

Minutes of the Meeting of Finance held in Rickards Hall on 18 November 2024 at 7:30 pm

Present: Cllrs. Angela Baker, Sarah Compton (*Vice-Chairwoman*), Michael Gemmell Smith, Carey Jacques, Alan Layland, Stuart McGregor, Angela Read, Michael Stockdale, Stephen Sumner (*Chairman*)
In attendance: Caroline Leet Town Clerk, Lorraine Ganney Deputy Clerk/RFO
The Meeting started at 19.32

1 Apologies for Absence

None

2 Declarations of Interests, or Predeterminations

Cllrs Layland and McGregor declared an interest in the Eden Valley Museum Trust. Cllr Layland as a Trustee, Cllr McGregor as a Council representative.

3 To Confirm the Minutes of Finance Committee Held on 7 October 066/1-3; and 14 October 067/1-2

Resolved: the minutes of the Finance Committees held on the 7 October 066/1-3 and 14 October 067/1-2 signed by the Chairman as a true and accurate record of the meetings.

4 Matters Arising from the Minutes for Report and Not Covered Elsewhere (for Information Only)

None.

5 Financial Statement and Analysis of Receipts and Payments up to 31 October 2024 (financial Report Pack)

Members noted the financial reports for the month of October 2024.

5.1 To ratify the expenditure up to 31 October 2024

Ratified: the list of expenditure up to 31 October 2024.

5.2 To approve the list of expenditure for payment

Resolved: the list of budgeted payments and approved the agreed invoice payments for the pump at the Pavilion of £4,700, and the Survey for the Damp in Church House of £350.

5.3 To review Expenditure over £500

Members noted expenditure items over £500 were published on the website under Finance and Transparency.

5.4 To receive the income report

Members noted the received Income report up to 31 October 2024. There were no comments.

5.5 To receive the Financial I&E Budget Comparisons report

Received and noted.

5.6 To confirm the I&E Accounts summary

Members confirmed the Income and Expenditure Accounts summary up to 31 October 2024.

5.7 To receive and confirm the Consolidated Balance Sheet

Members received and confirmed the Consolidated Balance Sheet; it was noted this was not a period end, so would not cross balance with the I&E accounts. There were no anomalies noted or questions.

5.8 To receive and confirm the Financial Summary Cashbook

Members received and confirmed the Financial Summary Cashbook.

5.9 To confirm the Bank Reconciliation statements and Procurement Card

Cllr Compton confirmed she had checked the bank accounts and procurement card reconciliations for October. There were no issues. They were available for Members to view any time.

Resolved: to confirm the Bank Reconciliation statements and Procurement Card for October.

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

Members received the report on bank account transfers, as reported with the meeting papers and

Resolved: to confirm the transfers into, out of, and between bank accounts.

5.11 To note and advise on invoices outstanding over 3 months

Member noted the outstanding invoice and

Recommended: that if the account isn't cleared by the agreed date then we would consider going to the Small Claims Court and cease trading.

6 Other Financial Business

Members noted that the Internal Auditor had visited recently and the report would be presented to full Council.

6.1 Lloyds Bank: Update

Members accepted that this was an on going issue and efforts were being made to transfer the funds and close the account. The problems closing the account was mainly linked to limited councillor signatories and Lloyds banking procedures.

6.2 To review fees and charges for 2025

Members received the Fees and Charges for 2025 which had assumed the September RPI rate of 2.7% (October was yet to be released). After some discussion, members unanimously,

Resolved: to recommend to Council to increase fees and charges for Rickards Hall, allotments, garage rent and market pitches in line with the RPI rate 2.7% (September rate).

Resolved: to recommend to Council other fees for Cemeteries, services to outside organisations, and where there were staff costs to increase by the proposed precept percentage (item 8).

It was noted the Market pitches had not been reviewed for four-years to now include with the the annual reviews. (Discounts are offered to traders that pay in advance on a monthly basis.) A pitch is sized at approx. 3sqm.

6.3 To confirm the Service Level Agreements (SLA) for 2025

The current SLAs are youth work at HOUSE £9,000, and The Eden Valley Museum £6,500. Members,

Resolved: to recommend to Council to continue with the two SLAs for 2025.

6.4 To confirm the Lease rents for 2025

Leases for each Club differed slightly. Actual invoicing changes are effective from 1 April due to the invoicing dates.

Cricket – annually on review date (1 January) by RPI at the rent review date (so if lower on 1st January this would need to be changed).

Nomads – two yearly review February - last increase was 2023, so increase 2025.

Rugby – increase annually by RPI at the rent review date

Resolved:

to recommend to council the lease rents for 2025 increase by September RPI 2.7% (October was yet to be released).

7**Draft budgets 2025-26**

The Chairman went through the report to Committee Members which had been prepared following budget review with the Town Clerk, RFO/Deputy 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 (GR), noting that closing financial year 31 March 2024 was £320,058 and ideally this should be closer £350-400k, 6-months (50%) of annual expenditure.

The Forward Planning Steering Group (FPSG) and Council have supported a new Strategy Plan for the Council to 2027 (to be reviewed by the new council in 2027). The FPSG meeting October 2024, recommended to Council:

- to create a new allocated reserves for 'strategic projects' to help towards future delivery of projects in the new Strategy and Objectives Plan.
- to instruct the Finance Committee in its draft budget preparations to consider including £10k for the new 'strategic projects' reserves. Members.

Budget 2024-25 comparison update

2024-25 budgeted a year-end surplus of £5,000. This was to continue with the Council's aim to strengthen the GR position, mindful that the recommended GR position was to hold approximately six months' value of expenditure. The Internal Auditor (IA) recently advised that the governance view had been updated to suggest GR of about 50% of the Precept (the larger the council, this could be lower), but each council's commitments will differ and a council should be able to justify/explain its reserves levels. For example, consideration to a council's assets and its earmarked reserves (EMR). The IA view was that the Council's GR were in a reasonable position but are below the 50% Precept level.

Forecasting the end-of-year and potential surplus or deficit was a little more complicated this year due to the following unbudgeted expenditure

- £25,100 for the new Kubota (£3,572 was released from EMR) so £21,528 effectively from GR.
- £18,508 for repairs to external of Rickards Hall (£9k was released from EMR) so £9,508 from GR Expenditure budgeted but not used:.
- Staffing underspend expected to be in the region of £26-28k.

The forecasted year-end had also assumed budgeted projects to be completed, and where they are not, these funds would be moved to the EMR to ensure delivery 2025-26. Details for these proposals to be presented to Finance and Council prior to end-of-year (March).

Income for 2024-25 was up on budget, with an increase in Rickards Hall hirers; an additional grant from FA Kent of £5,332; an insurance claim paid for damaged streetlight in 2023, £5,444.27.

7.1 To consider the draft budget for 2025-26

7.1.1 To receive the recommendations from the following committees for budget 2025-26

7.1.1.1 Personnel Committee

Members noted the salaries overall budget (includes wages, National Insurance, pension, medical, P11) with estimated NJC pay award at 4%, total recommendation to sustain staffing levels £516,563.62. (11.18% on 2024-25 / £13.13 on the Band D precept.)

Committee also recommended that the end-of-year surplus on salaries (estimated at the time £28k) to be move to the staff EMR. Members unanimously,

Resolved: to support the recommendation from Personnel Committee of £516,563.62 salaries budget; and to consider moving salaries surplus to staffing EMR.

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

Members noted the budget request which included salaries costs, and unanimously,

Resolved: to support the recommendation from Open Spaces Committee, including its proportion of salaries costs, Expenditure £457,211.50; and Income (other) £55,955.12.

7.1.2 To receive recommendations on the other budget cost centres

7.1.2.1 Council (100s/1000s)

Having considered the budget for Council cost centre, Members unanimously,

Resolved: to support the budget requirement for Council Expenditure £65,700.

7.1.2.2 Central Services (200s/2000s)

Having considered the budget for Central Services cost centre, Members unanimously,

Resolved: to support the budget requirement for Central Services, including its proportion of salaries costs, Expenditure £355,126.20; Income (other) £55,496.

7.1.2.3 Community Warden (400s/4000s)

Having considered the budget for Community Warden cost centre, Members unanimously,

Resolved: to support the budget requirement for Community Warden, including its proportion of salaries costs, Expenditure £25,769.92; Income (other) £12,500.

7.1.2.4 Emergency Planning (500s/5000s)

Having considered the budget for Emergency Planning cost centre, Members unanimously,

Resolved: to support the budget requirement for Emergency Planning costs, Expenditure £455.

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

Members received a report on the Council's reserves and year-end position, and noted General Reserves £320,700; earmarked reserves £462,808; CIL funds allocated and unallocated £175,438. However, the grid was yet to be populated with the forecasted budget year-end and planned movements. This would be presented to December Council.

7.3 To consider the full draft budget for 2025-26 and make recommendations to full Council

Members voted to recommend to Council budgeted for 2025-26, expenditure £904,252.62 and income (other) £123,951.12. Eight voted in favour; one abstained. The motion was carried and,

Resolved: to recommend to Council the budget for 2025-26, expenditure £904,252.62 and income (other) £123,951.12.

Members also noted the FPSG recommendation to included £10k in the budget to allow a new earmarked reserve for Strategic Strategy projects; Members unanimously agreed, and

Resolved: to recommend to Council to include £10k in the budgeted expenditure to enable a new 'Strategic projects' EMR; thus the total budget expenditure would be £914,252.62.

8 To consider the Precept for 2025-26 and make recommendation to full Council

Members considered the need to set a Precept to achieve a balance of income against budgeted expenditure. To achieve a balanced budget, with an expenditure of £914,253 for 2025-26, and income from other sources of £123,951 the Precept would need to be £790,301.50. Members looked at calculations with the current Precept (2023-24) of £745,127.01 and the increase to achieve a minimum £790,301.50. The current tax base (this figure used to calculate the Band D tax) for Edenbridge was 3957.01, the figure for 2025-26 was yet to be advised by Sevenoaks District Council (SDC) - this could mean an adjustment to the forecasted calculations for the Band D.

Having viewed spreadsheets for Precept and Band D calculations, Members were mindful of several unplanned costs including for the Pavilion and Church House maintenance likely to arise and agreed that a higher Precept was needed to protect council reserves. Members voted; eight in favour, one abstained. The motions was carried, to,

To set the Precept to enable a balanced budget, at £780,302. Members unanimously,

Resolved: to recommend to Council to set a Precept at a level to maintain the aim of a balance budget but to also allow for the increased building maintenance costs, setting the Precept at 6.75% increase to £803,377.31.

Reflecting the Band D, at the assumed tax base (2024-25 level), Members supported,

Resolved: to recommend the Band D, assuming there is no tax base increase, to increase from £188.32 to £203.18, this is a £14.86 per year increase / £1.23 per month.

9 Date of next meeting - 27 January 2025

The Meeting ended at 20.35