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Briefing Note

Half Year Financial Analysis - Parish Council

Finance, Governance and Estates Committee 17 October 2024

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 2024 to 30 September 2024). The information is taken from the Rialtas Business Solutions (RBS) finance system reports. The nominal ledger report (in code order) provided at every Committee meeting shows every individual transaction made and the narrative should help explain what the income or expenditure covers. 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 2024, the Parish Council's overall position is:

	General Admin £	Estates & Facilities £	Community Engagement £	Council £
Actual income	342,100	84,531	-	**426,631**
Income budget	335,416	71,243	-	**406,659**
% of budget	102%	118.7%	-	**104.9%**
Actual expenditure	117,322	119,960	8,5.3	**245,785**
Expenditure budget	244,634	154,202	21,500	**420,336**
% of budget	48%	77.8%	39.5%	**58.5%**

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 2024/25 the total precept income figure of £318,161 has been received in full.
3400-101	358.4%	**Bank Interest** was budgeted at £1,000. Policy is that all bank interest will be proportionally re-coded back to Earmarked Reserves at the end of the financial year and in future the "budget" will be £0.
3500-101	0%	The **Miscellaneous Income** code contains the (unbudgeted) Section 106 funds for the drainage project surveys and consultants fees of £12,042. The corresponding expenditure is shown in 5180-101.
3210-201	62.8%	**Cemetery Income** - The budgeted income is £10,083. Whilst this is purely a budgeted figure and clearly not a target, income currently stands at £6,335 (58.1%).
3110-202 **3120-202** **3500-101**	1069.2%	**Recreation Grounds Income -** The Bowling Club lease rent is paid. The Tennis Club pay in January each year. The £32,814 income is Section 106 for the Reeds Lane Drainage Project.

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.
3130-205	0%	The budgeted income from the **old Parish Office** (next to the Library - leased by the PC from WSCC) is invoiced twice a year to WSALC and will be received in due course.
3200-208	61.5%	The budgeted income for the **Allotments** is £3,100. Each year the allotment plot tenants are invoiced in September and this year's payment deadline is 10 October.
3500-209	0%	The **Street Furniture Miscellaneous Income** code contains the (unbudgeted) £445 Section 106 funds for the bike racks and installation at the Sayers Common Village Shop. The corresponding expenditure is shown in 5710-209.
3500-210	0%	The **Hurst Meadows Miscellaneous Income** code contains the (unbudgeted) £2,000 received for allowing the ITV Grace filming crew to park in Fifteen Acre field.
3140-211	52.6%	The budgeted income for **Court Bushes Community Hub** is £40,000. Although some payments have been received in advance for events in the second half of the year, regular hirers are only invoiced up until the end October 2024, so a further five months of regular hirers income is still due in 2024/25. The significant unbudgeted change is the exclusive letting of the Club Lounge (small room) to Kiddie Capers which will significantly increase the overall income for Court Bushes this year.
3500-211	0%	£12,130 **Court Bushes Misc Income** has been received from Section 106 to cover the costs of the new storage container (£10,235) and for new CCTV.

4. <u>Review of Expenditure</u>

<u>Finance & Governance Expenditure</u>

Code	**% of Expenditure**	**Comments**
5100-101 **5110-101** **5120-101** **5160-101**	46.1% 43.5% 43.7% 52.3%	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 normally received at the end of the month to which they relate. The salaries invoices are up to date and show just below 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 2024. Further analysis of staff costs is set out elsewhere on the agenda. The Councillor Allowances include backdated payments.
5180-101	77.2%	The Professional Support budget has been used to fund legal advise and consultant support for the Reeds Lane Drainage Project and Section 106 funds have been paid into the Misc Income code 3500-101 to cover these costs. This budget has also funded surveys of South Avenue and will also fund the 'dowsettmayhew' Planning Consultants costs for the Mid Sussex District Plan Inspector's Review. Further detail can be found in the Nominal Ledger Report.
5210-101	87.5%	The annual **Insurance** premium is a one-off payment for the Parish Council insurance (paid in May) and the van insurance (paid in September). Insurance costs did not rise as much as cautiously anticipated.
5220-101	4.6%	The £64 expenditure relates to an overspend for the 2023/2024 External Audit accrued from last year. There will be two internal audit fees and one external audit fee to be paid from this code for the year 2024/2025.
5230-101	98.3%	Annual **subscriptions** to NALC, WSALC, RBS and the ICCM are paid for the year in advance. The £35 ICO fee is paid in November.
5370-101	96%	The **website** hosting fees are paid for the year.

Estates and Facilities Management Expenditure

Code	% of Expenditure	Comments
5415-201	0%	**The Holy Trinity Lower Churchyard** annual cut is in October.
5710-201	1950%	£1,950 has been spent on drain mapping in South Avenue private road and coded to **Misc Expenditure**.
5490-202	84.8%	**Play Area Inspections:** The annual independent play area inspections were completed in July.
5710-202	0%	**Miscellaneous:** The £31,172 is for the contractor payment for the Reeds Lane Drainage Project. A 5% retention payment will be due in July 2025.
5400-203	120.8%	**Property Maintenance** works at the Chantry Stables (Charity Shop) have exceeded the budget.
5011-206	108.1%	**Public Conveniences Waste** – the invoices for sanitary bin emptying are paid in advance for the year.
5013-206	93.8%	**Public Conveniences Washroom Services** – the invoices for urinal treatments and air fresheners are paid in advance for the year.
5720-208	101.3%	**Allotments Projects:** This was for fencing replacement on the northern boundary.
5540-209	94.5%	**Village Gateways –** The village gateways are cleaned annually in the Summer.
5710-209	446%	**Street Furniture Miscellaneous** code costs are for the Sayers Common Bike Racks and Installation, offset by the Section 106 income received.
Hurst Meadows-210	159.3%	**Hurst Meadows** - The agreed budget for Hurst Meadows is £22,800, funded in three different ways namely £4,800 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 cost centre 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. The £7,965 project expenditure is for the flint wall repairs and new benches.
5000-211	265.5%	**Rates for Court Bushes:** (paid to MSDC) were increased significantly with no notice for this year so is underbudgeted for.
5005-211	46.9%	**Rent for Court Bushes:** (paid to MSDC) The Lease was due a rent review in May 2024, and the rent will increase by 33%.
5013-211	125.5%	The **Court Bushes Water** bill is paid annually in advance and so is an estimated bill.
5440-211	121.6%	**Court Bushes Repairs** have included glazing repairs, roof repairs and fire extinguishers servicing. £1,165 has also been spent on fire door retainers.
5720-211	725.7%	**Court Bushes Projects:** £14,514 has been spent on two projects. The storage container costs (£10,235) have been covered by Section 106 funds and the building repairs will be claimed through our insurance.
Services - 213	%	**Services** (excluding dog poo bags) e.g. waste collections by MSDC are billed at the end of the year. Tree and snow clearance provisions are not yet required.

Community Engagement Expenditure

Code	% of Expenditure	Comments
5630-301	99.2%	**Community Event Grants**: £3,967 has been spent on Hurst Festival, Hurstfolk, St Lawrence Fair and Santa Sunday. No other costs are expected.

Virements

Transfers can be made between codes in-year where there is known underspends, and possible or known overspends.

5. General Reserve and Existing 2023/2024 Commitments:

On 31 March 2024, £77,790 was held in General Reserve. As of 30 September 2024, the general reserve balance shows as £87,046. 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 £180,846 as this includes the second half of the precept.

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.

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 2024/25 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) Additional transfers from Earmarked Reserves into Cost Centres are not recommended at this time; and**
- **ii) Transfers from Cost Centres to Earmarked Reserves are not recommended at this time except it is noted that the £7,000 transfer from Court Bushes Cost Centre (211) to the Court Bushes Sinking Fund will be a priority at the end of the year.**