

NOTES of the FINANCE KEY AREA GROUP MEETING held remotely on TUESDAY 21 JULY 2020 at 19.00 hours.

KAG Members: Graham Allen*
Andrew Barrett-Miles*
Roger Cartwright
Anne Eves
Graham Fairbairn - Responsible Finance Officer (RFO)
Janice Henwood
Simon Hicks - Chairman

Also Present: Peter Chapman
Steve Cridland - CEO
Robert Duggan
Robert Eggleston
Sylvia Neumann
Tofojjul Hussain

*Denotes absence

start 19.00

39. APOLOGIES FOR ABSENCE

Received from Andrew Barrett-Miles and Graham Allen

40. SUBSTITUTES

Robert Egglestone for Graham Allen

41. DECLARATIONS OF INTEREST

None

42. CHAIRMAN'S ANNOUNCEMENTS

Members were advised a listing of payments made by the Town Council was available for distribution with a quarterly payment record on the town council's website.

43. ELECTION OF THE VICE CHAIRMAN OF THE FINANCE KAG (for the ensuing year).

Graham Allan was reappointed unanimously by Members.

44. NOTES OF THE PREVIOUS MEETING

The Notes of the previous Finance Key Area Group meeting, dated 20 January 2020 (previously circulated to all Members), were approved by Members and signed by the Chairman as a correct record.

45. **INTERNAL AUDIT – FINAL 2019/20**

Members received a report as set out in agenda item 7, dated 21 July 2020, and subsequently updated during the meeting, advising Members of the outcome of the recent internal audit completed on 20 July 2020 by Auditing Solutions Ltd. The RFO was pleased to report that no items had arisen that needed to be drawn to the attention of Members.

RESOLVED that:

A) The contents of the report be noted, and

B) To re-appoint Auditing Solutions Ltd as the Council's internal auditors for the 2019/20 financial year

46. **FINANCIAL RESULT FOR THE 2019/20 FINANCIAL YEAR (SUBJECT TO EXTERNAL AUDIT)**

Members received a report as set out in agenda item 8, dated 21 July 2020, presenting the financial outturn for the 2019/20 financial year.

The report highlighted the town council would post a surplus of £10,754 for the year which included a number of agreed allocations to new and existing funds of circa £54k.

The report also recommended the transfer of just over £5k to the General Reserve with the balance to be transferred to the Beehive Fund.

During the ensuing discussion, clarification was given in that some of the Earmarked reserves were made up of savings from prior and current years revenue budgets combined with the transfer of monies from other Earmarked Reserves.

RESOLVED that:

a) to approve the 2019/20 financial result as presented,

b) to transfer £5,148 to the General Reserve, and

c) to transfer the residual surplus of £5,606 to the Beehive Fund.

47. **ANNUAL GOVERNANCE and ACCOUNTABILITY RETURN Part 3 (formerly the Annual Return) FOR 2019/20**

Members received a report, as set out in agenda item 9, dated 21 July 2020, presenting to them the Annual Governance and Accountability Return (AGAR) for 2019/20 financial year.

The report highlighted the financial statements contained within the AGAR and the work and procedures undertaken to ensure the Council was in compliance with the regulations as laid down by the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulation 2015. Members confirmed, also,

their responsibility for ensuring there is a sound system of internal control, including the preparation of accounting statements.

RESOLVED that:

- a) To approve the Annual Governance Statement 2019/20 contained within the Annual Governance and Accountability Return,
- b) To approve the Accounting Statements 2019/20 contained within the Annual Governance and Accountability Return, and
- c) For the Chairman of the meeting and Chief Executive Officer to sign the documents accordingly.

49. REVIEW OF BUDGET YEAR 2020/21

Members received a report, as set out in agenda item 10, dated 21 July 2020, giving an update in regard to the current year's financial position.

The report detailed the current estimated surplus at the yearend was in the region of £27k made up of an decrease in income of £21k and a reduction in costs of £48k.

It was highlighted by the RFO, this was an estimate based on information as at the 30 June and that it would be subject to change as the year progressed.

Clarification was given that cost savings associated with various events and the VE day due to cancellation because of Covid 19 were reflected in the estimated surplus. It was confirmed, also, there were a number of income streams from partners totalling circa £25K that were still at risk as these were annual contracts and final agreement had not yet been reached with the partners.

Clarification was given, also, in regard to the "inclusivity Initiative" budget of £10k allocated in the 2020/21 financial year whereby the town council recognised it wanted to provide more support, for example, to disabled people through the provision of a changing places toilet facility. It was hoped this fund would grow and perhaps attract contributions from third parties.

RESOLVED that:

To note the contents of the report.

50. EARMARKED RESERVES

Members received a report, as set out in agenda item 11, dated 21 July 2020, updating Members with regard to the status of the Town Council's Earmarked Reserves as at the 31 March 2020 and with, also, the latest status as at 30 June 2020.

The report contained a specific recommendation to transfer £73k that would ordinarily have been allocated to the Beehive Fund at the beginning of the financial year, to the Covid 19 fund.

During the ensuing discussion, it was clarified that with the backdrop of Covid 19 and the potential economic fall out for the Burgess Hill community, the town council needed to position itself financially to provide assistance where possible. To give greater clarity to the purpose of the fund, it was agreed to rename the Covid 19 fund to Economic Support Fund.

It was confirmed, also, that unless an Earmarked Reserve contained restricted funds from third parties and/or there were current or future financial commitments, Members could reallocate individual funds to support the developing needs of the town council's programmes.

Resolved that:

- A) Approve the schedules of Earmarked Reserves,
- B) Vire £73k from the Beehive Revenue Budget allocation to the Covid 19 Fund, and
- C) Rename the Covid 19 Fund to Economic Support Fund.

49. **BUDGET 2021/22 ASSESSMENT**

Members received a report, as set out in agenda item 12, dated 21 July 2020, giving an initial view of the potential pressures facing the town council in the 2021/22 financial year. The report highlighted the possible loss of income (when compared to the prior year's budget) of £12k, with a reduction in costs circa £35k, albeit, these savings were borne through comparisons to the prior year one-off budget allocations as opposed to a genuine reduction in costs.

During the ensuing discussion, Members were informed that confirmation in regard to the Tax Base would not be available until the end of the calendar year and that there was potential, due to the economic impact of Covid 19, for a deterioration of the number of dwellings that paid council tax.

Resolved that:

To note the contents of the report

50. **BANK RECONCILIATION AND OTHER BALANCES**

Members received a report, as set out in agenda item 13, dated 21 July 2020, highlighting a recent bank reconciliation and providing current balances on the Town Council's various accounts.

RESOLVED that:

To note the contents of the report.

51. **DATE OF NEXT MEETING**

This was confirmed as November with the exact date to be agreed.

End 7.40pm