Public Works Loan is to conduct a survey to establish whether residents would be prepared to pay more Council Tax to fund the building of a new village hall. The diagram here shows the criteria that the DLUHC require before the request is submitted to the Essex Association of Local Councils who make the application on behalf of the Parish Council.

As you can see, the first stage is the resolution to borrow; stage six is when a consultation is necessary.

No Councillor has requested the resolution be put to full Council and when you look at the figures below, as well as all the factors mentioned on the previous page, you may understand why the Parish Council does not think it is fair for residents to pay for a new hall when other village halls have been funded by other means rather than impose the additional financial burden on all local council taxpayers. As a Corporate Body, the Parish Council's view is that **YOU** should **not** be funding a £1.2M loan at a cost to local council tax payers of c£3m.

Getting down to the figures:

Public Works Loans can be repaid on either an 'annuity' base or 'equal instalments of principal' basis (EIP).

- Repaid on an annuity basis, with the interest rate currently 4.74% the annual repayment would be £64,538 and the total cost of the loan is £2,936,464.
- Repaid on an EIP basis, with the interest rate currently 4.80% the annual repayment starts at £83,972 but with the repayment reducing by £632 each year with the total cost of the loan being £2,524,800.

Depending on which basis a loan for £1.2M would have been taken out, the amount you pay could have increased by either c.236% or c.325% next year. These percentages are the minimum rise as if the Parish Council chose to raise the precept for any other reason, the percentage would obviously be higher. Additionally these figures do not account for increases the City & County Councils, Adult Social Care and Police may impose; Essex County Council has just announced a 3.5% increase for 2023-2024.

Depending on your council tax banding, the annual increase would have been c.£108.00 for a Band A rated property and c.£324.00 for a Band H rated property (on top of what residents already pay). This would be every year, for the next 45 years with little scope for the Parish Council to fund any other projects.

However, the Parish Council DO support the concept of re-building the hall and have always made this clear. To demonstrate this support, the Parish Council has put aside £16,322 representing approximately £17 from each Council Tax payer, hopefully to demonstrate to potential benefactors that the Parish Council supports the re-build project. At this time, the Parish Council feel it is both fair and reasonable to hold this sum in reserve. However, if you feel this money could legitimately be spent on other projects, please email or 'phone the Parish Clerk.

Clerk's Report – Lucy White

The penultimate page of this statement. I hope you have got this far and found it an interesting and informative read.

A couple of residents have contacted me recently asking why they were not advised meetings were taking place. Communication is key between Parishioners and the Parish Council and so I would like to address this point.



In accordance with Local Government Law, agendas must be published in a 'conspicuous place' three clear days before a meeting. (Clear days do not include Sundays, the days of Christmas & Easter, bank holiday breaks and days appointed the public thanksgiving or mourning). A Parish Council's website is considered to be a 'conspicuous place', so this is where you will definitely see agendas and minutes, although when time permits, I will remind parishioners via social media when a meeting is due. And on that note, **the next meeting of the Parish Council is on the 6th February at 7.30pm at West Hanningfield Village Hall**. It is always pleasant to welcome members of the public.

If you would like to attend a meeting, but don't fancy braving the cold, please be aware you can Zoom into the meeting—simply contact me in advance for the Zoom link.

The Parish Council want to hear what you have to say too, so although not obliged to in law, fifteen minutes are set aside at the start of each meeting (after the formalities) to enable members of the public to ask questions or make statements. It is however important that the session does not become a debate with the council or individual councillors. After the public session has closed, members of the public are not permitted to intervene at any other time.

Other things you may find interesting about meetings...

Voting

Every decision (except to appointment an honorary freemen) must be made by the majority of Members present and voting. The person presiding, may vote even if by doing so they create an equality of votes, in which case they get a second vote. If any Member so requires, the manner in which each Member voted must be recorded in the minutes, but this request must be made either before or after the vote, but before moving on to the next item of business.

Minutes

There are only a few things minutes must record including the councillors who were present, apologies for absence and approval of minutes. Minutes are intended to be formal records of official acts and decisions and should not be verbatim. A phrase I often hear is 'they should be minutes, not hours!'. Draft minutes should be circulated to councillors as soon as possible after the meeting, but they are not approved until the next meeting. It is also good practice to publish draft minutes on the Council's website.

Meetings Generally

In addition to the Annual Meeting (when the Chairman is elected), a council must meet on at least three other occasions during the year and may hold as many further meetings as it pleases. Meetings may not take place in licensed premises unless no other suitable room is available free of charge or at reasonable cost. It is generally inappropriate to meet in a room in a private house as the room may be too small, not compliant with health and safety, public liability, disabled access and facilities for the press.

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