

MEETING JUNE 11TH 2024 RELATING TO HATHERLEIGH MARKET
MINUTE NO. 66

HATHERLEIGH MARKET

66. Cllr. Burrow reported as follows:

WORKING GROUP MEETING 23RD MAY 2024

- a) Discussed drafting of acceptable wording for the letter of intent required by Kingswood to resume work on the site**
- b) Discussed proposed strategy for repaying the loan for the enhancements to the developer**

LETTER OF INTENT BUILDING ENHANCEMENTS

- a) Letter of intent from the Community Benefit Society to Kingswood Homes was sent agreeing the £190k market building enhancement costs authorising Kingswood Homes to undertake the work and confirming the Community Benefit Society will be liable to repay these costs**
- b) The Community Benefit Society will be looking to partner with Hatherleigh Town Council for grant support during the bedding in period as the market gets established and grows in its new home**

BUILDING ENHANCEMENT WORKS RESUMED

- a) 24TH May following Paul Jones acceptance of the letter of intent discussed with Joel Winders of Kingswood Homes (Commercial Director) the recommencement of building works on the site**
- b) Joel Winders confirmed all work would be recommenced and material orders to complete the works have been placed with practical completion estimated end of July 2024**

EXPECTATIONS AROUND FINANCIAL SUPPORT FROM WDBC

- a) Hatherleigh Town Council received grant of £10k from Rural Prosperity Fund**
- b) Community Benefit Society eligible for £10k Rural Prosperity Fund**
- c) Discussions had with senior leadership of WDBC regarding either further grants or loans to support the scheme. Loans were deemed difficult due to state aid legislation. Grants WDBC are looking into developing a new grant scheme specifically for community projects and we would be eligible under this planned programme – likely timescale 12-24 – looking in the region of £25k - £50k**

STRATEGY FOR FUNDING ENHANCEMENTS

Grants, Sponsorship, Share Issue, Developer Loan, Revenue From Market

FINANCE OPTIONS AVAILABLE FROM KINGSWOOD

- a) Option One – flexible finance option – 9% no early repayment penalties (for initial term of circa 12-36 months)
- b) Option Two – fixed finance option -5.75% interest with early repayment penalties (full principal + interest to be paid)

Note: although the Community Benefit Society would rather not take finance from Kingswood Homes, it is worth noting these rates are competitive with what is available in the commercial loan market and Kingswood Homes are not requiring trading history / 3 years of accounts which commercial lenders do. Our plan would be to use the flexible finance option initially for 12-24 months while use our best endeavours to repay as much of the principal borrowing as possible (grants, sponsors, share issue, revenue from market) to repay during this period. Switch to cheaper fixed borrowing for circa 5-10 years to repay the remainder

PUBLIC MEETING

- a) Publicity for this has started with posters, social media campaigns
- b) Asking people to confirm their pledges under the new scheme
- c) Planning/preparation for meeting underway

SHARE ISSUE

- a) Advised there will be a circa 6 months lead to get the share scheme up and running to the point where we will be able to issue shares and incur a circa £2k cost for attaining standard mark (best practice accreditation) for the share scheme
- b) Supported by Plunkett to do this

PARKING MANAGEMENT FOR THE MARKET

- a) WDBC extending support to community groups to provide parking management services
- b) WDBC has provided a proposal for parking management and we are reviewing this together with options from other parking management providers in the marketplace