

**4. What about grants?**

- The forward financial plan has made no assumptions about grant income so any grants received would be a God-given bonus.
- An application showing the total project cost has already been submitted to the Garfield Weston Foundation; other opportunities are being researched.
- It is also proposed to apply under the WREN (Landfill Tax) scheme for significant phases of the building work e.g. the kitchen and the lift.

**5. What are the interest costs on the commercial loan likely to be?**

- The interest rate will be 2% over the 3-month LIBOR (London Inter Bank Overnight Rate) - currently 0.68%. Thus our initial rate is likely to be around 3%. Since the only way for interest rates is 'up' the cash flow forecast assumes rates of 4-5%.

**6. What will the long term mortgage costs be?**

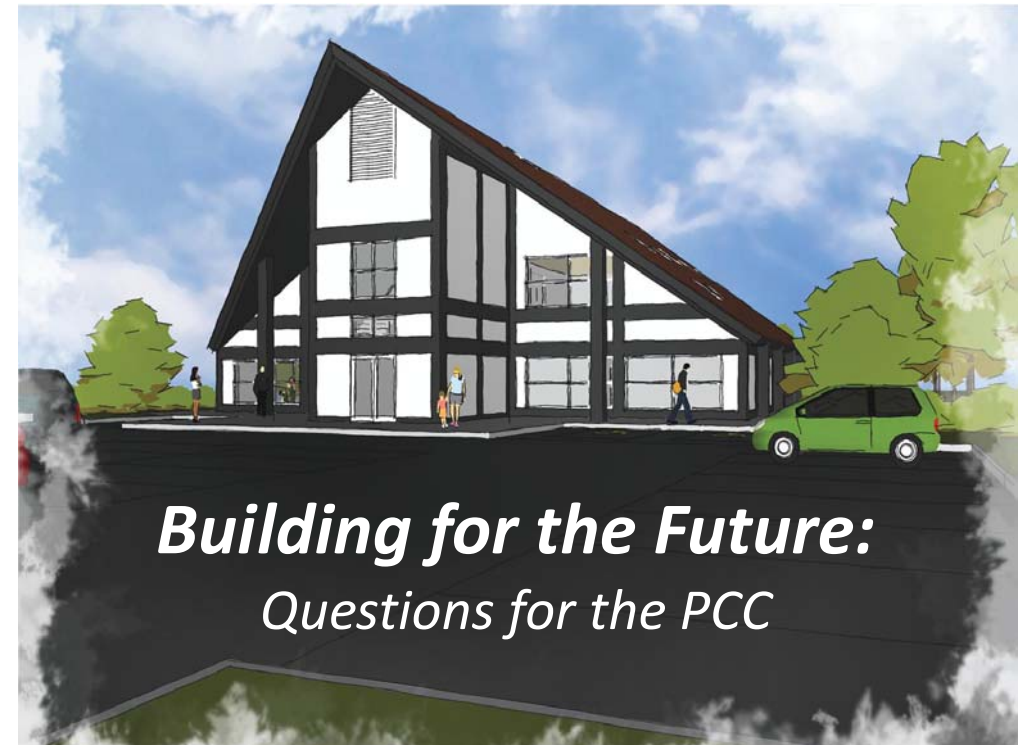
- These will depend obviously on several factors: (1) the size of our outstanding loan at the 5-year conversion point; (2) the prevailing interest rates; and (3) whether all or part of the mortgage is taken as 'fixed interest'.
- Current thinking is that it might be wise to fix, say, £200-250k of the loan now.
- A £400k mortgage over 20 years at 5.5% would cost £34k per annum – less than 10% of the current PCC annual budget total.
- The intention clearly must be to minimise the outstanding loan amount in order to reduce significantly both the cost and the term of the mortgage.

*David Richards*

## **What happens next?**

1. The PCC needs to accept and approve the Minutes and Resolutions contained within clause 3 of the attached draft Minutes and thereafter to sign all of the legal/financial documents referred to therein.
2. The documents need to be exchanged and completed.
3. The monies held by the PCC in respect of the Project need to be transferred to the new Project Account at the Yorkshire Bank.
4. A Letter Of Intent needs to be issued to the Contractor on 20<sup>th</sup> October 2009.
5. The Building Contract needs to be signed on or before 30<sup>th</sup> October 2009.
6. The site will be handed to the Contractor on the signing of the Building Contract.

*David Walker*



After four years of talking, praying, planning, meeting, giving and more, the time has come to decide whether or not to build our new church hall now. We will make this decision at the PCC meeting on Monday 19 October.

In order to make that decision, we will remind ourselves, “why are we doing this?” And if we are to press ahead, then we will need to answer these questions positively, “have we got everything in place to do it now?” and “can we afford it?” If we can say yes to these, then the final question is “what happens next?”

This leaflet aims to help us answer those questions and inform our discussion and decision on Monday evening.

*Mike Smith, David Walker and David Richards*

“Unless the LORD builds the house, its builders labour in vain.” (Ps 127.1)

## Why are we doing it?

We often think of the gospel as rooted in the past. This is right. Jesus died and rose 2000 years ago. God's good news about him was revealed to the apostles and prophets of old. We preach an old word about a finished work. And yet the New Testament constantly proclaims that this good news is future-oriented. In Christ we will be rescued from a



“coming wrath”. Our faith is shaped by waiting “for the blessed hope – the glorious appearing of our great God and Saviour, Jesus Christ”. In this sense, all Christian mission is “building for the future”. And it is urgent: the time is short, and “now is the time of God's favour, now is the day of salvation.”

A church that is filled with such an urgent, Christ-centred, future-focussed faith will want to do *everything* it can to reach as many as it can with this good news. This is why we are – physically – “building for the future”: we want to have the best possible resource to reach out and build up in Christ's name. The gospel is too important – the Lord is too important – to settle for a facility that has come actively to discourage this work. Our buildings need to reflect our living faith.

In a secular age, increasingly hostile to Christian faith, the new hall will communicate our church's continuing commitment to the hope we have in Christ, and the deep desire we have for others to know his love. It will enable our children and young people to have a safe, modern, comfortable environment to enjoy their Christian fellowship and discipleship – a place to which they will not be ashamed to invite their friends. Many church groups will find enormous encouragement and new possibilities as they move into the new hall. It will be a blessing to the wider church. It will be, I hope, a tangible expression of God's welcome as we, discerningly, encourage our neighbours to make full use of the facility.

I hope you can see that we aren't just rebuilding the hall “because the old one's falling down”. That's not untrue, but it is an inadequate reason. If we have no vision of the coming Lord and no sense of his calling upon us to reach out and build up, then let the old one fall down, unlamented. But because the gospel calls us to “build for the future”, so the time is right for us also to do so in concrete, glass and steel. There is much to celebrate in the past: there is much more yet to be done for the future.



Mike Smith

## Have we got everything in place to do it now?

1. Six competitive tender prices have been sought, the lowest of which is from Globe Management Services Ltd being £1.114m plus a contingency of £0.042m. The lowest price has been obtained through undertaking a Value Engineering Exercise with the two Contractors who submitted the best two prices in the initial tendering process. Both of these Contractors were interviewed by the Professional Team and members of the Building Committee.

2. The estimated price, prior to the competitive tender process was £1.488m, including contingency, and hence the lowest tender price is 22.3% below the estimated price.
3. A letter has been obtained from Mitchell Charlesworth confirming that VAT on the Building Contract will be zero rated.
4. The form of Building Contract has been recommended by the PCC's Professional Team and a report has been obtained from the PCC's Lawyers, Dixon Keogh, confirming that this is a suitable Contract.
5. A 10% Guarantee Bond is being given by Coface SA, in case of a breach of the Contract by Globe Management Services Ltd.
6. The Building Contract will be overseen by the PCC's Professional Team and the PCC has the opportunity to appoint “A Client Representative” if it agrees to do so.
7. Detailed Planning Consent is in place and planning conditions are now being discharged prior to work commencing. A Building Regulation application is being submitted before work commences.
8. A pre-contract meeting with Globe Management Services has taken place to discuss the proposed handover of the site.

David Walker

## Can we afford it?

### 1. Are the figures for pledged giving robust?

- The overall pledged income figure of £220k given in the recent leaflet is derived from three sources:
  - ◆ the £1715 per month (Nov 09 figure) from 43 individuals/families;
  - ◆ Regular annual pledged gifts from 4 families;
  - ◆ Gift Aid tax refund on the above.
- The total of £170k estimated for the 6 Easter Gift Days from 2010 to 2015.
  - ◆ This is a reasonable expectation based on the last 3 project gift days (£54k\*, £41k, £61k\*, totalling £156k). (\* incl. a £10k+ gift)
  - ◆ Even without the large £10k+ gifts, we have received £121k in 3 gift days from a total of 180 individuals/families.

### 2. Are the interest-free loan funds of £176k available now?

- Yes, these monies are being collected and will be banked as soon as the PCC gives the go-ahead.

### 3. Has the figure for all 'monies received by Oct 2009' actually been received?

- The remaining pledged cash will be available to bank once the PCC decides 'go'.
- The monies will be held in separate bank accounts: (1) a new construction cost account required by the bank; and (2) the regular deposit/current account for the £190k held in reserve for fees, furniture, etc. and mission project giving.