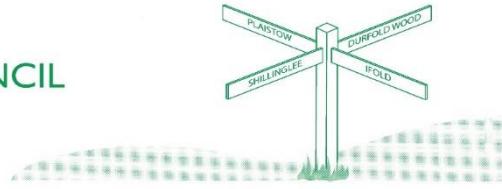


PLAISTOW AND IFOLD PARISH COUNCIL



Report FC/001/21

Agenda Item No: 11(2)
Committee: Full Council
Date: 10th February 2021
Title: Lady Hope Playpark Rejuvenation Project
By: Catherine Nutting, Clerk & RFO
Purpose of Report: To consider the loan application requirements and the impact upon the annual precept

Recommendations

Full Council is recommended:

- a. To approve and sign the [Minutes](#) of the Financial Steering Group held on 3rd February 2021.
 - b. To resolve to adopt the recommendations of the Financial Steering Group
 - c. To approve and sign this Report, which will be sent to the Ministry of Housing, Communities & Local Government in support of the Parish Council's loan application.
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1. Background Information

- 1.1** Plaistow and Ifold Parish Council has been considering updating the Lady Hope Playpark since June 2019, after the annual ROSPA Safety Inspection [Report](#) highlighted essential maintenance and areas for improvement.
- 1.2** In August 2019, the Council was notified of an incident whereby a child fell backwards off the slide and was injured by the uneven ground; the safety matting was considered inadequate.
- 1.3** The Parish Council has not invested significantly in the Playground for over 10 years; some of the equipment is over twenty years old. The playpark is the only one in the Parish.
- 1.4** On 17th September 2019, the full Council “*resolved to conduct a Public Consultation to inform a Strategic Business Plan and obtain quotes for significant improvement works*” (C/19/131m).

1.5 In October 2019, a group of three (3) Members¹ formed the Lady Hope Playpark Steering Group to conduct the public consultation and take the project forward. Since this time, the public minutes of the full Council have reflected the Steering Group's updates and recommendations regarding the project.

2. Public Consultation

2.1 The public consultation launched on 13th January 2020. It ran for 14 weeks; however, was extended until May 2020 due to the pandemic and first national lockdown.

2.2 The Parish Council advertised the public consultation on its website, via social media, the local 'Parish News', through the local School and Preschools, within meeting minutes and Posters throughout the community, including at the playpark itself.

2.3 The consultation was conducted through SurveyMonkey on the Parish Council's website, so it was not directly affected by the first lockdown.

2.4 The public consultation received 35 responses (out of a potential 1,634 electors). The Parish Council was encouraged by the response, as public engagement with Parish Council business can be disappointing. All those who responded, were enthusiastic for rejuvenating the playpark. The Parish Council published an analysis of the consultation results on its website and the Steering Group reported back to the full Council on 10th June 2020.

2.5 The results of the consultation are:

- * The largest group of users are aged 3 – 5 years (62.50%); however, comments included requests to increase the age appeal of equipment.
- * Frequency of use of the playpark is predominantly weekly, or monthly.
- * 93.75% of respondents do not require disabled access or equipment.
- * The most popular equipment requests were for more swings (61.76%), a zip-wire (79.41%), an improved multi-activity unit (67.65%) and additional seating and picnic tables (90.91%).
- * Most respondents (65.63%) said they would like to see more safety play surfacing. However, comments were received requesting the playpark retain its natural look.
- * Most respondents (82.35%) would like the Parish Council to investigate an extension to the lay-by, adjacent to the upper green, to provide improved parking.

3. Contractors

3.1 The Steering Group liaised with three (3) major playpark companies: Eibe, Wicksteed and Redlynch Leisure to create various designs incorporating the feedback from the public consultation.

¹ Cllr. Paul Jordan; Cllr. Sophie Capsey & Cllr. Jamie King-Wilson. In October 2020 Cllr. Jerusha Glavin took over from Cllr. King-Wilson further to his resignation as a Councillor.

3.2 [Cllr. Jordan](#) conducted site meetings with the contractors to discuss requirements.

3.3 Wicksteed was selected as they had manufactured the playground swings initially, which have lasted well. Despite a site meeting on 21/11/19, Cllr. Jordan had no response following the meeting. Wicksteed was chased a couple of times but failed to respond.

3.4 Eibe was recently engaged by Kirdford Parish Council, however their feedback has been disappointing.

3.5 Eibe and Redlynch Leisure's prices were broadly similar*: [Eibe: £39,945.38](#) | [Redlynch Leisure: £43,975.00](#).

*Excluding the zip-wire.

3.6 The Steering Group recommended Redlynch Leisure to the full Council as its products/scheme are more suited to the location.

3.7 The Steering Group's [minutes and recommendations](#) dated 06.01.2021 were adopted by the Parish Council at its [meeting](#) on 13th January 2021, C/21/013b.

4. Project Summary

4.1 To remove old 'unpopular' equipment; replace/update popular equipment in line with the results of the public consultation; increase the age appeal of the playpark with the installation of a zip-wire on the Upper Green; improve the safety surfacing throughout the playpark.

4.2 Please refer to the [final design](#), which was approved by the full Council on 13th January 2021.

5. Financial considerations

5.1 The total cost of the project is: **£54,585.00** (which includes the Zip-wire and extended safety matting).

5.2 The project cannot be undertaken/financed without a loan.

5.3 Without a loan, as at 31.03.2022 the Council will have accrued a net overspend of (£51,511.25) and have negative reserves of (£9,809.99).

5.4 On 13th May 2020, the full Council resolved to adopt the Financial Steering Group's recommended [2020/21 budget](#), which included provision to take out a £65,000 loan from the Public Works Loan Board (BWLB) over 10 years [\(C/20/76d & e\)](#). This loan figure was based on estimated costs and the aim to complete the project in the financial year.

- 5.5** Upon receipt of the final costs the Financial Steering Group met on 7th January 2021 to finalise its [recommendations](#) to the full Council in relation to the loan. The following recommendations were adopted by the full Council on 13th January 2021, [C/21/13dc](#):
- a. The costs associated with the project should be moved to 2021/22
 - b. To take out a PWBL of £50,000 over five (5) years

- 5.6** Further to receiving the loan application requirements, the Financial Steering Group met on 3rd February 2021. Their final recommendations to the full Council are:
- c. To submit the [Budget Funding of Loan Repayment Spreadsheet](#) to the Secretary of State, which shows the loan repayment provision within the context of the Council's broader finance and demonstrates affordability for the duration of the loan.
 - d. The lifetime of the loan should be limited to five (5) years, as previously resolved.
 - e. The projected underspend of £15,745.75 as at 31.03.2021 allows the Council to meet some of the playpark cost (£5,000) and finance the first year's repayment of the loan capital (£10,000).

- 5.7** On 1st February 2021, the [cost of borrowing](#) £50,000 via the [Public Works Loan Board](#) was £1,410.00 over 5 years, or £2,915.00 over 10 years (based on EIP²).

6. Council's reserves

- 6.1** The projected Year End reserves as at 31.03.2021 are £41,701.26. This is inflated due to the unprecedented year.
- 6.2** The agreed 2020/21 budget provided for an increase of reserves of around £25,955.51; roughly an 18% increase from 2019/20.
- 6.3** The Council's reserves remain in recovery, after the significant financial impact of the legal cost successfully fighting the illegal Crouchlands Farm Biogas Plant through the Courts in 2017 on behalf of the Community.
- 6.4** It remains an objective of the Council to build up its reserves, whilst serving the Community by undertaking supported projects which improve the lives of local residents.
- 6.5** Over the lifetime of the five (5) year loan, between 2021 – 2026, the Council's projected budgets:
- a. maintain an annual underspend to provide sufficient reserve to finance the loan repayments
 - b. budgets for the annual interest cost of the loan
 - c. maintain an annual ring-fenced reserve of £10,000 for repayment of the loan capital

² Equal Instalment of Principal, or EIP loans, on which the borrower makes regular, equal payments of principal plus an interest payment on the balance outstanding at the time. Annuity loans, on which the borrower makes regular, equal payments covering an increasing amount of principal and a decreasing amount of interest.

- d. its reserves, including the loan capital, remains above £20,000
- e. as at 30.03.2026 the loan will be fully repaid, and the Council reserves are projected to be £21,068.35.

6.6 This projected reserve level at Year End 2026, is an 18% drop from the anticipated reserve level at 31.03.2021 – see 6.2 above.

6.7 The Council has not added any annual grant funding* to the projected five-year forecasts. Much of the Council's projected expenditure is not committed and/or obligatory and can therefore be limited accordingly. Therefore, this reserve projection at 31.03.2026 is worst case scenario.

*CIL | New Homes Bonus | Other project specific loans

6.8 On the strength of 6.6 and 6.8 above, the Financial Steering Group recommends the loan affordability.

6.9 The Council is not committed to any other loan arrangement.

6.10 In the event of future financial difficulty, the Council can implement stricter fiscal policies to prevent default on the loan. By way of one example, over the lifetime of the loan, the projected grants and donations to outside bodies has been maintained at the 2021/22 budgeted level and the figures include year on year inflation. This annual expenditure can be reduced if necessary.

7. Precept

7.1 The annual Precept is the Council's only source of income.

7.2 Income from grants are unreliable, are usually project specific and for small amounts. Please see 6.8 above.

7.3 On 13th January 2021, the Council resolved to adopt the recommendations of the Financial Steering Group not to increase its Precept in 2021/22.

7.4 By virtue of the natural fluctuations in the Parish tax base, had the Precept remained unchanged from its 2020/21 level of £93,000, it would have seen a 0.33% *increase* in the amount people pay. Conversely, £92,000 means a 0.75% reduction in residents' annual taxation.

7.5 During the Pandemic, the Council decided it would be expedient to reduce the Precept to £92,000.

7.6 The Council has received the sum of £1,845.96 in respect of Gift Aid consequent to donations relating to fundraising for the Crouchlands Farm appeal. See 6.4 above. Therefore, in real terms, the Council's 2021/22 income remains at £93,000.

7.7 The Council acknowledges that £93,000 is the appropriate Precept level. Therefore, in 2022/23 onwards it will restore the Precept to this figure. The reduction to £92,000 and its affordability is explained at 7.1 - 7.4 above.

7.8 The Council will NOT be increasing its Precept for the purpose of the loan repayments.

7.9 The Council's Precept can remain at £93,000 for the lifetime of the loan. This is borne out by the Budget Funding of Loan Repayment Spreadsheet for five (5) years. See 5.6 above.

7.10 At this level, the Parish Council can honour the loan capital and interest repayments, in addition to its other financial commitments and aspirations and maintain an annual underspend. Please see 6.6 above.

7.11 The Council does not need to go to public consultation in relation to the funding of this project.

8. Adoption

8.1 This Report was presented to the full Council on 10th February 2021 and should be read in conjunction with the Minutes of this meeting and also the Minutes of the Financial Steering Group dated 3rd February.

8.2 This Report is signed accordingly:

8.2.1 Cllr. Alan Pearson, Chair of Plaistow and Ifold Parish Council

8.2.2 Cllr. Phil Colmer, Chair of the Financial Steering Group

8.2.3 Miss Catherine Nutting, Clerk & Responsible Financial Officer