Haydon Wick Parish Council
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Meeting	Finance & Policy Committee
Date	17th September 2024
Report Title	Grounds Maintenance Facility – Cashflow Update
Agenda Reference	Agenda Item 9
Author	Jodie Smart, Finance Officer and Deputy RFO

Officer's Recommendation:

1. To note the report.

Background

The Grounds Maintenance Facility build is now underway and is expected to complete mid-late October 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 provided and 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	214,707	40,794	10735	244766	4000	0	**248,766**	
	697,260	**132,479**	**34863**	**794876**	**18000**	**0**	**833,794**	Inc 2.5% retention
9	17,431.50	3,486.30		20,917.80			2.5% retention to EMR for 25/26 payment	
							715,260.00	Balance to borrow

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	809,730	539,862	905,946	763,247	707,118	606,708	
Income (regular)	3,004	32,857	6,452	588,603	70,294	1,752	1,752	46,033	1,752	1,752	1,350,460
Income (PWL Draw Down)	-					715,260					715,260
Total Income	908,867	839,539	598,328	1,014,794	880,024	1,256,874	907,698	809,280	708,870	608,460	
Expenditure (regular)	100,185	91,405	98,137	105,212	108,162	102,162	109,588	102,162	102,162	102,162	1,226,586
Expenditure (GMF Instalment)	2,000	156,258	74,000	99,852	232,000	248,766	34,863				847,739
Total Expenditure	102,185	247,663	172,137	205,064	340,162	350,928	144,451	102,162	102,162	102,162	
Balance C/F	**806,682**	**591,876**	**426,191**	**809,730**	**539,862**	**905,946**	**763,247**	**707,118**	**606,708**	**506,298**	
Over/(under) 3 months reserve	517,579	302,773	137,088	520,627	250,759	616,843	474,144	418,015	317,605	217,195	
To include EMR Balance	90705	85405	84305	81255	79155	79155	71729	89161	89161	89161	

1. Due to reduced expenditure (first four build instalments lower than predicted) and slightly increased income than previous projections. The reserves have not fallen below the 3-month target level.
2. The two HSBC savings account balances were transferred into the current account during August as per the Full Council resolution in July. It has not been necessary to move any funds from the CCLA investment account to date.
3. The balance in the current account as of 10th September 2024 is £176,099.94. From this, salaries, HMRC contributions and Pension contributions need to be paid before 20th September. These payments will amount to approximately £71,000.00.
4. The precept income is due to be received around the 20th of September. Therefore, it is recommended that the balance on the current account be closely monitored, and payment of non-urgent invoices is delayed until after the precept has been received. This will mean that the CCLA investment fund will remain intact and earn the Council a reasonable return.
5. As per previous reports, there is potential for the loan drawdown to be taken in one installment as late as November/December. At this stage in the build and financial year it is recommended that this course of action remains in place.
6. As at 10th September 2024 the Public Works Loan interest rate stands at 5.32% (down from 5.52% in July).
7. Provided that there are no deviations from the above plan, the resolution to draw down the public works loan will be recommended at the next Finance and Policy committee meeting on 19th November 2024. At this stage the building should be complete and final balances known.