

FULL COUNCIL

31st October 2022

PLAY AREAS

At its meeting on the 20th October, the Parks and Open Spaces Committee considered the responses to the Play Area Questionnaire. They are attached for reference. Once discussed tonight, a public update will be released, thanking those that have taken part and updating residents on the next steps.

The 167 responses from users of the play areas highlighted the type of use and value of these two play areas that the Town Council owns and manages, one at Victoria Park, and the currently decommissioned area at MacAndrews Field.

It is clear that the Victoria Park play area is not up to standard and the MacAndrews area has already been removed due to rotting wood causing safety issues.

Initial quotes obtained indicate that a significant sum would need to be spent to replace just one piece of equipment in either park, for example a single roundabout could cost around £16,000.

Funding for improvements

There are no significant reserves available for improvements to play areas. The Parks general reserve (currently £17,019) is not sufficient for any planned works as it is required for unexpected general and urgent maintenance.

Donation

A donation of £7,135 was received from Ivybridge Lions Club which is to be allocated to a children's play area so could be used at either site.

Investment

The Council has an investment with the CCLA which could be withdrawn and invested in the play areas.

The Council has to give 6 months notice to withdraw the investment. Although £70,000 was invested, at the end of September 2022 the capital value had risen to approximately £87,000. Plus a dividend is earned each year. The last quarter ending June 2022 earned the Council £713 for the quarter.

The capital and the dividends of this investment can go down as well as up. Once the 6 months notice is triggered, the Council would be locked in and the capital released at the end of May 2023 (assuming notice given by the end of November 2022). Although the capital is currently worth £17,000 more than when it was invested, it could be worth less in 6 month's time. The current dividend rate of approximately £700 per quarter would also be lost once the investment is withdrawn. Although this could reduce too.

Borrowing

Money could be borrowed from the Public Works Loan Board (PWLB) instead of, or in addition to using the investment above. This would require further consultation with residents to justify the repayments to be included in the budget for 2023-2024 and the years following for the term of the loan. Public consultation is a requirement to obtain permission to borrow from the Government.

As an indicator of the cost of borrowing the annual repayments would be:

Loan	Over 5 years (4.65% interest)	Over 10 years (4.85% interest)
£100,000	£20,815	£12,266
£30,000	£6,244	£3,679

The interest rate is fixed for the term of the loan, but could change between today and successfully applying for the loan.

Members are asked to consider if the investment in play areas should be made, taking into account the feedback from the public questionnaire. If an investment should be made, how much should be allocated from investments or how much should be borrowed to fund the improvements.

There is a future project that will need significant Council investment which would be the toilet and parks workshop at Filham Park. This is a project that borrowing would also be considered for on a more long term basis.

Jonathan Parsons
Town Clerk