

Burgess Hill Town Council



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09 January 2008

To: **MEMBERS OF THE FINANCE & GENERAL PURPOSES
COMMITTEE**

A **MEETING** of the **FINANCE & GENERAL PURPOSES
COMMITTEE** will be held in the Council Chamber on **MONDAY
14 JANUARY 2008** at **19.30 hours**, when your attendance is requested.

David Carden
Town Clerk

A G E N D A

1. **OPEN FORUM**

Members of the public are invited to put questions or to draw relevant matters to the Council's attention, prior to the commencement of business. This is for a period of up to fifteen minutes and shall be limited to three minutes per person.

2. **APOLOGIES FOR ABSENCE**

3. **SUBSTITUTES**

4. **DECLARATIONS OF INTEREST**

In respect of any matter on the agenda.

*Members of the Finance Committee – Chris Thomas-Atkin, Mrs Suzanne Cosgrave,
Graham Cubitt, Simon Hicks, Mrs Sue Knight, Ronnie Paulsen and Ian Simpson.*

5. **CHAIRMAN'S ANNOUNCEMENTS**

6. **MINUTES**

To consider the Minutes of the meeting of the Finance Committee held on 12 November 2007 (copy previously circulated).

7. **MATTERS ARISING**

8. **GRANT DECISIONS DEFERRED FROM NOVEMBER 2007 MEETING**

9. **ANNUAL GRANT APPLICATIONS – ADDITIONAL**

10. **REVENUE BUDGET FORECAST OUT-TURN REPORT 2007/08**

11. **RECOMMENDATION FROM THE PERSONNEL COMMITTEE – IMPACT ON REVENUE BUDGET 2008/09**

12. **DRAFT REVENUE BUDGET 2008/09 – 2nd DRAFT**

13. **SECTION 137 EXPENDITURE – LIMIT 2008-09**

14. **INTERNAL AUDIT REPORT – 2007/08 1ST INTERIM**

7. MATTERS' ARISING

7.1 The following matters have either arisen as a result of decisions made at the previous Finance Committee meeting, or during the interim period. All major items have been reported separately on the Agenda.

- (A) LIST OF CHEQUES – a list of cheque payments by the Council since the last meeting of the Committee has been placed in the Council Chamber for Members' information.
- (B) GRANTS & DONATIONS – thank you letters have been received from the following organisations:

Citizen's Advice Bureau
Burgess Hill Day Centre for the Housebound
Help at Home Plus (Mid Sussex) Ltd
Furnihelp

- (C) A report and income and expenditure account have been received for the Bonfire Society's 2007 events, copies of which are available on request. In summary, income totalled £8,243 which included £2,525 from the street collection, and expenditure amounted to £8,717 resulting in an excess of expenditure over income of £473. The total street collection takings were distributed to the following local charities: Help in the Valley Riding for the Disabled; St Peter and St James Hospice; Windmills Opportunity Playgroup; St Andrew's Community Centre and the Fire Brigade Benevolent Fund. The group have expressed their gratitude to the support provided by the Town Council.

8. GRANT DECISIONS DEFERRED FROM NOVEMBER 2007 MEETING

8.1 Decisions about the following grants were deferred from the previous meeting as further information was required. For ease of reference, a recommendation is shown immediately after each grant is discussed.

All recommendations approved are in accordance with the Council's powers under Section 137 of the Local Government Act 1972.

8.2 **VITALISE £610** (previously the Winged Fellowship) applied for a grant of £610, being 10% of the cost of providing care breaks for 8 Burgess Hill residents. Clarification was requested regarding the organisation's reserves. A reply has been received stating that the majority of the funds are held in the Fixed Asset Fund, which holds the values of their centres and equipment. Without them they could not operate. In addition to this they have a number of designated and restricted funds for projects or supporting guests. The organisation's only free funds are held in the Working Capital Fund, which is less than 3 months turnover. Vitalise has taken the decision that until the Working Capital Fund holds the equivalent of 3 months turnover it will not hold any general funds. This reflects the Trustee's belief that holding sufficient reserves is a priority for the organisation.

RECOMMENDATION

To approve the £610 grant.

8.3 MILLHAVEN £200 – Application withdrawn

RECOMMENDATION

No recommendation.

8.4 SATURDAY VENTURE ASSOCIATION £1,000 – This group has not responded to requests from the Council for further information to justify their grant application.

RECOMMENDATION

To decline the grant application.

8.5 BURGESS HILL COMMUNITY FESTIVAL – ANNUAL GRANT

Members will recall the Burgess Hill Community Festival submitted a late grant request of £14,350 to fund the 2008 programmes. Information has since been received indicating how the previous year's grant (£5,350) had been spent (see Appendix I).

Based on the information received, the group appears to have circa £3,750 in its bank account to carry forward to the 2008 festivals. This money, combined with its request to the Town Council for a grant in 2008, are the only proposed sources of income for the 2008 festivals programme. Historically, the previous Festival Association raised funds from other sources, such as American Express, to supplement the grant it received from the Town Council. Now that it is in its third year of operation, and with a more ambitious programme planned, it is suggested that the Community Festival should also investigate additional sources of funding, with assistance from the Town Council's Community Development Officer and the District Council's Arts Development Officer, if required. This would bring the Community Festival into line with other groups funded by the Town Council, which also raise funds from other sources in addition to their Town Council grant.

Due to the late submission of the Community Festival's grant application, a provisional sum of £5,550, being an inflationary increase on last year's grant, was included in the Town Council's draft budget for 2008/09. This sum, added to the carried forward amount of £3,750, would give a combined "pot" in the region of £9,300.

RECOMMENDATION

Approve the Revenue Budget allocation of £5,550.

- 8.7 GUIDES HALL £5,000** – Members may recall that the Council ring fenced a £5,000 grant towards the construction of purpose built accommodation with an overall project build cost in excess of £200,000. The grant awarded was subject to the Guides Hall being successful in their lottery application to provide the majority of the funding. Confirmation has now been received that they have been **unsuccessful** in that application.

Although the Guides will continue with their funding activities, the likelihood of the project going ahead within the foreseeable future is remote.

Members are now asked to confirm the release of the £5,000 back into the Revenue Budget for 2008-09 but provide a commitment from the Council to the Guides Association that this money be made available should, in a future year, the Guides Hall be able to go ahead with the project.

For clarification purposes, the 2008-09 2nd draft budget **includes** the release of the £5,000.

RECOMMENDATION

- a) Release of the £5,000 back to the Revenue Budget for 2008-09; and
- b) Provide a commitment that funds be made available in the future should the project proceed.

Environmental Charter Implications – None.

Financial Implications – Contained in the reports.

Implications to Partner Organisations – None.

9. ANNUAL GRANT APPLICATIONS – ADDITIONAL

- 9.1 BURGESS HILL IN BLOOM £1,500** - The Council has received an application from the now independent, fully constituted Burgess Hill in Bloom Group. They are requesting £1,500 to support their activities through the forthcoming year covering items such as hire of venues, publicity material, grants to school and community groups and other administrative related charges. As with other groups applying for grants, justification of expenditure in the form of receipts and/or budgets and/or annual accounts will be required.

There are no implications to the budget 2008-09 previously reported to Members, as the budget contained a provisional amount of £1,500 to cover the 2008-09 programme.

For future years, Members are asked to consider whether the grant to this group should be included within the annual grants scheme i.e. an automatic revenue expenditure item similar to the Bonfire Society and Citizens Advice Bureau.

9.2 **BURGESS HILL TOWN TWINNING ASSOCIATION**

a) **2007-08 £250** - An application for £250 has been received from the association for a contribution towards their activities for year 2007/08, covering such items as newsletters and staging events. A full report from the Association is expected shortly and will be available to Members on request.

There are no implications to the budget 2007-08 previously reported to Members, as the budget contained a provisional amount of £250 to cover the 2007-08 programme.

b) **2008-09 £500** - A provisional request has also been received for £500 for 2008-09 in respect of the 20th anniversary of the Twinning Charter with Schmallenberg. A detailed report from the Association is shortly to be received and any grant paid will be subject to full justification.

Members may recall the 1st draft budget included an amount for Town Twinning to the value of £1,000, and on request at the meeting, this has been increased to £2,500 due to the 20 year anniversary celebrations. Should the above grant request be approved, the current level of funding is deemed to be sufficient to pay the grant.

9.3 **RECOMMENDATION**

Subject to the justification of expenditure in the form of receipts and/or budgets and/or annual accounts the Committee is recommended to approve:

- a) the grant application of £1,500 from Burgess Hill in Bloom;
- b) that Burgess Hill in Bloom should be included as an annual grant for future years;
- c) the £250 and £500 grants for the Town Twinning Association for 2007/08 and 2008/09 respectively.

10. **REVENUE BUDGET FORECAST OUT-TURN REPORT 2007/08**

10.1 The purpose of this report is for the Responsible Financial Officer (“RFO”) to keep Members abreast of the current revenue position. It provides an estimated year end position (Forecast Out-turn) of the Revenue Budget as at 31 December 2007. Detailed information is available from the RFO on request.

10.2 In summary, the current year end prediction shows a total surplus of £24,337 (3.5%). A +/- £1,000 variance analysis against the 2007/08 Revenue Budget is shown below. A copy of the December 2007 monitoring report complete with details of all the Council’s reserves and Capital Projects status, is attached at Appendix II.

REVISED REVENUE BUDGET 2007/08	Original Annual Budget	Forecast
Income	£	£
Precept	693,389	693,389
Income from other sources	210,281	218,460
Total Income	903,670	911,849
Expenditure	903,669	887,512
Total Expenditure		
Excess/(Deficit) of income to expenditure	0	24,337
		3.5%

OUT-TURN / FORECAST 07/08
Movements +/- £1,000 New item*

Estimated surplus for year **24,337** *3.5% of Precept*

Made up of:

Income movements

6571	Burial Ground Income	3,000	New business and tree purchases
5070	Interest on Balances	3,500	Interest rates higher, spending behind curve
	HP Shop	956	Greater turnover
	Other movements less than +/- £1,000	723	
	Total Movement in income	8,179	Increase

Cost movements

6504	Burial Ground Costs	1,791	New business
8001	Donations Fund Contribution	1,000	Increased for PRH campaign
7026	Graffiti Material	1,550	Higher levels of graffiti to be tackled
7009	Maintenance contracts	-2,081	New negotiated contracts
4506	Members Allowances	-4,003	12 out of 18 councillors have claimed
7028	Planting	-3,000	Hard landscaping saving costs
5501	Rent 38 CR	-2,000	New Negotiated rent
9601-4	Salaries + oncosts, Temps	-3,286	Donna replacement not until 2008
7029	Traveller costs	2,000	New item
	Provisions/acrls not required	-7,137	Rent review, Employment issues
	Other Movements less +/- £1,000	-992	
	Total movement in costs	-16,158	Saving
	NET MOVEMENT FOR YEAR	24,337	Surplus

10.3 The above forecast includes a net contribution of £3,095 from the World's End Recreation Ground project. The final net contribution will be subject to reconciliation with Mid Sussex District Council.

10.4 **Disposition of 2007-08 Surplus:** With a high surplus for the current year, an option is to transfer part of this surplus (£14,500) into the Master Planning fund, with a corresponding reduction in the 2008-09 budget requirement. The impact of this would be to reduce the total 2008-09 Precept increase to 4.8%.

10.5 RECOMMENDATION

The Committee is recommended to approve:

- a) the 2007-08 revised Revenue Budget Out-Turn; and
- b) the transfer of £14,500 to the Master Panning Fund.

Environmental Charter Implications – Considered at the outset.

Financial Implications – Contained in the report.

Implications to Partner Organisations – A number of projects involve partner organisations.

11. RECOMMENDATION FROM THE PERSONNEL COMMITTEE – IMPACT ON REVENUE BUDGET 2008-09

- 11.1 At the meeting of the Special Personnel Committee held on Tuesday 11 December 2007 the Committee approved the Town Clerk's Restructuring Report in the light of the implications of the Town Council's increased involvement in the strategic planning of Burgess Hill. They have recommended the Council now formally adopts the proposals and that they are implemented from 1 January 2008. The Committee noted that some of the arrangements had been put in place through the autumn through necessity.

The gross cost of the proposals for 2008/09 reported to the meeting, including employers' costs, is £7,922, with a further provision of £4,917 (figure not known at time of meeting) to cover, if required, additional workload implications, giving an overall cost of £12,839.

The cost of the proposals from 1 January to 31 March 2008 can be funded from the savings from the current vacancy.

The Personnel Committee have requested both the sum of £7,922 and provisional amount of £4,917 be included in the 2008/09 budget.

Further information regarding the overall Personnel budget can be obtained from the Responsible Finance Officer.

11.2 RECOMMENDATION

The Committee is recommended to make available the amount of £12,839 in the 2008-09 budget.

Environmental Charter Implications – None.

Financial Implications – Contained in the report.

Implications to Partner Organisations – this project involves partner organisations.

12. **DRAFT REVENUE BUDGET 2008/09 – 2nd DRAFT**

- 12.1 The purpose of this report is for Members to consider the 2nd draft Revenue Budget 2008/09. **The overall increase in the Precept for 2008-09 now stands at £33,137, a 4.8% rise on 2007-08.** Due to a slight movement in the tax base, the **Band D increase stands at 4.4%** (increase of £2.69 per year @ £63.58; 5p per week @ £1.22).
- 12.2 For clarification purposes, the disposition of the 2007-08 surplus of £14,500 (item 10.4), the release of the £5,000 associated with the Guides Hall (item 8.7) and the recommendation from the Personnel Committee (11.2) have been actioned in the Revenue Budget for 2008-09.
- 12.3 For Members information, table (a) highlights the major movements from the 1st draft budget presented in November 2007, table (b) gives an income and expenditure summary, and table (c) details a +/- £1,000 variance analysis against the 2007/08 Revenue Budget. The detail 2nd draft Revenue Budget for 2008/09 is attached at Appendix III.

a) MAJOR MOVEMENTS BETWEEN THE 1ST AND 2ND DRAFT BUDGETS:

	£
1st Draft Precept	747,888
Enhancements to new website (Cllr secure area, on-line polls)	2,000
Master planning – net movement in salary allocations and funding direct from 07/08 - item 10.4	-14,999
Town Twinning – 20 year celebration – additional funds required (this to include any increase in funding required from the TT Association)	1,500
Allotment site improvements – funding from DDA fund	-1,500
Site improvements – funding from DDA fund	-1,000
Release Guides Hall grant provision	-5,000
Other movements less than +/- £1,000	-2,363
2nd Draft Precept	726,526

b) SUMMARY 2ND DRAFT REVENUE BUDGET 2008/09
(inflation, where appropriate, has been set at 3.5%)

Revenue Budget 2007/08	Budget 2007/08 £	2 nd Draft Budget 2008/09 £		
<u>Income</u>				Movement
Precept	693,389	726,526	£33,137	4.8%
Other income	210,281	223,491		
Total Income	903,670	950,017		
Total Expenditure	903,669	950,017		
Excess/(deficit) of income to expenditure	0	0		

c) REVENUE BUDGET 2008/09 - MOVEMENTS +/- £1,000

2 nd DRAFT BUDGET 2008/09		£	New items **
Movement on Precept		33,137	Net Increase
		4.8%	
<i>Made up of:</i>			
Income movements			
5071-4	About Town	1,360	5% increase - move to full colour?
6571	Burial Ground Income	3,508	Business levels
8570	Help point partnership income	1,647	Inflation
	HP Shop	1,956	New product lines
5070	Interest on balances	3,500	High rates, spending behind curve
	Other less than +/- £1,000	1,239	
Total Movement in Income		13,210	Increase
Cost movements			
Increases			
5001	Audit fee/ Risk assessment	2,771	RA consultant
6504	Burial Ground	2,019	Business Levels
6003	CCTV	2,500	New camera – provisional
4502	Election fund	3,000	Holiday last year. 07/08 still to be reconciled.
7026	Graffiti Material	1,550	Higher levels being dealt with
9002	MMT salaries and oncosts	7,614	Cost of living + scale increases
New	Pension fund provision**	5,000	New item – 5 year programme top up
9601	Salaries & oncosts	26,881	Cost of living + scale increases
	Sidney West – Community fund contribution**	5,000	Provisional net costs
7001	Site improvements	1,116	Worlds End revamp-external
6001	Town Twinning	1,500	20 year celebration
5003	Training fund contribution	3,250	Midway between 07/08 & 3% x salary
7029	Traveller costs**	1,000	Provisional
	Other movements less than +/- £1,000	4,971	
Reductions			
	Capital Projects Contribution	-3,762	See cap projects sheet
8001	Grants & Donations contribution	-2,832	Only one major grant approved for £1,168
8001	Grants & Donations – Guides Hall	-5,000	Release back to revenue budget – not required
6007	Master Planning & Restructure	-1,661	Reserves from 2007-08 brought forward
4507	Members Allowances	-3,570	If same pattern as 07/08 + Inflation
7028	Planting	-3,000	Hard landscaping giving reductions on planting
5501	Rent 38 CR	-2,000	Negotiated new rent
Total Movement in Costs		46,347	Increase in costs
NET MOVEMENT FOR YEAR		33,137	4.8% Net Increase on 2007/08 Precept

12.4 For Members information, the Sidney West project is highlighted as a major financial risk where the Responsible Finance Officer (RFO) is unable, at this time, to fully quantify the budget position. An estimated budget is currently being prepared, however, this is a new commercial project where a number of costs and revenues are still unknown. A provisional net charge of £5,000 has been included in the Revenue Budget for 2008-09.

12.5 RECOMMENDATION

The Committee is recommended to submit to Council for approval the 2008/09 Revenue Budget and Precept.

Environmental Charter Implications – Contained at the outset.

Financial Implications – Contained in the report.

Implications to Partner Organisations – A number of projects involve partner organisations.

13. SECTION 137 EXPENDITURE – LIMIT 2008/09

- 13.1 For Members information, the appropriate sum for the purposes of section 137(4) (a) of the Local Government Act 1972 for parish and town councils in England for 2008/09 has now been published at £5.86 per elector (2007/08 - £5.64).
- 13.2 Section 137 authorises a local council to incur expenditure up to a prescribed limit for any purpose which in its opinion is in the interest of, or will directly benefit, the whole or part of its area or all or some of its inhabitants.
- 13.3 Based on the number of electors* for the current year within Burgess Hill, this would equate to a spend limit of £128,275 under this category (2007/08 - £123,460). It should be noted, however, the Council's expenditure under Section 137 is considerably less than that allowed, budgeted at £48,394 for 2008/09 financial year (£46,734 for 2007/08).

* based on January 2007 electors – awaiting confirmation of 2008 number.

The 2008/09 year is broken down as follows:-

Burgess Hill Bonfire Society	£1,450
Burgess Hill Community Festival	£5,550
Business Park Co-ordinator	£5,000
Christmas Lights	£9,764
Citizens Advice Bureau	£2,500
Community Development	£1,069
Consultants Fund contribution	£1,000
Donations Fund contribution + major grants	£9,168
Economic Development	£5,000
Holiday Activities	£535
Remembrance Day	£858
Town Twinning	£2,500
Voluntary	£4,000
Total	£48,394

13.4 RECOMMENDATION

The Committee are recommended to note the contents of the report.

Environmental Charter Implications – None.

Financial Implications – contained in the report.

Implications to Partner Organisations – None.

14. **INTERNAL AUDIT REPORT – 2007/08 1ST INTERIM**

14.1 Members are advised that the first interim audit conducted by Auditing Solutions Ltd for 2007-08 was completed on 13th November 2007. The following conclusion is an extract taken from the audit report.

“We are pleased to conclude that, in the areas examined to date, the Council continues to have effective systems in place to ensure that transactions are free from material mis-statements and should be reported accurately in the Statement of Accounts for 2007-08 and that no matters requiring recommendation for action have arisen at present.”

14.2 Should any member require a full copy of the audit report they can contact the RFO who will be pleased to assist.

14.3 **RECOMMENDATION**

The Committee is recommended to note the contents of the report.

Environmental Charter Implications – None.

Financial Implications – None.

Implications to Partner Organisations – None.