Business Case for Borrowing to Fund the Benians Pavilion Improvement Project

The Proposal

To apply to the Secretary of State for permission to borrow £1,000,000 to fund the Benians Improvement Project at a cost of approximately £68,000 a year over 50 years representing a 17% increase in the precept for the financial year 2026/27 being £16 a year for a Band D household.

Background

Four Marks Parish Council sees the improvement of community facilities in the village to meet the requirements of the growing population of Four Marks as a priority. It has been so for several years and the iterations of a project to provide a new community building for the village are well documented on the parish council's website. A planning application to build a completely new facility to the north of the football pitch was withdrawn in August 2024 because of the inability to overcome Sport England's objections to the proposal. Since that time a masterplan has evolved which identifies three existing community buildings for improvement: the Benians Pavilion, the Village Hall and the Scout Hut. Of these the first project to be developed is the refurbishment and extension of the Benians Pavilion.

The Need

Community buildings in Four Marks were built when the village was significantly smaller and are inadequate for the needs of an expanding population. The village needs more space and facilities for a wider range of activities.

The Proposed Improvement of the Benians Pavilion will:

- Provide an additional two function rooms and a second kitchen providing three function rooms each with kitchen access and capacity to seat 100 people.
- Expand the range of community activities that can take place in the building.
- Increase the use of the facility by children and young people.
- Enable the return of cricket and the expansion of football provision
- Bring the changing rooms up to the latest specifications for both cricket and football
- Include the installation of energy-efficient lighting, heating, and insulation.
- Ensure full accessibility, with upgrades to include ramps, accessible toilets, and signage.
- Enhance and modernise the building exterior and external areas
- Provide more and improved parking
- Provide a self-contained parish office

Benefits

- Community Wellbeing: A modern, accessible pavilion will foster greater community cohesion, support physical activity, and reduce social isolation.
- Economic Impact: Enhanced facilities can attract more bookings from local organisations, businesses, and private hire, generating additional revenue to make the premises financially sustainable
- Environmental Sustainability: Improved energy efficiency will lower running costs and contribute to the council's environmental objectives.
- Inclusivity: Ensuring accessibility will enable all residents, regardless of age or ability, to benefit from the Pavilion.

Financial Considerations

An estimate for the overall cost of the Benians improvement project is £2.75m and a breakdown of those costs is below:

Breakdown of Build Costs	**£**
Pre-Construction Costs	59,900
Planning Costs	40,000
Site Set Up & Prelims	252,694
External & Enabling works	370,400
Utilities & Services	6,000
Main Structure	742,600
Abnormals	576,671
Sub-total	1,948,365
Contractors OHP	389,673
Client Contingency	350,706
Total Build Cost	**2,748,644**

The project would be made possible with a mixture of funding and the proposed package includes £1.25 million of strategic CIL granted by East Hants District Council; and £1m to be borrowed by the Parish Council. The balance of funding to come from Neighbourhood CIL, S106, Parish Council reserves and additional partnership contributions.

The sum of the predicted funding is:

Source	**£**
Parish Council Borrrowing	1,000,000
EHDC Strategic CIL Grant	1,250,000
Parish Council Reserves:	
Benians Fund	40,000
Youth Fund	10,000
Community Fund	75,000

Developer Contributions:	
Neighbourhood CIL – current and expected	239,993
S106	90,439
Partner Contributions:	
Benians Association	80,000
TOTAL	2,785,432

The cost of borrowing is anticipated to be in the region of £70,000 a year. £35,000 of this is already provided in the council's budget from when the precept was raised in 2023 to fund the new building project. The costs of borrowing from the PWLB have doubled since that time and an additional precept increase is required to fund the borrowing costs – this additional cost of £35,000 represents a 17% increase for the financial year 2026/27 being a £16 increase per Band D household. The way in which this impacts on the Council's budget is shown in the appended budget projection figures. These figures show a precept increase of 20% for 2026/27; a further 4% for 2027/28 and 5% for 2028/29

Risks and Opportunities

The figures include anticipated income from Neighbourhood CIL (less than 10% of the total funding) – these figures are based on data from the planning authority but the timing of that income is uncertain – developers may not build out planned developments to the timescales currently envisioned. Further CIL itself is politically contentious, and the level and nature of developer infrastructure contributions may change before the project is complete. On the other hand the volume of planning applications currently in progress for the parish area indicates that Neighbourhood CIL income will be higher that the levels included in the projections.

The projected build costs contain generous allowances/contingencies but costs remain uncertain until competitive tendering for the project is undertaken.

The precept projections assume that the taxbase remains constant, it is likely that the taxbase will increase over time (given the anticipated building of new homes) and should that happen – the percentage increases in precept at Band D will be less than the percentage increases in the cash sum of the precept given above.

	24/25		25/26		26/27	27/28	28/29
Income	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**	**Budget**	**Budget**
Precept	184,010	184,010	192,200	192,200	230,000	239,000	250,000
CCLA Dividend	7,000	8,264	5,000	7,000	5,000	5,000	5,000
Bank Interest	-	1,982	1,000	1,000	1,000	1,000	1,000
CIL Income	-	9,785	-	25,841	156,672	110,473	39,500
Bank Interest - NS&I	-	390	-	-	-	-	-
Office Expenses	-	242	-	-	-	-	-
Miscellaneous Income	-	172	-	-	-	-	-
Allotments	-	1,927	-	-	500	500	500
Bowls Club	-	100	-	-	-	-	-
Cemetery fees	2,000	8,725	2,000	2,000	1,500	1,500	1,500
Events	-	60	-	-	-	-	-
Grants and Donations	-	513	-	-	-	-	-
Open Spaces	1,570	1,890	1,500	1,000	1,000	1,000	1,000
Sports Pavilion Income	- -	1,250	7,000	7,000	8,000	8,000	8,000
Rent Income	5,000	7,250	-	7,000	-	-	-
Tennis Courts	3,600	1,457	4,000	2,029	3,000	3,000	3,000
Income from New Project							
Other Income				75	-	-	-
EHDC Grant					1,250,000		
PWLB						1,000,000	
Donations						80,000	
Total Income	203,180	225,517	212,700	245,145	1,656,672	1,449,473	309,500
Expenditure							
Administration	115,800	77,489	73,700	86,845	70,800	77,200	82,600
Allotments	1,000	2,495	1,000	3,027	500	500	500
Badger Close	-	1,826	2,000	1,400	1,500	1,500	1,500
Bowls Club	390	292	400	391	400	400	400
Cemetery	-	70	100	-	500	500	500
Events	1,000	2,289	3,500	-	3,000	3,000	3,000
Grant Funded Projects	-	6,443	-	-	-	-	-
Oak Green	4,124	10,324	9,500	1,524	7,400	7,400	7,400
Open Spaces	58,500	54,066	65,500	45,559	49,500	56,000	62,000
Recreation Ground	2,500	16,018	6,000	8,995	7,500	10,000	12,500
Tennis Courts	3,600	1,255	4,000	4,756	3,000	3,000	3,000
			-	-			
Benians Pavilion							
Electricity	4,466	4,028	5,000	3,575	3,200	3,200	3,200
Gas	2,400	1,220	2,500	1,554	1,600	1,600	1,600
Water	900	648	1,000	544	500	500	500
Business Rates	-	110	-	263	500	500	500
Building Mtce/Servicing	1,500	3,012	1,400	2,400	2,000	2,000	2,000
Water Fountain Rental	1,500	2,015	2,100	1,055	1,200	1,200	1,200
Fixtures & Fittings	-	-	-	-	-		
Grant	-	-	-	-	-		
Community Building							
Community Building Facilities	-	10,925	35,000	48,255	849,804	1,948,840	30,000
PWLB repayments	20,500	-	-	-	35,000	70,000	70,000
Consultancy	-	-	-	31,759	25,000	15,000	15,000
Total Expenditure	218,180	194,524	212,700	241,902	1,062,904	2,202,340	297,400