



PPC

Proposed Budget 2021-22

November 10th 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	£66,769	£88,881	£32,570	£13,883	£23,059	£18,990
Expenditure	Staff	~£34,000	~£36,000				
	Grants	~£16,000	~£16,000				
	Other	~£16,700	~£32,700				
	Total	£66,769	£84,686	£32,085	£20,463	£21,434	£29,092
Movement to EMR			~£1,900				
Surplus/Deficit		£0	~£4,200	£485	-£6,580	£1,625	-£10,100

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	~£68,000	~£24,400	~£19,400
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				
	Total	£66,769	£65,965	£32,570	£34,070	£23,059	£23,417
Expenditure	Staff	~£34,000	~£36,000				
	Grants	~£16,000	~£16,000				
	Other	~£16,700	~£13,000				
	Total	£66,769	£65,965	£32,085	£27,374	£21,434	£23,213
Movement to EMR		~£1,900					
Surplus/Deficit		£0	£0	£485	£6,696	£1,625	£204

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:
 - 30th September (PPC receives 28th October)
 - 31st March (PPC receives 28th 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 31st 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