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

Financial Risk Management Review 2023/24

1. INTRODUCTION

The purpose of this annual Financial Risk Management review is for the Committee to consider the assessment of the Parish Council's exposure to financial risk in 2023/2024 and make any necessary changes or actions in the budget setting process for the following year. Not only is this a requirement of the Governance and Accountability for Smaller Authorities in England (a Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statement - March 2019), it is also a recommendation from the internal auditor to have a separate, dedicated risk assessment.

2. MONTHLY MONITORING AND REVIEW

At each monthly Finance, Governance & Estates Committee meeting the payments and receipts for every transaction are scrutinised and the detailed income and expenditure of each budget line is considered. Bank reconciliations are studied and if approved, signed off by the Vice-Chair of the Committee. Each quarter the Special S126 VAT Returns are also provided for information and the Petty Cash reconciliation is also approved quarterly.

The earmarked reserves are reviewed regularly. Decisions to increase amounts held in the general or earmarked reserves are considered and agreed, and any transfers are actioned accordingly. On an annual basis a review of Reserves also forms part of the budget setting process, with formal approval confirmed by Council. In year decisions to transfer funds between reserves will be considered by the Finance, Governance & Estates Committee, with a recommendation put to Council for approval.

3. INCOME – AREAS EXPOSED TO RISKS

Item	Amount Per Annum	Current Arrangements	Risk Levels
Precept Income	Mid Sussex District Council - £303,638	Received in 2 equal instalments (April and Oct)	Low risk. Guaranteed payments.
Cemetery Income	Budget £9,450. Approx 20 grave spaces remain unsold. Ashes plots remain available.	Availability for the sale of grave spaces will end in approx. 2 years.	High risk - Future income to end from sale of grave plots.
Income from Tenants	Tennis Club £1,800 Bowling Club £1,400 Charity Shop £10,260 (minus £5,130 revenue grant paid by PC.)	Bowling Club invoiced July. Tennis Club invoiced in January. Hurst Community Charity invoiced Sept & March. Grant paid by return.	Low risk. Established, well managed groups with good membership numbers and reserves.
Income from Allotment Holders	£3,000 from approx. 100 tenants. Deposits held in a holding account.	Annual invoices sent in September. Good debt management plan.	Low risk. Small individual payments by 100 tenants and a constant waiting list.
Income from Court Bushes Hirers	Kiddie Capers £17,500 pa Regular & Public Hirers target of £25,500.	Aspiration for an annual £7,000 pa transfer to sinking fund.	Medium risk. Pre-School and hirers subject to attendance.
Parking Discs	Budget for a balanced £1,600 income/ expenditure.	Each cost 80p (gross) and are sold for £1. This covers the cost of bank fees and staff time for paying in £270pa.	Low risk. Sold on behalf of MSDC and the small surplus funds the bank fees.

4. EXPENDITURE – AREAS EXPOSED TO RISKS

Item	Amount Per Annum	Current Arrangements	Risk Levels
Staff Costs: Salaries NI and Pension Contributions	2023/24 Budget: £133,336 £10,821 £27,628	Monthly payroll provided by WSCC. Budgeted provision for increases for 23/24 pay awards paid off.	Medium risk. Highest expenditure line, partly protected by guaranteed precept.
Councillor Allowances	2023/24 Budget: £10,000	Monthly payroll provided by WSCC.	Low risk.
Professional Support	£10,000	Used to fund Planning Consultant, JE Consultant and Clerk end of year support.	Low risk. Budget increased for 2024/25 to £13,000.
Cost of Public Toilet Provision	Annual budget for two sites in Hurstpierpoint of £19,448.	Caretaking, Cleaning and Key Holding Services.	Medium risk. Requirement for two sets of toilets?
Hurst Meadows	Earmarked Reserve of £296,896. Annual budget target of £17,500.	Use of EMR 350 to fund costs (except waste collection)	Long term medium risk. Earmarked reserve is being run-down and not replaced.
Property Maintenance: Chapel, Toilets, Bus Shelters, Stables & Village centre (not Court Bushes).	Condition Surveys completed (not CB) and various works undertaken and planned. .	Various work programmed for 2023/ 2024 budgets and the exact work to be agreed.	High risk. Due to age of buildings and issues identified.
Play Equipment and Safety Surfacing	Repairs to play equipment budget £1,500. New play equipment budget £1,500.	Annual ROSPA and weekly visual inspections identify issues. S Ave £17k safety surfacing in parts replaced in 2023.	High risk. Unforeseen costs in this area can be very expensive.

5. UTILITIES

Item	Amount Per Annum	Current Arrangements	Risk Levels
Gas Village Centre Only	Village Centre 2023/24 Budget was £8,169. Billed to 20.11.23 - £2151 actual to date.	Current contract prices till May 2025.	Medium. New contract prices in May 2025.
Electricity Chapel, Toilets, Court Bushes, Street Lights, Village Centre	Chapel Budget £360. Actual £371 to 3.1.24. Toilets Budget £2250. Actual £573 to 30.11.23. Court Bushes Budget: £16k. Actual £7313 to 31.12.23. Lights Budget 8,200. Actual £3215 to 31.12.23 VC Budget: £10395. Actual Minus £831) Paid up to 31.12.23	Some billing is quarterly. May be worth requesting monthly bills.	Medium. New contract prices to be agreed in May 2024.
Water	Chapel, Toilets, Allotments, Court Bushes, Village Centre.	New supplier (ADSM) annual fee paid in advance. Reconciliation at end of year.	Medium. More regular years are required to establish base levels.

6. OTHER AREAS EXPOSED TO RISKS

Item	Amount Per Annum	Current Arrangements	Risk Levels
Financial Records	N.A.	Riatas Financial Accounting System backed-up each month, once accounts completed, in the cloud. Paper records also held on file in the office.	Low risk.
Insurance Cover Includes Employers Liability as required by law. Includes Vehicle Cover as required by law.	Premium £3,428p.a. Premium £1,000p.a.	Extensive cover with 'Clear' Please refer to insurance documentation. Comprehensive cover with Highways Insurance Co. Ltd.	Medium risk. Increases in costs of insurance rising well-above inflation rates.

7. INVESTMENTS & DEPOSITS

Item	Amount at 29 February 2024	Current Arrangements *	Risk Levels
Unity Trust Current Account	£54,836	FSCS Protected to £85k (See note + below.)	Medium risk. Only £85,000 FSCS protected in Unity.
Unity Trust Savings Account	£97,227	Savings account with same bank as current account to anything over £85k at risk.	High risk. Only £85,000 FSCS protected in Unity.
Nationwide	£86,120 95 Day Savings Account	FSCS Protected 95 Day Savings Account	Low risk.
Cambridge and Counties	£50,000 Together with row below makes £100,00 in one institution.	FSCS Protected 1 Year Fixed Rate Deposit	Medium risk. £15,000 at risk. See below
Cambridge and Counties	£50,000	FSCS Protected 1 Year Fixed Rate Deposit	Medium risk. £15,000 at risk see above.
United Trust Bank	£100,000	FSCS Protected to £85k 1 Year Fixed Rate Deposit	Medium risk. £15,000 at risk.
Redwood Bank	£100,000	FSCS Protected to £85k 1 Year Fixed Rate Deposit	Medium risk. £15,000 at risk.
CCLA Shares	£105,558 Interest received each month.	Long term investment held on asset register.	High risk. £105,557 at risk.

(*FSCS – Financial Service Compensation Scheme protects up to £85,000 within one banking group.)

The Committee is asked to consider the assessment of the Parish Council's exposure to financial risk in 2023/2024 and make any necessary changes or actions for 2024/25.

RECOMMENDATION: That the Committee agrees the financial risk assessment for 2023/2024 and recommends it to Council for approval and adoption.