

Forest Row Parish Council

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



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

To: All members of the FINANCE & POLICY COMMITTEE:
Cllrs. R.Lewin (Chairman), Davies, Hill, Josephson,
T Lewin, McNally, Moore, Royall, Williams and J
Wogan
(All other Councillors – for information)

Community Centre
Hartfield Road
Forest Row
East Sussex
RH18 5DZ

Tel: 01342 822661
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Website: www.forestrow.gov.uk

Dear Sir/Madam,
Your attendance is required at an extra-ordinary meeting of
the FINANCE & POLICY COMMITTEE to be held on

Date: 11 December, 2019

TUESDAY 17th DECEMBER 2019 in the Rose

Room of the Community Centre at **7.30pm**.

Mr D O'Driscoll
Clerk to Forest Row Parish Council

AGENDA

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.

1. PUBLIC QUESTIONS – the business of the meeting will start no later than 7.45pm
2. APOLOGIES FOR ABSENCE
3. TO DECLARE ANY INTERESTS OR REQUEST DISPENSATION RE THE ITEMS BELOW
4. TO RESOLVE TO CONSIDER THE RECORDS OF THE MEETING HELD ON 1ST OCTOBER 2019 AT THE NEXT ORDINARY MEETING OF THE COMMITTEE
5. TO RESOLVE TO CONSIDER CLARIFICATION OF (NON-CONFIDENTIAL) ACTIONS FROM THE LAST MEETING AT THE NEXT ORDINARY MEETING OF THE COMMITTEE
6. TO RESOLVE TO NOTE UPDATES ON PROGRESS (MATTERS NOT REQUIRING A DECISION) AT THE NEXT ORDINARY MEETING OF THE COMMITTEE
7. TO RESOLVE TO CONSIDER THE CURRENT FINANCIAL REPORT, LIST OF PAYMENTS AND BANK RECONCILIATIONS AT THE NEXT ORDINARY MEETING OF THE COMMITTEE.
8. TO CONSIDER A GRANT APPLICATION FROM ST PETER & ST JAMES HOSPICE
9. TO CONSIDER A RENEWED REQUEST FOR GRANT ASSISTANCE FROM THE CONSERVATORS OF ASHDOWN FOREST
10. TO CONSIDER FURTHER THE ISSUE OF BORROWING FOR CAPITAL PROJECTS
11. TO CONSIDER AND APPROVE A COMMITTEE BUDGET FOR 2020-2021
12. CORRESPONDENCE – To note communications regarding non-domestic rates for the VENUe
13. TO NOTE ITEMS TO BE REFERRED TO COMMITTEE OR FULL COUNCIL

FINANCE & POLICY COMMITTEE**BACKING PAPERS FOR EXTRA-ORDINARY MEETING 17th DECEMBER 2019**

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9	Letter of request & supporting papers: Ashdown Forest	18-24
10	Note on Council Borrowing	25-26
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12	Notice of valuation & rates demand: VENUe on the GREEN	28-30

**COUNCILLORS' BRIEFING FOR THE EXTRA-ORDINARY MEETING OF THE
FINANCE & POLICY COMMITTEE ON 17th DECEMBER 2019**

PRELIMINARIES

- 1. PUBLIC QUESTIONS** – none signified in advance.
- 2. APOLOGIES FOR ABSENCE** – none received at the date of this briefing note.
- 3. DECLARATIONS OF INTEREST** - Members who have a financial interest in any of the items covered by this agenda may wish to declare a personal interest. However, occasional users of services or volunteers need not be concerned.
- 4. RECORDS OF MEETINGS** – to defer to next ordinary meeting.
- 5. CLARIFICATION OF (NON-CONFIDENTIAL) ACTIONS FROM LAST MEETING** – ditto.
- 6. UPDATES ON PROGRESS (MATTERS NOT REQUIRING A DECISION)** – ditto
- 7. CURRENT FINANCIAL REPORT, LIST OF PAYMENTS, BANK RECONCILIATIONS** – ditto

GRANT APPLICATIONS

- 8. TO CONSIDER A GRANT APPLICATION FROM ST PETER & ST JAMES HOSPICE**
The papers are attached (the attachments give the basic accounting figures, the full package provided is available for inspection in the office). The Chailey hospice is seeking £250. To date we have made grants of £1200 from our £7000 budget for the year.
- 9. TO CONSIDER A RENEWED FINANCIAL REQUEST FROM THE ASHDOWN FOREST CONSERVATORS**
The Council responded to a previous plea for financial assistance from the Conservators. We pledged £2,000 per year for two years to tide them over a period of reduced funding while they put in place structures to enhance their fundraising capacity. Unfortunately, East Sussex has continued to withdraw financial support, to a greater degree than anticipated, while setting up and creating a surplus from the fundraising 'arm' of the Forest organisation has taken longer than foreseen. The Conservators are therefore looking for a further year's support. Please see attached letter and supporting information. For Committee to decide.

BUDGET 2020-21

- 10. TO CONSIDER FURTHER THE ISSUE OF BORROWING FOR CAPITAL PROJECTS**
Full Council considered this on 17th September, and resolved that the principle of borrowing from the PWLB be accepted. If any such borrowing is to take place in the next financial year, the matter needs to be taken forward now. The Chairman of F&P has written a short paper setting out the context, potential purposes and procedures for such borrowing, and members are asked to consider it carefully. I would make the following additional points:
 - If the 'Tip project' is to proceed, purchasing the site freehold is probably the only available route. We are led to believe that East Sussex is less interested in leasing the site to the Parish Council: it might be open to selling it outright for a community enterprise, but this will have to take place within, at the outside, the next 12 months, possibly less. I have obtained a 'ballpark' valuation from surveyors (which for the present remains commercially sensitive), but would be within the Council's capacity to finance and of course it would simultaneously acquire a capital asset which would be added to the register, and have an income-generating capacity.

- The setting-up of a Community Land Trust (CLT) to promote affordable housing is at more inchoate stage, and although a significant need and the underlying processes are easy to evidence, there are difficult, though not impossible discussions still to be had with the Planning Authority before such a project could proceed. If it were to proceed, there would almost inevitably need to be a capital finance injection from the Council, although this also would result in the acquisition of a capital asset with ongoing revenue potential.
- The other capital projects highlighted in the Chair's paper are more in the nature of supplementing existing assets, but it is arguable that they are all beyond the scope of day-to-day finance to implement, but have the long-term capacity to support and increase existing revenue streams.
- When considering how to factor any proposed borrowing into the forthcoming year's budget, I am mindful of the passage in the official guidance: "*any proposal to increase the precept to meet borrowing costs must be backed by evidence of public support.*" There is an obvious 'chicken and egg' element to this, so my proposal would be to cover the potential cost of repayments by an increase in the general reserve. If the community consultation resulted in a clear refusal of capital borrowing, the reserve would simply remain untouched, yet still be within acceptable parameters for reserve holdings.
- As the Chair's paper sets out, there are also unavoidable costs of consultation. It is legitimate, I believe, to consider these within the revenue budget, so we ought to create a cost code for the exercise and put a sum in the budget to cover.

PLEASE NOTE: I am looking for a clear commitment from this Committee to the proposal of borrowing to purchase the old Tip site, since current negotiations and business plan formulation are predicated on operating from that site.

11. TO CONSIDER & APPROVE A COMMITTEE BUDGET FOR 2020-2021

A draft budget sheet is attached. As in previous years, this shows the figures for the last complete year, the half-year figures for the current year with projections to the year end, and proposals for 2020-2021. This year I have added a narrative which hopefully explains how the figures are arrived at. For Committee to consider and approve: I am happy to expand on anything which is unclear or controversial.

ACTION: to consider and approve

12. CORRESPONDENCE

Communication re non-domestic rates for VENUe. Within the last seven days, we have received the official rating of the VENUe from the Valuation Office, which is attached, showing a rateable value of £4,250. Hard on its heels has come the rates demand from Wealden, also attached, backdated to June of this year. We will review our non-domestic rates liability as a whole next year.

ACTION: to note

13. TO NOTE ITEMS TO BE REFERRED TO COMMITTEE OR FULL COUNCIL

FOREST ROW PARISH COUNCIL



The Community Centre
Hartfield Road
Forest Row
East Sussex
RH18 5DZ

Tel: 01342 822661
Email: parishclerk@forestrow.gov.uk
Web: <http://www.forestrow.gov.uk>
Clerk: Mr David O'Driscoll

REQUEST FOR GRANT AID

Please note that grants will only be considered by the submission of this form

NAME OF ORGANISATION: St Peter & St James Hospice		
NAME OF CONTACT PERSON: Ruzelyn Bristowe		
ADDRESS FOR CORRESPONDENCE: NORTH COMMON ROAD NORTH CHAILEY LEWES POST CODE: BN8 4ED	Tel: 01444 470721	
	Email: rbristowe@stpjhospice.org	
	Web (if any): www.stpjhospice.org	
	SUM REQUESTED: £250.00	
DO YOU HAVE AUDITED ACCOUNTS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	IF YES, ARE THEY ATTACHED? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Accounts)	IF NO, PLEASE EXPLAIN WHY
IF APPLICABLE, DO YOU HAVE A BUDGET? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No (Budget)	
ARE YOU ASKING FOR FUNDING FROM OTHER SOURCES? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
From	Amount	Purpose
Hassocks Parish Council	£250	Outpatient Transport Services
Maresfield Parish Council	£600	Volunteer driver expenses
PURPOSE OF REQUEST (please use second sheet if necessary) A grant towards our patient transport as there is no public transport serving the Hospice. Most of our drivers are volunteers who bring 84 patients a year to use our wellbeing services.		
HOW WILL IT BENEFIT THE COMMUNITY? Patients and carers who access these services have told us they feel safer, happier and more in control facing the end of their lives.		
FOR OFFICIAL USE ONLY		
Date of Meeting:	Min.No:	Approved: <input type="checkbox"/> Yes <input type="checkbox"/> No
		Amount:



St Peter & St James Hospice
Hospice care in the heart of Sussex

14 OCT 2019

St Peter & St James Hospice
North Common Road, North Chailey,
Lewes BN8 4ED

Reception 01444 471598

www.stpjhospice.org

✉ enquiries@stpjhospice.org

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Clinical correspondence

✉ hwlhccg.stpjclinical@nhs.net

Mr David O'Driscoll
Clerk to the Council
Forest Row Parish Council
The Community Centre
Hartfield Road
Forest Row
RH18 5DZ

Alan Mr O'Driscoll,

11 October 2019

I would like to ask if the Councillors will consider our request for a grant towards our patient transport this year. Our hospice is based in a beautiful but rural area in North Chailey and there is no public transport serving the hospice. As you will know many people who are very ill cannot drive, perhaps due to side effects from medication or physical symptoms. Hence we have a wonderful team of volunteer drivers who offer a door to door collection service from people's homes to our Wellbeing Centre and back again.

Many drivers use their own cars, and we pay them mileage when they claim this, but we also have a minibus, which is equipped to carry a wheelchair. However the majority of our volunteers do not claim mileage. Despite this, the total cost of Beacon View patient transport to the Hospice is £7,890. This covers 22,800 miles @ .35 a mile, as our drivers cover 1,900 miles per month.

"I would like to express our grateful thanks for the wonderful care given to our Mother, who passed away in December. She had been diagnosed with cancer some 30 years ago but never gave up on the enjoyment of life. She looked forward to her regular visits to your Wellbeing Centre and we must express our thanks to Marilyn and Marion who gave her great support and kindness."

Over the last year we supported 84 patients in our Beacon View Wellbeing Centre, including 54 new referrals, to participate in activities in our Beacon View Wellbeing Centre. Over 1,265 individual sessions were held in our Beacon View, where our therapeutic activities take place. It is open daily for both regular and drop-in patients, and one day a week is specifically dedicated to carers. We could not operate our wellbeing services without the 110 volunteers that assist in Beacon View in so many ways, including as volunteer drivers. We run a wide range of activities in our Beacon View Centre which includes:

- **Art Therapy:** with an experienced art therapist, a creative process, where people have the opportunity to draw and paint.
- **Art Therapy through images:** using pre-existing images to create new images and promote discussion
- **Creative writing:** offering people the opportunity to write prose and poetry, and to read aloud
- **Music therapy and singing groups:** a very popular activity and some of our patients bring in their own musical instruments for the Friday music club - they are often joined by our Chief Executive who brings her guitar!
- **Gentle exercise and movement classes:** popular with regular and drop-in patients - exercises can be adapted for all abilities and everyone in the group is able to participate and benefit. The facilitator offers advice on mobility and simple routines people can continue to practice safely at

St Peter & St James Hospice is administered by The St Peter and St James Charitable Trust, a company limited by guarantee, registered in England and Wales at the above address. Registered charity no: 1056114. Company no: 3204919.

St Peter & St James Hospice Shops Ltd is a wholly owned subsidiary of The St Peter and St James Charitable Trust, registered in England and Wales at the above address. Company no: 3146736. Registered VAT no: 231 8333 29.

home. Maintaining or increasing mobility is very important for patients and can really improve their quality of life. We receive a lot of comments from patients that attending the exercise classes makes them more mindful of their fitness and wellbeing, and the importance of regular exercise.

Patients who attend our Beacon View day centre say they are more relaxed and less anxious and both patients and carers feel much less isolated after coming into the Centre. We find that as patients relax, they become more open to conversation about their illness, death and dying, including raising these topics with family members, and discussing their wishes.

St Peter & St James Hospice's vision is to offer expert and compassionate end of life care to people living in Mid-Sussex. We offer choice and support at the end of life and enable people to be cared for, and die, in the place of their choice, whether this is their home or our hospice. Our care involves supporting family and carers as well as patients. All our hospice services are free of charge.



Meet Augusta and Molly. Augusta was a patient with us until her death in March. She really missed her dog Molly, so most days Augusta's partner Dave used to bring Molly in to visit Augusta. Augusta's friends also decorated her room to make it more like her home, with lots of fairy lights! As a hospice, we can be really flexible about things like pets visiting and personalising rooms and it supports our aims of helping people to live well towards the end of life and making a positive difference to their end of life experience. Since Augusta's death, we've continued to support Dave and he, in turn, has become a very generous donor to our hospice.

OUR PLANS FOR 2019-20

Our priority, of course, remains to continue offering care and compassion at the end of life and supporting people to live and die in the place of their choice. We expect to **support at least 700 patients in total this year**, about 50% of them through our community services and 50% in our hospice (although, of course, these do overlap). We are also launching our new clinical strategy which seeks to extend our work in the community and develop our expertise. New activities include **Launching a Hospice at Home service** in 2020, **expanding our support for carers**, in particular offering practical support through skilled volunteers at critical times in the patient journey (return from hospital/hospice and last weeks of life) and we have **created two dementia friendly rooms at the hospice** so we are able to better support increasing numbers of patients, and carers, who have dementia and other neurological symptoms. **The cost of running our hospice services during the next year will be £3,866,597, which includes £3,378,680 of costs directly related to patient services.**

Thank you so much for your time and considering our request, and please do contact me if you or any of the Forest Row Parish Councillors wish to visit the St Peter and St James Hospice or if you require any further information .

Yours sincerely

Rozelyn Bristowe, Trust & Grants Fundraiser

Tel: 01444 470715

Email: rbristowe@stpjhospice.org

The leaflet image below highlights the services we offer in our Beacon View Wellbeing Centre.

**THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019**

Notes to the accounts

2 Donations	2019	2018
	£	£
General Donations and Fundraising Events	1,182,008	1,136,555
Gift Aid	105,994	93,273
Other	28,958	44,323
	<u>1,316,960</u>	<u>1,274,151</u>

The income from donations was £1,316,960 (2018: £1,274,151) of which £1,244,135 was unrestricted (2018: £1,274,151) and £72,825 restricted (2018: £nil).

3 Legacies

The income from legacies was £1,602,418 (2018: £900,019) of which £1,602,418 was unrestricted (2018: £900,019) and £nil restricted (2018: £nil).

4 Grants received

	2019	2018
	£	£
NHS Clinical Commissioning Group Grants	600,941	594,403
Big Lottery Fund	-	-
Trust and Other Fundraising Grants	149,174	179,364
	<u>750,115</u>	<u>773,767</u>

Government Grants

The 2018 NHS CCG Grants figure includes £54,198 funding from NHS Horsham & Mid-Sussex CCG restricted for the provision of palliative care consultant sessions at Princess Royal Hospital, Haywards Heath (2018: £53,608). In 2017-18 this was included in Note 6: Income from Charitable Activities), and as such the 2018 figure for Note 4 has been restated from £540,795 to £594,403.

Government grants received from NHS Clinical Commissioning Groups ("CCGs") were £600,941 (2018 restated : £594,403), of which £505,057 was unrestricted (2018: £499,563) and £95,884 restricted (2018: £41,232). Restricted grants were for Specialist Palliative Care cover for weekends and Bank Holidays and for the provision of palliative care consultant sessions at Princess Royal Hospital, Haywards Heath.

Total income from grants received was £750,115 (restated 2018: £773,767) of which £606,015 was unrestricted (restated 2018: £570,283) and £152,127 restricted (restated 2018: £203,484).

Included in Trust and Other Fundraising Grants were government grants from County Councils of £4,000 (2018: £17,076), and £25,000 from the Garfield Weston Foundation (2018: £20,000).

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

5 Trading Activities	2019	2018
	£	£
Shop income from sale of donated goods and new goods	923,643	894,543
Income from Shops donated Goods Gift Aid Scheme:		
- Sale of goods from Shops Donated Gift Aid Scheme	196,981	170,166
- Gift aid income from sale of goods on an agency basis	48,201	42,547
Total income from Trading Activities: Shops	1,168,825	1,107,256
Shops and trading activity costs net of Charity administration fee	920,357	865,668
Trust support costs allocated to Shops	42,673	35,413
Total expenditure from shops	963,030	901,081
Net Profit arising from shops	205,795	206,175

All shop income in both the current and previous year relate to unrestricted funds.

6 Income from charitable activities	Government Funding	Other funding	2019	2018
	£	£	£	£
Funded Beds	244,446	59,279	303,725	307,339
Befriender Service	33,908	-	33,908	33,691
Education and Training	17,000	12,489	29,489	22,882
Total	295,354	71,768	367,122	363,912

External Clinical Grants (previously included in Note 6) is now included in Note 4 following an internal re-classification. It is recognised by the Hospice that these are NHS CCG Grants and are therefore now included in Note 4

The income from charitable activities was £367,122 (restated 2018: £363,912) of which £316,914 was unrestricted (2018: £313,221) and £50,908 restricted (restated 2018:£50,691).

Government funding

Funded Beds includes government funding from CCGs of £244,446 (2018: £236,370) to cover residential inpatient care for patients, with individual funding agreed for each patient.

The Befriender Service is restricted funding provided by West Sussex County Council ("WSCC") and East Sussex County Council ("ESCC") and the aim of the service is to support carers of patients of the Charity and improve their wellbeing. The WSCC contract began on 1 April 2014 for a period of three years and has been renewed for another three years. The ESCC contract commenced on 1 Oct 2013 for a period of 3 years and has been renewed for another three and a half years.

Education and Training includes a government grant from Health Education England Kent Surrey Sussex ("HEEKSS") of £17,000 (2018: £17,000) for development of a needs assessment and staff end of life communication training.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

7 Investment income

	2019	2018
	£	£
Rental Income	1,375	1,270
Dividends - equities	11,193	12,703
Bank Interest	5,699	6,361
	<u>18,267</u>	<u>20,334</u>

Investment income received was £18,267 (2018: £20,334) of which £18,267 was unrestricted (2018: £20,334) and £nil restricted (2018: nil)

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

8 Other Income	2019	2018
	£	£
Profit on sale of tangible fixed assets	175	-
	175	-

Other income in both the current and previous year relates to unrestricted funds.

9 Analysis of Expenditure	Direct Costs	Support costs (note 10)	2019	2018
	£	£	£	£
Costs of Raising Funds				
Trading Costs	920,357	42,673	963,030	901,084
Fundraising Costs	466,149	32,769	498,918	426,538
Investment Management Costs	3,039	-	3,039	3,058
Total Cost of Raising funds	1,389,545	75,442	1,464,987	1,330,680
Charitable Activities				
Hospice	1,106,249	180,682	1,286,931	1,147,085
Community Care	458,877	50,173	509,050	457,083
Wellbeing	230,422	68,329	298,751	263,101
Funded Beds	872,500	141,454	1,013,954	900,342
External Clinical Services & Training	19,817	9,672	29,489	70,610
Total Charitable Activities	2,687,865	450,310	3,138,175	2,838,221
Total	4,077,410	525,752	4,603,162	4,168,901

Of the total expenditure of £4,603,162 (2018: 4,168,901), all expenditure for raising funds of £1,464,987 (2018: £1,330,680) was unrestricted. Of charitable activities expenditure of £3,138,175 (2017: £2,838,221); £280,833 (2018: £190,422) was restricted and £2,857,342 (2018: £2,647,799) was unrestricted.

10 Analysis of support costs	Administration	Finance	Governance costs	2019	2018
	£	£	£	£	£
Shop costs	25,973	7,274	9,426	42,673	37,163
Fundraising Costs	15,531	5,455	11,783	32,769	29,453
Cost of generating funds	41,504	12,729	21,209	75,442	66,616
Hospice	111,158	31,822	37,702	180,682	144,403
Community Care	27,045	5,455	17,673	50,173	44,589
Wellbeing	38,136	12,520	17,673	68,329	58,130
Continuing Care	88,796	29,094	23,564	141,454	105,381
External Clinical Services & Training	9,672	0	0	9,672	11,030
Charitable services	274,807	78,891	96,612	450,310	363,533
Total	316,311	91,620	117,821	525,752	430,149
Prior year totals	227,411	83,462	119,276		430,149

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

11 Governance costs	2019	2018
	£	£
Management	104,095	111,225
Audit and Accountancy Fees	6,000	4,750
Other Professional Fees	7,226	2,800
Other	500	500
	117,821	119,275

12 Analysis of staff costs and key management personnel	2019	2018
	£	£
Wages and salaries	2,945,006	2,652,640
Social security costs	232,654	225,846
Pension costs	158,974	188,432
	3,336,634	3,066,918

The Trustees were not paid and did not receive any other benefits from employment with the Hospice or its subsidiary in the year (2018: £nil). No trustees were reimbursed expenses for travel and training during the year (2018: £294). No Trustee received payment for professional or other services supplied to the Charity (2018: £nil).

The average monthly head count was 138 (2018: 134) and analysis of the staff employees in the year were:

	2019		2018	
	<i>Actual Number</i>	Full time equivalent	<i>Actual Number</i>	Full time equivalent
Direct charitable services	85	57	83	54
Fundraising & Trading	42	36	40	34
Support services	11	8	11	9
Total	138	101	134	97

Throughout the year we also had 26 (compared to 30 in 2018) bank staff available to provide support in the event of short notice absences.

The number of employees whose total employee benefits, excluding pension contributions were over £60,000, (classified within bands of £10,000) are as follows:

	2019	2018
£60,000-£69,999	1	1
£70,000-£79,999	0	0
£80,000-£89,999	1	1
£90,000-£99,999	1	1

Pension contributions relating to those staff earning over £60,000 totalled £27,052 in the current year (2018: £26,713).

Pension Contributions

The Charity contributes to the NHS Superannuation scheme for eligible staff and operates a defined contribution scheme for other staff. The pension charge for the year represents contributions payable by the Charity to the schemes and amounted to £158,974 (2018: £188,432). At 31 March 2019 £29,006 was outstanding in respect of pension contributions (2018: £24,107).

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

12 Analysis of staff costs and key management personnel - continued

Key Management Personnel

FRS 102 defines 'key management personnel as those persons having authority and responsibility for **planning, directing and controlling** the activities of the Charity, directly or indirectly, including those members of staff who are the senior management personnel to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the charity'. We have interpreted this to be the Trustees and the Chief Executive whose employee benefits for both the Charity and the Group were £86,243 in total (Prior year: £76,128).

In 2017-18 the benefits were significantly lower due to the CEO position being vacant for April and May 2017 (and covered on an interim basis by the Deputy Chief Executive).

Volunteers

The Group had 425 volunteers during the year (Prior year: 400), of which 177 (Prior year: 159) worked in our retail operations and 248 (Prior year: 241) supported the charitable and administrative work of the Charity. We are extremely grateful for all their time and effort.

13 Net incoming resources	2019	2018
Net incoming resources is stated after charging:	£	£
Depreciation	149,956	157,377
Auditors remuneration:		
- for audit services	6,000	4,750
- for accountancy services	-	-
Profit / (loss) on sale of fixed assets	175	11,088
Operating lease rentals	162,073	155,238
	<hr/> <hr/>	<hr/> <hr/>

14 Taxation

The company is a registered charity and as such is exempt from taxation on its income and gains falling with section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied for charitable purposes.



THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

15 Tangible fixed assets

<u>Group and Charity</u>	Freehold property	Fixtures and fittings	IT Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At start of year	3,291,901	838,476	130,245	74,683	4,335,305
Additions	46,567	10,950	-	43,909	101,426
Disposals	-	-	-	-	-
At end of year	3,338,468	849,426	130,245	118,592	4,436,731
Depreciation					
At start of year	1,228,763	651,314	119,581	57,474	2,057,132
Charge for the year	96,485	34,673	3,519	15,279	149,956
Disposals	-	-	-	-	-
At end of year	1,325,248	685,987	123,100	72,753	2,207,088
Net book value at the end of the year	2,013,220	163,439	7,145	45,839	2,229,643
<i>Net book value at the start of the year</i>	<i>2,063,138</i>	<i>187,162</i>	<i>10,664</i>	<i>17,209</i>	<i>2,278,173</i>

Freehold land and buildings includes freehold land of £180,000 that is not depreciated. The market value of the land has been valued by the directors at £345,000.

16	2019	2018
a) Investments - Group and Charity	£	£
At start of the year	428,584	436,807
Additions	0	29,678
Disposals	(1,359)	(43,186)
Movement in cash	4,117	9,899
Unrealised Gains/(loss) on Revaluation	16,904	(4,614)
At end of the year	448,246	428,584
b) Analysis of investments		
Listed investments	429,247	413,702
Other investments	300	300
Cash held as part of the investment portfolio	18,699	14,582
Total group	448,246	428,584
Equity investment in subsidiary	90,000	90,000
Total charity	538,246	518,584

All investments are held in the UK

The historical cost of the listed and other investments is £355,7214 (prior year: £371,785)

c) Trading subsidiary

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

The Charity owns a subsidiary, St Peter and St James Hospice Shops Limited (company number 3146736), whose main purpose is to sell goods to raise funds for the Charity and which pays all of its profits to the Charity under the gift aid scheme. The Charity holds 90,000 ordinary shares of £1 each in its wholly owned trading subsidiary company, St Peter and St James Hospice Shops Limited, which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised as follows:

<u>Income statement</u>	2019	2018
	£	£
Turnover	61,998	931,274
Cost of sales	(25,839)	(26,809)
Gross profit	36,159	904,465
Operating expenses	(32,000)	(857,414)
Profit on ordinary activities	4,159	47,051
Donation to hospice	(4,159)	(41,576)
Increase/(decrease) in the Retained profit for the year	<u>0</u>	<u>5,475</u>
 Balance sheet		
Fixed Assets		
Current Assets	107,353	116,870
Liabilities	(1,974)	(11,491)
Net assets	<u>105,379</u>	<u>105,379</u>
 <i>Represented by:</i>		
Capital	90,000	90,000
Reserves	15,379	15,379
	<u>105,379</u>	<u>105,379</u>

An administration charge of £32,000 by the Charity has been removed from expenses in the consolidated accounts (2018: £18,552)

17 Debtors	Group 2019	Group 2018	Charity 2019	Charity 2018
	£	£	£	£
Trade debtors	28,442	34,480	28,442	34,480
VAT recoverable	46,533	20,313	46,533	12,153
Other debtors and prepayments	489,996	156,417	493,350	155,887
	<u>564,971</u>	<u>211,210</u>	<u>568,325</u>	<u>202,520</u>

18 Creditors: amounts falling due within one year

	£	£	£	£
Trade creditors	54,686	42,665	52,713	41,064
Taxation and social security	56,666	53,375	56,666	46,759
Amount due to subsidiary	-	-	36,473	66,790
Other creditors	29,044	41,258	29,044	41,258
Accruals and deferred income	10,988	26,191	10,988	22,917
	<u>151,384</u>	<u>163,489</u>	<u>185,884</u>	<u>218,788</u>

19 Operating Leases

	2019	2018
	£	£
Not later than one year	171,817	163,504

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

Later than one and not later than five years	488,560	368,531
later than five years	225,057	26,187
The Trust has total commitments under operating leases as follows:	885,434	558,222

20 Restricted funds

	Balance at 1 April 2018	Income	Expenditure	Transfers	Balance at 31 March 2019
Charity	£	£	£	£	£
Restricted Revenue Fund	27,338	170,367	(178,340)	-	19,365
Community Nursing Fund	0	102,493	(102,493)	-	0
Restricted Capital Fund	13,841	3,000	-	(15,614)	1,227
Total Group Restricted	41,179	275,860	(280,833)	(15,614)	20,592

Restricted Revenue Fund

The Restricted Revenue Fund represents monies given to the Charity for specific purposes for the purchase of small items and revenue expenditure.

The Restricted Revenue Fund includes funds for the Befriender Service, which represents monies received from East Sussex and West Sussex County Councils to support and improve the wellbeing of those caring for someone with a life limiting illness.

The Restricted Revenue Fund also includes funds for External Clinical Services from our contract with NHS Horsham & Mid Sussex CCG to provide palliative care consultant sessions at our local hospital and services to train students in palliative care.

Community Nursing Fund

The Community Nursing Fund represents one off restricted donations and ongoing grants to support our specialist Community Nurse team.

Restricted Capital Fund

The Restricted Capital Fund represents monies given for specific capital appeals.

21 Unrestricted funds

	Balance at 31 March 2018	Income	Expenditure and gains	Transfers	Balance at 31 March 2019
	£	£	£	£	£
Designated funds					
Friends of St Peter and St James	1,640	3,809	-	-	5,449
Tangible Fixed Assets	2,278,173	-	-	(48,530)	2,229,643
Forecast Deficit Provision Fund	156,331	-	-	(156,331)	0
Legacy Accrual Fund	0	-	-	390,000	390,000
Capital Replacement Fund	207,000	-	-	103,000	310,000
Total designated funds	2,643,144	3,809	0	288,139	2,935,092
General fund Trust	974,167	4,882,215	(4,243,426)	(272,525)	1,340,431
General fund Shops	105,380	61,998	(61,998)	0	105,380
Total General Fund	1,079,547	4,944,213	(4,305,424)	(272,525)	1,445,811
Total Unrestricted funds	3,722,691	4,948,022	(4,305,424)	15,614	4,380,903

Designated funds:

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

Unrestricted funds in the Friends of St Peter and St James have been set aside as designated funds in the Group accounts to meet the future needs for medical equipment and associated costs of the Charity.

The Tangible Fixed Asset Fund represents the net book value of the tangible fixed assets held by the Charity, which includes any building work-in-progress. Fixed assets are integral to the provision of charitable activities and therefore not readily available to spend (e.g. hospice buildings).

The Legacy Accrual Fund represents legacy income received after the year end that has been accrued into the accounts.

The Trustees established the Capital Replacement Fund in recognition of the ongoing need for capital investment to replace and, where appropriate, enhance the Charity's assets. A Stock Condition Survey was undertaken in 2017 by a third party, and has been reviewed during 2018-19. The fund balance represents the expected capital expenditure required to 31st March 2021.

22 Net assets by funds	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Investments	448,246	-	-	448,246
Tangible fixed assets	-	2,229,643	-	2,229,643
Current assets	1,148,949	705,449	20,592	1,874,990
Creditors falling due in less than one year	(151,384)	-	0	(151,384)
	1,445,811	2,935,092	20,592	4,401,495

23 Related party transactions

Donations received from related parties (defined as Trustees and key management personnel) totalled £3,160 (2018: £ 2,461)

The following transactions took place between the Charity and its wholly owned subsidiary, Shops:

- The transfer under gift aid of the trading profits of the Shops to the Charity of £4,159 (2018: £41,578)
- The transfer of an administration charge from Shops to the Charity of £32,000 (2018: £18,552)

Balances outstanding from the Shops to the Charity as at 31 March 2019 were £nil (2018: £nil)

24 Contingent assets – legacy income

As well as the amount recognised in the financial statements, the Charity was also notified prior to the year-end of legacies currently in administration with an estimated probate value based on information available at the time of £989,700 (2018: £866,000)

25 Financial performance of the Charity

The consolidated statement of financial activities includes the results of the Hospice's wholly owned trading subsidiary St Peter and St James Hospice Shops Limited and the Friends of St Peter and St James. The summary performance of the Charity alone is as follows:

	2019	2018
	£	£
Income	5,198,041	3,570,510
Total expenditure	4,560,419	3,307,836
Net surplus /(deficit)	637,622	262,674
Total funds brought forward	3,746,851	3,484,177
Total funds carried forward	4,384,473	3,746,851

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

Represented by:

Restricted funds	20,592	41,179
Unrestricted funds	4,363,881	3,705,672
	4,384,473	3,746,851

26 Finance performance of the Friends of St Peter and St James

The Friends of St Peter and St James is a registered charity, number 288522, whose objects are to relieve the patients of the Hospice who are sick, convalescent, disabled, handicapped or infirm and generally to support the charitable work of the Hospice to whom the Friends of St Peter and St James are ultimately responsible. A summary of the financial activities of the Friends of St Peter and St James is given below and these have been consolidated into the group accounts.

	Unrestricted	Restricted	2019	2018
	£	£	£	£
Income				
Donations and subscriptions	3,353	-	3,353	4,243
Gift Aid	455	-	455	531
Investment income	1	-	1	0
Total income	3,809	-	3,809	4,774
Resources expended - charitable activities	0	-	0	7,000
Net movement in funds	3,809	-	3,809	(2,226)
Funds brought forward	1,640	-	1,640	3,866
Funds carried forward	5,449	-	5,449	1,640
Current Assets				
Debtors	0	-	0	530
Cash at bank	4,994	-	4,994	1,110
Total net assets	4,994	-	4,994	1,640
Funds of the Charity				
Unrestricted Funds	4,994	-	4,994	1,640
Restricted Funds	-	-	0	0
Total Funds	4,994	-	4,994	1,640

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2019

Notes to the accounts

27 Reconciliation of net income/(expenditure) to net cash flow from operating activities	Group	Group	Charity	Charity
	2019	2018	2019	2018
	£	£	£	£
Net income/(expenditure) for the reporting period	637,625	265,922	637,622	262,674
<i>Adjustments for:</i>				
Depreciation charges	149,956	157,377	149,956	147,457
(Increase)/decrease in stocks	0	8,285	0	0
(Increase)/decrease in debtors	(353,761)	(45,386)	(365,805)	(24,298)
Increase/(decrease) in creditors	(12,105)	(25,476)	(32,904)	47,737
Loss/(profit) on the sale of fixed assets	(175)	51,730	(175)	0
(Gains)/losses on investments	(16,904)	4,614	(16,904)	4,614
Dividends, interest and rents from investments	(18,267)	(20,334)	(18,267)	(20,334)
Net cash provided by/(used in) operating activities	386,369	396,732	353,523	417,850
28 Analysis of cash and cash equivalents	Group	Group	Charity	Charity
	2019	2018	2019	2019
	£	£	£	£
Cash at bank and in hand	333,149	422,873	257,273	379,843
Short term deposits	976,870	586,519	976,870	586,519
Total cash and cash equivalents	1,310,019	1,009,392	1,234,143	966,362

THE CONSERVATORS OF ASHDOWN FOREST



Clerk to Conservators: Mrs Kirsty Dirs

Ashdown Forest Centre
Wych Cross
Forest Row
RH18 5JP

Tel. + 44 – (0) 1342 823583
conservators@ashdownforest.org

Forest Row Parish Council

3rd December 2019

Dear David,

Two years ago we approached Forest Row Parish Council to help provide some financial support to the Forest while we went through a period of change. In June this year we established the Ashdown Forest Foundation to enable us to effectively raise funds for the Forest through a charitable vehicle. In the meantime a number of additional issues have impacted on our finances, including continued delayed receipt of our project funding (half the total cash income for the Forest) and a complete withdrawal of funding from East Sussex County Council. We are endeavouring to become financially independent and, apart from setting up the charity, we have a dedicated income generation officer to help us increase our income in some of the areas that are not restricted by the Ashdown Forest Act.

While this work is underway and we establish fundraising through the charity, we would be most grateful to receive continued financial support from your Parish Council for the financial year 2020/21. We appreciate that your budgets for next year may be well underway but hope that this request could be considered before your precept is set in January.

The following provides further information about the current situation:

- The core budget supports the statutory and additional services provided by the Forest Centre, including providing 24 hour emergency response cover (eg. deer collisions, fires, missing persons, anti-social behaviour, injured visitors, stock on roads, out of control dogs), managing roadside and dangerous trees, maintaining rides and bridges, car park maintenance, amenity mowing, enforcing bye laws, boundary walking and litter picking.
- The Conservators' Core Budget remains vulnerable due to its reliance on Countryside Stewardship - an EU agri-environment grant available as part of the Common Agricultural Policy through Defra – both through the timing of its receipt (impact on cash flow) and its contribution to the Core Budget as a recharge (22% of the Core Budget's unrestricted income).
- East Sussex County Council have confirmed their intention to withdraw all grant funding to the Forest. The core budget is losing £60,000 funding over two years, resulting in no grant being provided in 2020/21.



Natura 2000 – Europe's nature for you.

This site is part of the European Natura 2000 Network. It has been designated because it hosts some of Europe's most threatened species and habitats. All 27 countries of the EU are working together through the Natura 2000 network to safeguard Europe's rich and diverse natural heritage for the benefit of all.

- The Ashdown Forest Foundation (TAFF) will enable major fundraising in the future and this will be the core focus of the Charity. The Conservators seek greater financial independence and control of the future, which can be achieved through the work of the charity. In the meantime the Conservators will encourage individual donations to be made directly to TAFF so that Gift Aid can be claimed.
- A dedicated income generation team has also been set up with existing staff members who have launched a number of projects which will help to close the deficit in the future. Income Generation is still limited by restrictions under the Ashdown Forest Act, but some income generating opportunities will be under consideration for moving to TAFF.

Grant funding can help enormously with purchasing new assets and developing projects.

However, they can rarely be used to fund revenue expenditure, the highest of which is staff costs. The time and staff resource required to apply for grants is restricted with the current staff structure. The Conservators continue to rely on discretionary funding from local Parish Councils and support for projects and asset purchase from The Friends of Ashdown Forest.

Funding received from Parish Councils has proved invaluable in the last two years, bolstering the core budget and supporting us through a period of significant change. However, until major fundraising through TAFF comes on-stream the Forest remains vulnerable. The core activities that maintain and enhance the Forest for its 1.5 million visitors each year – the majority of whom come from the surrounding parishes – are critically dependent on the generosity of local stakeholders. As a result, we are asking if you would once again consider supporting the activities of the Conservators during this difficult period of change.

The money you contribute will support the maintenance of one of the most important and iconic landscapes in the south-east of England, ensuring that it remains a safe and welcoming resource for the enjoyment of all our local residents.

Many thanks again for your continued support and for considering this application. Please do not hesitate to contact us if any further information is required.

Yours sincerely,

Louise Meehan
Finance Officer

Enc. Annual financial report 2018/19

Financial Information for Year Ending 31st March 2019

Louise Meehan, Finance Officer

SUMMARY

The overall budget summary for 2018/19 shows a surplus of £30,000*¹.

The 2018/19 budget did not have any income generation targets set, yet achieved an initial peak income in the final quarter (Jan-Mar 2019) due to the launch of income-generating projects. This, along with spending restrictions due to the delayed Countryside Stewardship grant income, resulted in a £30k surplus at the end of March 2019. It was agreed at the June 2019 Board meeting that this could be carried over for 2019/20 to recast the budget.

Yet again expenditure had to be restricted in the last quarter of the financial year as the expected CS funding was again delayed, causing significant cash flow issues and delaying operations. The Conservators were finally in receipt of payment from Natural England in May 2019.

Due to the late payment of the CS payment, the actual cash balance at the year-end was £255k, just below the Board's restricted reserve policy level. The Statement of Accounts show £665k accrued income - £500k of which was not actually received until May, after the financial year end. This caused considerable cash flow issues at the end of the financial year. On paper, the total reserves at the year-end were £900k, however only 40% of this is available to be used for the Forest's core expenditure – and includes restricted sums for staff and overheads as per Board policy.

The core budget is currently reliant on the CS funding to be recharged to the core budget for staff costs – this accounted for **one quarter** of the core forest's unrestricted income in 2018/19.

The Commoners' Forest Rate accounts for 4% of Core income.

Statement of Reserves as at 31 March 2019

	CORE	HLS	CS	TOTAL
Reserves Balance as at 1 April 2018	341,379	224,204	201,118	766,701
Plus Income	592,932	-	530,676	1,123,608
Less Expenditure	-559,452	-	-426,496	-985,948
RESERVES BALANCE AS AT 31 March 2019	374,858	224,204	305,298	904,360

ALLOCATION OF RESERVES	CORE	HLS	CS	
Restricted Reserves for Conservation Programme		224,204	235,298	
Restricted Overheads & Staff Costs Reserve	196,000		70,000	
Restricted Discretionary Reserves	66,516			
Total Unrestricted Reserves	85,920	0	0	

It is the Board's policy to maintain an Overheads Reserve equal to six months' salaries and administration costs for the Core Budget and six months' staff costs for the Countryside Stewardship Budget.

The Board maintain Restricted Discretionary Reserves which are allocated to earmarked projects or cost centres, to be reviewed annually. This Reserve includes the carry-over of restricted funds which have been received for specific purposes.

Higher Level Stewardship (HLS) funding was a specific grant received from the Rural Payments Agency (RPA) for a ten year conservation programme which preceded Countryside Stewardship. Natural England confirmed they were satisfied that the Conservators had delivered all the objectives of the programme and that the surplus could be used *'within the spirit of the HLS agreement objectives'* but acknowledged that as the funding was being paid in arrears – which transpired to be one year in arrears as opposed to the scheduled six months – then the funding could be used to support cash flow management. This funding is used consistently to help bridge the gap as the Conservators continue to experience delays receiving funding from RPA/Natural England.

Funding from Supporting Organisations

The Conservators are extremely grateful for financial support committed for two years 2018/19 and 2019/20 from the following town and parish/village councils:

Ashurst Wood, Buxted, Danehill, East Grinstead, Fletching, Forest Row, Hartfield, Maresfield, West Hoathly and Withyham.

Summary of Significant Expenditure from Ring-fenced Funding

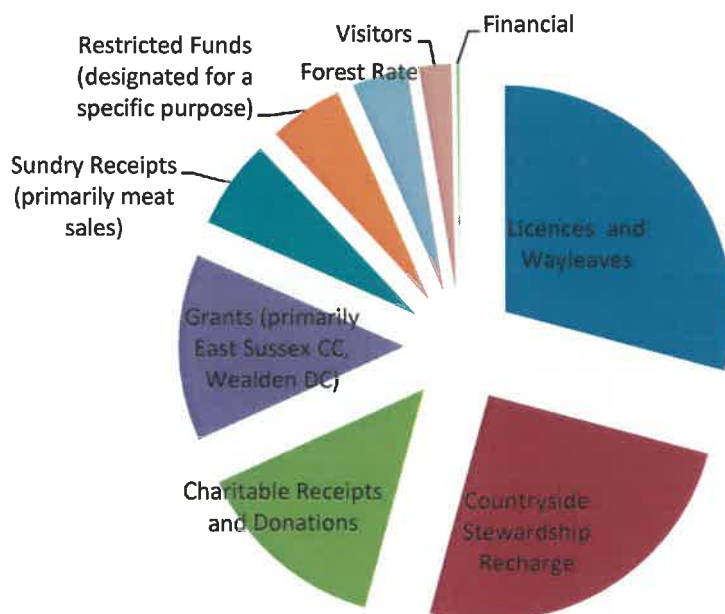
Friends of Ashdown Forest and Natural England	Education Programme	£26,031
Ashdown Forest Riding Association	Ride maintenance and riding-related expenditure	£5,931
Danehill Parish Council and Friends of the Forest	Walks leaflets	£2,586
Stanley Smith Horticultural Trust	Vachery repairs	£1,404

Many thanks to the Friends and AFRA for their continued support.

CORE BUDGET SUMMARY

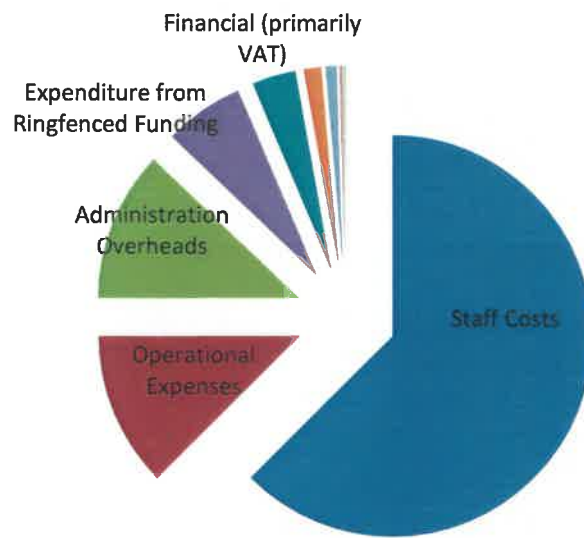
2017/18	INCOME SUMMARY – Core Budget Only	2018/19
£		£
173,075	Licences and Wayleaves	172,988
109,478	Countryside Stewardship Recharge	148,778
72,811	Charitable Receipts and Donations	82,939
82,470	Grants (primarily East Sussex CC, Wealden DC)	79,248
19,806	Sundry Receipts (primarily meat sales)	38,039
23,095	Forest Rate	24,061
15,225	Visitors	13,961
190	Financial	1,436
496,151	TOTAL UNRESTRICTED CORE INCOME	561,450
185,684	Restricted Funds (designated for a specific purpose)	31,482
681,835	TOTAL CORE INCOME	592,932

Core Income Summary



2017/18	EXPENDITURE SUMMARY – Core Budget Only	2018/19
£		£
323,941	Staff Costs	347,464
58,829	Operational Expenses	69,385
64,927	Administration Overheads	67,582
24,044	Financial (primarily VAT)	19,705
4,500	Visitors	8,199
n/a	Governance	5,290
n/a	Income Generation	1,511
n/a	SAMMS Project	100
168,554	Expenditure from Ringfenced Funding	35,952
646,962	Total Non-Capital Expenditure	
3,047	Capital Expenditure	800
650,009	TOTAL CORE EXPENDITURE	559,452

Core Expenditure Summary



CS BUDGET SUMMARY

The Countryside Stewardship contract has its own budget assigned to a work programme managed by the Conservation Committee and agreed by Natural England. The funding can only be spent under the terms of this contract. The Countryside Stewardship contract showed an underspend of £104k due to two projects which have been rolled over to the following year. This underspend can be added to the surplus brought forward from the previous years to give a total surplus of £305,298.

2017/18 £	INCOME SUMMARY – Countryside Stewardship Contract	2018/19 £
515,732	CS Heathland Area Payment (LH1)	522,676
28,814	CS Capital Payments	8,000
544,546	TOTAL (accrued) CS INCOME	530,676

2017/18 £	EXPENDITURE SUMMARY – Countryside Stewardship Contract	2018/19 £
205,388	Project expenditure (excl. staff costs)	122,388
123,565	CS Staff Costs	56,386
57,319	Staff cost multiplier (to Core budget as staff recharge)	92,392
52,159	Contracted-out in house staff costs (to Core as staff recharge)	155,330
438,432	Total non-capital Expenditure	426,496

94,157	Total CS Capital Expenditure	
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532,589	TOTAL CS EXPENDITURE	426,496
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The Future of Funding at Ashdown Forest

The core budget supports the statutory and additional services provided by the Forest Centre, including providing 24 hour emergency response cover (eg. fires, anti-social behaviour, missing persons, injured visitors, stock on roads, out of control dogs, trees down), managing roadside and dangerous trees, maintaining rides and bridges, car park maintenance, amenity mowing, enforcing bye laws, boundary waling and litter picking.

Without a major change in the Conservators' ability to fundraise many of these services will be at risk.

The Ashdown Forest Foundation

The Ashdown Forest Foundation (TAFF) will enable major fundraising in the future and this will be the core focus of the Charity. The Conservators seek greater financial independence and control of the future, which can be achieved through the work of the charity.

In the meantime the Conservators will encourage individual donations to be made directly to TAFF so that Gift Aid can be claimed.

Income Generation

A dedicated income generation team has been set up with existing staff members who have launched a number of projects, detailed within this Annual Report, which will help to close the deficit in the future. Income Generation is still limited by restrictions under the Ashdown Forest Act, but some income generating opportunities will be under consideration for moving to TAFF.

Countryside Stewardship (Natural England)

The Conservators' Core Budget remains vulnerable due to its reliance on the Countryside Stewardship funding – both the timing of its receipt (impact on cash flow) and its contribution to the Core Budget as a recharge (22% of the Core Budget's unrestricted income). There is a five year break clause built in to the contract which can be invoked in 2021.

East Sussex County Council

ESCC confirmed their intention to withdraw all grant funding to the Forest. The core budget is losing £60,000 funding over two years, resulting in no grant being provided in 2020/21. The County Council continue to provide professional service support to the Forest Centre.

Grants

Grant funding can help enormously with purchasing new assets and developing projects. However, they can rarely be used to fund revenue expenditure, the highest of which is staff costs. The time and staff resource required to apply for grants is restricted with the current staff structure. The Conservators continue to rely on discretionary funding from local Parish Councils and support for projects and asset purchase from The Friends of Ashdown Forest.

[FOOTNOTE] The financial information presented here is extracted from the full annual audited accounts. Its purpose is to highlight visually the different segments of the Board's Income and Expenditure for the year. To view a full set of these accounts please visit www.ashdownforest.org.

**¹ figures are rounded up for the purpose of this report.*

Council Borrowing

The Finance and Policy Committee is being asked to include something in next year's revenue budget and reserves to cover the possibility of the Council borrowing for certain projects.

This note explains the potential requirement, provides some background on local council borrowing and the steps that would need to be taken before any could take place. It is not intended to be an argument in favour of borrowing, or to provide support for any of the possible projects, but simply to inform Councillors as to the likely process.

The potential need

There are currently four potential projects ahead of the Council, namely:

- the 'rear end' of the Community Centre which requires redevelopment;
- the possible purchase of the Tip site from ESCC;
- expansion of the cemetery, which may cost more than the current reserves given the likely need to find a new site (and although probably not suitable for borrowing does represent a future call on Council resources); and
- securing land for the development of affordable housing by a Community Land Trust.

To be realistic, despite their potential merits, not everyone in the Parish, nor the Council, will agree with all (or any) of these projects, but each will have some support.

To fund major capital projects, a council generally has four sources:

- the annual precept, not really relevant for significant expenditures (a large increase for a one-off cost is not realistic);
- the sale of assets, only relevant when there are unused assets;
- the build up of reserves over a period of time, so as to minimise the impact on the precept in any one year; and
- borrowing.

With the exception of borrowing for the purchase of the Community Centre and the controversial sale of an asset considered to be surplus at the time, the Council has chosen the third option for its major expenditures. However, this has its limitations: it doesn't work when demand for expenditure arises over a relatively short period, with a near deadline, or the amount set aside is insufficient for the projected cost. It can also be argued (as I would) that it is not necessarily fair, since past tax payers are effectively paying for a benefit to which future users may not have contributed.

Council borrowing is not straight forward: it requires many approvals, much consultation within the Parish, much upfront cost and time, and, of course, the payment of interest. However, it is possible to get approvals relatively quickly (perhaps six months) and, with a loan term of 10 to 20 years, the cost can be spread over a long period. This can mean that the purchase of land for activities such as for the Tip and affordable housing, where the possibility of long term lease rentals could mean no net (or reduced) additional cost to the Council (albeit with an associated commercial risk).

Council borrowing rules

All councils are allowed to borrow, in principle from any source, but generally so long as defined security (such as a mortgage on a council asset) is not provided. Unlike major councils, towns and parishes need to obtain specific borrowing approval from the Ministry of Housing, Communities and Local Government. This requires councils to show a viable business plan and evidence of public support, following extensive public consultation.

In summary, business plans need to demonstrate that the borrowing cost is affordable, either by a reduction in other expenditure; by income from the project itself (for example from lease rentals on land or property purchased); by an increase in the precept; or by a combination of these. The plans also need to show that any risks and uncertainties affecting the financing of each project have been taken into account in assessing affordability, as well as reasonably foreseeable significant financial developments that might affect the ability of the council to finance the costs in future years.

The council must consult with local residents on both the project and the associated borrowing. The council can decide for itself on how this consultation takes place but:

- details of the project and the borrowing plan and loan repayment must be accessible to residents from an early stage;
- borrowing decisions must be taken in an open and transparent way, following discussion in open meetings (inclusion on an agenda for a public meeting of the Council is not sufficient);
- information about the progress of the projects must be made available to residents following the approval to borrow; and
- in particular, any proposal to increase the precept to meet borrowing costs must be backed by evidence of public support.

Public Consultation

It is understood that SSALC, whose support would be necessary, believes that the best way public support can be demonstrated is through a referendum. However, this view is not backed by the national guidance and is also likely to be expensive, as would need to involve the Electoral Commission, etc .

I believe that it should be possible to hold a postal ballot, perhaps with reply-paid return envelopes. Questions as to whether each household or each resident of voting age gets a vote and the use of electoral register numbers, will need to be considered. As will the role of online voting, in which case register numbers will most likely be required to prevent multiple voting.

If the Full Council decides to apply for borrowing approval for just one project, consultation is likely to require development of a business plan, a mail shot (or hand deliveries) to all households and a well-publicised public meeting, followed by chance to vote on the proposal. If the Council decides to apply for more than one project, there may need to be a two-stage consultation, to allow the Council to determine which projects have wide support, before putting a final proposal to a vote. This is because it is extremely hard to see how a multiple-choice question could be put to residents (and how easy it would be to interpret the results). It is also questionable if the Electoral Commission would allow this if we have to go down the referendum route.

Next steps

If a budget is approved to pursue borrowing, the following steps are likely to be necessary:

- establish one or more working groups (business plans and consultation);
- develop initial business plans for each project
- develop a detailed process for the consultation process and, after consultation with SSALC, more detailed costings;
- submit the plans to the Full Council for approval (including which projects to pursue);
- finalise the business plans and prepare publicity materials;
- conduct the consultation and voting; and
- a final report to be put the Full Council for a decision to submit a borrowing application.

Note that, even if borrowing approval is given, the final decision to borrow has to be made by the Full Council (not a committee).

In conclusion

A decision to include some costs for borrowing in the draft budget and reserves (or by the full Council to accept that budget) is only the first step in quite long process. It will require approval from the Full Council at each stage. However, if we do not include anything in the budget, it means that a whole year will be lost, on top of the time it will take to follow the process outlined above, most likely jeopardising the re-opening of the Tip.

Finally, please note the cost and timing advantages of consulting on more than one project at a time

Cllr R Lewin
8 December 2019

FINANCE & POLICY BUDGET

	2018-19	2019-20	2020-21	Notes
INCOME BUDGETS				
4176 Precept	347000	360000	360000	TBC
4177 CTS Grant	4974	1988	1988	n/a
4180 Misc Income	1000	0	0	1000
Incl: 13888 Tip grant				
3186 CIL monies			1000	[6000]
4181 Wayleave income	20	10	10	10
4182 Devolved services	715	1470	1450	1450
4183 Comm warden grant/hire	1800	8385	16500	assume unchanged
4190 Interest received	400	696	1300	assume 66% of current year
4380 Other grant				assume unchanged
TOTAL	355909	374808	382248	[101.4%]
surplus/deficit	22810	9820	2330	net of precept & carryover
EXPENDITURE BUDGETS				
(4109 Pension top up	0	2000	4000	per current demand
4101 Salaries	280000	141177	285000	302500
4102 Payroll outsourcing	360	105	360	420
4103 Contribution library salary	2500	4126	4500	assume small mth increase
4105 CS development	1000	0	0	estimate
4108 Staff training/travel	3000	1094	2000	0
4409 Warden salary (444409)				now in code 2700
4110 Warden expenses	1000	210	400	3000
4111 Forest rate	15	22	25	500
4120 Postage	1050	530	1200	25
4121 Telecoms	3000	4253	8000	1300
4424 Interest				7500
4123 Stationery	950	600	600	750
4124 Subscriptions	2250	4738	5000	5000
4125 Insurance	9000	8085	8100	8000
4126 Photocopier	2250	1913	3500	3500
4133 Chairmans Fund	350	200	200	200
4134 Parish meeting	150	0	0	0
4135 Councillors training/travel	500	590	1300	200
4136 H & S / DBS	120	150	100	150
4137 Members allowances	5000	807	1800	5000
4151 Bank charges	400	480	730	1000
4156 Legal/professional fees	1000	1430	3000	3000
Incl: 1750 expend from grant				
4157 Audit & financial management	3000	3092	3500	3500
4158 Van lease	2800	1316	2750	2750
4160 Office equipment	750	300	30	300
4161 Office maintenance	750	284	650	300
4165 Election fund	1000	4000	1200	1000
4166 Wayleaves	45	0	50	50
4169 Community event	250	0	500	500
4624 Other entertainment				
7101 Advertising	250	100	50	100
7102 Website	250	500	500	500
7409 - 7406 weeds	340	0	0	0
7110 Newsletter	800	200	0	0
4360 Grants made	4500	7000	7000	7000
4361 FRGSA subsidy	2000	2000	2000	2000
7111 Unrepaid VAT				
TOTAL	330540	348410	348315	[99.9%]
Surplus/deficit	-245	178830	348315	99.9%

Commentary: In the last complete year, the Finance budget performed well against forecast. There was a small amount of 'windfall income' from CIL, and a ring-fenced grant for research into re-opening the Tip, and expenditure came in at a commendable 99.9% of forecast. The current year is showing a similar pattern, and again, expenditure is predicted to come in just within target. Next year may be a little problematical. Council Tax Support Grant will no longer be paid, and CIL receipts are wholly unpredictable. There will be some reduction in warden hire-out income. A salaries revision exercise (incorporating annual increases from April 2020) was discussed and agreed in October, but will inevitably mean a noticeable increase in staff costs. Many routine expenses will remain unchanged, or with only minor inflationary increases, but Council is going to be asked to commit to capital borrowing. This involves consultation costs, and even if any loan repayments come from reserves, as suggested, the reserves themselves will need to be funded accordingly.



**Valuation Office
Agency**

**Andrew Corkish MRICS
Valuation Officer**

Rvu South
St Annes House
2 St Annes Road
Eastbourne
BN21 3LG

05 DEC 2019

FOREST ROW PARISH COUNCIL
FOREST ROW COMMUNITY CENTRE
HARTFIELD ROAD
FOREST ROW
EAST SUSSEX
RH18 5DZ

Your Reference :
Our Reference : 33761830
Please Ask For : Lisa Parker
Contact Number : 03000 501501
Date : 27-NOV-2019



Dear Sir/Madam,

**THIS NOTICE IS IMPORTANT
NOTICE OF ALTERATION TO THE 2017 RATING LIST**

I have now made a new entry in the Rating List as follows :-

Billing Authority : WEALDEN
Reference Number : 120500800850
Description : HALL AND PREMISES
Rateable Value : £4,250
Effective Date of Alteration : 01-JUN-2019
Actual Date of Alteration : 25-NOV-2019
Address : VENUE ON THE GREEN FORESTERS GREEN, HARTFIELD ROAD,
FOREST ROW, EAST SUSSEX, RH18 5DZ

An entry in the Rating List indicates liability for the payment of rates. The Rateable Value is the figure used by the Billing Authority to calculate your rates bill.

FOR YOUR INFORMATION

I enclose a summary of the valuation showing how the Rateable Value was calculated.

The rateable value is not the amount you have to pay and any enquiries about the payment of business rates should be directed to the Billing Authority. For any other queries please contact our customer service centre, quoting "Our reference" shown above.

Yours faithfully,

Andrew Corkish MRICS

Valuation Officer.

VO 7010 (2005)

184359M/F/00073256/00593/0102/



Valuation Office Agency

Summary Valuation produced by the Valuation Office Agency
 This is not your rates bill, which will be issued separately
 (see enclosed explanatory leaflet)

**Venue On The Green Foresters Green,
 Hartfield Road, Forest
 Row, East Sussex, RH18 5DZ**

Property description: Hall and premises

Special category and code: Village halls, scout huts, cadet huts etc /
 293

Basis of measurement: Net internal area

COMPONENT PARTS OF THE PROPERTY

Ref	Floor	Description	Area m ² / unit	£ per m ² / unit	Value (£)
1.1	Ground	Hall	101.65	35.00	3,558
1.2	Ground	Internal storage	8.78	17.50	154
1.3	Ground	Office	7.01	23.33	164
1.4	Ground	Kitchen	9.85	23.33	230
1.5	Ground	Public toilets	1.53	23.33	36
1.6	Ground	Public toilets	3.52	23.33	82
1.7	Ground	Public toilets	1.60	23.33	37

The total of the above is £4,261, which we have rounded to a rateable value of £4,250. This is effective from 1 June 2019. You can estimate your rates bill at www.businesslink.gov.uk/estimatemyrates.

You can compare your rateable value to that of other properties in your area, or to properties of a similar type, at www.voa.gov.uk/2010. You may need a scheme reference – yours is 358328.

522350W1P00073266/000593/0202/



09 DEC 2019

NATIONAL NON-DOMESTIC RATES DEMAND NOTICE

Date of Issue 05.12.2019

Account Reference 111920406

FOREST ROW PARISH COUNCIL

Rateable Address:

FOREST ROW COMMUNITY CENTRE
 HARTFIELD ROAD
 FOREST ROW
 EAST SUSSEX
 RH18 5DZ

VENUE ON THE GREEN
 FORESTERS GREEN
 HARTFIELD ROAD

120500800850

1/0

Property Description - Hall and Premises

Current Rateable value £4250

The National Non-Domestic Multiplier is 0.504

PERIOD OF CHARGE 01.06.2019 TO 31.03.2020

Calculation from 01.06.2019 to 31.03.2020 (305 days)

£

Rv for period is 4250

Non Domestic Debit = $4250 \times 0.491 \times 305/366 =$

1738.96

Charge from 01.06.2019 to 31.03.2020 (305 days) =

1738.96

TOTAL CHARGE FOR PERIOD =

1738.96

Total amount for this bill

£ 1738.96

Payment of this account is as per the details below:

DATE	AMOUNT DUE
15.01.2020	£869.96
15.02.2020	£869.00