

**NOTES of the FINANCE KEY AREA GROUP MEETING help remotely on THURSDAY
12 NOVEMBER 2020 at 18.30 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
Matthew Cornish
Steve Cridland - CEO
Robert Duggan
Robert Egglestone
Lee Gibbs

*Denotes absence

Start 18.30 hrs

52. APOLOGIES FOR ABSENCE

None received.

53. SUBSTITUTES

There were none.

54. DECLARATIONS OF INTEREST

There were none.

55. NOTES OF THE PREVIOUS MEETING

The Notes of the previous Finance Key Area Group meeting, dated 21 July 2020 (previously circulated to all Members), were approved by Members and signed by the Chairman as a correct record.

56. EXTERNAL AUDIT 2019/20

Members received a report, as set out in the agenda item 6, dated 12 November 2020, noting the results of the external audit had still to be received. It was confirmed the deadline for completion on the external audit had been extended to 30 November 2020 due to the pandemic.

RESOLVED

To note the contents of the report

57. **BUDGET MONITORING REPORT 2020/21**

Members received a report, as set out in the agenda item 7, dated 12 November 2020, giving an update to Members in regard to the estimated outturn for the current financial year ending 31 March 2021.

The report highlighted an estimated surplus of just over £48k and a request had been received by the Communities Officer to allocate £5k of this surplus to next year's Festival fund.

During the ensuing conversation, confirmation was given the money set-aside for the renewable energy project was still in-place and Members were also informed the costs associated with the Legion building related, in the main, to business rates and insurance, and the Stream-Line costs related to the subscription fee for the credit card machine in the Help Point.

Consideration was also given to the disposition of the final surplus and it was noted that unless Members agreed otherwise, any surplus would be allocated towards the Beehive project. It was noted, however, that at this time it was too early to make any final decisions as to the disposition of the final surplus.

RESOLVED

- a) To allocate £5,000 from this year's estimated surplus to the festival fund for 2021/22, and
- b) Note the contents of the report.

58. **DRAFT REVENUE BUDGET 2012/22**

Members received a report, as set out in the agenda item 8, dated 12 November 2020, giving an update to Members in regard to the position of the Draft Revenue Budget for 2020/21 that had been presented to Members at the July 2020 Finance KAG Meeting.

The report presented a reduction in Precept of around £27k, however, it was highlighted the final funding position relating the Beehive Project had yet to be agreed and this would have implications for the final budget to be placed before Members in January.

During the ensuing discussion, the following topics were highlighted:

Tax base – It was noted it was not possible to fully quantify the effect of the pandemic on the local economy where there was the potential of a substantial level of residents having to claim housing benefit which would, in-turn, impact on the tax base and the overall Band D rate. The RFO confirmed he would continue to chase MSDC to get a greater understanding of the position.

Burial ground income – the RFO confirmed the pandemic had not, to date, impacted greatly on the burial ground and, overall, the average level of burials remained the same as previous years.

Partner income – it was noted the provisional budget included funding from partner organisations such as WSCC and MSDC. Although some were on longer term contracts, there was circa £27k related to annual contracts and should be considered at risk.

RBL building loan – it was confirmed to Members the original loan to purchase the old RBL building was on a 25 year lease and still had a number of years left. The RFO can confirm (subsequent to the meeting) the loan was taken out in 2016 with the final payment due in 2041.

Beehive loan status – the RFO confirmed the original £3mil loan agreed by the Communities Department had expired and that a new loan application would be required to enable the Beehive project to come to fruition. The RFO was waiting to hear from the Communities Department in regard to any effect the pandemic may have in regard to funding availability for smaller projects such as the Beehive.

RESOLVED

To note the contents of the report.

59. EARMARKED RESERVES

Members received a report, as set out in the agenda item 9, dated 12 November 2020, giving an update as to the status of the town council's Earmarked Reserves with a full listing of all the reserves being provided.

During the ensuing discussion the following funds were highlighted:

Pantry/CIO – Members were aware the town council had made an initial £10,000 grant towards the Pantry project which had been added to, subsequently, by the Budding Foundation to cover the cost of the chillers and freezers. With this additional support it is likely there would be a surplus from the original £10,000 provided by the town council with a recommendation that any residual balance should be formerly transferred to the CIO to assist with other initial start-up costs.

It was reported, also, the Clarion organisation would look to provide some additional financial support towards the pantry.

RESOLVED

To transfer any residual balance of the Pantry/CIO set-up fund to the CIO.

Economic Support Fund – Members were aware some £73k had been transferred from the Beehive Fund into the Economic Support Fund to support initiatives to help the community during the pandemic period. It was not known, as this time, what the residual balance of the fund would be as the impact of the pandemic could be with the community for a considerable while, however, it was noted that any residual, when known, would be returned to the Beehive fund.

RESOLVED

To note the contents of the report.

Trading Spaces (CIC) – The Trading Spaces report highlighted the original £40k set-up fund was likely to be fully utilised in completing the shop-fit out of the Burgess Hill Community Partnership CIC premises (ex-William Hill). The report highlighted, also, the original CIC set-up fund still had just over £3.6k and this needed to be formerly transferred over to the CIC's bank account to enable it to cover its own initial set-up costs and to give separation of the CIC's finances from that of the town council.

RESOLVED

- a) To transfer the residual balance from the original CIC set-up fund to the CIC bank account, and
- b) Prepare a more detailed budget for the CIC.

Bridge the Gap – The Bridge the Gap report noted little expenditure to-date had been incurred under this umbrella project. The RFO confirmed, however, when projects were undertaken, such as the Market project, they would be identified separately within the accounting system.

RESOLVED

To note the contents of the report.

Food bank relocation - The RFO confirmed the initial £12,000 allocated to assist the Food Bank to relocate to a new location had yet to be spent. The recent relocation to an empty shop unit within the town was just a temporary move where costs incurred by the town council (mainly labour) had been absorbed within existing budgets.

Street Scene & Minor Works – Members highlighted the current Place & Connectivity programme was offering funds to help improve the public realm and queried whether this money could help reduce the level of funds the town council was setting aside for such projects. The RFO agreed this may well be the case which could release the town council's money towards other projects.

Queen Elizabeth Avenue – Members noted this fund had been in-place for a considerable time and although it had been used to fund some smaller projects such as the flower bed and bench, Members queried whether there was anything substantial this money could be used for, one suggestion being a *swift tower*. The RFO pointed out this money had been given by partners to fund works in the QEA vicinity and that it had to be spent there. The RFO agreed to re-look at the specific agreement associated with this money to see on what projects it could be legitimately spent.

RESOLVED

For the RFO to confirm the agreement wording associated with the Queen Elizabeth Avenue project.

60. **DATE OF NEXT MEETING**

January 2021, date and time to be confirmed.