

**To Councillors: A Baker, S Compton (Vice-Chairwoman), M Gemmell Smith, A Layland, S McGregor, A Read, S Sumner (Chairman).**

A Finance Committee Meeting will be held at 7:45 pm on 18 March 2024 in Rickards Hall.

Notice is hereby given Councillors who are Members of the Finance Committee are summonsed to attend this meeting.

Members of the public are welcome to observe this meeting.

*Caroline Leet, Town Clerk*  
13 March 2024

To assist in the speedy and efficient dispatch of business members wishing to obtain factual information on items included on the Agenda are asked to enquire of the Town Clerk prior to the day of the meeting. Council Meetings may be recorded.

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## Agenda

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# Meeting Papers & Report

## 1 **Apologies for Absence**

## 2 **Declaration of Interests or Predetermination**

*The disclosure must include the nature of the interest. If an interest becomes apparent to a member during the course of a meeting that has not been disclosed under this item, the member must immediately disclose it.*

## 3 **To Confirm the Minutes of The Finance Committee Held on 29 January, pages 2024-035/01-03**

 Finance and Governance | 29 January 2024 v.1 - Minutes (Pages 2023-035/1-3)

### 3.1 **To note: Due to cancelling an interim meeting (19 February) an informal review of the finances took place with the Committee Chairman and Chairman of the Council**






As the January meeting was unable to receive the full reports for period-end (December 2023), an additional meeting had been scheduled. Unfortunately this had to be cancelled, but the Committee Chairman and Chairman of the Town Council did meet to receive the period end reports, as well as an initial look at the forecasted year-end. There were no issues noted.

### 3.2 **To receive the reports for period end to 31 December 2023**

The financial reports only cross balance at quarterly period end, the latest being 31 December. Attached are copies of the reports for information and as viewed by Cllrs Sumner and Todd. *Reports attached are:*

- Summary Trail Balance
- Income and Expenditure Report
- Consolidated Balance Sheet
- Financial Summary - Cashbook
- Bank Reconciliations

#### **Do Members have any questions?**

-  Annex 1: Summary Trial Balance 31 12 23.pdf
-  Annex 2: i and e account 31 12 23.pdf
-  Annex 3: Consolidated Balance Sheet 31 12 23.pdf
-  Annex 4: Financial Summary 31 12 23.pdf
-  Annex 5: Bank Reconciliation.pdf

## 4 **Matters Arising from The Minutes for Report and Not Covered Elsewhere (for Information Only)**

### 4.1 **To receive response to resident correspondence re Council Tax and Precept**

To note: Two residents asked for further information on the Town Council's Precept and Band D representation. Committee and Council had considered and approved budget and precept, statements were published in December and January with a summary infographic.

The email responses were circulated to all Members. For information, I have copied an

example reply below. I have also attached for information a copy of a slide from the Annual Town Meeting which Sevenoaks District Council used, which puts Town and Parish Precepts into perspective when bulked with the full Council Tax and shows for every £1 paid across the five precepting authorities.

*The responses did emphasise that Council recognises this is difficult and sensitive topic, and no decision is ever taken lightly. In doing so, we look at the services and facilities the Council provides the residents of Edenbridge. Efficiency savings are also continually being sought, as well as looking at other potential sources of funding. At the same time, the Council is mindful to protect the town's amenities and high standards of service. We try to balance these needs and ensure that future income is sufficient so that services can continue to be delivered for the community.*

*Edenbridge Town Council owns and manages a lot of open spaces and buildings, whilst this is not unique, many parish councils have a lot less assets, with their open spaces managed by district councils or provided by local landowners. The standards of ongoing maintenance therefore vary across towns and parishes.*

*The Town Council provides:*

*5 playgrounds; 9 buildings and outbuildings (own/or maintain) including two listed buildings, Rickards Hall and the Pavilion; 8 Open Spaces – parks and greens; Millennium Wood; 2 ponds; Over 550 trees maintained; 58 Hanging basket displays, plus the planters in the High Street and other areas; 4 Cemeteries and the Churchyard; 246 Streetlights owned, plus maintains 2 for SDC; 2 allotment sites; Owns and maintains the sports pitches; Provides and maintains street furniture, bins and benches; Public toilets – free to use; 2 car parks – owns Market Yard which it provides as free parking and manages Leathermarket; 4 car parks at open spaces – all free to use; Council office facility open to the public four days a week; Funds the Community Warden (with the help of some grants).*

*In addition, to give some examples of other activities: we provide children's summer fun days; quarterly bulky waste collections; community events; fund the clean-up of the High Street after the annual Bonfire event; provide two service level agreements to the Museum and HOUSE youth group; as well providing an annual community grants programme; provide and maintain street lighting to 246 street lights; and run the Thursday Market helping to support the High Street.*

*A cost that can impact annual expenditure is the amount of vandalism. We usually set a budget of £3k but, for example, this year it has already exceeded £7.5k. Streetlighting supply has also more than doubled from 2022-23 £8,245 to now in the region of £19,000.*

*We do raise income from other sources, such as we work with SDC and the GSBT in partnership to manage the Town Field and Water Meadows which we charge for our services; hire out Rickard Hall; apply for some grants; and charge rents to our Lease holders.*

*The Council is like every other business, and the residents (councillors are also residents) are affected by the cost-of-living crisis, increases in fuel and utilities costs, building material costs and other charges. We also have to pay business rates on our buildings and Market Yard car park which is free for residents and visitors. The annual business rates cost for 2023-24 was £16,713.*

*In considering the expenditure and income each year, Council must also consider its reserves position. The Finance Committee and Council are united in supporting a balancing budget, thus not drawing down on the General Reserves. The Town Council has steadily been raising the Precept, initially to reduce deficits in the budget following several years of Council drawing down on its reserves. We are now in a position where it is possible to achieve a balanced budget.*

The calculation for the Precept uses the average Band D to give each town and parish a 'tax base' figure. The tax base is made-up of a ratio of 'Band D' using all properties A-H in each area(town/parish), adjusted for households that receive discounts. The Band D equivalent provides a measure which allows precepts among councils of different sizes to be compared.

The Precept increase is 6.12% on last year's figure:

2023-24 was £702,217  
2024-25 is £745,185

This puts the average Band D below inflation levels seen earlier in the year and is in line with current rate, 4.37% increase. This translates to an increase of £7.89 per year / or 66p per month.

I appreciate when comparing Edenbridge's annual Band D of £188.32 in a league style table, it does put Edenbridge at the top, but for £3.62 per week, I hope you can see just how much the Town Council does provide for the community.

<https://www.edenbridgetowncouncil.gov.uk/annual-budget-and-precept/>

Annex 6: Your Council Tax slide 2024.pdf

## 5 **Financial Statement and Analysis of Receipts and Payments (financial Report Pack)**

To receive and review the EDGE finance reports up to mid March 2024. As we are out of a quarterly period-end, these will not cross balance, but include the income and expenditure on the system. Being the end of the Financial year there will be quite a bit on end-year expenditure yet to receive, for example SDC services invoices are usually close to end of month. These reports will provide a view of where we are currently at.

### 5.1 **To ratify the expenditure up to 29 February**

Annex 7: Paid Expenditure for approval Jan - march.pdf

### 5.2 **To approve the list of expenditure for payments**

Annex 8: 240315 Pending expenditure transactions - approvals by supp.pdf

### 5.3 **To review Expenditure over £500**

<https://www.edenbridgetowncouncil.gov.uk/expenditure-over-500/>

### 5.4 **To receive the income report**

Annex 9: Income transactions Jan - Feb.pdf

### 5.5 **To receive the Financial I&E Budget Comparisons report**

Annex 10: Financial Comparison Feb 24.pdf

### 5.6 **To confirm the I&E Accounts summary**

Annex 11: i and e account period feb 2024.pdf

### 5.7 **To receive and confirm the Consolidated Balance Sheet**

January and February's bank recs are yet to be completed. Most recent Consolidated Balance report is shown under agenda item 3.2 to 31/12/23.


5.8 **To receive and confirm the Financial Summary Cashbook**

The cashbook under item 3.2, to 31/12/23 is the most recent report. Awaiting bank recs January and February to be completed.

5.9 **To confirm the Bank Reconciliation statements and Procurement Card**

Cllr Compton has checked the bank reconciliations for all accounts including the Barclaycards for October, November and December. (October's reconciliations had partly checked by Cllr Layland.) The Current account transactions and Barclaycard statements were also spot checked with the invoices. January and February's bank recs are in the process of being completed for signing.

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

 Annex 12: Account transfers jan - feb.pdf

5.11 **To note and advise on invoices outstanding over 3 months**

Eden Valley Museum: There are several outstanding invoices for March 2023 where the museum has queried the method that the Council splits the bill for the Fire Alarm system, the Intruder Alarm, and the maintenance serving. Copies of our master invoices from Besure were supplied with the invoices. Unfortunately, due to staff changes and shortages at both ends, this has not been followed up. Total amount £2,046. We are also waiting for two rent payments (August and February's); November's was paid promptly.

Historical Society: Outstanding some photocopying costs; total £45.50. Reminders have been sent.

6 **Other Financial Business**

6.1 **To receive the predicted year-end (31 March 2024)**


Attached is an Excel sheet with a predicted year end. It provides a 3-year comparison 2022-23 Actuals; 2023-24 Actuals and Forecast; 2024-25 budget.

Summary 2023-24 year-end

|                         | Budget  | Actuals | projected YE  |
|-------------------------|---------|---------|---------------|
| Expenditure             | 771,841 | 679,898 | 805,280       |
| Income                  | 794,990 | 812,352 | 824,230       |
| Total (Surplus/Deficit) | 23,149  | 132,454 | <b>18,951</b> |

You can see that the expected surplus with all budgeted spend to included projects carried-over is £18,951.

**Do Members have any questions?**

 Confidential Annex 13 (omitted from public documents):

6.2 **To confirm recommendation for budgeted projects and expenditure which did not take place this current year to carryover into 2024/25 Earmarked Reserves**


Attached is a report with recommended movement from 2023-24 budget to Earmarked Reserves. The Reserves statements has assumed £51k of funds for unspent projects for 2023-24 with works either commissioned or to be carried out. The attached has calculated £53,448.60.

It has assumed £6k transfer to personnel/staff reserves however, Personnel Committee had suggested moving the full amount of forecasted savings, £11k.

Not included in the proposed reserve movement is the FA Kent grant of £3,520. Whatever is not spent from this grant will need to be moved and allocated to a new reserve.

A verbal report will be given with this item.

### **How do Members want to proceed?**

 Annex 14: 240315 view with draft budget reserves and movements.pdf

### 6.3 **To Confirm the Reserves position for year-end and 1 April 2024**

Attached is a view of the General Reserves (GR) and Earmarked Reserves (EMR) position forecasted for year-end, and a view of 2024-25 with the proposed movements from budget 2023-24.


2023-24 budget had allowed a surplus of £23,000 with a view to build-up and secure the GR position. The surplus is now estimated at £18,250. Overall, whilst the actual figures have changed during the year, the good news is that the net result is similar.

Projected year-end: EMR £406k and GR £305k. The EMR, the largest part of which relates to reserves set aside to cover expected maintenance costs for the open spaces and buildings of the town. Other EMR include projects outstanding as well as Neighbourhood Plan, election costs and the community warden. The spreadsheet shows the proposed movement of funds from 2023-24 of £51k going into 2024-25 EMR.

The GR is there to cover emergencies and unforeseen costs, or loss of income. The recommendation for councils is to hold between 50-100% of its annual expenditure. We ended last year of £287,347 and are projecting year-end close £305k. The Council has done well over the past four years to bring the reserves back to a stronger position and needs to maintain this approach and keep to a balanced budget. However, viewed the Town Council's General Reserve is still lower than is comfortable, but on the right track.

The Community Infrastructure Levy (CIL) funds are held by the Town Council but available to other organisations with clear rules as to how they are spent. This is separate to the Council budget, but has to be recorded as part of the Council's assets. This year we paid out £148,243 to the new medical Centre, the doctors practice, Hever Primary School, St Paulins, Kent Highways. CIL allocated year-end £126,922; unallocated £27,521 plus any additional interest to be received (January & February to be added to the reserves).

### **Do Members have any questions? Subject to decisions in item 6.2, are Members satisfied to recommend the EMR?**

 Annex 15: 240315 view with draft budget reserves and movements.pdf

### 6.4 **To note: the internal auditor will review the actual end-of-year accounts prior to the full Council at its Annual Meeting in May when it will also confirm the Annual Governance and Accountability Return (AGAR)**

EDGE IT has been booked to help with preparing end-of-year in the absence of the RFO. I have blocked out a week to prepare and complete the end-of-year. The internal auditor is booked for 23 April.

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### **Finance Correspondence**

**Business Stream** has been invoicing the Council for waste water at the Cricket Pavilion, yet the

Club took over the waste water last year. We have an outstanding invoice to pay for £43.94.

When comparing Business Stream invoices sent to ETC and the CC's, the supply address is the same, the meter number is the same and the waste supply point ID is the same. The Business Stream, invoice to ETC is for July to October 2023, while the CC invoice covers a full two year period from April 2022 to March 2024. The CC also has an invoice from SES for both supply and waste water 31/07/23 to 31/01/24.

Comparing those two invoices, the supply address is different, the supply point ID is different and the customer reference is different. So this one looks like a problem. The cricket club is being billed for 731 days from April 2022 to March 2024 and the Town Council is being billed for 92 days within that same period, which is a duplication.

Trying to speak to Business Stream is difficult. I had a call booked with them, when they called they said it was about direct debits and could not discuss anything else as not authorised. This query remains outstanding.

**Aviva Medical Health premium:** The renewal for 2024-25 has been received and is increasing from £8,903pa to £13,845. This is an additional £4,942 on the staffing budget 2024-25, plus the P11 extra costs. This is because there has been two claims this year. The increase premium is spread across all employees and would be the same if with another provider. This will be presented to Personnel Committee to consider as is part of the employees contract of employment to consider and make recommendation. *Staffing costs is forecasted to make a saving of £11k, the reserves movement has allowed for £6k. Members are asked under item 6.2 to consider increasing this.*

**Microsoft subscriptions:** Just a reminder, as previously reported that licence fees will be increasing from April 2023.

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**Date of next meeting - 15 July**