

Forest Row Parish Council

Clerk: David O'Driscoll
Email: parishclerk@forestrow.gov.uk

(Office Hours: Monday to Friday 9am to 4pm)



Community Centre
Hartfield Road
Forest Row
East Sussex
RH18 5DZ

Tel: 01342 822661
Fax: 01342 825739
Email: info@forestrow.gov.uk
Website: www.forestrow.gov.uk

Date: 10th December 2020

Dear Members

Here is your agenda and backing papers for the extra-ordinary Full Council next Tuesday 15th December.

The main purpose of the meeting is to allow all Councillors the opportunity to consider and comment on the consolidated draft revenue budget for 2021-2022.

Please read the spreadsheet and accompanying explanatory note carefully. If you have any substantive queries, they need to be with myself or Carolyn in good time for a response to be researched. It is not possible to answer anything major without access to the accounts system, which is not possible during the course of a meeting.

Please also consider carefully the outline business plan supplied.

I am sorry these papers are arriving a day later than usual. From the legal point of view, I am invoking on this occasion the 'Saturday rule' which allows me to count a Saturday as one of the legal days between the issue of the agenda and a meeting. From the practical point of view, it was not possible to supply a coherent set of papers until after the Committee Chairs had considered the consolidated draft budget, which only took place at 3.30 yesterday.

Many thanks

David

David O'Driscoll
Clerk to Forest Row Parish Council

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To: All members of FOREST ROW PARISH COUNCIL:
Cllrs. Josephson (Chairman), Davies, Hill, R Lewin,
T Lewin, McNally, Miller, Moore, Pritchitt,
Spackman, Summers, Waters, Williams, Withers
and Wogan

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Dear Sir/Madam,
Your attendance is required at an extra-ordinary meeting of
the FOREST ROW PARISH COUNCIL to be held VIA
ZOOM ON **TUESDAY 15th DECEMBER 2020** at **7.30**
PM.

Date: 09 December 2020

Mr David O'Driscoll
Clerk to Forest Row Parish Council

THE FIRST FIFTEEN MINUTES WILL BE AVAILABLE FOR RELEVANT QUESTIONS AND REMARKS FROM THE PUBLIC – IF ANY. MEMBERS OF THE PUBLIC ARE WELCOME TO STAY AND OBSERVE THE REST OF THE MEETING.

AGENDA

1. PUBLIC QUESTIONS
2. APOLOGIES FOR ABSENCE
3. TO RESOLVE TO DEAL WITH THE MINUTES & TRANSCRIPT OF THE MEETING HELD ON 8TH DECEMBER 2020 AT THE NEXT ORDINARY MEETING
4. TO RESOLVE TO POSTPONE CLARIFICATION OF ACTIONS FROM THAT PREVIOUS MEETING AT THE NEXT ORDINARY MEETING
5. TO DECLARE ANY INTERESTS OR REQUEST DISPENSATION PERTAINING TO THE FOLLOWING ITEMS ON THE AGENDA
6. CHAIRMANS COMMENTS
7. TO CONSIDER AND MAKE ANY REQUESTS FOR AMENDMENT OF THE CONSOLIDATED DRAFT REVENUE BUDGET FOR 2021-2022
8. TO CONSIDER AND RESOLVE UPON THE OUTLINE OF A COUNCIL BUSINESS PLAN FOR THE FORMER HWRC IN THE EVENT OF A RESOLUTION TO PURCHASE
9. TO RESOLVE TO DEAL WITH ANY OUTSTANDING NOTICES, CORRESPONDENCE OR CONSULTATIONS AT THE NEXT ORDINARY MEETING
10. TO NOTE: ITEMS FOR FUTURE CONSIDERATION BY FULL COUNCIL OR REFERRAL TO COMMITTEE

“This meeting will be held electronically via ZOOM, and the meeting ID and password will be circulated separately to Members. The meeting is also open to public attendance (with an initial period for public questions), but for security reasons, any member of the public wishing to participate is asked to telephone or email the Parish Clerk in advance (01342 822661 or parishclerk@forestrow.gov.uk) for the access codes.”

**COUNCILLORS' BRIEFING TO THE EXTRA-ORDINARY MEETING OF FULL COUNCIL
TO BE HELD ON 15th DECEMBER 2020**

3 & 4. RECORDS OF MEETING OF 8th DECEMBER / CLARIFICATION OF ACTIONS

The main purpose of this EGM is to address the consolidated revenue budget. It is therefore proposed to defer items of ordinary business to the next Ordinary Meeting.

ACTION: to resolve accordingly

- 5. DECLARATION OF INTERESTS.** Such a declaration should only be needed if any Member stands to gain personally from any of the proposed projects or any associated works.

6. CHAIRMAN'S COMMENTS

The Chairman may or may not address the meeting. There will be no Clerk's report.

ACTION: to note

7. TO CONSIDER AND MAKE ANY REQUESTS FOR AMENDMENT OF THE CONSOLIDATED DRAFT REVENUE BUDGET FOR 2021-2022.

The Standing Committees recently approved their departmental budgets, and these were reviewed synoptically by the Chairmen in the annual 'Star Chamber' on 9th December. This meeting is the opportunity for all Councillors to consider the consolidated budget, request any clarifications and make any desired suggestions for additions or amendments. To that end there are attached the consolidated draft as approved by the Chairmen, together with a note on the budget summarising the position and making a proposal for the precept for the coming year. A sheet showing the reserves position is also included.

While Members are free to ask any questions they wish, if any require research into existing accounts or calculations of financial consequences or liabilities, it is essential that these are raised before the meeting, as it is impossible to provide such information or calculations 'off the cuff'.

ACTION: to make representations as appropriate

8. TO CONSIDER AND RESOLVE UPON THE OUTLINE OF A COUNCIL BUSINESS PLAN FOR THE FORMER HWRC IN THE EVENT OF A RESOLUTION TO PURCHASE.

The argument has been advanced, if Council decides to bid to purchase the former HRWC, for a business plan specific to the Council's ownership of the site (rather than the operation of a community enterprise on that site by an independent CIC). It has been said that the Council should not commit to purchase of the freehold - even at a discounted price under Community Asset legislation - without a clear structure to its ownership, to include an 'escape plan' if the proposed community enterprise fails.

Some of the detail for any such plan is in preparation but is not yet finalised - and in any event is not yet required until such time as Council has decided whether to engage in public works borrowing to further a purchase. However, it would be of assistance if Council could at this point commit to an outline structure for such a plan. A template is attached to the papers for consideration and if possible, agreement on the essential elements.

ACTION: to consider & make proposals as appropriate

9&10 NOTICES, CORRESPONDENCE & CONSULTATIONS // ITEMS FOR FUTURE CONSIDERATION

As per usual for an extra-ordinary meeting.

BUDGET 2021-22: CONSOLIDATED DRAFT : v.1 Committees pre-scrutiny

FINANCE & POLICY INCOME		notes
4176 Precept	TBC	
4177 Discretionary grant	0	no longer payable
4180 Misc F&P income	1000	nominal figure CIL/ Tip grant balance not included
4181 Wayleaves	10	
4182 Devolved services income	1450	public convenience subsidy
4183 Community warden hire	11000	assumes 66% of current year
4185 Other insurances rec'd	0	
4190 Interest received	1300	assume unchanged
4380 Other grants/donations	0	
TOTAL F&P INCOME		14760 excl.precept & ringfenced carryover ±100% of 2020-21 figure

FINANCE & POLICY EXPENDITURE		notes
4100 Pension top-up	4000	assumes unchanged from 20230-21
4101 Salaries	309060	2% potential increase factored in
4102 Payroll costs	420	assume unchanged
4103 Library salary	4500	estimate provided by ESCC
4105 Comm.Services development	0	now in code 2700 (C-Services)
4108 Staff training & travel	3000	assume unchanged
4110 C/Warden expenses	500	assume unchanged
4111 Forest rate	25	assume unchanged
4120 Postage	1300	assume unchanged
4121 Telecommunications	7500	assume unchanged
4123 Stationery	750	assume unchanged
4124 Subscriptions	5000	assumes same subs covered
4125 Insurances	8000	still in 'lock-in' price
4126 Printer/copier	3500	assume unchanged
4133 Chairmans Fund	200	
4134 Parish meeting/ event	500	assumes 4169 also in use
4135 Cllr training & travel	1000	assume unchanged
4136 Security checks (DBS)	150	assume unchanged
4137 Cllr allowances	5000	assume unchanged
4151 Bank charges	1500	includes card machine charges
4156 Legal & professional fees	3000	fees not grant-covered
4157 Audit/financial mgt	3500	internal & external audit
4158 Van lease	2750	fixed term figure
4160 Office equipment	300	nothing major foreseen
4161 Office maintenance	700	nothing major foreseen
4165 Elections	1000	to allow for any by-election
4166 Wayleaves	50	assues unchanged
4169 Community event	500	in conjunction with 4134
4360 Grants made	7000	to include Conservators grant
4361 FRSGA subsidy	2500	increased in view of recent use
7101 Advertising	100	assume unchanged
7102 Website	500	maintenance only
7103 Awards		
7110 Newsletter	500	contribution F/R Local
NEW: projected PWLB repayment	15600	on £250K @ 20 yr loan
TOTAL F&P	393905	(± 105% of 2020-21)

PROPERTY & ASSETS: INCOME		
3180 CC lettings	9000	±41% of 2020-21
3181 CC equipment hire	600	±66% of 2020-21
3182 CC rents	15000	±68% of 2020-21
3185 CC misc income	400	±66% of 2020-21
3187 CC drinks machine	250	±50% of 2020-21
3188 CC grants & donations		

PROPERTY & ASSETS: EXPENDITURE		
2136 Bus shelters	500	
1439 Benches	250	repairs only
1442 Litter bins	500	fixings only
2551 Offsite car park	6000	allows basic repairs
2553 Grit bins	500	
6139 War memorial	500	includes possible repairs

3306 VotG income	5000	±42% of 2020-21
TOTAL P&A INCOME	30250	±52% of 2020-21

7108 Noticeboards	250	includes possible repairs
3111 CC rates & services	20000	estimate on 2020-21 figure
3116 CC upkeep & cleaning	12000	allows for enhanced cleaning
3127 Drinks machine	500	reduction
3136 CC enhancement	2500	including repairs
3304 VotG non-youth equipment	1000	maintain
3305 VotG running costs	9750	maintain
TOTAL P&A EXPENDITURE	54250	±92% of 2020-21

AMENITIES & SERVICES INCOME

1180 Allotment rents	1500	unchanged
1280 VG hire	500	unchanged
1281 VG utilities	100	
6180 Burial fees	10000	estimated increase
1400 Am'ts grants & donations	0	none yet guaranteed
TOTAL A&S INCOME	12100	±133% of 2020-21

AMENITIES & SERVICES EXPENDITURE

1135 Allotment upkeep	1500	to cover improvements
1236 Outdoor maintenance	10000	reduce per 2020/21 figure
1237 Outdoor planting	1200	maintain
1501 Outdoor equipment	3000	maintain
1239 VG utilities	250	maintain
1436 Skate & play areas	1000	allows for repairs
1447 Dog waste	3000	maintain
2314 Streetlights - power	1500	negotiating new deal
2336 Streetlights	5000	maintain
2436 Road safety	500	expenses of speed campaign
6123 Cemetery admin	300	unchanged
6151 Cemetery rates	500	inflation uprate
6152 Cemetery repairs	0	
TOTAL A&S (new codes)	27750	±88% of 2020-21

COMM.SERVICES

2677 Car cub income		now closed
2678 Medical transport income	300	post-covid estimate
2679 Cycle hire income		now outsourced
2905 Repair Café & Wellbeing	2000	post-covid estimate
3184 Market income	6000	assumes no cancellations
3480 Gages sales	20000	assumes unchanged
3680 Th.Club subscriptions	400	
2902 Life Stories project		not currently active
4676 Youth grants/subscriptions	1000	post-covid estimate
TOTAL C-S INCOME	29700	±70% of 2020-21

C/S EXPENDITURE

2554 Wealdlink	1000	post-covid estimate
2601 Medical car scheme	200	
2602 Car hire club	0	now closed
2605 Cycle hire running costs		now outsourced
2700 Repair café/wellbeing service	2000	post-covid estimate
3151 Market expenses	1300	assumes unchanged
3436 Gages equipment	1500	allows for repairs
3460 Gages food	12500	reflects current trend
3636 Thursday Club costs	1000	allows for expansion
4603 Youth expenses	2500	allows for expansion
TOTAL C-S EXPENDITURE	22000	±66% of 2020-21

TOTAL INCOME (pre-precept):	86810	TOTAL EXPENDITURE:	497905
SHORTFALL (pre-precept):	411095		

[2020-21: total income = 124560 / total exp = 496345 / shortfall = 371785 (shortfall increase = 10.3%)]

NOTE ON THE PARISH COUNCIL BUDGET FOR 2021-2022

We are following the same procedure for the revenue budget as in previous years, namely:

1. In September, all Members were invited to suggest items for inclusion or deletion. For the record, no suggestions were received.
2. Departmental drafts were then compiled, discussed at the next meeting of each Committee, amended if desired, and adopted by resolution.
3. An intensive meeting of Committee Chairs ('Star Chamber') took place on 9th December at which the adopted drafts were discussed, and a few adjustments made.
4. An Extra-ordinary Full Council will be held on 15th December for all Members to consider the adjusted draft, and the budget adoption and precept setting will take place in January.

The following observations are relevant to next year's budget:

1. This has clearly been "the year of the pandemic". Only about 25% of our income comes from operations, and most of our overheads are fixed costs, so the financial effect has not been as pronounced as for some councils. Nevertheless, hiring income has suffered substantially - the half year figure was less than £11,000 against a budgeted £28,500, the car club was forced to close, and several markets were cancelled. There have been some additional expenses – funding the community helpline, upgrading computers to allow for homeworking. We received some emergency grant funding, but were not permitted to furlough staff (except the market crew). All this affects next year's budget but inevitably much depends on conjecture.
2. The position for each Committee is as follows:
 - 2.1. For Property & Assets, it is likely that operating income will suffer some reduction. My initial allowance was approximately 33%, but the Committee felt it might be as great as 48% of the current year forecast. It is not possible to make an equivalent reduction in overheads, so there is a resultant expenditure gap of £24,000.
 - 2.2. For Amenities & Services, it seems likely that cemetery income will increase, and it has been possible to make some savings on expenditure. However, following Full Council on 8th November, the road safety code has been restored and an expenditure sum of £500 has been added. The net expenditure gap for next year is now £15,650.
 - 2.3. Community Services has always run on a modest surplus from operating income, and this is maintained for the coming year, with a parallel reduction for both income & expenditure.
 - 2.4. For the Finance Committee, I have taken a cautious view and budgeted pre-precept income at the same level as the current year, and left most overheads unchanged. However, the following two points should be particularly noted:
 - 2.4.1. In Autumn 2019, in consultation with the Chair of Finance I conducted a review of staff salaries to bring them into line with the NJC 'spine point' standard system for the public sector, and this was approved by Council to take effect from this financial year 2020-21. However, the actual figures were necessarily predicated on the 2019-20 NJC rates, and the auditor has pointed out that this actually put our salaries a year in arrears, since the NJC rates changed (and were slightly increased) in April 2020. Following the Chancellor's recent announcement, it is likely that NJC rates will be frozen for 2021-22, but to bring our pay scales into line for that eventuality, he suggested that the 2020-21 NJC rates should be applied now (with some degree of

backdating) to the current salaries, and the partial public sector freeze then be available for the 2021-22 financial year.

This would mean some draw down from the current year general reserve to make up the backdated increases, but *those* rates would then carry forward to the 2021-22 budget without significant increase.

2.4.2. Members will also note a new code called 'projected PWLB repayment'. This is precautionary. Council has not yet voted on whether public works borrowing will proceed, but an allowance has to be made in the revenue budget to meet that eventuality, and the sum allowed represents the annual repayment on a 20 year/ £250,00 loan. However, I stress that this does not bind Council to any particular decision on borrowing: if the decision is not to proceed, this sum would then revert to general reserve or be allocated to an appropriate nominated reserve.

3. The consolidated revenue budget before precept is therefore as follows:

Budgeted expenditure:	£497,905
Projected operational income:	£ 86,810
Shortfall before precept	£411,095

4. This then raises the issue of reserves.

4.1. The actual reserves for this year (determined at the previous year-end) were as shown on the attached sheet. There were two calls on nominated reserves during the year, to wind up the car club and to fund the new website. The part of the community survey not grant-funded was also taken from general reserve, so as not to overrun the assigned cost code.

4.2. In line with our reserves policy, I would propose retaining the general reserve at £180,000, increasing the playpark reserve from £18,000 to £20,000, and the cemetery reserve from £28,000 to £30,000. The car club & website reserves (and the unused 'VENUe non-youth' reserve) will be removed but the 'Community Centre refurbishment' and the 'devolved services' will be retained at their existing level. The net effect would be a provisional reserve requirement of £241,000, an increase of £4,000 on the current year.

5. The final figures then present as:

Revenue shortfall before precept (rounded):	£411,000
Add: replenishment of reserves:	£ 4,000
TOTAL PRECEPT REQUIREMENT:	£415,000

6. This represents a 3.75% increase over 2020-2021, which will enable us to continue our service provision to the community (both present & future), provide an appropriate level of contingency against what is an uncertain macro-economic future, and service a potential PWLB, while still remaining below the likely level of percentage increases by principal authorities.

Of course, none of this is set in stone. Certain financial obligations are unalterable, but others are matters of choice, to expand, continue, reduce or even remove altogether. The above calculations are predicated on a 'steady state' agenda, with a degree of development built in to meet the evolving needs of the community. If anyone wishes to propose alternatives, they are free to do so, but at this stage of the process I would ask that any such proposals are supported by full costings showing the effect on the budget calculations provided.

David O'Driscoll/ Parish Clerk-RFO
01/12(amended 10/12)/ 2020

**FRPC RESERVES FOR
2020-21**

	Planned 2019-20	Actual 2019-20	Required 2020-21	Actual 2020-21
General:	160,000	170,000	165,000	180,000
Nominated:				
Car club	5,000	5,000	2,500	2,500
Cycle hire	0	0	-	-
Playground	10,000	10,000	15,000	18,000
Highway match	2,000	2,000	2,000	2,000
Elections	1,000	1,000	1,000	1,000
Cemetery land	25,000	25,000	25,000	28,000
CC refurb	3,000	3,000	3,000	3,000
Votg non-youth	3,000	3,000	-	-
Website	2,000	2,000	3,000	3,000
Devolved services	5,000	5,000	5,000	5,000
sub-total nominated	56,000	56,000	56,500	62,500
TOTAL	216,000	226,000	221,500	242,500

Notes: CIL monies carried over (currently £13,319) are additional to the above
There is also approximately £10,000 remaining of of a ring-fenced grant from 'Locality'

**PROPOSED OUTLINE BUSINESS PLAN
FOR COUNCIL FREEHOLD OWNERSHIP OF THE FOREST ROW FORMER HWRC**

1. EXECUTIVE SUMMARY

- 1.1. The Council's commitment to community services.
- 1.2. A summary of the Council's involvement with the former HWRC (including WRAG).
- 1.3. The Community Consultation and the Council's following resolutions.
- 1.4. The primary purpose of the proposed purchase
- 1.5. A summary of the financial arrangements
- 1.6. The secondary or default position if the primary purpose is not realised.
- 1.7. Governance arrangements

2. THE PRIMARY PURPOSE AND STRUCTURE OF THE PURCHASE

- 2.1. The purchase of the freehold (what is included /excluded)
(including the recourse to Community Asset legislation)
- 2.2. The proposed lease to a Community Interest Company for a community enterprise
(including the rationale for a community operation independent of the Council)
- 2.3. Arrangements & responsibilities for initial renovations of the site
(including a distinction of essential/ optional works)
- 2.4. Arrangements for ongoing involvement
(including any proposed Board representation /commitment to upkeep)

3. FINANCIAL PROPOSALS

- 3.1. Any setting of a ceiling price for the purchase
(including any arrangements for advice on such price)
- 3.2. The role of Community Asset legislation in negotiations
(including how any decision to involve or waive such role is made)
- 3.3. Arrangements for final decision on a purchase
(including who will be authorised to decide and how such decision will be authorised)
- 3.4. Any setting of a ceiling figure for Council-accepted renovations (if any)
(including who will authorise such expenditure and how it will be ratified)
- 3.5. Arrangements for a lease to the Community Interest Company
(including the term, rental amount and agreement (if any) for an initial/escalating rent)
- 3.6. Arrangements for ongoing financial commitments to the site
(including agreements as to respective responsibilities for upkeep)

4. SECONDARY/ DEFAULT PLAN FOR THE SITE

- 4.1. Council options in the event of withdrawal/ failure of the community enterprise
(including who will take that decision and on what basis/ advice)
- 4.2. Options for re-sale of the freehold
(including any limitations on class of purchaser and /or sale price)
- 4.3. Options for re-leasing of the site
(including any limitations on class of lessee and/or rental amount)
- 4.4. Options for Council development of the site
(including any limitations on activities /financial commitment)

5. GOVERNANCE ISSUES

- 5.1. Responsibility for the business plan
- 5.2. Responsibility for any negotiations with the freeholder
- 5.3. Responsibility for negotiations with the CIC
- 5.4. Delegations of decision-making (if any)
- 5.5. Responsibility for and arrangements for ongoing liaison with the CIC.
- 5.6. Responsibility for periodic review (scope of review, who responsible and how often)

6. FACTUAL APPENDIX (note commercial confidentiality may apply)

- 6.1. Legal status of site
(including any complexities of 3rd party rights/ covenants/ planning issues)
- 6.2. Current professional valuation of freehold (Dec 2020)
- 6.3. Estimated cost of essential renovations
- 6.4. Estimated cost of optional renovations
- 6.5. Professional opinion as to rental value of site (and basis of thereof)