

WOULDHAM PARISH COUNCIL. FINANCIAL DETAILS FOR REPAYMENT OF LOAN

Six tenders were received by Wouldham PC to tarmac the car park at Knowle Road.

The Clerk, Chair and Vice Chair opened and discussed them together, this conversation was taped.

They have recommended CW Surfacing. This Company have just won contract for large car park in Broadstairs, Tudor Park Hotel and Queen Mary Hospital Sidcup.

BORROWING

£65000 OVER 5 YEARS. Repayment £12444.00 per annum

The first payment of £6222 would be made from savings

This leaves 10 more payments from the precept.

YEAR	TAX BASE	PC COSTS £	SPECIAL PROJECTS £	TOTAL £	BAND D PAYMENT £
2016/17	468.55	30518	3540	34058	59.07
2017/18	486.88	30366	4240	34606	66.03
2018/19	597.05	30521	11354	41875	66.03

The above table shows our precept requirements for the previous 3 years.

Parish Council costs have remained mostly the same.

With the rise in our tax base we kept the Band D the same in order to make our first payment for the car park loan (estimated £6222 per 6 months)

We expect the Tax Base to rise by 100 homes to approx. 697 homes for the next financial year.
(currently being built)

The final total of new homes in our Parish is expected to be 1200 so we have assumed a 100 homes a year increase in the tax base.

I will assume a 2% p.a. increase in PC costs. This table shows the outcome if building stopped next year at 697 homes to show how the financial cost of the loan would be met.

YEAR	TAX BASE	PC COSTS £	SPECIAL PROJECTS £	LOAN REPAYMENT £	TOTAL £	BAND D PAYMENT £	% INCREASE IN BAND D
2018/19	597.05	30521	5132	6222	41875	66.03	
2019/20	697	31131	5132	12444	48707	69.88	5.8%
2020/21	697	31754	5132	12444	49330	70.77	1.2%
2021/22	697	32389	5132	12444	49965	71.67	1.2%
2022/23	697	33036	5132	12444	50612	72.61	1.3%
2023/24	697	33697	5132	12444	51273	73.56	1.3%

My next table shows the Band D payments if as expected the tax base will rise by 100 per year in the next 5 years.

YEAR	TAX BASE	PC COSTS £	SPECIAL PROJECTS £	LOAN REPAYMENT £	TOTAL £	BAND D PAYMENT £	% INCREASE IN BAND D
2018/19	597.05	30521	5132	6222	41875	66.03	
2019/20	697	31131	5132	12444	48707	69.88	5.8%
2020/21	797	31754	5132	12444	49330	61.89	-12%
2021/22	897	32389	5132	12444	49965	55.70	-10%
2022/23	997	33036	5132	12444	50612	50.76	-9%
2023/24	997	33697	5132	12444	51273	51.42	1%

In reality the PC would need to expand to cover a much larger village so I would expect the Band D payment to remain the same or **more likely reduce** even with the increase in the tax base.

YEAR	TAX BASE	PC COSTS £	SPECIAL PROJECTS £	LOAN REPAYMENT £	TOTAL £	BAND D PAYMENT £	% INCREASE IN BAND D
2018/19	597.05	30521	5132	6222	41875	66.03	
2019/20	697	31131	5132	12444	48707	69.88	5.8%
2020/21	797	31754	8427	12444	52625	66.03	-5.5%
2021/22	897	32389	14395	12444	59228	66.03	0%
2022/23	997	33036	20351	12444	65831	66.03	0%
2023/24	997	33697	19240	12444	65831	66.03	0%

As you can see, regardless of the amount of new homes built the increase in the precept will be 5.8% in the first year although in every scenario this will reduce or only increase by 1.2% in the following years.

PATHWAY

The quote for the pathway across the Recreation Ground to meet the car park is £33195. We are getting £15000 from KCC leaving £18195

We can easily pay this from our savings of £30400 (total for pathway and first loan repayment £24417)

Another option is to add this to the borrowing (Parish Council agree to pay from savings)