FINANCING THE VILLAGE HALL

On the assumption that the plan displayed today is chosen on current estimates Melton Parish Council needs to find, including for contingencies, up to £1.2 million to go ahead with construction.

It may be possible to secure Lottery funding for part of the cost, and a contribution is likely to come from the Community Infrastructure Levy (CIL) on developers, but assuming the Parish Council has to find all the money, the initial approach would be to fund the build with a fixed interest loan from the Public Works Loan Board (PWLB).

Assuming a PWLB loan of £1.2m, at a fixed interest rate of 3.04% over 30 years, servicing the loan would cost approx. £60k pa.

At the moment rent and service charges for the office and meeting space = approx £20k pa.

Therefore in the worst case scenario the project would require an additional £40k pa to be funded from the Council’s precept. This would equate to a maximum additional payment for a Band D property of approx. £24 pa – about £2 a month once the loan was taken out.

This additional cost would reduce over time as the number of households increases so that by 2024/25 the additional cost per Band D household relating to the village hall project would be approx. £14.50 pa – or about £1.20 a month.

If say £600k of the project costs were funded either by grant or CIL then the additional cost initially per Band D household would be approx. £8 pa and by 2024/25 it would have disappeared, borne by the additional number of households in the parish.