

### **8.6.22 Amended Holly Cottage update for PC meeting 13.6.22**

Since reporting to the PC for the meeting in March 2022 we have continued to prepare for the refurbishment and obtained quotes for all the work while we awaited confirmation of the loan of £179,061 from the PWLB.

On 7.6.22 we received approval from the PWLB for a loan of £179,061.

The PC now needs to approve acceptance and drawing down of this loan.

The current PWLB interest rate has increased to 3.44% which will require repayments of approx. £630 a month. The affordable rent envisaged on the PWLB application form was to be approximately £650. This figure was based on an agreed 15% reduction on the open market rent (Minute 106/20 on 18 Jan 2020). The potential rent will have increased over the two years since that decision.

The PWLB loan's interest rate and repayments will be fixed for the full 50 year term of the loan, during which the rent will increase and therefore continuously increase the income to the PC. This may be used to benefit the whole community.

The PC needs to agree to accept the PWLB loan. Interest rates are increasing, as are the costs of building materials and work, I would therefore urge the PC to approve the drawing down of the loan at the earliest opportunity. We are informed that the completed form for the drawing down of the loan should reach the DMO at least 2 weeks prior to the advance date, which we propose should be 28<sup>th</sup> June.

In consultation with the Chair, we have arranged for Paul Thompson the builder to start essential preliminary work starting on 9<sup>th</sup> June. If the PC approves acceptance and drawdown of the loan we can press on with the full refurbishment.