



# PPC

Proposed Budget 2021-22

November 10<sup>th</sup> 2020



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# This years (predicted) financial performance

		PPC - Budget	PPC - Predicted	VH - Budget	VH - Predicted	PF - Budget	PF Predicted
Receipts	Precept	£60,963	£60,963				
	Other	£371	£18,707 (Misc) £3,775 (VAT)	£27,320 (Hire) £5,250 (FIT)	£7,908 (Hire) £5,250 (FIT) £725 (Other)	£14,484 (PPC) £8,570 (Hire)	£14,484 (PPC) £4,440 (Hire)
	Reserves	£5445	£5445				
	Total	<b>£66,769</b>	<b>£88,881</b>	<b>£32,570</b>	<b>£13,883</b>	<b>£23,059</b>	<b>£18,990</b>
Expenditure	Staff	~£34,000	~£36,000				
	Grants	~£16,000	~£16,000				
	Other	~£16,700	~£32,700				
	Total	<b>£66,769</b>	<b>£84,686</b>	<b>£32,085</b>	<b>£20,463</b>	<b>£21,434</b>	<b>£29,092</b>
Movement to EMR			~£1,900				
Surplus/Deficit		<b>£0</b>	<b>~£4,200</b>	<b>£485</b>	<b>-£6,580</b>	<b>£1,625</b>	<b>-£10,100</b>

Illusory as function of 'ins and outs'

Turf care plus £3k fire alarm and £5k playpark



# Predicted Bank Account Outcome 2020-2021

	PPC	VH	PF
GR	~£25,000	~£20,600	~£18,000
EMR	~£43,000	~£3,800	~£1,400
Total	<b>~£68,000</b>	<b>~£24,400</b>	<b>~£19,400</b>
GR as % of 2021-2022 budget	38%	75%	77%

Below 'best practice 50%'

Worst case, after fire alarm and playpark



# Proposed Budget (compared to this year budget)

		PPC This Year	PPC Next Year	VH This Year	VH Next Year	PF This Year	PF Next Year
Receipts	Precept	£60,963	£62,172				
	Other	£371		£27,320 (Hire) £5,250 (FIT)	£27,320 (Hire) £5,250 (FIT) £1,500 (Jumble)	£14,484 (PPC) £8,570 (Hire)	£14,484 (PPC) £8,939 (Hire etc)
	Reserves	£5445	£3513				
	<b>Total</b>	<b>£66,769</b>	<b>£65,965</b>	<b>£32,570</b>	<b>£34,070</b>	<b>£23,059</b>	<b>£23,417</b>
Expenditure	Staff	~£34,000	~£36,000				
	Grants	~£16,000	~£16,000				
	Other	~£16,700	~£13,000				
	<b>Total</b>	<b>£66,769</b>	<b>£65,965</b>	<b>£32,085</b>	<b>£27,374</b>	<b>£21,434</b>	<b>£23,213</b>
Movement to EMR		~£1,900					
Surplus/Deficit		<b>£0</b>	<b>£0</b>	<b>£485</b>	<b>£6,696</b>	<b>£1,625</b>	<b>£204</b>

Reverses this years deficit



# Budget rationale

- Finance committee considers the level of expenditure to be appropriate
  - Expenditure lines are under control, and there is no recommendation to cut services
  - Finance Committee supports the continued investment in both VH and PF, and notes that PF cannot be regarded as ‘self financing’
  - Finance Committee notes that the proposed VH projects budget (£6k) does not have committed spend and/or EMR allocations to meet that level of budget; however it is not proposed to lower it at this point
  - VH income is of course a ‘hostage to fortune’ to the ongoing pandemic, but should the situation ease there is a pent up demand (especially for weddings) that could easily meet the income. Ultimately the budget shows a surplus which is regarded as ‘contingency’ against continued pandemic disruption
- Fully funding the budget via precept would require a rise of 7.76%:
  - Despite representing a relatively small monetary amount (see next slide), 7.76% is considered as inappropriate in the current climate, especially as PPC cannot demonstrate specific VH and PF investments to justify that rise
  - 0% is also seen as inappropriate as our cost base has risen and for 2022-2023 we do not intend use GR to fund the budget as levels of GR are now acceptable and it is ultimately unsustainable
  - Finance Committee is therefore recommending a precept rise of 2% for the budget, with GR funding the difference
- Funding the budget via GR continues recent strategy, but it should be assumed that this is the last year that we will do this:

Budget year	Total PPC budget	Precept rise %	Precept contribution	GR contribution
Next year (2021-2022)	£65,965	2.00	£62,172	£3.5k
This year (2020 – 2021)	£66,769	6.69	£60,963	£5.5k
Previous year (2019-2020)	£67,030	?	£57,530	£9.5k



# Precept – impact of proposed budget

Precept and Banding Calculator					
Current Year			Next Year	Increase	
£60,953		Precept	£62,172	2.00%	
665.4		Tax Base	665.4	0.00%	
£91.60		Band D	£93.44	2.00%	
		Band D annual increase per £1,000 precept rise	£1.50		
Full Breakdown by Band					
Current Year	Current Year Total per month		Next Year	Monthly Increase	Next Year Total per month
£61.07	£5.09	Band A	£62.29	£0.10	£5.19
£71.25	£5.94	Band B	£72.67	£0.12	£6.06
£81.43	£6.79	Band C	£83.05	£0.14	£6.92
£91.60	£7.63	Band D	£93.44	£0.15	£7.79
£111.96	£9.33	Band E	£114.20	£0.19	£9.52
£132.32	£11.03	Band F	£134.96	£0.22	£11.25
£152.67	£12.72	Band G	£155.73	£0.25	£12.98
£183.21	£15.27	Band H	£186.87	£0.31	£15.57

Precept and Banding Calculator					
Current Year			Next Year	Increase	
£60,953		Precept	£65,685	7.76%	
665.4		Tax Base	665.4	0.00%	
£91.60		Band D	£98.72	7.76%	
		Band D annual increase per £1,000 precept rise	£1.50		
Full Breakdown by Band					
Current Year	Current Year Total per month		Next Year	Monthly Increase	Next Year Total per month
£61.07	£5.09	Band A	£65.81	£0.40	£5.48
£71.25	£5.94	Band B	£76.78	£0.46	£6.40
£81.43	£6.79	Band C	£87.75	£0.53	£7.31
£91.60	£7.63	Band D	£98.72	£0.59	£8.23
£111.96	£9.33	Band E	£120.65	£0.72	£10.05
£132.32	£11.03	Band F	£142.59	£0.86	£11.88
£152.67	£12.72	Band G	£164.53	£0.99	£13.71
£183.21	£15.27	Band H	£197.43	£1.19	£16.45



# Budget sensitivity analysis

Given the uncertainty over the pandemic, what would be the impact of a significant drop of income?:

- PPC
  - Precept: even if no increase is allowed, it is fair to assume that precept will remain at 2020-2021 level. This would have a shortfall at PPC level of £1219 which is considered manageable
- VH
  - Hiring income could significantly impact plan. Mitigants:
    - Budget shows a surplus of ~£6700 which acts as contingency
    - Budget includes £6000 of project spend with no urgent items so this could be deferred
    - Zero income would require additional expenditure reductions, and/or erosion of up to £15k of GR leaving as little as ~£5k
  - FIT income regarded as guaranteed
  - Jumble sale income is £1500 so regarded as manageable
- PF
  - Precept is regarded as guaranteed
  - Hiring income totals ~£9k so could be covered by GR



# Longer term outlook

- Whilst PPC is in a position to survive another year of significantly reduced hiring income, it would severely deplete GR:

	Overall	PPC	VH	PF
GR – start of year	£66,000	~£25,000	~£21,000	~£20,000
GR – end of year	£37,500	~£21,500	~£5,000	~£11,000
End of year GR as % of typical budget	33%	33%	18%	47%
EMR – start of year	n/a	~£43,000	~£3,800	~£1,400

- Finance Committee would also highlight that EMR figures for VH and PPC are very low, storing up a potential problem for future expenditure

- Balancing up the negative impacts, there is the expectation of CiL monies which would have a significant impact on the types of project that EMR is intended to fund:
  - CiL monies should arrive from the developments in the Neighbourhood Plan – the risk here is that the planning framework is amended by the current government (see Appendix)
  - CiL monies is the major source of significant non-precept income over the 3-5 year period
  - CiL monies alone cannot fund major infrastructure investment, such as pavilion replacement, but we have no such planned spend in the 3-5 year period
- Anita is also pursuing support grants, but Finance Committee have not assumed any such income in the budget



# Budget decision

- Finance committee requests PPC approve the recommended budget on the basis submitted:
  - Approval for expenditure as shown in the PPC, VH, and PF budgets
  - Approval for planned income in those budgets
  - Confirmation that the precept rise should be limited to 2%
  - Approval for GR to be used to balance the budget at PPC level – note that GR here is regarded as the aggregate across PPC, VH, and PF budget lines



# Appendix A - CiL

- For a typical 20 dwelling site, we can assume around £80k in total
- For payments over £50k, timetable is:
  - 25% received on commencement (developer has 60 days to pay this sum)
  - 50% 240 days after commencement
  - 25% 360 days after commencement
- Monies are paid to LDC. LDC distribute funds every six months:
  - 30<sup>th</sup> September (PPC receives 28<sup>th</sup> October)
  - 31<sup>st</sup> March (PPC receives 28<sup>th</sup> April)
- PPC has to report to LDC and also advertise on PPC website whether CiL monies spent or not (for all CiL monies received during the previous financial year by 31<sup>st</sup> December following)
- The correct CiL process requires the developer to submit a commencement notice prior to commencement otherwise the instalment policy is lost and the full amount becomes due immediately



# Appendix B – Predicted EMR at year end

	Item	Amount (£)	Notes
PPC (£43k)	Band Stand Fund	5963	
	CiL 18/19	0	
	VAP Money	3000	Applepress/defib/noticeboard maintenance
	Contingency	5500	Covid-19?
	Community Speed Watch	5100	
	Neighbourhood Plan	8000	
	Elections	2000	(Average contested election = £4k next elections 2022)
	CiL 19/20	4894.13	
	General Maintenance	2800	
	Fixed Asset Maintenance	1722	Finger posts estimated repair 5 yrs/benches
	Litter Bins	100	
	IT	490	To cover new laptop
	CiL 20/21	1751.54	
	S137 20/21	1000	Unspent distribution of grants 2020/2021
	Professional Fees	750	



# Appendix B – Predicted EMR at year end (cont)

	Item	Amount (£)	Notes
VH (£3.8k)	Contingency	1500	
	Jumble Sale Proceeds	2287.86	
PF (£1.4k)	3-5 year projects	1000	Assuming fire alarm spend this year
	Skatepark	400	To accumulate for repairs
	Maintenance	0	Assuming spend this year
	Playpark	0	Assuming spend this year