

MINUTES OF THE MEETING OF DEDDINGTON PARISH COUNCIL HELD ON 18TH SEPTEMBER 1985

Present: Councillor Ward (Chairman), Councillors Mrs. Cheeseman, Fenemore, Fuller, Garrett, Garvey, O'Neill, Mrs. Robinson and Webber.

Apologies for absence were submitted on behalf of Councillors Hayward and Stevens.

1. The Clerk The Chairman stated that the Clerk had to go into hospital shortly for investigations and in the meantime had been advised to take as little strain as possible: the Clerk had asked to be relieved of all responsibility concerning the Windmill Centre whilst continuing his other duties. RESOLVED that the request be agreed to and that the Clerk be thanked for all his services to the Council.
2. Minutes of the Meeting of the Council held on 28th August 1985, which had been previously circulated, were confirmed as a true record and signed by the Chairman.
3. Windmill Centre An updated financial statement for the new development was circulated at the Meeting and copies of a report from the financial working group had already been circulated to all Members: copies are filed in the Minute Book. Consideration was given to the statement and report and, arising therefrom, RESOLVED that:-

- (a) the District Council be asked to seek sanction for a loan of £22000 on the security of the land and that this be taken up as soon as possible;
- (b) variations to the statement referred to above be reported to the Council as soon as they occur;
- (c) no public appeal be made for gifts and short-term loans from residents;
- (d) authority be given for an independent Appeal Committee to be set up to co-ordinate all fund raising activities; and
- (e) no public meeting be held but that the present position be fully publicised by an insertion in Deddington News.

It was also reported that the District Council could make no further grant in the current year but that it would be fully considered in 1986/87.

The Meeting closed at 9.05 p.m.

Douglas V. Ward

Chairman

THE WINDMILL CENTRE - COST OVERRUN FORECAST AS OF 17/9/85

1. ROCKWELL DEVELOPMENT LTD.

1.1 Delay

previously £5700

now £4200 but this will be deferred
until Phase II and/or
legal action is successful

1.2 Necessary Variations due to inadequate design or details

previously £15438

now £14820

1.3 Prime Costs (includes a contingency of £1000)

previously £2900

now £5660

1.4 Improvements

previously £978

now £420

1.5 Original Options

previously £3285

now £3135

TOTAL previously £28301 now £24035 plus £4200 deferred

2. FEES

		By Completion 12/85	By 10/86	Dependent on Successful Litigation
2.1	Hansford Durley	2000	1000	1250
2.2	B.Bond Design	2000	1000	2625
2.3	B.Bond Supervision	1500	-	-
TOTALS Previously £6609 now		5500	and 2000 plus	3875 deferred

3. FINISHING COSTS

£5000 remains as previously

4. FUNDS AVAILABLE

Previously £13125 now £14125

5. COST OVERRUN - SUMMARY

5.1 Previously £26,585

5.2 Now £22,410

- of which £2000 is deferred until 10/86
- and further reduction by £8875 "very likely" in June 1986 (Grant)
- and "possibility" of recovery of some of the £14820 costs due to inadequate design or details in 1.2 above.

5.3 In Addition

The following cost overruns are only due and payable if legal action action and/or Phase II is successful.

- Builders delay £4200
- Fees £3875

6. FUND RAISING

No account has been taken of any fund raising activities that might take place in 1986. A Carnival (currently being discussed in outline concept) could raise £5000 plus.

FINANCIAL WORKING GROUP REPORT

September 1985

INTRODUCTION

1. The Parish Council were advised at their last meeting of the financial implications of the redesigned structure for the Windmill Centre. In overall terms the project now has a forecast overrun of some £28,000. Unfortunately because of the absence of Mr Walliker and members of the working group on holiday and business, it has not yet been possible to reach a more exact estimate. Nonetheless the FWG believe that the figure is sufficiently authoritative to be usable while negotiations continue to reduce it wherever possible.
2. There is no doubt that the projected cost overrun is very serious, and that had an overrun of this size been present before contracts were exchanged with the builder, then the FWG would not have been able to recommend that the project should go ahead. However, the present situation, whereby we have contractual obligations to Rockwell, put considerable pressure on the FWG (for the Parish Council) to find a way forward that allows work to continue. This means, of course, that financial cover for the £28,000 must be found.

DISCUSSION

3. In the longer term the money may be raised by any or all of a combination of methods: fund raising, legal action against the architect (and possibly CDC?) and the Phase 2 playing field redevelopment. However, as none of these will meet the cash payments that Rockwell, the current architect and structural engineers can reasonably expect (with anticipated completion of the Centre by Christmas), then the FWG have considered the short-term measures that are available.
4. Informal soundings have been made to see if there is any possibility of any members of the community lending (or even donating) money for, say, a twelve-month period at low or zero per cent interest rates as a form of 'bridging loan' in order to provide a breathing space in which to raise the money by the other means previously mentioned. We have not yet had any feedback on this because of the holiday period, but with so many other causes and appeals

in the village - such as the Church bells - then it may be difficult to raise a significant sum quickly. Nonetheless the Parish Council might wish to consider the merits of a Public Appeal to raise money on a short-term loan basis at very low interest rates.

5. A formal approach has been made to the CDC Treasurer to see what help they might offer in view of the difficult situation the PC find themselves in as a result of having received Building Regulation approval for a building which was, arguably, unsafe. A very useful and friendly meeting was held between Mr Blakey (Treasurer), Mrs Robinson and Mr Forsyth. Mr Blakey clearly feels that the CDC has an obligation to help the PC as 'you are currently over a barrel' and he made two specific proposals:

(1) Grant: the current grant application has resulted in a sum of £3625 being allocated for the Windmill - this being 25% of the £14,5000 project cost overrun we had applied for. He recommended that we withdraw our application and 'under the unusual circumstances' reapply for a grant based on $£14,500 + £28,000 = £42,500$. Fortunately the percentage has been increased to 30%. He said that he had to receive the new application by 13 September latest. This was delivered on 9 September and we have high hopes that we will receive a grant allocation of £12,750 very shortly. This will reduce the cost overrun by some £9,000.

(2) Bridging Loan: He suggested that the PC might like to consider a mortgage loan, repayable at any time, with low capital repayment initially secured on the Windmill land and buildings. A fixed interest rate of 10.5% was suggested. While an application by the PC would normally meet with a 'no funds' response at this time of the year, he was quite confident that he could raise a £28,000 loan 'under the circumstances'. He recognised that we might not need all of that sum and might be able to repay very quickly - depending on legal action, Phase 2 etc - and said we would not thereby incur any financial or political penalties. If the PC wants to take this offer he would:

- (a) need the PC's formal authority to start the machinery to obtain sanction for the loan;
- (b) need to move quickly;
- (c) not be offended if, having obtained the loan sanction, it was subsequently not used.

CONCLUSIONS

6. The FWG have discussed the long- and short-term options available and it is their conclusion that over a period of three to four years it would not be unreasonable to suppose that the cost overrun of £28,000, less whatever extra grant we receive, could be met by fund raising, e.g. a combination of a village-wide covenanting scheme and specific events such as a 1986 Carnival. If legal action against the architect and/or Phase 2 development is successful, then this may further reduce, or even cancel, the fund raising requirement. This is, of course, our hope.

7. In order to bridge the gap - both financial and time - the FWG consider that the offer of a mortgage loan by the CDC is a valuable life-line. With a fixed 10.5% interest rate and no initial capital repayments, it is well below any commercially available loan from the usual channels. In view of the fact that a sanction for the loan can be sought without any commitment to take up any part of the loan, then the FWG thinks that it is in our interests to do so. It is easier to cancel the loan requirement than to set it up at short notice.

RECOMMENDATIONS

8. The Parish Council formally request the CDC to seek sanction for a mortgage loan on the terms previously outlined. It is emphasised that this is a procedural expediency and will not commit the PC to taking up the loan.
9. The FWG continue to refine and renegotiate the cost overrun and provide a detailed statement to the PC by the end of September.
10. The PC consider making a Public Appeal now for gifts/low-interest short-term loans from within the community in order to reduce the cost and size of the loan that may be finally sought from the CDC as in para 8.
11. The Parish Council authorises a Windmill Appeal Committee to be set up now. Its specific task will be to coordinate all fund raising activities.
12. The Parish Council may wish to consider the merits of holding a Public Meeting to give the community at large an opportunity to be briefed on this very complex project, ask questions, volunteer to help etc.

M.R.

P.P. Chairman FWG

11 September 1985