

Charity Committee Agenda

Monday, 12 June 2023 at 6.00 pm

Council Chamber - Muriel Matters House, Breeds Place, Hastings TN34 3UY.
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1.	Apologies for absence	
2.	Declarations of interest	
3.	Minutes of previous Charity Committee 13/03/23	1 - 4
4.	Notification of any additional urgent items	
5.	Urgent items (if any)	
6.	Minutes of Coastal Users Group <i>(Kevin Boorman - Marketing & Major Projects Manager)</i>	
7.	Foreshore Trust Finance Monitoring Report 2022/23 <i>(Rita O'Mahoney - Chief Accountant)</i>	5 - 16

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CHARITY COMMITTEE

13 MARCH 2023

Present: Councillors Cannan (Chair), Batsford, Rogers, James Cook (Protector)

In attendance: Mary Kilner Chief Legal Officer, Kit Wheeler Chief Finance Officer, Kevin Boorman Marketing and Major Projects Manager, Ian Sycamore External Funding Manager, Rita O'Mahoney Senior Corporate Accountant

1. **APOLOGIES FOR ABSENCE**

Apologies received from Victoria Conheady & Nick Porter

2. **DECLARATIONS OF INTEREST**

None

3. **MINUTES OF PREVIOUS CHARITY COMMITTEE 16/01/23**

RESOLVED – that the minutes of the meeting held on 16th January 2023 be approved as a true record.

4. **MINUTES OF COASTAL USERS GROUP 07/03/23**

The Marketing and Major Projects Manager gave an update from the last Coastal Users Group meeting. There was a presentation from Southern Water which was well received with their senior managers present. There was a presentation for the RNLI with an update on the lifeboat house. There was a lot of concern regarding the proposed new arrangements for the running of the Fish Festivals with some questions arising which are being progressed. Paul Carter has stood down as Chair of the Coastal Users Group and will be missed.

Councillors recognised that the consultation regarding the Fish Festivals could have been handled better, and Councillor Batsford apologised for that. Councillor Batsford will be attending the next Coastal Users Group meeting to discuss viewpoints and ideas. It was also recognised that the Council's financial deficit needs to be addressed.

5. **FORESHORE TRUST 2022/23 FINANCIAL MONITORING UPDATE AND 2023/24 BUDGET REPORT**

The Chief Finance Officer gave a brief overview of the report and an update on the accounts. The accounts for the Council have still not been signed off. The

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13 MARCH 2023

expectations are to have the 20/21, 21/22 and 22/23 accounts audited and signed off by September. The draft 20/21 accounts will be brought to the next meeting.

The Senior Corporate Accountant introduced the report. Income is currently projected to be £84,000 under budget. The amount of car parking income anticipated is £111,000 under budget and rental income £27,000 higher due to rental reviews. Parking income is expected to return to its pre pandemic level for 23/24. The 23/24 budget sees a net surplus of 7000. The large grants for next year will be maintained at the same level and there will be one cycle of small grants.

The Councillors debated and highlighted the need to make all the assets work well for The Foreshore Trust and be more sustainable. The Chief Finance Officer explained the Foreshore budget has been worked to be realistic with achievable targets.

RESOLVED (Unanimously)

Recommendation(s)

- 1. To agree the current financial position for 2022/23.**
- 2. Approve the budget for 2023/24.**
- 3. A full Financial and Business Plan review of future years be conducted once Final Financial position for 2022/23 is confirmed.**
- 4. Car parking charges for 2023/24 increase in line with Hastings Borough Council's approved policy.**

Reasons

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 surplus in excess of budget expectations is anticipated for 2022/23 to the sum of £259k in respect of operating income and expenses. Budget expectations were an Operating surplus of £218k. Once grant and project costs are taken into account a deficit of £58,000 is anticipated against a budgeted deficit of £99,000.

- 6. FORESHORE TRUST SMALL & EVENTS GRANTS ROUND 7 RECOMMENDATIONS**

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The External Funding Manager explained that there were 35 applications to assess. The Grant advisory panel met in January and selected 12 applications for approval for funding, totalling £42,922.

Councillors discussed the good breadth of work from the 12 approved applications and the issues and events that they will address and thanked the Grant advisory panel for their efforts. Councillors requested to be informed of the launches by the organizations so they can attend.

The External Funding Manager explained that there would normally be a call for applications in the Summer but that is not happening this year due to the revised 23/24 budget, so the next call will be at the end of the year. Councillors requested for a communication to be released regarding this.

RESOLVED (Unanimously)

Recommendation(s)

That the meeting:

1. Consider for approval the Small and Events Grants Round 7 2023-24 recommendations of the GAP as set out in Appendix 1 (with projects listed in Appendix A)

Reasons

The Grant Advisory Panel has appraised the merits of the applications received for Small and Event Grant support and has made a number of recommendations for grant awards that can be funded from the available 2023-24 budget.

(The Chair declared the meeting closed at. 6.29 pm)

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Agenda Item 7



Report to: Charity Committee

Date of Meeting: 12 June 2023

Report Title: Finance Monitoring Report 2022/23

Report By: Rita O'Mahoney
Chief Accountant

Purpose of Report

To advise members of the Committee on the Final financial position of 2022/23.

Recommendation

- 1. To agree the draft financial outturn position for 2022/23.**
- 2. Note the Current Financial Position**
- 3. To review and update the Business Plan.**

Reasons for 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.

The Trust is reporting a surplus for the 2022/23 financial year in respect of operating income and expenses of £312,000. However, once Grant and project costs are taken into account this becomes a deficit of £11,000.

Introduction

1. The Foreshore Trust, like many other Charities and businesses over the past few years has started to see some green shoots of economic recovery after what has been an incredibly difficult and challenging financial climate.
2. The Foreshore Trust derives its income mainly from car parking and property leases/licences, the former income stream being quite variable and hard to predict. This has especially been the case when the last few financial years have seen quite stark peaks and troughs in terms of demand and usage, in particular after the enforced lockdown restrictions were eased and lots more tourists visited the town.
3. Appendix 1 attached provides details of the income and expenditure to 31st March 2023 against the budget for 2022/23 as agreed at the March 2022 meeting of the Committee.
4. The budgeted operating surplus for 2022/23 was expected to be £218,000. The actual surplus achieved was £311,000 which is £93,000 greater than the budget.
5. It should be noted that due to delays with the External Audit of Hastings Borough Council (and the direct nature of the transactions between the two legal entities) the figures contained in the reports are draft until the Trusts auditors (Mannington's) have provided assurance and an opinion reached on the figures.

Financial Position 2022/23

6. The budget agreed in March 2022 identified budgeted income at £1,578,000 and expenditure at £1,360,000 (excl. Depreciation). The budgeted surplus for the year being £218,000 after direct governance costs, but before distribution of grants, depreciation and before use of Reserves.
7. Income was in line with the budget overall despite some variances within each main area.
8. Improved financial performance from investments and higher interest rates has meant that the trust exceeded its investment budget by £25,000 and achieved a total return of £31,000.
9. There was additional rental income of £27,000 as a result of new rental agreements being reached. The rental review meant extra Income from mini golf, Lee Amusements, EHSA & Flamingo Arcade.
10. Due to the unpredictable and variable nature of Car parking income, this area of income that did not achieve its budgeted amount and was £52,000 under budget. This was fully offset by the favourable variances on the rental and investment income streams. It is hoped that Parking income will return to its pre pandemic level for the next financial year.
11. Expenditure for the year was £94,000 under budget which was mainly due to a change of contract cleaning provider which reduced the contracted costs. There were also unexpected electricity and gas refunds in respect of previous years accounts for the Stade, lower Car Parking costs and lower than budgeted maintenance & cyclical repairs.
12. The net overall result means that the Trust is showing a surplus for Operations at the end of the financial year of £312,000.

13. When including project expenditure as part of these figures the surplus is reduced to a relatively small deficit of £11,000 for the financial year compared to the budgeted amount of £99,000.

Financial Position 2023/24

14. The budget agreed in March 2023 identified budgeted income at £1,549,000 and expenditure at £1,293,000. The budgeted surplus for the year being £256,000 after direct governance costs, but before distribution of grants, capital charges and before use of Reserves.
15. In order to stabilise the Trust's financial position it was also agreed to award just one cycle of grants – Total to be awarded in the year £42,922. To Date £11.7k has been awarded in Small Grants and £10.5k in large grants.
16. Whilst there are no immediate areas of concern to highlight at this stage of the financial year from an operations perspective it should be noted that careful management of the budget activities, to cover the cost of the Grants programme will need to be considered when looking at the business plan and what is affordable.
17. The current uncertainty around rising inflation rates and other operational costs means that like all charities and businesses the trust will need to carefully consider any future fees and charges to ensure they are correctly reflecting the current costs to run those services.

Business Plan

18. Appendix 2 details the planned expenditure on projects over a 4 year period (including the current year original budget). This is split between cyclical repairs and redecorations and the main programme projects.
19. Given the ever-changing world in which we currently find ourselves it is prudent for the Trust to review its business plan regularly and update it in line with the latest information and forecasts.
20. It is therefore a priority for the business plan to be updated to aid budget setting for the medium to longer term stability of the Trust and to allow for assurance around decision making, and as part of good governance. This is due to be discussed as a separate item and agreed at the same meeting that this report is presented and will be updated as part of those discussions.

Indicative Forward Plan

21. The indicative forward plan is shown in Appendix 3 and just like the business plan is in the process of being updated and will be revised once detailed discussions have taken place and a clear objective and plan is agreed upon.

Reserves

22. The total effective cash balances of the Trust at the 31 March 2023 amounted to £1.45m after providing for the outstanding settlement to Hastings Borough Council for amounts owed for 2022/23.
23. With the current business plan, the revised cash balances for future years are estimated as follows :-
- £1.45m as at 31st March 2023,
 - £1,46m as at 31st March 2024,
 - £1.50m as at 31st March 2025,
 - £1.54m as at 31st March 2026,
24. The reserves policy agreed in September 2019 identifies £900,000 as the suitable level to maintain given the potential risks to the Trust.

Timetable of Next Steps

1. Please include a list of key actions and the scheduled dates for these:

Action	Key milestone	Due date (provisional)	Responsible
Continued quarterly monitoring	Each financial quarter	Charity Committee Meetings	Chief Accountant
Review of 2022/23 under and over spends	2024/25 budget	March 2024	Chief Accountant

Additional Information

- Appendix 1 - Draft Finance Outturn
- Appendix 2 - Business Plan - Financial Summary
- Appendix 3 - Indicative Forward Plan
- Appendix 4 - Grants Programme

Wards Affected

None

Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? Yes

Climate change implications considered? N/A

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

Officers to Contact

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SUMMARY - MONITORING REPORT

	Actual 2021-22	Original Budget 2022/23	Draft Outturn 2022-23	2022-23 Variance to Budget
	£'000	£'000	£'000	£'000
Incoming Resources				
Investment Income	9	6	31	25
*Incoming resources from Charitable activities	1,169	1,350	1,298	(52)
Rental income	217	222	249	27
Total incoming resources	1,395	1,578	1,578	(0)
Resources Expended				
Loan Interest repayments	33	33	33	0
Charitable Activities (excluding Capital charges)	926	1,045	1,032	13
Maintenance projects and cyclical repairs	94	128	60	68
Governance costs	136	154	141	13
Total resources expended	1,189	1,360	1,266	94
Total Operating Surplus/(Deficit)	206	218	312	94
Small / Event Grants	89	90	90	(0)
Large Grants	134	182	182	0
Projects**	46	45	51	(6)
Total Grants & Projects	269	317	323	(6)
Surplus/(Deficit) before Depreciation	(63)	(99)	(11)	88
Transfer to/(from) HBC account				
Total Funds brought forward	1,521	1,458	1,458	0
Total funds carried forward	1,458	1,359	1,446	88

*Mainly parking income

** See main Business Plan

Foreshore Trust Spending Plan			2022-2023	2023-2024	2024-2025	2025-2026	Total
Cost centre	PROPERTY	DESCRIPTION OF WORK	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
			£				£
Maintenance projects							
20156B1100 / 5290B020	Beach - Other	Other repairs and renewals beachfront area	12,000	0	12,000	12,000	36,000
20156B1100 / 5290B020	Car Parks - Pelham	Maintenance	6,000	5,000	5,000	5,000	21,000
20156B1100 / 5290B020	Car Parks Rock a Nore	Maintenance	6,000	7,000	5,000	5,000	23,000
20156B1100 / 5290B020	Chalets - White Rock & Marina	Maintenance	2,000	2,000	1,000	1,000	6,000
20156B1100 / 5290B020	Cycle Hire Hut	Main walls - external redecoration	0	1,000	0	0	1,000
20156B1100 / 5290B020	Cycle Hire Hut	Roofs - routine re-felting	0	1,000	1,000	0	2,000
20156B1100 / 5290B020	Cycle route	Contribution to maintenance	0	0	0	0	0
20156B1100 / 5290B020	Pelham Place Car Park	Tarmac surfacing - routine minor maintenance	0	0	2,000	0	2,000
20156B1100 / 5290B020	Pelham Place Car Park	Clean out car park drainage gullies and channels	1,000	1,000	0	1,000	3,000
20156B1100 / 5290B020	Pelham Place Car Park	Main access routes and disabled parking space hatching road markings - re-application	0	0	0	3,000	3,000
20156B1100 / 5290B020	Pelham Place Car Park	Parking bay road markings - re-application	0	0	0	2,000	2,000
20156B1100 / 5290B020	Pelham Place Car Park	Traffic speed humps - repair / replacement	0	5,000	4,000		9,000
20156B1100 / 5290B020	Pelham Place Car Park	Vehicle height barrier at entrance	3,000	3,000	3,000	3,000	12,000
20156B1100 / 5290B020	Rock A Nore	Access Control Systems	0	5,000	0	0	5,000
20156B1100 / 5290B020	Pelham Place Car Park	Car park lighting columns - maintain LED lamps	500	500	500	500	2,000
20156B1100 / 5290B020	Pelham Place Car Park	Car park information and direction signage	0	0	1,000	0	1,000
20156B1100 / 5290B020	Pelham Place Public Conveniences	Main walls - external redecorations	0	0	3,000	0	3,000
20156B1100 / 5290B020	Pelham Place Public Conveniences	Interior - internal redecorations	0	0	1,000		1,000
20156B1100 / 5290B020	Pelham Playa (netted MUGA)	Replacement of roof netting system	0	10,000	0	0	10,000
20156B1100 / 5290B020	Pelham Playground	Repair of play proprietary play equipment	2,000	3,000	3,000	3,000	11,000
20156B1100 / 5290B020	Play Areas and Exercise Equipment	Maintenance of equipment	15,000	15,000	0	0	30,000
20156B1100 / 5290B020	Play Hire Huts (Former Life Guards' Huts)	Main walls - external redecoration	0	0	0	1,000	1,000

Business Plan

Appendix 2

Foreshore Trust Spending Plan			2022-2023	2023-2024	2024-2025	2025-2026	Total
Cost centre	PROPERTY	DESCRIPTION OF WORK	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
			£				£
20156B1100 / 5290B020	Play Hire Huts (Former Life Guards' Huts)	Roofs - routine re-felting	0	2,000	0	0	2,000
20156B1100 / 5290B020	Promenade Adult Exercise Equipment	Replacement / repair of equipment	0	2,000	0	2,000	4,000
20156B1100 / 5290B020	Promenade Finger Posts	Redecoration and repair	500	500	0	500	1,500
20156B1100 / 5290B020	Public Conveniences	Maintenance	6,000	6,000			12,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Hard Surfaced	Clean out car park drainage gullies and channels	1,000	0	1,000		2,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Hard Surfaced	Main access route and disabled parking space hatching road markings - re-application	0	0	0	2,000	2,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Hard Surfaced	Parking bay road markings to east end - re-application	0	0	0	1,000	1,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Hard Surfaced	Repair and replacement of metal bollards	0	2,000	0	0	2,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Hard Surfaced	Vehicle height barrier at car park entrance	3,000	3,000	3,000	3,000	12,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Hard Surfaced	Car park lighting columns - maintain LED lamps	500	500	500	500	2,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Hard Surfaced	Car park information and direction signage	0	0	1,000	0	1,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Loose Surface	Scarify and fill pot holes in loose surface finish	5,000	12,000	5,000	5,000	27,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Loose Surface	Replacement of damaged timber bollards	0	1,000		1,000	2,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Loose Surface	Repair timber kerb baulks to south boundary	0	0	2,000	0	2,000
20156B1100 / 5290B020	Rock-a-Nore Car Park - Loose Surface	Replace timber kerb baulks to south boundary	5,000	0	0	0	5,000
20156B1100 / 5290B020	Stade and Stade Kitchen	Maintenance	3,000	1,500	1,500	1,000	7,000
20156B1100 / 5290B020	Stade Barriers	Annual maintenance	2,000	2,000			4,000
20156B1100 / 5290B020	Stade Hall	Interior spaces - internal redecoration	0	0	0	0	0
20156B1100 / 5290B020	Stade Hall	Main hall & kitchen - renewal of floor coverings	0	0	0	0	0
20156B1100 / 5290B020	Stade Open Space	Drainage gulley clearance	500	500	500	500	2,000
20156B1100 / 5290B020	Stade Open Space	Bench redecoration and remove shingle build up	3,000	0	0	3,000	6,000
20156B1100 / 5290B020	Stade Open Space	Automatic bollard and barrier replacement	0	0	10,000	0	10,000
20156B1100 / 5290B020	Stade Public Conveniences	Interior spaces - internal redecoration	6,000	0	0	0	6,000
20156B1100 / 5290B020	White Rock Baths	External redecoration/ Building maintenance	10,000	10,000	0	0	20,000

Foreshore Trust Spending Plan			2022-2023	2023-2024	2024-2025	2025-2026	Total
Cost centre	PROPERTY	DESCRIPTION OF WORK	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE	ESTIMATE
			£				£
20156B1100 / 5290B020	White Rock Baths - Lower Basement	Additional pump hire if above adopted.	8,000	8,000	8,000	8,000	32,000
20156B1100 / 5290B020	White Rock Baths - Lower Basement	Sewage tank and pump set - maintenance	500	500	500	500	2,000
20156B1100 / 5290B020	White Rock Baths - Main and Small Hall Level	Further protection of interior spaces from water ingress with use of plastic sheeting at high level and internal guttering where new ingress occurs.	3,500	5,000	0	5,000	13,500
20156B1100 / 5290B020	White Rock Baths - Promenade Level	Main central entrance superstructure and lightwell upper and lower walls - external redecorations (Inc. White Rock Community Hub frontage)	15,000	0	0	0	15,000
20156B1100 / 5290B020	White Rock Beach Chalets	Timber walls - external redecoration	5,000	0	0	5,000	10,000
20156B1100 / 5290B020	White Rock Promenade - Timber Kiosk Decking	Timber decking and ramps around kiosk -minor repairs	0	500	0	500	1,000
20156B1100 / 5290B020	White Rock Promenade (FST owned area only)	Timber seating, benches, waste bins, & planters - repairs and maintenance.	500	0	0	0	500
20156B1100 / 5290B020	Winch Road	Maintenance & lighting	2,000	2,000	2,000	0	6,000
Total of Cyclical Repairs and Redecorations			127,500	117,500	76,500	75,000	396,500
Projects (main programme)							
20156B1100 / 5290B020	White Rock Promenade (FST owned area only)	Rationalisation of timber seating, benches and waste bins.*	20,000	0			20,000
20161B1102 / 5296B022	Contingency	Project Work Contingency	25,000	25,000	25,000	25,000	100,000
Total Projects - Main Programme			45,000	25,000	25,000	25,000	120,000
TOTAL PROGRAMME			172,500	142,500	101,500	100,000	516,500

Indicative Forward Plan	Outturn			
	Draft			
	Outturn	Budget	Budget	Budget
	2022-23	2023-24	2024-25	2025-26
	£'000	£'000	£'000	£'000
Incoming Resources				
Investment Income	31	6	6	5
Incoming resources from Charitable activities	1,298	1,285	1,311	1,337
Rental income	249	258	263	269
Total incoming resources	1,578	1,549	1,580	1,611
Resources Expended				
Loan repayments	33	33	33	33
Charitable Activities* (excluding Capital charges)	1,032	986	951	970
Maintenance projects and cyclical repairs	60	118	138	160
Governance costs	141	155	159	162
Total resources expended	1,266	1,292	1,280	1,325
Total Operating (Surplus)/Deficit	312	257	300	286
Small/Events Grants	90	43	45	45
Large Grants	182	181	180	180
Projects**	51	25	25	25
Total Grants & Projects	323	249	250	250
Surplus/(Deficit)	(11)	7	50	36
Usable current assets	1,458	1,446	1,454	1,503
Usable current assets carried forward	1,446	1,454	1,503	1,539
Minimum Reserves	900	900	900	900

	Amount approved £
Grants awarded 1 April 2022 to March 2023	
SMALL / EVENTS - cumulative	
7th Hastings Scout Group	3,465
ATEAB Funds	4,260
Barefoot Opera	6,000
Counselling Plus Community	6,000
Hastings & District Interfaith Forum	1,200
Hastings & St Leonards Vountary Lifeguard Club	2,422
Hastings Furniture Service Ltd	5,400
Hastings Storytelling Festival Ltd	5,180
Hastings Voluntary Action	3,939
His Place Community Church & Cafe	600
Soundcastle Ltd	1,000
Emmaus Hastings & Rother	4,365
ETC Sussex (Education Training Consortium Sussex)	5,400
XTRAX(Hastings & Rother)	1,440
Karmabank CIC	5,220
Umbrella Sussex	2,581
Hastings Advice & Representation Centre	5,400
Hastings & Rother YMCA	5,295
Hastings Community Trust ta Kings Church Hastings & Bexhill	6,000
Energise Sussex Coast Ltd	380
The Fellowship of St Nicholas (FSN)	593
Tempo Arts	2,419
In 2 Play CIC	5,310
Project Rewild CIC	3,348
Trans 2064410 The Links Project	2,783
Total Small Grants	<u>90,000</u>
LARGE	
Citizens Advice 1066	32,108
Hastings Advice & Representation Centre	41,568
Change, Grow, Live (formerly CRI)	16,725
Seaview Projects	26,400
The Links Project	11,140
Hastings Voluntary Action	8,939
FST Large Grant accrual	22018
Grant - Large Q4 22/23	5575
FT-LG 102 Citizen Advice 1066 Y2 Q4 Payment	10527
FT-LG 107 The Seaview Project Y2 Q4 Payment	7000
Total Large Grants	<u>182,000</u>
Total for year	<u><u>272,000</u></u>