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Village Centre  
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## Briefing Note – Half Year Financial Analysis Hurstpierpoint Village Centre

### 1. Introduction

The purpose of this briefing note is to assist the Committee in reviewing and assessing the Village Centre charity'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 ensures action can be taken to rectify or mitigate potential year end problems.

**Note 1:** Unfortunately, when the Charity's Shawbrook Bank Account was closed and funds were transferred to the CAF Bank Current Account, the Shawbrook Bank made an error which meant they closed the wrong account and transferred the wrong amount of funds, which of course were swiftly returned. The impact of this is that the Charity's Accounts now show an additional £10,668.65 of income paid in on 23 May 2023 and a corresponding additional expenditure of £10,668.65 paid out on 1 June 2023. The net effect of this is of course zero but it affects the .

### 2. Overall position against budget

As of 30 September 2023, the Village Centre's overall position is:

|                                 | Village Centre |
|---------------------------------|----------------|
| Actual income                   | £33,839        |
| Income budget (See Note 1)      | £45,165        |
| % of income budget              | 74.9%          |
|                                 |                |
| Actual expenditure              | £34,838        |
| Expenditure budget (See Note 1) | £63,170        |
| % of exp budget                 | 55.1%          |

### 3. Review of Key Income

The following table sets out the main income areas:

| Code                     | %age  | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3400<br>Bank<br>Interest | NA    | Bank interest has not been budgeted for in the past but to date the savings accounts have generated £649. The largest amounts were £145.85 from the Shawbrook Bank on 1 June 2023 when the matured funds account was closed, and £431.16 from the CAF Bank on 26 September 2023. The CAF Bank Gold (Savings Account) currently generates 1.35% interest.                                                                                                                                                                             |
| 3500<br>Room<br>Hire     | 49.3% | The Village Centre room hire is at 49.3% a little below the half year mark. Of the 21 regular groups about half are either paid or invoiced up to the end of the year or to the end of September (Q2). The other groups are termly so only started back a month ago, they will all be invoiced up to the end of year by the half term at the end of October. So there will be some income from September that is yet to show on the bank account. Equally there is income up to the end of the (calendar) year that is already paid. |

| Code              | %age  | Comment                                                                                                                                                                                                                                                                                                                                                    |
|-------------------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3510<br>PC Office | 50%   | The parish council "office hire" code (50%) is controlled by the Clerk. The amount charged to the Parish Council for the use of the office is agreed in advance at budget setting time and an invoice is processed quarterly.                                                                                                                              |
| 3520<br>Storage   | 77.9% | Storage Fees is currently showing as 77.9% received. This should be about on track as both Gym Club & Pre-School have been invoiced and paid their annual storage charges, £372 and £1354 respectively. There are other small amounts of storage income to come from The Sanctuary for the shed storage and 5 other groups that hire a cupboard or locker. |
| 3700<br>Misc      | 0%    | The £10,669 shown is the payment error made by Shawbrook Bank of £10,668.65 on 23 May 2023. The correspond with the expenditure in code 5710 below.                                                                                                                                                                                                        |

#### Usage Comments

Of the 21 sessions available for the Main Hall, some 18 are booked regularly every week e.g. week commencing 11 September 2023 (except when it drops in the school holidays). Similarly, the Club Suite was also booked 14 times per week from the 21 sessions available during the week of 11 September 2023. Of the 21 sessions available per week for the Conference Room, only 7 sessions were booked in the week of 11 September 2023. Any ideas to promote greater use of the Conference Room is welcomed. The room is promoted regularly in the Hurst Life magazine. The small meeting room adjacent to the Library has now been let exclusively to West Sussex Association of Local Councils and the rent is £4,000 per annum.

#### **4. Review of Key Expenditure**

| Code              | %age     | Comment                                                                                                                                                                                                                                                                     |
|-------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5011<br>Electric  | (28.4%)% | Electricity is provided by SSE Scottish Hydro. We currently pay by direct debit, monthly in arrears. The 20 July to 17 August costs were only paid on 4 September. The minus expenditure figure was due to a large refund by them of £2,072.                                |
| 5012<br>Gas       | 10.8%    | The Gas supplier is SSE. The invoices are paid by direct debit per quarter. Q2 was paid on 28 August 2023.                                                                                                                                                                  |
| 5013<br>Water     | 36.6%    | The Castle Water contract ended on 16 July 2023 and ADSM are now the supplier but are yet to invoice the Centre. This has been chased up.                                                                                                                                   |
| 5020<br>Waste     | 0%       | The Centre shares waste collection with the Primary School which bills it in March each year.                                                                                                                                                                               |
| 5200<br>Bank      | 28.6%    | There is a quarterly bank charge for the account and any additional fees for paying in cash and cheques.                                                                                                                                                                    |
| 5210<br>Insurance | 98.7%    | This is an annual fee for insurance paid in April each year for renewal on 1 May each year.                                                                                                                                                                                 |
| 5230<br>Subs      | 87.7%    | This is an annual fee for the Music Licence (Public Performance Licence / Performing Rights Society Fee). At the Village Centre it is in the Terms and Conditions of Hire, that this is paid by the Chairty so that individual hirers do not need to buy their own Licence. |
| 5270<br>M'ment    | 50%      | The management fee is agreed in advance at the budget setting time and invoicing is proceed by the Clerk                                                                                                                                                                    |
| 5320<br>Cleaning  | 62.2%    | Cleaning is paid monthly. This figure does not include September 2023.                                                                                                                                                                                                      |
| 5360<br>IT        | 0%       | IT/Computer Costs (No spend required at present)                                                                                                                                                                                                                            |
| 5400<br>Property  | 82.7%    | Property maintenance has included the main hall decorating £3184, the LED Lights £4562 and the electrical wiring testing £1548.                                                                                                                                             |
| 5410<br>Grounds   | 13.2%    | Costs for grounds maintenance are low as fewer cuts in front of the Village Centre have been required this year.                                                                                                                                                            |
| 5440<br>Repairs   | 17.5%    | Repairs have included the annual gas boiler Service (2 boilers) £300.                                                                                                                                                                                                       |
| 5460<br>Equipment | 5%       | Equipment Costs was a new soap dispenser in the Club Suite Gents.                                                                                                                                                                                                           |

| Code          | %age  | Comment                                                                                                                                                                                        |
|---------------|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5550<br>Trees | 0%    | No tree work has been required yet this year.                                                                                                                                                  |
| 5710<br>Misc  | 3345% | The £10,669 shown is the payment error made by Shawbrook Bank of £10,668.65 which was returned on 1 June 2023. The annual independent examination (audit) is also spent from this budget £216. |

In summary the main areas of concern are the electricity bills and these will be closely monitored. The Property Maintenance costs code will also be carefully monitored so as not to overspend.

#### 5. **General reserve:**

At the start of the financial year on 1 April 2023, £65,388 was held in general reserves with £610 in the current year fund. As of 30 September 2023, the general reserve shows as £65,998.

As a reminder, the balance on the Current Year Fund (also shown on the Balance Sheet report) is added to or subtracted from the general reserve at the end of the financial year, unless Trustees resolves to allocate the funds differently.

The Current Year Fund as of 30 September 2023 stands at £999 in deficit. This indicates that the Village Centre will have a shortfall at its year end and may need to take this amount from the general reserve in order to break even at the end of the year. Alternatively, with close monitoring of the budget it may be possible to underspend accordingly.

#### 6. **Earmarked reserves (EMR):**

Earmarked reserves are established to provide future funding for specific projects and/or areas under the control and management of the Trustees. There is no guidance as to appropriate amounts to hold in EMRs, as this will vary depending on the projects under consideration.

The "End of Lease" EMR is listed on the bottom of the balance sheet which has been set up by Trustees to ensure there are funds to refurbish the building at the end of the length of the Lease in 2054. The reserve currently holds £20,000. Until such time that the budget provides a surplus, it may not be possible to top up this Reserve.

#### 7. **Conclusion**

This report is intended to support the Committee in its review of the financial performance of the Village Centre during the first half of the 2023/24 financial year. The report will also be updated and presented to the Trustees at their 30 November 2023 meeting, to allow Trustees to make strategic decisions about the remainder of the year. The Committee is asked to note the above position.