Haydon Wick Parish Council
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LOCAL COUNCIL AWARD SCHEME QUALITY GOLD

Meeting	Full Council
Date	22nd October 2024
Report Title	Grounds Maintenance Facility – Cashflow Update
Agenda Reference	12
Author	Jodie Smart, Finance Officer and Deputy RFO

Officer's Recommendation:

1. To note the report.

Background

The Grounds Maintenance Facility build is nearing completion is expected to complete around late October, early November 2024.

The Parish Council has secured a loan from the Public Works Loan Board for up to £768,590.00. This can be 'drawn down' in installments. However, the approval to borrow expires on 17th December 2024.

Payment Schedule

A payment schedule has been updated by the Contractor as follows:

		VAT	Retention	Payment		VAT			
Payment Month	Instalment		5%		PM Payment		**Total Payment**		
3	97,397	18,506	4870	111033	2000	0	**113,033**		
4	39,671	7,537	1984	45225	0	0	**45,225**		
5	80,821	15,356	4041	92135	4000	0	**96,135**		
6	64,664	12,286	3233	73717	4000	0	**77,717**		
7	200,000	38,000	10000	228000	4000	0	**232,000**		
8	236,636	44,961	11832	269765	4000	0	**273,765**		
	719,189	**136,646**	**35959**	**819876**	**18000**	**0**	**859,452**	Inc 2.5% retention	
9	17,979.73	3,595.95		21,575.68			2.5% retention to EMR for 25/26 payment		

Cashflow Forecast

The Finance Officer and Deputy RFO has provided a cashflow forecast and loan drawdown projection as follows:

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Cashflow Forecast											
	3. June	4. July	5. August	6. September	7. October	8. November	9. December	10. January	11. February	12. March	Totals
Balance B/F	905,863	806,682	591,876	426,191	828,109	538,728	901,742	757,947	706,094	605,684	
Income (regular)	3,004	32,857	6,452	590,939	50,781	1,752	1,752	50,309	1,752	1,752	1,337,559
Income (PWL Draw Down)	-					737,189					737,189
Total Income	908,867	839,539	598,328	1,017,130	878,890	1,277,669	903,494	808,256	707,846	607,436	
Expenditure (regular)	100,185	91,405	98,137	93,168	108,162	102,162	109,588	102,162	102,162	102,162	1,214,543
Expenditure (GMF Instalment)	2,000	156,258	74,000	95,852	232,000	273,765	35,959				869,835
Total Expenditure	102,185	247,663	172,137	189,021	340,162	375,927	145,547	102,162	102,162	102,162	
Balance C/F	**806,682**	**591,876**	**426,191**	**828,109**	**538,728**	**901,742**	**757,947**	**706,094**	**605,684**	**505,274**	
Over/(under) 3 months reserve	517,579	302,773	137,088	539,006	249,625	612,639	468,844	416,991	316,581	216,171	
To include EMR Balance	90705	85405	84305	81255	79155	79155	71729	89161	89161	89161	

Due to reduced expenditure (first build instalments lower than predicted) and slightly increased income than previous projections. The funds did not fall below the 3-months reserves target.

Now that the building is nearing completion and the deadline to draw down the funds is imminent, it is proposed that the final decision on how much of the approved loan will be drawn down be agreed at the November Full Council meeting, scheduled for Tuesday 26th November 2024. At the November meeting it is expected that the building will be complete with final invoices received. Currently the total build cost is estimated at £719,189, with a further £18,000 agreed for Project Management. There is £37,621 in a GMF contingency EMR as per council resolution on 28th May 2024 (Min Ref. FC 015B). Should this contingency not be required for the build, Council may decide to use these funds to reduce the loan or allocate to an alternative project.

As at 14th October 2024 the Public Works Loan interest rate stands at 5.63%. Events that are expected to affect this rate are the Autumn Budget due on 30th October 2024 and then the Bank of England's base rate review due on 7th November 2024.