

Oughtrington Community Centre

Chairman's Six-Monthly Review

April 2024

It's been six months since our AGM in November 2023 and I thought it worthwhile updating OCC Members on our progress.

Building Improvement and Maintenance

Over the past six months we have undertaken a few major projects:

- Replacing missing/broken tiles on the roof and repairing the chimneys – the tree has been removed from the large west chimney! Unfortunately, we found that this chimney was unstable and had to reduce the height of it, as and when we have funds we will rebuild the chimney to its original stature.
- Repairing existing and installing new Emergency Lighting throughout the building, bringing the building up to regulatory standards.
- Installing smart heating controls in the Hall and Kitchen and repairing faults on the heaters – this will help to reduce our energy bills.
- Repairing a host of minor defects, from broken door locks and dripping taps to clearing (rainwater, thankfully!) drains and blocking up holes that rats were using to live in the walls.

There is much still to do! Including fixing defects on many doors/windows in the building and replacing the flooring one of the Pre-School rooms.

And just this past week, we've found the boiler for the hall/kitchen heating needs to be replaced (it is 15 years old).

WE NEED YOUR HELP! Anyone who can help us with maintenance of the building would be warmly welcomed, even if you can only spare a few hours occasionally. We particularly need help with carpentry skills, fixing and fettling doors/windows is a priority. Painting and plumbing skills are also important to us as is general maintenance, people who can help us with maintaining our (rainwater!) drains and cast-iron gutters. We'd also like help taking down, cleaning and replacing the secondary glazing in the main hall, to make the most of these longer sunny days (we are optimistic!).

If you can help us, please email contact@oughtrington.co.uk

Luncheon Club

As many of you know, we had to suspend the Luncheon Club at Christmas when the then volunteer leaders retired. It's taken a while, but the Luncheon Club is now back and running twice a week on Tuesdays and Fridays.

We still need new volunteers to help us run and improve the Luncheon Club, if you think you could help us or want to find out more please contact Iain Penlington iain@oughtrington.co.uk

Use of the Community Centre

Our efforts to bring more hirers into the community centre, to raise more revenue, are gradually paying off. We now have regular baby classes (Hartbeeps), Pilates and child / baby First Aid courses using the centre, with 'one-off' bookings for parties and other uses also on the increase.

But we could do better! The community centre has rooms to hire, please think of us when you are planning a celebration or business event or running your own social club, charity or business activities. You can find out more about our rooms, rates and availability at <https://oughtrington.co.uk/room-hire/> note that we have a website booking system now – please use it.

Finances

There is a perception that OCC has been financially stable for years – we have found that this isn't necessarily true. For those interested in the detail there is an analysis of our finances appended to this letter.

Without going into the detail, OCC has been reliant on grants and donations and a lack of investment in the upkeep of the building for many years to offset an operational loss. OCC made an operational loss of more than £7,000 in 2022/23, an operational loss of £18,000 in 2023/24 and we project a further loss of more than £11,000 this year. Even back before the pandemic, OCC would have made an operational loss of more than £6,000 in the year 2018/19 without grant aid and donations.

Why? Firstly, up to 2018/19 OCC benefitted from a £6,000 a year grant from the Parish Council, we no longer receive this grant. Secondly, in past years OCC has benefitted from donations (mostly legacies in wills), we cannot presume on people's generosity. Finally, the building and facilities have required and will continue to require significant investment to bring them up to regulatory fire, health and safety regulations, to remediate deterioration in the building fabric and fittings, to reduce operational costs and improve the facilities and decoration of the building.

OCC's repairs and capital spend has risen sharply in the past year and will continue to be high for this year and possibly beyond.

On the revenue side, overall revenues are static at present:

- The rent and hire fees we receive, appear to be static at this time. However, the Trustees are taking action on this, see below.
- Luncheon Club revenues from sale of meal is anticipated to be lower in 2024/5, as we are only providing cold meals for the time being (cost of meals is commensurately lower).
- Interest received on bank funds has increased somewhat, but this will diminish as we spend reserves on repairs and capital investment.

The overall impact of these cost and revenue challenges and consequential operational losses over the past two years and going forward are reducing our bank reserves in an unsustainable way. If nothing changes, Oughtrington Community Centre will not be financially viable in the short/medium term.

So, what are we doing about this?

We are making progress on reducing operational costs that we can control, but these are limited in scope.

We need to increase income and we have a strategy for doing this by:

- Increasing the number of regular and occasional bookings.
- Increasing our room hire rates.
- Charging for storage of materials at the community centre, in line with many similar community centres and village halls.
- Negotiating a new rental agreement with the Pre-School (almost complete at time of writing).
- Regularising our regular hirers fees, so that they are fair and transparent to all.

This final point has proved to be difficult; historical hire rates for our long-standing regular users have been wildly disparate and unfair to most.

	Hiring	Approx. Hours per year	Approx. Hourly rate
Group 1	Exclusive use of Centre	285	£2.57
Group 2	Hall only	70	£10.00
Group 3	Hall only	75	£16.58
Group 4	Hall only	650	£8.30

To make the hire rates fair and transparent to all, the Trustees have devised a discount scheme to enable us to reward our regular users for their significant contribution to our revenue and to support charitable organisations and social clubs (see end of this article).

This new discount scheme, along with the 10% increase in hire rates overall, has resulted in some considerable changes in hire rates and we acknowledge the potential impact on our regular hirers' costs.

Our new regular hirers are compliant with this scheme, three of our regular hirers have accepted the new scheme (one of whom, we have agreed a phased increase in their hire fee rate owing to hardship).

However, the Scout Group are disputing the Hire Rate Review, the Trustees have indicated that they are willing to negotiate a settlement with the Scouts and await further discussions. This impasse is preventing us from implementing the new hire rate scheme in full, as this would be unfair to all our regular hirers to pay more to effectively subsidise another hirer.

So, at this time, OCC has had some, limited success in increasing our revenues to offset our losses, but we cannot predict an overall improvement our financial performance and so viability beyond a few years.

In Conclusion

While we are making great progress on bring the building up to health and safety requirements, securing and improving the building fabric and facilities, modernising our operations and managing costs and improving revenues, I and the Trustees are extremely concerned about the financial viability of Oughtrington Community Centre in a few years time.

That being said, if we are successful in increasing our revenues and controlling costs and we end up making an operational surplus, the surplus will be reinvested in the centre, it's charitable activities (the Luncheon Club and perhaps more activities to support our local community) and to provide further support to other local charities and social groups, whether they use the centre or not.

Finally...

We need your help!

Please use the centre or you may well lose it.

If you can help with maintenance and repairs, please donate some of your time.

Every little bit you can contribute will help ensure that Oughtrington Community Centre, your community centre, is here for the long term.

We will shortly be launching a community consultation to try to find out what our members and the community as a whole want from the community centre – please look out for it and use it to help us improve your community centre.

We will also be holding a members and community meeting where you can contribute to our consultation and ask questions of the Trustees about the matters in this report or any other aspect of the community centre.

Nick Storer

Chair of Trustees OCC

contact@oughtrington.co.uk

01925 754178

OCC Financial Analysis

We now have draft financial results for 2023/2024 and a forecast for 2024/2025 (and comparison with 2022/23, which were the results under the previous Trustees' final year of office (see numbered notes at bottom of page).

	2024/5 (forecast)	2023/4 (draft)	2022/3 (audited)	2018/19 (audited)
Income	£19,600	£24,792	£24,542	31,408
<i>Income excluding ad-hoc donations and grants</i>	£19,600 ¹	£22,319	£20,327	£22,506 ²
Operating Expenditure	£21,053	£31,482³	£23,780	£21,999
Repairs & maintenance⁴	£10,000	£9,800	£3,641	£6,842
Capital expenditure⁵	£20,000	-	£14,000	-
Total income vs expenditure	-£31,453	-£16,490	-£16,879⁶	£2,567
<i>Excluding capital spend⁷</i>	-£11,453	-£16,490	-£2,879	£2,567
<i>Excluding capital spend and ad-hoc donations⁸</i>	-£11,453	-£18,963	-£7,094	-£6,335

We've also added in the results for 2019 (remember, this is pre-Covid) to expose the untruth that "the community centre has been financially stable for years".

Income – while the headline income figures look as though they have fallen since pre-Covid, and indeed are predicted to fall this coming year, the adjusted figure (excluding donations and grants) shows that income over the past 5 years is stable.

Expenditure - We have split presentation of operational, repairs & maintenance and capital expenditure to give some clarity.

Operating Expenditure is relatively stable, if we take out the extra-ordinary expenditure in 2023/24 - we have been able to reduce some costs to offset increases elsewhere to achieve this.

Repairs and Maintenance has risen, the figure for 2024/25 is our best guess could well be higher – this figure should be included in our Operational Expenditure and is so for the income vs expenditure figures reported.

¹ Down compared to 2023/24 because of reduced income from Luncheon Club only serving cold meals for the time being and no certainty on any donations we may receive

² Final year that £6,000 grant was received from Lymm Parish Council

³ High owing to high energy bills, adjustments on water billing and extra-ordinary legal fees inherited from previous trustees with regard to an aborted attempt to change the Articles of Association of OCC

⁴ Relatively small cost repairs and renewals, should be treated as part of operational expenses

⁵ Larger projects, such as repairs to roof/chimneys, installation of fire alarms, emergency lighting, replacement of floor, new boiler, etc

⁶ This is a revised figure, adjustments need to be made to 2022/23 accounts as we now believe that much of the capital spend in that year should not be amortised (accountancy mechanism for writing off investment in assets over many years)

⁷ Capital spend comes from bank reserves and is "lumpy", comes in big chunks and may be reported in different financial years for accounting purposes

⁸ Ad hoc donations are welcome, but are not within OCC control and should not be assumed

Capital Expenditure includes larger maintenance projects such as roof repairs, installation of fire alarms & emergency lighting, boiler replacement (in progress at this time) and floor replacement in Pre-School (planned for summer holidays) – much of this expenditure is just large repairs and maintenance costs as the investments do not add value to OCC as an asset and in themselves have relatively low value (e.g. if stripped out and sold as used items) once installed (labour often being the bigger cost). So, for the purposes of this analysis Capital Expenditure is included as an operational expenditure.

The figure for 2024/5 is our best guess, based on what we know now that needs to be done and our capacity to run projects, which are time consuming.

Total Income vs Expenditure is in effect a statement of profit (surplus) or loss. On the face of it, historically (using 2018/19 as an example) OCC ran at a slight surplus and over the past two years has run at a considerable loss and will do so this year. The reasons for this are explained by the extra-ordinary Operational Expenditure in 2023/24 and higher repairs & maintenance and capital expenditure.

Total Income vs Expenditure Excluding Capital Spend adjusts the surplus/loss figures somewhat, but when **Ad Hoc Donations** (including the LPC grant in 2018/19) are considered, the “real” operational results of OCC are exposed (the bottom line of the table above). That is large and increasing financial losses over time.

As we have stated, whilst donations and legacies are very welcome and have contributed to the finances of OCC over the years, we cannot and should not presume they will continue. Further, the Trustees believe such donations should be used to support OCC’s charitable aims, i.e. running the Luncheon Club and other community activities, preservation and improvement of the building and its facilities, and NOT used to subsidise our operational income.

These continuing losses impact our bank funds directly and negatively. It is imperative that OCC “balances the books” and the only available way of doing this is by increasing income. We have a strategy for doing this by:

- Increasing the number of regular and occasional bookings.
- Increasing our room hire rates.
- Regularising our regular hirers fees, so that they are fair and transparent to all.
- Charging for storage of materials at the community centre.

To achieve all these aims, the community centre must be safe for all who use the building (mostly achieved, but more to do), the building fabric needs to be properly maintained to ensure it is preserved for the future and the décor and facilities need to be practical and attractive to use.

OCC Hire Rate Discount Scheme

OCC Trustees believe that part of our aims is to support local social clubs and charities by providing discounted fee rates for hire of community centre facilities.

And also want to encourage regular bookings to stabilise our income and reward hirers for regular weekly bookings.

The following table sets out the adopted discount scheme:

	Discount
If bookings are regular and more than 38 weeks per year	5.0%
OR if more than 38 weeks/year AND 2 days per week	10%
OR if more than 38 weeks/year AND 3 days per week	15%
OR if more than 38 weeks/year AND 4 days per week	20%
OR if more than 38 weeks/year AND 5 or more days per week	30%
AND if a charity / social	20%

So, for example,

- A person or business hiring the hall for a single event would receive no discount.
- A charity hiring the Hall for a single event would receive a discount of 20%.
- A charity hiring the hall for 2 events per week for 40 weeks a year would receive a discount of 30%.
- A business hiring the hall for 1 event for 40 weeks of the year would receive a 5% discount.

See www.oughtrington.co.uk/room-hire/ for details of our current hire rates.