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To: Members of the Control Tower Committee
CC: Greenham Parish Councillors

Dear Sir/Madam,

YOU ARE HEREBY SUMMONED to a Meeting of the Control Tower Committee of Greenham Parish Council on **Tuesday 7th November 2017 at 7:00 pm at Liberty House, Greenham Business Park.**

Yours faithfully,

P Harper

Clerk to the Council

31st October 2017

AGENDA

1. Apologies for Absence

2. Declarations of Interest, Statements of Position and Dispensations,

To receive any Declarations of Interest and Statements of Position by Councillors

3. Approval of Minutes

To approve Minutes of the meeting held on 10th October 2017

4. Public Session

If you wish to ask a question, please notify the Acting Proper Office in advance

5. Project Manager Review

- a) **To review** status of work programme
- b) **To agree** next steps

6. Exclusion of press and public

To move that under Section 1, Paragraph 2 of The Public Bodies (Admission to Meetings) Act 1960 the press and public be excluded from the meeting for the following items of business because publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted.

7. Control Tower Security

- a) **To consider** proposed security measures for the Control Tower

8. Public Works Loan Application

- a) **To approve** the Drawdown of PWLB fund
- b) **To agree** next steps

9. Formation of Company Limited by Guarantee

- a) **To receive** a Progress Report from the Trustees
- b) **To consider** resource support for the CLG
- c) **To review** the Project Action Plan
- d) **To agree** next steps in the handover process

10. Heritage Lottery Fund

- a) **To consider** quotations for the creation of a bid to the Heritage Lottery Fund ‘Our Heritage’

11. Creation of Lease

- a) **To review** draft Heads of Terms
- b) **To consider** terms of the draft Management Agreement
- c) **To consider** quotes for legal fees for a solicitor to set up the Commercial Lease for the Control Tower on behalf of GPC

12. Interpretation Working Group

- a) **To receive** a report from the Interpretation Working Group

13. Review List of Outstanding Actions

14. Exclusion of press and public

To move that under Section 1, Paragraph 2 of The Public Bodies (Admission to Meetings) Act 1960 the press and public be excluded from the meeting for the following items of business because publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted.

15. Completion of Legal Assignment

- a) **To review** progress in completion of the assignment

16. Other items for information only – no decisions can be taken

A full copy of the agenda pack (including supporting papers) can be downloaded from the Council’s website at www.greenham.gov.uk

Members of the Public are welcome to attend the meeting, to ask questions and to comment on the proceedings with the consent of the Chairman. In accordance with The Openness of Local Government Bodies Regulations 2014, photographs, audio and video recordings of the meeting and of those attending may be taken at the meeting by the press and others.

You are invited to contact the Clerk of the Council if you have any questions or matters of concern that you would like the Council to address.



PWLB Loan situation

Paul Walter, 1st November
2017

Council resolution

- 31st July: “RESOLVED unanimously that Greenham Parish Council apply to the Secretary of State for Communities and Local Government for a Public Works Loan Board loan of £95,310, to be paid back over a period of 17 years on a fixed rate annuity basis, for the Greenham Common Control Tower project.”
- *N.B There needs to be a separate resolution to draw down the funds from the Public Works Loan Board, which is administered by the government's Debt Management Office.*

Costs calculation 26th July 2017

PP total incl PP fee	107,309.95	incl contingency
Support 2017/18	10,000.00	
Interpretation pre-construction	2,000.00	
Interpretation build	25,000.00	
Legal fees café	2,000.00	
Beechmast legal	1,200.00	
GPC entity agreement	2,500.00	
Bike racks	1,300.00	
Security shutters	4,000.00	
Total costs	155,309.95	
In hand	-60,000.00	
Needed from loan	95,309.95	

Prices exclude VAT

NB This is "worst case" (some things don't need to be done, and the fence will raise £2K)

Approval letter

- Our loan permission from the Department for Communities and Local Government is to borrow £95,310 during the year ending 26th September 2018.

Project funding situation

- Total cost of building works + other costs:
£107,309.95
- Payment of £86,879 building costs in monthly buckets 18/12/17, 22/1/18 and 9/2/18 (plus payment period)
- Payment of Place Partnership £10,400 9/2/18 plus payment period
- Based on on-site start date 20/11/17 and completion date of 9/2/18 (subject to revision when final tender decision made).

Projected payment needs

**Based on likely invoice dates (rather than required payment dates) NB:
ESTIMATES ONLY**

Month	Category	Cost	Cumulative cost	£50,000 reserve	Required funds
November	Legal fees (CLG)	6,000	6,000	44,000	0
December	Building	31,592	37,592	12,408	0
December	CLG start-up	10,000	47,592	2,408	0
December	Legal fees (lease)	2,500	50,092	-92	92
January	Building	31,592	81,684	-31,684	31,684
January	HLF consultant	2,000	83,684	-33,684	33,684
February	Building	23,694	107,378	-57,378	57,378
February	Place Partnership	10,400	117,778	-67,778	67,778

Loaning alternatives

- Annuity versus EIP (Equal Instalments of Principal - weighted upfront payment)
- 0-unlimited tranches can be requested with differing repayment terms, interest rates etc
- Don't have to borrow the whole amount, as long as we tell DCLG this before the end of the period.

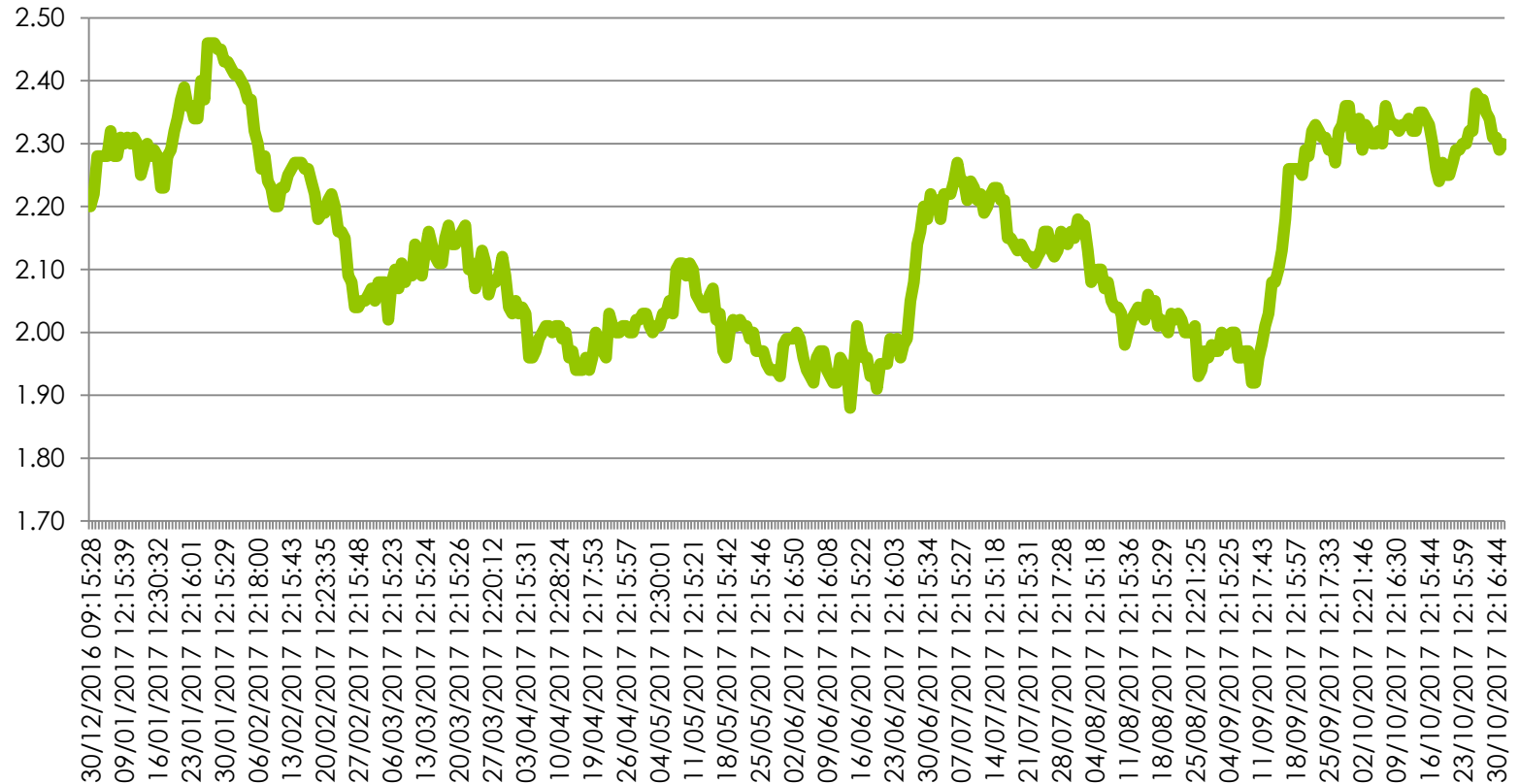
Practical process

- Call to the Debt Management Office to request and agree terms
- Complete & submit form LC1 one week before loan required
- Each tranche is a separate loan and can have different terms
- We can request payment dates, within reason
- Early repayment never favours the borrower, so caution needed when borrowing

Interest rates are rising

- The PWLB set new interest rates everyday, and lend money to councils at those latest rates. In the last year, interest rates have gone up. On 27th June this year, for £100,000 loaned on fixed rates/annuity method for 17 years the interest rate would have been 1.96% and the total repayments at current values would have been £118,068. On 13th October, the same loan would be charged at an interest rate of 2.31% with total repayments of £121,485. So, in just three and a half months, the cost of borrowing £100,000 from the PWLB has gone up, in current day terms, by £3,417 or 2.9%.

2017 PWLB interest rates – 17 year loans



PWLB is about to transfer government departments

- On November 15th 2016, the Public Finance website reported – in their words: “PWLB to be scrapped, government confirms”. It went on: “The government has confirmed plans to abolish the 223-year-old Public Works Loan Board and transfer its functions for lending to local authorities to the Treasury.”

Sample options

Based on annuity loan from PWLB

Present values based on inflation at 2% per annum

Based on data from PWLB/DMO website as at 1st November 2017

Loan period	Criteria	Amount of loan: 60,000	Amount of loan: 70,000	Amount of loan: 95,310
10 years	Total payback today's money	66,131	77,153	105,049
10 years	Total payback present values	60,591	70,689	96,248
10 years	Annual payback	6,613	7,715	10,505
10 years	Interest rates	1.89%	1.89%	1.89%
17 years	Total payback today's money	72,951	85,109	115,882
17 years	Total payback present values	62,556	72,982	99,370
17 years	Annual payback	4,291	5,006	6,817
17 years	Interest rates	2.32%	2.32%	2.32%
25 years	Total payback today's money	82,900	96,717	131,687
25 years	Total payback present values	66,035	77,041	104,896
25 years	Annual payback	3,316	3,869	5,267
25 years	Interest rates	2.70%	2.70%	2.70%

<-Less expensive option
<-But annual paybacks are higher

<-More expensive option
<-Budgetted annual payback level