

## Report to Ide Parish Council Meeting 19 January 2022

### Ide Joint Projects Fund Raising Group for Weir Meadow and Victorian Orchard

1. The group met on 8 November 2021; and at time of writing is due to meet on 18 January 2022 at a combined meeting with the Weir Meadow Working Group.

2. The current members of the group are:

Doug Bell, Nick Bradley (Chair), Peter Cloke (Chair Community Orchard WG), Richard Cottle (Chair Weir Meadow Working Group), Trevor Gardner, Cheryl Haddy, David Howe, Mel Liversage (Parish Clerk), Charlotte McGregor, Jessica Paine, Phil Willcock.

3. The totals raised as of 12 January 2022 are :

Weir Meadow and N Fields - autumn appeal donations	£39,766.93
Victorian Orchard - autumn appeal donations	£29,136.10
Victorian Orchard Viridor grant - site purchase	£31,025.00
- equipment	£ 2,474.00
Less Viridor 10% Contributing Third Party Landfill Tax Payment	- £ 3,344.90

**Total available to spend on buying the sites £96,583.13**

4. When considering taking a loan for the shortfall, DALC advise that it should be a single loan to cover both sites treated as a single project. This is also the view of the fund raising group, and forms the basis of the consultation survey currently under way. DALC also advise that the loan must include the VAT payable.

5. To buy the sites we need a total of £257,000. This is made up as follows:

<b>Weir Meadow &amp; N Fields</b>	Purchase price inc VAT	£ 178,000
	Legal fees inc VAT (est)	£ 1,200
	Stamp duty SDLT	£ 648
	Land registry	£ 230
<b>Victorian Orchard</b>	Purchase price inc VAT	£ 73,610
	Legal fees inc VAT (est)	£ 1,200
	Land registry	£ 45
	Contingency	£ 2,000
<b>TOTAL</b>		<b>£ 256,933</b>

6. The shortfall is £160,350 (£161,000 when the consultation survey went to press before recent donations). Fixed interest rates for the Public Works Loan Board for 50 year loans have risen from 1.9% to 2.3% over the last 3 months, and the trend is slowly upwards. Given the national economic position, we feel it is prudent to expect them to go on rising at a similar trajectory between now and the day we actually take the loan, which we anticipate will be in May 2022. This calculation produces a figure of £5514 per annum in repayments needed to service the loan in interest and capital repayments over 50 years on an annuity basis. That figure of £5514 will be added to our precept demand for the year 2022-23. It is this £5514 that, if residents support us in the consultation

exercise, will lead to an additional £1.89 per month on the council tax for an average band D household.

7. Future funding issues.

a) **Reclaiming VAT.** It is not clear when we will get back the VAT we pay on the land. For the Orchard the claim will be straight forward. For Weir Meadow it is complicated and we have taken extensive expert advice from a local authorities VAT specialist provided free of charge by DALC. The complication surrounds letting the two sports fields and generating income. At this stage we have no decision to make; and we have been provided with a mechanism by which we should be able to regain all or nearly all the VAT if we keep the correct records and make the correct letting arrangements.

b) **Using the reclaimed VAT.** DALC advise, wisely, against deciding what to do with money until we have it. And VAT has caught some parish councils out. We have no decision to make at this stage. But we want to share our thought processes with the Council. VAT is a relatively small part of the overall loan at £19,560. In buying the land we will, in Weir Meadow's case, only have completed Phase II of the fund raising programme. Phase IV will involve raising further funds for the additional recreational elements. It will also, as we have found over the last three years, require pump priming money for professional fees before fund raising can begin or match funded grant applications can succeed.

None of the money donated or granted is to be spent on VAT: all the VAT is to be borrowed. If we are successful in securing the village's support for the loan and the precept rise, it could seem counterproductive to repay some of the loan (which of itself would attract fees) with the reclaimed VAT, to achieve a small reduction in the annual repayments and a minimal change in the precept, only to come back in a year or two with another request to borrow for phase IV.

c) **Community Infrastructure Levy (CIL)** There is a strong possibility that if the approved development at Springwell goes ahead the parish Council could receive about £140,000 in CIL money. We cannot plan for this. We do not know if and when we might receive it. And there may be other calls on that money apart from these two projects by that time. There is no decision to make on this at this stage.

d) **Biodiversity Net Gain (BNG).** A new scheme analogous to carbon offsetting is due to come into action in about two years time. Developers will by law have to demonstrate that their project delivers 10% BNG. Many developments will find this impossible, so they will be able to buy units of BNG from folk like us at a market price. Julian Perrett estimates that the Orchard would be assessed at 3-4.9 BNG units, which would sell for c£36k. There is no decision to make at this stage.

e) **Environmental Land Management Scheme (ELMS).** A scheme long in the gestation, yet to come on stream, but which might provide income for the sort of low impact, green, tree planting approach we would want to see for Northern Fields. No decision to make at this stage.

NCAB 12 Jan 2022