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
Hurstpierpoint Village Centre

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 Village Centre charity'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. Identifying any concerns early ensures action can be taken to rectify or mitigate potential year end problems.

2. Overall position against budget

As of 30 September 2024, the Village Centre's overall position is:

	Village Centre
Actual income	£28,199
Income budget (See Note 1)	£48,691
% of income budget	**57.9%**
Actual expenditure	£35,349
Expenditure budget (See Note 1)	£59,382
% of exp budget	**59.5%**

3. Review of Key Income

The following table sets out the main income areas:

Code	%age	Comment
3400	NA	**Bank interest** has a £500 budget and to date £965 has been achieved.
3500	54.3%	The Village Centre **room hire** is at 54.3%. All of the regular groups are paid or invoiced up to the end of September (Q2). The termly hirers will all be invoiced up to the end of year, by the half term at the end of October.
3510	50.2%	The **Parish Council "office hire"** code (50.2%) 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 Storage	0%	**Storage Fees** is currently showing as 0% received. Storage fees are included on room hire invoices, so all income is coded to room hire. A virement can be actioned accordingly.
3700	0%	The £1,678 shown in **Misc Income** is for a £700 grant secured for a new floor polishing machine and £998 paid in error by WSCC for benches Hurst Meadows. This will be transferred from the Village Centre bank account to the Parish Council.

4. Review of Key Expenditure

Code	%age	Comment
5011	51%	**Electricity** is now provided by Ecotricity. The invoices are paid by direct debit monthly. The year to date the Village Centre has been invoiced up to the end of August 2024.
5012	9.4%	The **Gas** supplier is SSE. The invoices are paid by direct debit per quarter. Q2 was paid on 28 August 2023. There will be greater gas use over the winter for heating.
5013	124.9%	ADSM are now the **Water** supplier and invoice once a year in advance. The annual cost for 2024/25 is £2,878.
5020	175.6%	**Waste** collection includes the annual sanitary bin contract and the share of waste collection with the St Lawrence School.
5200	27.5%	There is a quarterly **Bank Charge** for the account and any additional fees for paying in cash and cheques.
5210	74%	This is an annual fee for I**nsurance** paid in April each year for commencement renewal on 1 May each year.
5230	86.5%	**Subscriptions:** 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	50%	The **Management Fee** is agreed in advance at the budget setting time and invoicing is proceed by the Clerk
5320	60.5%	**Cleaning** is paid monthly and will need to be monitored so there is no overspend.
5360	0%	**IT/Computer Costs** (No spend required at present)
5400	70.6%	**Property Maintenance** has predominantly been spent on the main hall flooring re-sanding and re-sealing work in April of £6,888.
5410	23.1%	Costs for **Grounds Maintenance** are £126.
5440	72.2%	**Repairs** have included the annual gas boiler service (2 boilers), boiler repairs, Velux window repairs, repairs to the Club Suite external steps and a power socket.
5460	149.4%	**Equipment Costs** was a new floor polishing machine, mostly covered by the Lottery grant of £700 in the miscellaneous income code.

In summary the main areas of concern are the cleaning costs and these will be closely monitored.

5. General reserve:

At the start of the financial year on 1 April 2024, £65,998 was held in general reserves with £3,630 in the current year fund. As of 30 September 2024, the general reserve shows as £69,627.

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 2024 stands at £7,150 in deficit. This indicates that the Village Centre may 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 2024/25 financial year. The report will also be updated and presented to the Trustees at their 28 November 2024 meeting, to allow Trustees to make strategic decisions about the remainder of the year. The Committee is asked to note the above position.