

Addendum to The Coddendam Centre Financial Report Fiscal Year 2022-23, Quarter 4.

This paper to Council is a summation of discussions with Ray Collins, Treasurer of The Coddendam Centre (TCC), following receipt of TCC's Quarter 4, 2022-23 Financial Report, which was presented to TCC's trustees earlier this month. I'd like to put on record my appreciation of Ray and Andrew MacPherson in their speedy and open responses to my questions on behalf of Council.

We're all aware of the challenges TCC's trustees and its management team have had since taking over the Centre from the Council in 2019, with inflation, especially that of energy being the latest. This is against needing to upgrade TCC, with many key elements reaching the end of their lives. It is credit to both trustees and management that they have weathered these storms and placed TCC on a much firmer footing, fully justifying the decision to move it from the Council's control. Notwithstanding the external challenges it has done so against a reduced contribution from the precept and is on track to eliminate any reliance by fiscal year 24-25, with the exception of the Parish Council continuing to meet the cost of Estate Maintenance e.g. the Recreation Ground. Parishioners can be rightly proud that through the precept they have helped fund a facility that supports numerous Parish events and activities and also brings income into the Parish, whilst boasting one of the best community building carbon footprints in the county.

The Council has provided a grant of £8,250 to TCC in the current financial year and has agreed to do the same in FY23-24, with the joint aspiration that this will fall to £4,000 for FY24-25. Unpicking TCC's trading from its capital (upgrade) movements, we end up with the variance summary below. Please note these are provisional figures including forecasting for this month. The numbers are also unaudited. (The independent auditing of TCC's accounts takes place in October annually for the previous fiscal year, prior to submission to the Charities Commission).

Revenue	Budget	Actuals	Variance	2022	23 vs 22
Classes	£4,993	£6,158	£1,165	£4,132	
Sports	£4,890	£4,531	(£359)	£5,017	
Functions	£15,721	£23,336	£7,615	£16,362	
	<u>£25,604</u>	<u>£34,025</u>	<u>£8,421</u>	<u>£25,511</u>	<u>£8,514</u>
Expenditure					
Utilities	£6,613	£5,784	(£829)	£4,574	
Maintenance	£3,078	£4,783	£1,705	£5,156	
Operating Costs	£8,235	£12,569	£4,334	£8,456	
Payroll	£16,372	£15,250	(£1,122)	£12,944	
	<u>£34,298</u>	<u>£38,386</u>	<u>£4,088</u>	<u>£31,130</u>	<u>£7,256</u>
Estate Management	£3,796	£2,354	(£1,442)	£3,194	(£840)
Total Payments	£38,094	£40,740	£2,646	£34,324	£6,416
Shortfall	(£12,490)	(£6,715)		(£8,813)	
met by:					
Precept	£8,250	£8,250		£13,135	
3rd party funding	£4,240			£4,550	

Despite household income falling in real terms, TCC has increased revenues by 32% year on year and against budget. This has adversely impacted Operating Costs, but the increase in income v's the increase in Operating Costs is over £4,000 to the good.

The Estate Management number is below that budgeted, largely because of the very hot summer, which reduced grass cutting significantly. TCC also delayed replacement of the benches and repairs to the Pavilion as quite rightly their attention was on other areas, so there will be some carry over.

The grant for this year and next therefore appears to have been set at an amount fair to Council Taxpayers and to support TCC through to a point where it can prosper without recourse to Council in normal times.

We should remember that TCC's trustees and management team has applied successfully for external grants of c.£60,00 over the past two years to resolve/mitigate the impact of residual legacy issues, without recourse to the precept. Had TCC remained the responsibility of the Council it would have been for councillors to find/apply for.

As TCC is currently going through significant upgrade, cashflow is a challenge when meeting costs prior to receiving approved grant rewards. TCC's trustees have therefore asked that for this coming fiscal year the grant, which we have agreed to make available on a quarterly basis, is paid in advance in the first week of the quarter. I fully support the request and ask Council to approve it. **Decision.**

Having been the councillor assigned to TCC for the past 12 months, given the prudent manner in which TCC is run and operates, Council should do all it can to support TCC, which in its previous form, from its completion in 2004 to its transfer in 2019, Council's full responsibility, unless there is legal cause not to and taking full account of its obligations to taxpayers.

Cllr Nick Mills

15 March 2023

THE CODDENHAM CENTRE FINANCIAL REPORT

4th Quarter (January– Mid March 2023)

Overview

At the transfer to The Coddenham Centre CIO the stated aims of the new Trust were:

1. To enhance reputation, re-establish positive perception and increase community usage
2. To alter the building/grounds to make them more fit-for-purpose
3. To reduce the reliance on the Parish Precept as much as was feasible
Added in 2021
4. To demonstrate environmental responsibility and support Suffolk's Green County objectives

The Trustees use the above aims as comparators to gauge progress.

Use of Facilities :

January and February are generally poor income months with limited sports activities and inclement weather leading to reduced hires. This coupled with increased heating and lighting costs has traditionally meant a difficult period financially. On the positive side, despite the current economic conditions we have maintained the majority of our hirees albeit with reduced hours for some. The Winter Warmth Fund (Soup Sessions) funded by MSDC and the Lunch Club Fish and Chips funded by the East of England Co-op have been well attended and were very much in keeping with our aims to increase community interaction.

The January Brunch continued this successful format and the Valentine's Quiz attracted 96 entrants with a large support from surrounding villages. The Coddenham Athletic FC continued to progress and are currently second in their league with a cup run that could see them in a final at Portman Road.

It was nice to see the Young Farmer's Youth Club holding their own quiz in the hall and we continue to be an attractive option for parties of all ages. Finally we were very pleased to host a village wedding

Refurbishment

The new meeting room was completed and is already being hired on a regular basis. The foyer and the kitchen corridor were decorated. Bicycle racks were installed on the north side of the Centre.

The construction of the external storage unit has been delayed which in turn has halted the completion of the office and foyer internal window. As annoying as this delay has been it has been necessary to provide us with a more workable cash flow scenario.

The most critical item of refurbishment has been the planned installation of solar panels. To our enormous relief and thanks to the valiant efforts of our Chairman, we managed to obtain funding for all the panels and batteries to our specification plus also the conversion of all lighting to energy saving LED fittings including proximity switches to ensure more economic usage. The installation of the panels is expected to be completed by the end of March and the LED conversions April/May.

Without a way being found to reduce energy costs The Coddenham Centre would not have been viable in it's current form

Forecasts:

Position at February end

We ended February with a continuation of the below budget performance carried over from December end. Despite the activity indicated above any surplus income was swallowed by refurbishment costs. February closed with a YTD figure more than £1.5k below budget.

NB: the movements in and out of the deposit account reflect the start of the solar panel payments/funding with the initial invoice being settled at the end of January and the MSDC advance funding being received in February.

Forecast to Financial year end

March is destined to be an exciting month as we see our reserves drain away to pay for the solar panels. As previously mentioned, the halt put on other refurbishment projects and the lifeline provided by MSDC advancing us a part of the solar panel grant has enabled us to maintain adequate cash flow although we will go considerably below our £30,000 minimum general reserve limit. On past form we would not expect to receive the grant funding from MSDC and Valencia until April end at the earliest.

There is increasing activity as we proceed through March and we will be receiving help from unexpected sources including a reduction in electricity costs due to the "alternative fuel payment", possible early payment for our recycling and the late settling of invoices. We are therefore forecasting a P&L end of year figure nearer to breakeven than originally projected at the end of the 3rd Quarter.

Forecast for 2023/24

Our budget for 2023/24 was necessarily a pessimistic document based as it was on some very real economic concerns. The Coddendam Centre had two large problems in particular

The first was regarding energy costs. We made a supposition that we could install solar panels by August 2023 (this seemed quite a long shot back in September). Additionally, on the ending of our low fixed price with E-on on March 17th we assumed an increase to 50p per kWh. Energy costs for the year were budgeted at £8,640.

Happily we seem to be on course to have panels installed at virtually the same week that our contract with E-on expires. Moreover we have secured a 12 month contract for 38.4p per kWh. This means that we save almost £4k per pa which by coincidence is exactly what our overall shortfall was for the full budget (£4,032)

The second concern has been that our funding from the Day Foundation is discretionary and on an annual basis. In our budget we had made the assumption that funding would not be continued into 2023/24 and that we would be making up the shortfall from our own reserves. We have been advised that the Day Foundation have granted us funding for next year.

The upshot is then that we feel confident that we can work with the budget we have for 2023/24 and that we do not foresee any requirement for further funding more than the £4,250 already set.

Our thanks go to the Coddendam Parish Council for the continued support.

Ray Collins
Treasurer
The Coddendam Centre CIO

Enc:

Balance Sheet
Financial Summary
Monthly Comparison (February)