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Thursday 28 January 2021

To: MEMBERS OF BURGESS HILL TOWN COUNCIL

An EXTRAORDINARY MEETING of the Council will be held ONLINE on TUESDAY 2 FEBRUARY 2021 at 19.00 hours, when your attendance is required.

Cllr Roger Cartwright
Mayor

****PLEASE NOTE THE START TIME OF THE MEETING****

FILMING, RECORDING OF COUNCIL MEETINGS AND USE OF SOCIAL MEDIA

Following government advice on social distancing, essential Council Meetings will be held virtually during the Covid-19 period. All papers will be published on our website as usual. Members of the public can attend the meeting by using the Skype link that will be placed on the town council's website and social media shortly before the meeting takes place.

The use of social media is permitted but members of the public are requested to switch their mobile devices to silent for the duration of the meeting.

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. Each member of the public is allowed to speak once only in respect of a business item on the agenda (during the Open Forum) and shall not speak for more than three minutes at the discretion of the Chairman.

If it appears that the number of speakers is likely to unreasonably delay the disposal of business items on the agenda the Chairman may direct that a member of the public submits a question or comment in writing which shall be answered in due course.

2. **APOLOGIES FOR ABSENCE**

3. **DECLARATIONS OF INTEREST**

In respect of any matter on the agenda.

4. **CHAIRMAN'S ANNOUNCEMENTS**

5. **BEEHIVE CONSULTATION**

The Cultural Quarter Steering Group will have met before the meeting and the agenda before them is attached as Appendix 1. The recommendations from the group will be tabled at the meeting

6. **BEEHIVE LOAN**

The Council resolved to consider applying for a 4.8 million pound loan from the Public Works Loan Board. This report looks at the financial implications and other areas of query.

6.1 **Financial assessment of increasing the PWLB loan from £4.4 mil to £4.8 mil**

The original loan of £4.4mil (@1.91%) attracted an annual repayment in the region of £145k, with the proposal to increase the loan to £4.8mil (@1.9%), the annual repayments would rise to £155k. This figure allows for some minor upward movement in interest rates. Overall, this is a modest increase of £10k per year.

Members will be aware the budget, as presented to and approved by the Finance KAG on Monday 18th January 2021, highlighted the "Beehive Working Capital Fund", specifically set-up with council reserves to support the Revenue budget as it moved to include the loan repayments and an operational subsidy for the Beehive CIO.

With the increase of the loan application by £400k, and some minor budgetary adjustments, there is the potential to clear the shortfall on the Beehive Build Fund, previously shown at £280k, giving rise to the project being less reliant on 3rd party monies, and reduces, also, the strain on the Beehive Working Capital Fund **releasing more than adequate funds to pay the increase in loan repayments.**

6.2 Repayment of existing Royal British Legion Loan

At the recent Council meeting held Monday 25 January 2021, Members discussed the option of repaying the balance of the outstanding loan used to purchase the Royal British Legion Building. The current outstanding balance of the loan is £252k with repayments, including interest, of around £17k per annum. There is 21 years left on the original 25 year loan period.

Under the scenario of borrowing £4.8mil, the additional money available, when combined with the saving from the need to repay the loan (circa £85k over a 5 year time period) and some other budgetary adjustments, does make this a financially viable option and would have the presentational benefit in that potential concerns from the Communities Department regarding the town council having to repay two loans would not arise.

By repaying the outstanding loan, however, the potential to have a "safety net" in the Beehive Working Capital Fund for, perhaps, to have greater flexibility as to how much and when amounts of the loan are drawn-down, would be greatly diminished. The potential to have circa £181k available, should the loan not be repaid, would reduce down to around £14k.

It should be noted, the repayment in full of the outstanding RBL loan would not financially feasible with a loan of £4.4 million.

* the effect of penalties and interest arising from the early repayment of the loan have not been included and need to be assessed prior to any final decision being made.

6.3 Loan Repayment Schedule

Members may recall from the recent Finance KAG meeting held on Monday 18 January, a Beehive loan repayment schedule based on an estimated loan drawn down spread over a two year period from October 2021 to October 2023, with the first draw down value being £840k and increasing through the two year period until the complete loan of £4.4 mil had been drawn.

With the phased draw down, the level of repayments, particularly in the first two years, are considerably less than in the later years when the full £4.4 mil had been drawn. The level of repayments for the £4.4 mil (and now the £4.8 mil) are fully included in the budget and forecasts going forward and would form part of the documentation to be

presented to the Communities Department when the loan application is submitted. Indeed, for note, when applying for such a large loan, the Communities Department will consider more favourably, due to their own budgeting constraints, loans that are split over more than one financial year.

In regard to a recent Member query to present a full year's loan repayment in the first years of the Revenue Budget plan, this may be seen to contradict the loan draw down schedule and has the potential to give rise to queries from the Communities Department. There is, however, a presentational aspect to be considered and the RFO will seek guidance from the council's SSALC* representative.

**Surrey & Sussex Association of Local Councils - this organisation provides advice and guidance when submitting loan applications to the Communities Department.*

6.4 **RECOMMENDED:**

Members are recommended to

- A) Agree in principle to an increased loan of £4.8 mil on the understanding the full £4.8 mil may not be applied for and/or may be applied for but not drawn down fully,
- B) For the RFO to seek confirmation from the Public Works Loan Board in regard to the full cost of repaying early the existing Royal British Legion loan and continue to assess, in liaison with the Finance KAG Chairman, the viability and presentational aspects of early repayment, and
- C) For the RFO to assess the presentational aspects of including the full loan repayments in the Revenue Budget and seek guidance from the council's SSALC representative.

7. **DRAFT ROTA OF MEETINGS 2021/2022**

7.1 The purpose of this report is to consider a draft rota of meetings for the Council year 2019/20 (attached at Appendix 2). Key Area Group meetings will be called as and when required and added to the rota during the year.

7.2 **RECOMMENDED:**

Council is recommended to approve the rota of meetings attached to the agenda.

8. **PAINTING OF VIRGIN MEDIA BOXES**

Council previously agreed to the painting of Virgin Media junction boxes. This was subject to the memorandum of agreement as amended between the Town Council and Virgin Media for the decoration of Virgin Media cabinets around town be agreed and the CEO be authorised to sign the agreement. Virgin Media have responded to say that they are not prepared to accept the amendment. It is suggested that the original agreement be entered into. The memorandum of agreement is attached as appendix 3.

RECOMMENDED:

That the memorandum of agreement between the Town Council and Virgin Media for the decoration of Virgin Media cabinets around town be agreed and the CEO be authorised to sign the agreement.

9. **RE-ORGANISATION OF KEY AREA GROUP COMMITTEES**

The formation of a small sub-committee to review the current Key Area Group structure is suggested.