

Minutes of the Meeting of Finance held in Rickards Hall on 20 November 2023 at 7:30 pm

Present: Cllrs. Sarah Compton (*Vice-Chairwoman*), Michael Gemmell Smith, Alan Layland, Stuart McGregor, Angela Read, Stephen Sumner (*Chairman*)

In attendance: Cllr Bob Todd, Town Clerk, Minutes Clerk. No members of the public, and no Press.
19:30 Meeting opened.

1 Apologies for Absence

Apologies were received, noted, and accepted from Cllr Baker.

2 Declaration of Interests or Predetermination

None.

3 To Confirm the Minutes of the Finance (& Governance) Committee held on 24 July, 2023-012/01-02; and 09 October 2023-0xx/01-0x

Resolved: to confirm the minutes of the Finance (and Governance) Committee held on 24 July 2023 012/01-02; and on 09 October 2023 020/01-03 to be a true and accurate record of the meetings, and duly signed by the Committee Chairman.

4 Matters Arising from the Minutes for Report and Not Covered Elsewhere

Members noted without comment the Recent Activities report including:

Bank Account queries: No progress with Lloyds bank re account closure, with which it had proved very difficult to communicate. This had been put on hold due to other work commitments, but not forgotten. Bank Signatories additions for Barclays: Confirmation had been received, and now each individual signatory had to have their ID formally confirmed. Cemeteries: Revenue was currently above budget. Insurance: outstanding claim for the damaged streetlight at Mill Hill/Memorial Hospital - ETC had paid the bill for remedial action at the time, and third party insurance was awaited.

The Chairman proposed to bring forward agenda item 7 (7.1 to 7.4) in view the Town Clerk had a family issue. Members,

Resolved: *to bring forward agenda items 7.1 to 7.4, and to discuss before proceeding with other items on the agenda.*

Item 7 is recorded in numerical order on the minutes. 20:03 the Town Clerk left the meeting after item 7 discussions.

5 Financial Statement and Analysis of Receipts and Payments (Financial Reports Pack) reports up to 31 October (unless stated)

The Town Clerk left the meeting. The Committee Chairman proposed that Kathy Staff be appointed acting Clerk for the remainder of the meeting.

Resolved: unanimously that Kathy Staff be appointed acting Clerk for the remainder of the meeting.

5.1 To ratify the expenditure

Members noted payments for October had been approved by Cllrs Layland and McArthur. Members,

Ratified: the expenditure for October.

5.2 To approve the list of expenditure for payment up to 15 November 2023

Members noted there were no payments up to 15 November, and the payment run would coincide with with payroll and end of the month.

5.3 To receive the expenditure report for transactions over £500

Noted. Payments over £500 were published on the website.

5.4 To receive the income report

Ratified: income report between up to 11 October 2023.

5.5 To receive the Financial I&E Budget Comparisons report

Resolved: the Budget Comparisons to 31 October 2023.

5.6 To review the I&E Accounts

Resolved: the I&E Accounts up to period end 30 September 2023.

5.7 To receive the Consolidated Balance Sheet

Members noted the second half of the Precept had been received and was included in the accounts, thus the General Reserve recorded £573,919.31 with six months expenditure to go.

Resolved: the Consolidated Balance Sheet to 30 September 2023.

5.8 To receive the Financial Summary Cashbook

Noted that this would be presented to the next meeting.

5.9 To confirm the Bank Reconciliation statements and Procurement Card

Noted that these would be presented to the next meeting.

5.10 To receive the transfers report into, out of, and between bank accounts

Members noted the record of transfers for August, September and October.

5.11 To note and advise on invoices outstanding over three months

Forge Singers £60, remained outstanding.

6 Other Financial business

6.1 To review fees and charges for 2024

Members were reminded Council's fees and charges increase each year, usually in line with inflation measured by the Retail Prices Index (RPI). Previously, September's figure had been used, this year it was 8.9%, but October RPI figure of 6.1% was available in time for the meeting. In light of the current cost of living pressures facing residents, Members,

Resolved: to apply 6.1% increase to Council's fees and charges.

6.2 To confirm the Service Level Agreements (SLA) for 2024

Members were reminded that the Twinning Association had its 50th Anniversary this year and the group had met in November resolving to close. The remaining SLAs were: youth work at HOUSE £8,000 though budgeted for 2024-25 £9,000; and The Eden Valley Museum £6,500.

Resolved: to continue with the two SLAs for 2024.

The Council Chairman advised that to mark the Town Twinning anniversary, he had received an invitation to a reception at the French Ambassador's residence in London.

6.3 To confirm the Lease rents for 2024

Leases for each sports Club differ slightly. Actual invoicing changes are effective from 1 April due

to the invoicing dates in two equal payments:

Cricket – annually on review date (1 January) by RPI at the rent review date

Nomads – biennial review February (month the agreement was made) by RPI published in the month preceding the review date – last increase was 2023, so no increase 2024.

Rugby – increase annually by RPI at the rent review date

Resolved: to recommend to the full Council the lease rents changes for 2024.

7 Draft budget 2024-25

To facilitate the Town Clerk's attendance, the Committee Chairman had proposed this item be moved forward on the Agenda to follow item 4.

7.1 To consider the draft budget for 2024-25

The Chairman went through the report to Committee Members which had been prepared following budget review with the Town Clerk, Chairman and Vice-Chair of Finance Committee.

Key points and aims of this budget

- Maintain the high standard of services that Edenbridge residents enjoy.
- Minimise impact to residents of any increase in tax cost.
- To ensure the financial stability of the Council's General Reserves, which has taken four years to recover from several years which had drawdown from the reserves to support Council expenditure, leaving the Council's reserves at a weaker position which were in the region of £250k (at one time below)

Budget 2023-24 comparison update

2023-24 budgeted a year-end surplus of £23,149. This was to strengthen the General Reserves position to nearer £300k (recommended reserve position should allow a hold of six months' value of expenditure, i.e. closer to £385,000; and in addition to ensuring strong ear-marked reserves (EMR). £300k plus for General Reserves can be considered healthy with good EMR). Though it is perhaps too early to be certain, six months into the current budget year the forecast year-end surplus was on target. The current budget showed some forecasted savings in the budget. Income had seen some higher in some areas including Rickards Hall hire up, est. £5k.

Draft Budget 2024-25

Each cost centre and I&E codes had been viewed and considered. It was noted utilities would be increasing (due to the current energy high costs), and the 10-and-30-year maintenance plans varied each year depending on planned works.

Personnel and Open Spaces Committee had both reviewed its budgets, with recommendations for the budget. (The Open Spaces draft budget had a couple of calculation errors, so was budgeted here slightly up on Committee.)

Personnel: Salaries overall budget (included wages, NI, pension, medical, P11) with estimates pay award at 4%, £464,579. (6.9% on 2023-24)

Open Spaces: Running costs for the open spaces, vehicle costs, streetlighting energy increases (currently, ave. £1,600 pcm); streetlight column replacement programme had one of its larger amounts in the 30-year plan £45k; and a small increase had been included for other utilities. Budget request £436,084. (14.9% on 2023-24.)

Forward Planning and Council supported budgeting for:

- £10k for the professional services to help make recommendation for draft Local Plan
- £10k Events budget
- £2,400 for two buildings surveys Church House & Doggetts Barn,

Other budget considerations:

- Insurance - increased premium was a result of index linking of the current sums insured currently 10% for Buildings and 8% for Contents but could change for renewal July 2024.
- Legal fees budgeted £5k, but as can be seen this year was higher with unauthorised

access issues, new lease for Forge Singers. The Lease review for the Museum was due March 2025, and of course unauthorised encampments were an unknown.

- Rickards Hall required some external and internal repairs. EMR had £9k, but likely costs would be more.
- Elections, for 2024-25 had been put to '£0'. Whilst there was always a risk of the by-election (est. cost a risk £6k for a by-election only), there was £5k unspent in current budget which had been moved to EMR. As the May election was uncontested (this would have cost est, £15-16k), this put EMR Elections to £20,500; it was recommended Council maintained funds to cover election.

The expected expenditure was £858,546, other income £113,390 which left a deficit of £745,156. Members needed to consider if to increase the Precept to cover this, to cut services, or to draw down on the General Reserves (which was not recommended, and had taken several years to recover from previous Councils which had done this). The tax base (figure used to calculate a Band D tax) for 2022-23 was 3891.91; Sevenoaks District Council (SDC) would not confirm the new tax base until December. To achieve a balanced budget, assuming no increase to the tax base, would be 6.11% increase to £191.48 per year / £11.03 annual increase. If the tax base was more than current year, the Band D would be lower, for example 2% on tax base increase would be a Band D annual increase of £7.28. It was not expected to be lower. Members discussed at length, including potential budget decreases, but concluded that to do this would cut services and expectations of the Council. Members noted that that full Council would receive Committee's recommendation to consider at its December meeting. Following full Council, the draft budget would be published on the website, before Council formally approved the budget at its January meeting, in the knowledge of the actual 2024-25 tax base.

7.1.1 To receive the recommendations from the following committees for budgets 2024-25

7.1.1.1 Personnel Committee

Members noted salaries overall budget (included wages, NI, pension, medical, P11) with an estimated pay award at 4%, £464,579. (6.9% on 2023-24).

7.1.1.2 Open Spaces budgets cost centres (300s/3000s)

Members noted the budget request of £436,084. (Reported under agenda item 7.1).

7.1.1.3 Council (100's/1000's)

Draft budget for Council was noted, £77,950. Full Council had recommended including a budget sum for community event(s) 2024-5 at £10k. There was some discussion, and a proposal one Member to reduce this figure. On a split vote, three members in favour and three against, it was

Resolved: on the Chairman's casting vote to recommend to Council to retain the sum of £10k in the draft budget for community event(s) 2024-25.

7.1.1.4 Central Services (200's/2000's)

Draft budget requirement noted, £321,041.

7.1.1.5 Community Warden (400's/4000's)

Draft budget requirement noted, £23,026.

7.1.1.6 Emergency Planning (500's/5000's)

Draft budget requirement noted, £445.

7.2 To receive an update on the Council's Earmarked reserves and General Reserves

Members received report on the Council's reserves and year-end position. Below, is an extract of the summary totals:

	31/03/23	31/03/24
General Reserves	287,347	312,213
Earmarked Reserves	411,887	416,922
CIL Allocated	275,165	72,263
CIL Unallocated	7,618	22,971
Totals	982,018	824,369

7.3 To consider the full draft budget for 2023-24 and make recommendation for full Council

Members voted to recommend to full Council:

- 1) Budgeted expenditure £858,546,

Resolved: the budgeted expenditure for 2024-25 budget £858,546.

7.4 To consider the Precept for 2024-25 and make recommendation to full Council

Members considered the need to set a Precept to achieve a balance of income against budgeted expenditure of £858,546 for 2024-25. To achieve this, an increase on the previous year, would mean 6.11%, which would be acceptable given the current rates of inflation, to achieve the £745,156 required. The tax base of households in Edenbridge was as yet unknown, the figure awaited from SDC in December - which could result in an adjustment to the Precept when released.

- 2) To set the Precept to enable a balanced budget, at £745,156. Members unanimously,

Resolved: to set the Precept to enable and maintain a balanced budget, and a Precept of £745,156.

- 3) Band D increase of £11.03 to £191.46 (this could be adjusted to reflect the new tax base). Members unanimously,

Resolved: to increase the Band D tax to £191.46 / £11.03 annually.

8 Date of next meeting 29 January 2024

Noted.

20:10 Meeting closed.