

Some names within the text have been redacted to protect ongoing confidential commercial negotiations.

Finance Key Area Group Meeting – 20th January 2025

Re: **Burgess Hill Pantry** (“BHP”) - proposed funding from 1st April 2025 to 31st March 2028 (3 years)

As you are aware from the last meeting and from the Intervention paper presented by Cllr Peter Williams, this organisation wishes to relocate it’s main operations to new premises this year. At the time they were offered premises by [REDACTED] with rent @£15k pa from 1st Jan-2025 for three years. A rent holiday was also offered for the first three months.

We have recommended £7k to be used as set up costs in the first quarter of this year.

Following a discussion with [REDACTED], Burgess Hill Pantry, I can advise the following update

1. The [REDACTED] offer has been revised, only two years will now be offered at a subsidised rent after which the rent will levied at a commercial rate. As this is not affordable, BHP have advised that they will need to move and further set up costs will also be incurred due to relocation.
2. BHP have now advised that they have been offered larger and more suitable premises within [REDACTED] which is more suitable for their purposes. The Landlord has proposed a 5 year fixed rent contract @£20k pa (commercial rate is £35 pa) and we are advised that this is the preferred option.

Recommendation: That Burgess Hill Town Council award a grant of 75% of the annual rent of £20k for the first three years of operations to be included in the proposed budgets from 2025/26. This will be a maximum of £15k for the first year, thereafter to note that this may be reduced to £12,500 if “BHP” register for, and fully recover vat on the rent.

Points to note: Viability of Operations:

1. BHP is registered as the Burgess Hill Community Cupboard CIO
2. The submitted financials for the last three years do show a surplus but this is reliant on 70-75% of income from donations and largely grants. Direct operations of sales vs costs of run at a deficit as is expected for such operations.
3. Any contribution by the council is significant for its on-going operations and councillors need to consider the impact on the operations once the grant has ended. Are BHTC obliged out of necessity to continue the grant post three year period.
4. The customer base continues to grow year on year significantly adding further costs
5. [REDACTED] has addressed the above future consideration. She has advised that once they are in the property and during the initial grant period of three years it is the intention of the Pantry to apply for extended funding from the National Lottery and other funders and to develop a business partnership program with local business in order to ensure that the operations reduce their reliance on grants.
6. It is to be noted that the Pantry covers a wider postcode area than just Burgess Hill to include RH16 (Haywards Heath), RH17 (Ansty Cuckfield Bolney) and BN6 (Hassocks / Hurst). The usage by Burgess Hill is estimated as 75% of the customer base which matches the contribution by the Council. It is suggested to the Pantry that they should make similar and proportionate grant applications to other parish councils.
7. The Pantry need to consider registering for Vat as this forms a significant part of rent and it will be in the Council’s interest to help facilitate this registration