Hurstpierpoint & Sayers Common Parish Council
Email: office@hurstpierpoint-pc.gov.uk
Website: www.hurstpierpoint-pc.gov.uk
Telephone: 01273 833264

Village Centre
Trinity Road
Hurstpierpoint
West Sussex BN6 9UY

Briefing Note

Half Year Financial Analysis - Parish Council

1. Introduction

The purpose of this briefing note is to assist the Committee in reviewing and assessing the Parish Council's financial position at the half-way point of the current financial year (i.e. 1 April 2023 to 30 September 2023). The information is taken from the Rialtas Business Solutions (RBS) finance system reports. Identifying any concerns early ensure action can be taken to rectify or mitigate potential year end problems.

2. Overall position against budget

As of 30 September 2023, the Parish Council's overall position is:

	General Admin £	Estates & Facilities £	Community Engagement £	Council £
Actual income	312837	61166	-	**374,003**
Income budget	319366	69935	-	**389,301**
% of budget	98%	87.5%	-	**96.1%**
Actual expenditure	98924	128102	8540	**235,566**
Expenditure budget	224836	158485	19,920	**403,241**
% of budget	44%	80.8%	42.9%	**58.4%**

3. Review of Income

Code	% of Income	Comments
3000-101	100%	The main income is guaranteed via the **precept** collected through Council Tax demands by Mid Sussex District Council and paid to the Parish Council each year in April and September. For 2023/24 the total precept income figure of £303,638 has been received in full.
3210-201	58.1%	**Cemetery Income** - The budgeted income is £9,450. Whilst this is purely a budgeted figure and clearly not a target, income currently stands at £5492 (58.1%).
3110-202 **3120-202**	0%	**Recreation Grounds Income -** The Bowling Club rental figure has been reviewed and agreed by Council on 28 September 2023, and is not yet paid. The budgeted income for the Tennis Club is £1,800 and invoiced in January each year.
3100-203	50%	The **Chantry Stables** (Charity Shop) income is invoiced twice a year on 30 September and 31 March. Once the rent is received the revenue grant (5250-203) is paid in support.
3200-208	57.1%	The budgeted income for the **Allotments** is £3,625. Each year the allotment plot tenants are invoiced on 1 September and required to pay by 30 September. The final debts are being followed up with only 8 left to pay (at 6.10.23).

3140-211	48%	The budgeted income for **Court Bushes Community Hub** is £43,000. Although some payments have been received in advance for events in the second half of the year, due to a number of new regular hirers of the facility, the forecast for October 2023 to March 2024 is anticipated to at least equivalent to the figure for the year to date (i.e. £22,000), if not higher.

4. Review of Expenditure

Finance & Governance Expenditure

Code	% of Expenditure	Comments
5100-101 **5110-101** **5120-101**	49.2% 55.6% 45.6%	The highest proportion of expenditure is spent on staff (including on-costs) **Salaries, National Insurance and Pension Contributions**. The Parish Council is invoiced by WSCC who provide the payroll services. Invoices are received at the end of the month to which they relate. The salaries invoices are up to date and show approximate 50% spend across each three lines. A National Pay Award may still be made this year which would need to be backdated to 1 April 2023. Further analysis of staff costs is set out elsewhere on the agenda.
5210-101	90.4%	The annual **Insurance** premium is a one-off payment for the Parish Council insurance (paid in May) and the van insurance (paid in September).
5220-101	(23.6%)	The negative expenditure relates to the payment of the 2022/2023 External Audit accrued from last year, usually paid in early October each year. This invoice has now been paid. There are also two internal audit fees to be paid.
5230-101	88%	Annual **subscriptions** to NALC, WSALC and the ICCM are paid for the year except for the RBS invoice due shortly.
5370-101	96%	The **website** hosting fees are paid for the year.

Estates and Facilities Management Expenditure

Code	% of Expenditure	Comments
5415-201	120%	**The Lower Holy Trinity Churchyard** annual cut this year was £200 more than budgeted for.
5550-202	177.1%	**Recreation Ground Property Maintenance** has included £17,713 spent on new safety surfacing in South Avenue play area. £10,000 of which was funded from the budget line and £7,713 from the South Avenue EMR. (Approved at Council.)
5490-202	79.6%	**Play Area Inspections:** The annual independent play area inspections were completed in July.
5550-202	101%	**Recreation Ground Trees:** has included £750 on tree works and £411 on the purchase of two memorial trees (externally funded).
5710-202	495%	**Miscellaneous:** This overspend on the £100 budget of £495 represents £300 for a rent review (Bowls Club), £150 for watercourse consent (Reeds Lane) and £45 for a Green Circle post.
5011-206	99.1%	**Public Conveniences Waste** – the invoices for sanitary bin emptying are paid in advance for the year.
5013-206	100.1%	**Public Conveniences Washroom Services** – the invoices for urinal treatments and air fresheners are paid in advance for the year.

5440-206	273.8%	**Public Conveniences Repairs:** This has included flush repairs and replacements and new bulbs, plus a new RADAR lock for the Trinity Road disabled WC.
5410-208	109.1%	**Allotments Grounds Maintenance:** This was for work to one tree at a cost of £600.
5540-209	100%	**Village Gateways –** The village gateways are cleaned annually in May.
Hurst Meadows-210	154%	**Hurst Meadows** - The agreed budget for Hurst Meadows is £22,000, funded in three different ways namely £4,000 from the precept for waste services, £1,000 from the Millennium Garden EMR (if used) and £17,000 from the Hurst Meadows EMR. Whatever the direct expenditure on Hurst Meadows is, the amount is transferred from the EMR 350 into Budget Code 210. The same applies to the Millennium Garden from the Millennium Garden EMR. The end of year should show only the waste services cost coming from 210. The Hurst Meadows EMR and the Millennium Garden EMR are 'ring-fenced' and cannot be used for any other purpose, due to the nature of the receipt of the funds.
5005-211	75%	**Rent for Court Bushes:** (paid to MSDC) is paid up until 23/12/22 Q3.
5000-211	719.5%	**Court Bushes Projects:** At April 2023 Council: Minute C22/23.160.3, it was agreed the car park project overspend would be covered by the General Reserve.
5480-212	0%	**Vehicle Maintenance** – it was agreed that the van lease costs in 2023/24 would be funded by the Van EMR.
Services - 213	3.6%	**Services including:** waste collections by MSDC that is billed at the end of the year, plus footpath, tree, verge and snow clearance provisions not yet required.

Community Engagement Expenditure

Code	**% of Expenditure**	**Comments**
5640-301	100%	**Health & Wellbeing Grants**: Two £500 grants have been paid to St Catherine's Hospice and St Peter & St James Hospice.

Virements

Transfers can be made between codes in-year where there is known underspends, and possible or known overspends. For example, the elections budget line was not required as the May 2023 election was uncontested, so it is now known that the £5,500 is now available to be used elsewhere. This for example could be vired to the staff cost codes to over the predicted overspends.

5. General Reserve and Existing 2023/2024 Commitments:

On 31 March 2023, £87,295 was held in General Reserves. As of 30 September 2023, the general reserve balance shows as £97549. As a reminder, the balance on the Current Year Fund (also shown at the bottom of the Balance Sheet report) is added to or subtracted from the general reserve at the end of the financial year, unless Council resolves to allocate the funds differently. The Current Year Fund as of 30 September stands at £138,437 as this includes the second half of the precept.

The Council meeting on 27 April 2023 agreed that:

C22/23.160.2: Estates & Facilities Management Committee (13 April 2023): That Council AGREES the repairs to the St George's Green flint wall at a cost of £9,740 ex. VAT, to come from the General Reserve.

C22/23.160.3: Finance & Governance Committee (20 April 2023): RESOLVED: That Council AGREES that the balance of £12,810 to pay for the tarmacking of Court Bushes car park is authorised to be spent from the General Reserve 2023/24.

There are already large demands on the General Reserve to be taken into account when considering the half year monitoring.

6. Earmarked reserves (EMR):

These are established to provide future funding for specific projects and/or areas under the control and management of the Parish Council. There is no guidance as to appropriate amounts to hold in EMRs, as this will vary depending on the projects under consideration. All eleven EMRs are listed on the bottom of the balance sheet.

Year End Adjustments 31 March 2023 (not actioned)

At 23 March 2023 Council meeting various transfers were agreed as set out Appendix 1. However, at the year end, due to additional monies being transferred into the CCLA Shares, the EMR transfer were not completed as there were insufficient funds available. These can now be reconsidered in light of the current financial position of the Parish Council.

In-Year Use of EMR already agreed

At the Council meeting on 28 September 2023, Council Minute C23/24.063.4: Community Engagement Committee: it was: RESOLVED: That Council AGREES the use of the Earmarked Reserve (Christmas Lights) towards the additional cost of the festive lighting.

7. Conclusion

This report is intended to support the Committee in its review of the financial performance of the Parish Council during the first half of the 2023/24 financial year and allow it to make strategic decisions about the remainder of the year. The Committee is asked to approve the following recommendation:

RECOMMENDATION:

That the Committee NOTES the half year financial analysis and AGREES:

- **i) the billing arrangements for the electricity and water billing at each site are clarified;**
- **ii) A virement of £5,500 is moved from Elections line to cover staff costs;**
- **iii) Transfers from Earmarked Reserves into Cost Centres are not recommended at this time;**
- **iv) Transfers from Cost Centres to Earmarked Reserves are not recommended at this time except the £7,000 transfer from Court Bushes Cost Centre (211) to the Court Bushes Sinking Fund; and**
- **v) that a more detailed analysis is undertaken of the current year position and likely outturn for electricity costs at all sites.**

APPENDIX 1- Year End Adjustments 31 March 2023 (not actioned)

At 23 March 2023 Council meeting, various transfers were agreed as set out below. However, at the year end, due to additional monies being transferred into the CCLA Shares, the EMR transfer were not completed as there were insufficient funds available. These can now be reconsidered in light of the current financial position of the Parish Council.

<u>Transfers from Cost Centres to EMRs</u>

NOT RECOMMENDED AT Q2: An underspend on the Professional Support budget (5180-101) of £7,320 could be transferred to the Professional Support EMR (345) be used to fund future support. An underspend on the IT/Computers budget (5360-101) of £6070 could also be transferred to the Professional Support EMR (345) be used to fund future support.

NOT RECOMMENDED AT Q2: An underspend on the Highways and Byways budget (207) of £7,500 could be transferred to the Hurst Meadows Access EMR (355) be used to fund the planned cycleway in Hurst Meadows.

RECOMMENDED AT Q2: A further £7,000 will be transferred to the Court Bushes Sinking Fund (380), to bring the total EMR balance to £28,000 following four years of operation.

NOT RECOMMENDED AT Q2: The Finance & Governance Committee agreed on 16 March to recommend that any underspends on the Estates & Facilities Management budgets be used to top up the South Avenue Earmarked Reserve and Youth Facilities Earmarked Reserve. The Youth Facilities Earmarked Reserve will also be topped up although no source has currently been identified.

<u>Transfers from EMR to Cost Centres</u>

TO NOTE: On the reverse side, due to tree work required in the Millennium Garden, the use of the Millennium Garden EMR (360) for £525 from 5550-210 (Trees) was completed. A further £1,125 was agreed to be used for tree work in 2022/23 at Council on 23 February 2023 Minutes C22/23.138.2(i).

TO NOTE: The use of the Hurst Meadows S106 EMR for works from 5410-210 (Grounds Maintenance) and 5550-210 (Trees) throughout the year ensures that all Hurst Meadows expenditure (except bin collections) has been covered by the EMR for the year. A further £1,000 was agreed to be used for the Spring cut in 2022/23, at Council on 23 February 2023 Minutes C22/23138.2(iii).

TO NOTE: Council at 23 February agreed £7,713 will be used for the South Avenue Play Area Safety Surfacing project in 2023/24 Minute C22/23.138(ii).