

Briefing Note for Great Waltham Parish Council Meeting 20th March 2023

For agenda item: 'To agree that the Council seeks to secure a loan to fund one-half of the costs to install an average speed camera system on the B1008 through Ford End village'.

Background

1. For a number of years GWPC has held the sum of £10,000 in its budget as a contribution towards the installation of an average speed camera (ASC) system on the B1008 through Ford End.
2. Subsequent discussion with ECC representatives resulted in a revised overall projected cost for the scheme of £120,920.
3. In addition, ECC Highways Maintenance and Sustainable Transport cabinet members indicated a willingness to facilitate a matched funding arrangement whereby the Local Highways Panel (LHP) would fund 50% of the project cost (£60,460) once GWPC raised the remainder.
4. GWPC efforts to raise its share (50% less the £10,000 in the budget) were stalled by the pandemic and momentum to move forward with the project has stalled. The scheme has been downgraded by LHP in terms of its spending discussions (it is now listed as 'awaiting funding').
5. The LHP budget for 2023/24 is anticipated to be approved on 16th March 2023, so any agreement by GWPC now to fund its 50% would, at best with all other things being equal, mean a scheme beginning no earlier than 2024/25 (unless unused or other LHP/ECC funds become available).

Match Funding

6. The revised projected costs of the scheme may well have altered since the original assessment. Therefore GWPC's 50% will be of a figure which will almost certainly need to be revalidated.
7. The revalidated cost of the scheme could go up (e.g. inflationary pressures) or down (e.g. lower technology costs).
8. Any agreement by GWPC to match funding does not guarantee the implementation of the scheme (see 16, below).

Loans/Grants/Donations

9. GWPC does not have sufficient reserves to fund its 50% without raising a loan and/or securing grants/donations.
10. Taking out a loan would mean an ongoing commitment to a repayment schedule which would become part of future budgets, and would therefore impact precept requests.
11. The Public Works Loan Board (PWLB) scheme seems to offer access to funds at favourable rates of interest (subject to going through an approval and support process).
12. PWLB loans can be repaid over a period of up to 50 years.

13. Loans are likely to be available from other commercial lenders, but such opportunities would need to be investigated. They are unlikely to offer terms as favourable as the PWLB option.
14. Securing a loan to guarantee the 50% would not prevent GWPC seeking grants or donations to be offset from the amount borrowed (thereby reducing repayments and/or the time over which they would be repaid).
15. Any borrowing or securing of funds must be undertaken in accordance with GWPC's Financial Regulations.

LHP Current Position

16. The current LHP position (subject to verification) is that LHP will now only consider match funding when GWPC says it can finance its 50%.
17. The current commentary on the LHP schemes list is 'Scheme was design only in 2020/21, new revised costing £120,920. Suggestion previously was Match Funding from Parish Council and LHP, which would now require £60,460 from each source'.
18. Both the revalidated costs for the scheme and a LHP commitment to match fund even if GWPC raised its half would need to be re-established.

Possible Approaches

19. GWPC:
 - 19.1. Decides that it does not want to raise a loan (and therefore its precept) and so the scheme is allowed to wither, unless a case for full LHP funding can be made; or
 - 19.2. Agrees to seek the loan required for it to request that LHP match funds and authorises the scheme. The loan would be for either £50,460 (that is, 50% of current costs less the £10,000 in its budget) or for 50% of the revalidated scheme costs (subject to an upper limit which if reached would require further GWPC approval).
20. If 19.2, GWPC seeks grants/donations to offset its committed spend.