

CHARITY COMMITTEE

17 JUNE 2019

Present: Councillor S Beaney (Chair), Councillor Batsford (Vice-Chair) Councillor Rogers and Chris May (The Protector).

26. APOLOGIES FOR ABSENCE

Apologies were received from Peter Grace, Assistant Director, Financial Services and Revenues; and Kevin Boorman, Marketing and Major Projects Manager.

27. DECLARATIONS OF INTEREST

None.

28. MINUTES OF PREVIOUS CHARITY COMMITTEE HELD ON 18 MARCH 2019

RESOLVED that the minutes of the Charity Committee held on 18 March 2019 be accepted as a correct record.

29. MAINTENANCE - THE SOURCE PARK

The Assistant Director, Regeneration and Culture presented a report to brief Charity Committee members on the issues of continuing flood mitigation works in the basement of the White Rock Baths, and agree to bring forward the budgeted lines for a second sump pump into the 19/20 financial year.

Due to continued concern of the tenant regarding a catastrophic flood event, and the fact that the position of the current pump, the physical labour needed to service it, and a number of flood events which have happened to date, it is recommended the following initiatives be brought forward into this financial year. Subject to finalising designs and costs with the specialist pump installation firm spending would be as follows:

a. Installing 2 hired sump pumps and raising them on accessible platforms: budget £10,000 one off cost.

Total cost of doubling up hired in sump pump installation to improve resilience: budget maximum annual hire cost of £16,000/annum.

b. Raising the wall mounted lower basement distribution gear & replacing current board: £5,000 one off cost.

c. Annual water jetting clearance of the concealed channels that allow incoming ground water to flow from beneath the main skate bowl towards the lower basement sump pumps: £2000 per annum.

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It was confirmed that the Coastal Users' Group endorsed the report at the meeting on 11th June.

The Assistant Director informed the Committee that since publication the recommendations have been amended to agree to bring forward £10,000 from the next financial year and £8,000 from the reserves.

Councillor Rogers proposed a motion to approve the recommendations as amended, seconded by Councillor Batsford.

RESOLVED (unanimously):

- 1. That the committee agree to move £10,000 from 20/21 into this financial year and utilise £8,000 from the reserves to pay for the additional sump pump.**
- 2. To commission relevant contactors to undertake work up to the value of £23,000 (inclusive of the £18,000 above, and utilising up to a further £5,000 from reserves) in this financial year.**

Reasons for the recommendations:

Early intervention with regard to flood mitigation works will prove more cost effective in the long term in addressing potential flooding in the lower basement of the White Rock Baths.

30. FORESHORE TRUST FINANCE REPORT

The Assistant Director, Financial Services and Revenues submitted a report to advise members of the Committee on the current year's financial position (2019/20).

The report was presented to the Committee by the Chief Accountant.

The budget agreed in March 2019 identified budgeted income at £1,477,000 and expenditure at £1,296,000. The budgeted operating surplus for the year being £181,000 after direct governance costs, but before distribution of grants, capital charges and before use of Reserves.

Income is currently projected to be below budget by a small amount. The amount of rental income anticipated is now £10,000 less than budgeted for due to void lets taking longer to fill. Investment income and car parking income remain on budget.

Expenditure is expected to be £6,000 below budget. This is due to anticipated £6,000 lower than budgeted maintenance expenditure as the £12,000 per annum put aside for maintaining and operating a water play feature (the White Rock Fountain) will not be incurred in full this financial year.

The combination of the reduced income offset by the lower expenditure will give rise to a net £4,000 increase in the anticipated deficit at the year end. This is now forecast to be £201,000.

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Paragraph 10 of the report should read 'The combination of the above variances', not underspends.

Responding to a query raised at the Coastal Users' Group meeting as to why a budget deficit is being planned the Chief Accountant informed the Committee that whilst the Foreshore Trust generates an operating surplus before grants and project costs, once these items are deducted then either a surplus or deficit is made, which is either transferred to or taken out of reserves. The timing of projects and maintenance expenditure can therefore have a material effect on whether an annual surplus or deficit is generated and the timing of these items can vary for a number of reasons. The Chief Accountant also reminded the Committee that as a charity the Trust cannot hold large reserves without them being for a specific purpose. Therefore on occasions the Trust has to run a deficit to utilise its reserves to fund expenditure to meet its charitable purpose.

It was noted that the Coastal Users' Group did not endorse the report as they only received it on the day of the meeting. The Chief Accountant apologised on behalf of the finance team for late submission of the financial report.

The Committee thanked the finance team for their work.

Councillor Batsford proposed a motion to approve the recommendations in the report, seconded by Councillor Rogers.

RESOLVED (unanimously):

To agree the current financial position for 2019/20.

Reasons for the recommendations:

The Council has the responsibility for the proper management of the financial affairs of the Trust. In doing so it complies with Accounting Codes of Practice and the high standards required for the accounting of Public money.

A deficit slightly above budget expectations is anticipated for 2019/20 in respect of operating income and expenses. Once grant and project costs are taken into account an increased deficit of £201,000 is anticipated against a budgeted deficit of £197,000.

31. MINUTES OF COASTAL USERS GROUP HELD ON 11 JUNE 2019

The minutes of the Coastal Users Group (CUG) meeting held on 11 June 2019 were submitted for members to note.

RESOLVED that the minutes of the Coastal Users Group meeting held on 11 June 2019 be received and noted.

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(The Chair declared the meeting closed at. 6.16 pm)