

NOTES of the FINANCE KEY AREA GROUP MEETING held remotely on Monday 18 JANUARY 2021 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 Eggleston
Tofojjul Hussain
Lee Gibbs
Sylvia Neumann

*Denotes absence

Start 18.30 hrs

61. APOLOGIES FOR ABSENCE

Anne Eves.

62. SUBSTITUTES

Robbert Duggan for Anne Eves.

63. DECLARATIONS OF INTEREST

Robert Eggleston as a director of the Burgess Hill Community Partnership CIC and a trustee of the Beehive CIO, being items on the agenda for discussion.

Andrew Barrett-Miles as a trustee of the Beehive CIO being an item on the agenda for discussion.

Janice Henwood as a director of the Burgess Hill Community Partnership CIC being an item on the agenda for discussion.

Simon Hicks as a director of the Burgess Hill Community Partnership CIC being an item on the agenda for discussion.

64. NOTES OF THE PREVIOUS MEETING

The Notes of the previous Finance Key Area Group meeting, dated 12 November 2020 (previously circulated to all Members), were approved by Members and will be signed by the Chairman as a correct record.

65. LISTING OF PAYMENTS MADE

It was noted Members could request, from the RFO, a PDF listing of all payments made and the website was up-to-date in regard to the schedule of payments of £500 and over.

66. BUDGET MONITORING REPORT 2020/21 AND DISPOSITION OF SURPLUS

Members received a report, as set out in the agenda item 7, dated 18 January 2021, giving an update in regard to the estimated outturn for the current financial year ending 31 March 2021.

The report highlighted an estimated surplus of just under £63k and was inclusive of the request from the Communities Officer to allocate £5k of this surplus to next year's Festival fund.

During the ensuing conversation, it was clarified the saving on the Maintenance (grounds) budget (£10.5k) was as a result of reduced contractual activity due to the pandemic and a slow growth season which had allowed the town council's internal resources to manage any grounds maintenance issues.

Consideration was also given to the disposition of the final surplus and it was noted that unless Members agreed to the contrary, any surplus would be allocated towards the Beehive project.

RESOLVED

To allocate the year's surplus, currently standing at £62,765 to the Beehive project.

67. PRICE INCREASES FOR TOWN COUNCIL GOODS AND SERVICES

Members received a report, as set out in the agenda item 8, dated 18 January 2021, relating to the level of charges associated with goods and services currently offered by the town council that are, ordinarily, updated on 1 April each year. The report proposed, in the light of low inflation and the effect of the pandemic, to keep prices the same as the current year save for fees associated with the burial ground (interment charges) that are levied on the town council by an external commercial company.

RESOLVED

To maintain prices at current rates for the forthcoming financial year on goods and services offered by the town council save for those associated with burial interments, where prices would be increased no more than the increase, if any, from the burial contractor.

68. 2nd DRAFT REVENUE BUDGET 2021/22 INCLUDING BAND D RATE

Members received a report, as set out in the agenda item 9, dated 18 January 2021, detailing the 2nd Draft Revenue budget for 2021/22 and highlighting the proposed Precept and associated Band D charge.

The report presented a Precept for the financial year 2021/22 of £923,047 which was a marginal increase of £3,818 on the prior year and that with the slight increase in tax base, the Band D rate would remain static at £75.32 per annum.

During the ensuing discussion, concern was raised that in some budget areas relating to community activities, there appeared to be a reduction in budget allocation for the forth coming year. It was clarified, however, the prior year (2021/20) had seen a one-off increase to allow for additional events and activities to take place with the acceptance the amounts to be budgeted in 2021/22 would return to their pre-increase levels. It was confirmed, also, budget discussions with the Communities Officer had taken place and that no concerns had been raised. Members also noted within the Earmarked Reserves, there are a number of balances brought forward in regard to community activities that would be sufficient, when added to the planned revenue transfers, for the 2021/22 programme of events.

Anne Eves joined the meeting at 18.58 hrs.

RESOLVED

To approve the budget for 2021/22 as presented, and

A) Recommend to Council a Precept of £923,047

69. BEEHIVE PROJECT

Steve Cridland joined the meeting 19.02 hrs

Members received a report, as set out in the agenda item 10, dated 18 January 2021, giving an update in regard to the Beehive project from a financial perspective and its impact on the town council's finances.

The report noted a loan of £4.4million would be applied for from the Housing, Communities and Local Government department (via the Public Works Loan Board - PWLB) and this would be drawn down over a three year period. Current interest rates were shown at 1.91% giving an annual repayment of £136,998 over a 50 year period, albeit, the early years would be less due to the phasing of the loan drawdown.

The report noted the creation of a "Beehive Working Capital Fund" to consolidate existing balances and the provision of a Beehive Build Fund that would consolidate income streams associated with the build itself to include PWLB loan.

The report also contained a 5 year budget projection for the town council's Revenue Budget to include the repayment of the PWLB loan.

During the ensuing discussion, concern was raised that the budget should try to reflect the full repayment of the PWLB loan immediately and suggestions were forwarded as to how this might be achieved through making adjustments to the budget.

The RFO stated the Housing, Communities and Local Government department would be looking at the affordability of the loan and if the town council had sufficient resources. With the phasing of the loan over a three year period, it could be demonstrated the repayment profile had been fully included in the town council's budgets going forward. The RFO noted the suggestions raised and that these would be looked at.

RESOLVED

- A) Recommend to Council to approve, in principle, the application for a £4.4 million loan from the Communities Department subject to completion and successful outcome of the consultation with Burgess Hill Residents,
- B) Approve the Budget Forecast through to 2025/26,
- C) Approve the transfer of £35k from the Economic Support Fund to the Beehive Working Capital Fund, and
- D) Approve the repayment of the outstanding Burial Ground loan.

70. BURGESS HILL COMMUNITY PARTNERSHIP CIC (Trading Spaces)

Members received a report, as set out in the agenda item 11, dated 18 January 2021, giving an update as to the status of the project.

The report detailed the progress made with the opening of the ex-William Hill Furniture premises and that 4 tenants had been secured, 3 of which were up and trading. The report also looked at the potential for service charges to be applied, the business rates position, impact of the pandemic on rental income, VAT and the provision of a draft profit and loss account.

During the ensuing discussion it was noted the query in regard to whether a service charge would be levied on tenants would be addressed by the directors of the CIC when next they meet. It was also confirmed all tenants had the same licence albeit with varying amounts of rent based, in the main, on floor space occupied.

RESOLVED

To note the contents of the report.

71. EARMARKED RESERVES

Members received a report, as set out in the agenda item 12, dated 18 January 2021, 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 RFO commented the residual amount in the Real Time Bus Information fund related to a project that was ongoing and there were potentially more costs to come. It was also noted the planned revenue transfer of £8k in 2021/22 for Repairs and Renewals, giving a potential budget of just over £14k, had been set aside for a number of projects to include the replacement of the damaged Help Point front window.

The level of the General Reserve was also raised and the RFO confirmed the current level was in-line with the policy previously agreed at 20% of net budgeted expenditure and that no additions to this fund were required at this time as the budget was not changing materially.

The current level of funds in the Street Scene fund was also raised and the RFO said he would refer back to colleagues to assess whether this fund could be reduced.

RESOLVED

To approve the status of the Earmarked Reserves

72. DATE OF NEXT MEETING

June 2021, date and time to be confirmed.

Meeting ended 19.45 hrs