



HAILSHAM TOWN COUNCIL
FINANCE, BUDGET, RESOURCES AND STAFFING COMMITTEE

REPORT (Minutes)

of the meeting of the Finance, Budget, Resources and Staffing Committee,
held at the Fleur-De-Lys Meeting Room, Market Street, Hailsham
On Wednesday 8th January 2020 at 7.00 p.m.

FBR/19/5/
47

Public Forum

No members of the public attended the meeting

48 **Present:** Cllrs. G. Blake-Coggins (Chairman), N. Coltman, B. Granville, R. Grocock (Vice Chairman), K. Hinton, P. Holbrook & T. Powis.

49 **Officers Present:** Mr J. Harrison (Town Clerk) & Ms M Foster (Finance Officer).

50 **Apologies For Absence:** None

51 **Minutes of Previous Meeting**

RESOLVED that the minutes of Finance, Budget, Resource and Staffing Committee (Ref: FBR/19/5/39-46) held on 4th December 2019, may be confirmed as a correct record, and signed by the chairman.

52 **Declarations of Interest:** None made

53 **Accounts and Audit – Budget for 2020-2021**

53.1 Mr Harrison talked through the summary of emails between Town Clerk and Wealden District Council (WDC) which gave detailed information in relation to the human error made by WDC in the calculation of last financial year's (2019/2020) tax base, which has resulted in the 2020/2021 tax base being reduced by 172.9 homes, resulting in a shortfall of precept income of £23,955.00. This has a significant impact on the budget setting for 2020/2021. As a result, the Senior Officers of the council met with the Senior Finance Officers of WDC to discuss how this error came about and whether there was any resolution to the budget effect on Hailsham Town Council. WDC advised that legally there is no possibility of covering the additional losses to Hailsham Town Council. Hailsham Town Council contacted SALC legal team to explain the situation and their advice was there is no legal ground to look for compensation from WDC.

53.2 The Finance Officer explained what the situation would have been had the council received the correct tax base for 2019/2020 of 7425.5 instead of 7649.3 based on the total budget of £1,072,565 plus the Council Tax Support Grant of £11,880.00 would have resulted in a possible 3% increase on band tax base from £138.55 to £142.71.

Which in turn would have been a small increase of tax base from 2019/2020 to 2020/2021 from 7425.5 to 7476.4 (50.9 band D homes), which with the budget at the current level of £1,100,827 without any Council tax support grant as it's no longer available would result in around 3% increase on £142.71 to £146.99.

In effect 6% increase over 2 years.

53.3 The Finance Officer stated that going forward when looking to undertake new projects from capital funds, the Council needs to prepare revenue costings, so that it can be accounted for when setting the following year's budget and what impact that cost will have on the precept request.

The Finance Officer advised that even if the correct tax base of 7476.4 for 2020/2021 had been received the council would have been looking at an 8% increase in precept.

The Finance Officer advised that the council should be looking to progress through the financial year 2020/2021 undertaking only the projects that have been agreed and costed in the revenue budget.

Reserve levels were discussed but at the present time there is £39,000 in general reserves which is not prudent to use to cover the shortfall of 2020/2021, as this would leave no available funds for unforeseen/urgent expenditure costs. The remaining balance of the reserves are all capital reserves, which cannot be used for revenue costs.

53.4 The adjustments that had been recommended from the FBRSC budget meeting of 4th December 2019 have been implemented in these budget papers, the adjustments were as follows;

- Go through line by line and work out which don't need the blanket 3% increase. **(Saving £724.00)**
- Not to add additional £5K to Neighbourhood Plan budget.
- To take out additional money for Festive Lighting £5K (& therefore keep budget at £11K)
- To recommend the reduction of the Grants Allocation by £5K (as was underspent by this amount this year)
- To Take out additional money to Wealden Works (£6K)
- To recommend deferring installation of the changing spaces pod by six months or more in order to reduce/remove the costs of maintenance and cleaning (£13K) = **(£6,500 saving)**

53.5 As per the Finance Officer's report an additional saving to the Post Office funding had been implemented as detailed;

Carry forward from 2019/2020 of £48,000

Bank balance of £25,000 as at 31.01.2020

On reflection of this large carry forward have reduced the budget from £45,000 to £20,000 **(saving of £25,000)**

53.6 **Queries raised and items discussed by the committee:**

The committee agreed that a 6.3% increase the band D rate was not desirable.

53.7 Changing Spaces Pod: The committee discussed whether HTC can further delay installation to reduce the balancing costs of £6,500.00 to the next financial year (2021/2022). This is not rescinding a previous resolution as there was no indication of deadline.

53.8 The Town Clerk explained that there had been discussion with WDC regarding the Changing spaces pod, and whether they would part fund the project in Hailsham, as both parties were looking at placing a Changing space in the town centre. WDC has decided to undertake a district wide review for the need of these facilities, where and how best

they can be delivered, assuming there is a need. They cannot commit any funding to the current project until the review has been undertaken and the areas that require the facility determined.

- 53.9 Street lighting - replacement of SOX lamps. The replacement plan was set for five years starting 2018/2019 and it was a set price to be spread equally over the five years. HTC will be in year three of five in 2020/2021.
- 53.10 Maurice Thornton and Western Road Drainage costs of £4,000 would it be worth looking at deferring the costs for a year? It could affect the proposal for the pavilion from the Football club, and affect a lot of community groups using Western Road recreation ground. It was decided that it would unpractical to remove the costs.
- 53.11 Cllr Hinton advised that with the shortfall the council needs to either remove one large budget area or several small amounts to make up the shortfall, however looking through the budget papers in fine detail, neither scenarios are available to the council.
- 53.12 Are the staffing salary costs definitely 3%? the Finance Officer advised that the NJC are still in discussion with the unions and we may not know the outcome until later in 2020. The Town Clerk advised that 3% was the general consensus of most councils as per the Larger Clerks network. If NJC is lower, then there would be a potential saving.
- 53.13 The committee was disappointed about no formal apology from WDC; however, the Chief Finance Officer will be attending the Full Council meeting on 29th January 2020 to address the council.
- 53.14 The public will need to be made aware of the additional constraints in place due to human error by WDC.
- 53.15 What would be needed to be reduced to 3% increase, this however is not possible without removing a service.
- 53.16 On the Finance Officer's recommendation, the committee would like a moratorium on further new projects to be taken on 2020/2021. Items the committee has removed will need to be considered in the following year/years.
Capital projects that have been resolved to progress, will go ahead. The three main projects being –
Western Road Recreation Play Area
Bus Shelter South Road
Staffing Review
The tracks around Western Road Recreation Ground also having been agreed in principle.
- 53.17 These will incur no revenue costs in the 2020/2021, however these need to be addressed as part of the budget setting in 2021/2022.
- 53.18 There is a need to organise a workshop on all budget matters for the attendance of all councillors. All Councillors need to understand the budget headings and what makes up the budget. Look at going forward the next 2 years using some broad assumptions, as the council budget is constrained.
- 53.19 The current year financial situation was discussed in relation to under/overspends. The Finance Officer advised that until end of quarter to 31st December 2019 is complete that figure is not clear. There are always underspends due to work costed into the revenue budget which has not been undertaken due to various reasons (weather, workload, timeframes outside of the councils control), these are always reduced to a minimum as per internal audits requirements.

- 53.20 The Town Clerk discussed the CIL funds guidelines and it could be used to work in partnership with other leading authorities to help move larger projects forward i.e. for infrastructure Improvements like Ersham Road roundabout by funding part of the project. Which would benefit the whole town.
- 53.21 The Dog waste collection was discussed as a possible reduction, the Finance Officer advised that the waste collection contract is in place until 31st March 2021. So, cannot be removed from the 2020/2021 budget.
- The Dog waste collection is £19,570 per year, the committee would like to phase out the dog bins in 2020/2021, as dog waste can be placed in normal litter bins, and where there are stand-alone dog bins, these are replaced by litter bins, all litter bins to be labelled acceptable for dog waste and marketing of how dog waste can be disposed off be rolled out in 2020/2021. To account for the costs of additional litter bins, any underspend from the 2019/2020 budget to be ringfenced for this purpose.
- 53.22 If the dog waste is reduced during 2020/2021 would it reduced the cost of collections to produce a potential saving, by 50% which would save £9,000?
- NB:** Finance officer discussed with Deputy Town Clerk on 9.1.2020, and we are on a set collection contract with supplier until 31st March 2021, so no possible reductions in 2020/2021 expenditure.
- 53.23 The Town Clerk spoke briefly on the headline budget report showing when we last reduced the revenue budget back in 2014/2015 due to tax base calculation changes, the council back in 2014/2015 removed £47,000 of the council's maintenance budget areas. Since then the council has little room to remove costs.
- 53.24 Hellingly Subsidy was mentioned, and Cllr Hinton stated that he would like clarification on the background of the Hellingly subsidy. The Finance Officer and Town Clerk advised that it' a legally binding agreement, for purity. The Finance Officer advised Cllr Hinton to come in for a meeting to discuss in more detail.
- 53.25 The Finance Officer advised that at the end of the meeting the current position is the budget total is £1,094,327 which translates to an 5.5% in Band D from £138.55 to £146.17, with a £1,499.80 draw from reserves. The 5.5% increase is an additional 0.14p per house per week.
- 53.26 **RESOLVED** to ringfence any underspend from 2019/2020 for replacement of solo dog bins for litter bins, all bins to be labelled for dual use of general waste and dog waste and marketing to start educating the public on dog waste disposal.
- 53.27 **RESOLVED** to recommend to council that the Changing spaces pod is deferred to financial year 2021/2022, considering the district wide review to be undertaken by Wealden District Council and the required revenue costs for cleaning and maintenance.
- 53.28 **RESOLVED** to recommend to council that there is a moratorium on additional projects to be undertaken in 2020/2021, other than the projects the council has resolved to undertake.
- 53.29 **RESOLVED** to recommend a workshop for all councillors to attend to cover full understanding of the budget and its constraints. 1 x day meeting and 1 x night meeting. Date to arranged after the 29th January 2020.
- 53.30 **RESOLVED** to recommend to council a 5.5% increase on band D tax base.
- 54.0 There being no other business, the meeting closed at 8.01pm

CHAIRMAN

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