Edenbridge Town Council

EDENBRIDGE TOWN COUNCIL

Town Clerk: Caroline Leet

Finance and Governance | 23 November 2026 | Short Agenda (Excludes Confidential Items) | v:1

To Councillors: A **Baker**, S **Compton** *(Chairwoman)*, M **Gemmell Smith**, C **Jacques** *(Vice-Chairwoman)*, A **Layland**, S **McGregor**, A **Read**, M **Stockdale**, B **Todd**.

A Finance and Governance Committee Meeting will be held at 7:30 pm on 23 November 2026 in Rickards Hall.

Members of the public are welcome to observe this meeting.

Council committee meetings may be recorded. Any person intending to make recordings is advised to notify the Clerk in advance so that appropriate arrangements can be made.

Lorraine Ganney RFO
18 November 2026

Agenda

1	**Apologies for Absence**		3
2	**Declaration of Interests or Predetermination**		3
3	**Public Questions and Statements**		3
4	**To receive, approve and sign the minutes of the Finance and Governance Meeting held on 19 October 2026 (pages 2023-154/1-5).**		3
5	**Matters Arising from The Minutes for Report and Not Covered Elsewhere (for Information Only)**		3
	5.1	Deputy Clerk / Responsible Financial Officer Report	3
	5.2	Internal Audit Visit	4
6	**AGAR Completion**		4
7	**HMRC VAT Review - update**		4
8	**Financial Statement and Analysis of Receipts and Payments (financial Report Pack)**		5
	8.1	To ratify the expenditure	5
	8.2	To approve the list of expenditure for payment	5
	8.3	To review Expenditure over £500	5
	8.4	To receive the income report	5
	8.5	To review the Financial I&E Budget Comparisons report	5
	8.6	To review the I&E Accounts summary	5
	8.7	To review the Consolidated Balance Sheet	5
	8.8	To receive the Financial Summary Cashbook	5
	8.9	To confirm the Bank Reconciliation statements and Procurement Card for September	5
	8.10	To approve and accept the transfers into, out of and between bank accounts	6
	8.11	To note and advise on invoices outstanding over 3 months	6
9	**To review fees and charges for 2027-28**		6
10	**Draft Budget 2027/28**		6
	10.1	To receive an update on the Council's General and Earmarked Reserves	7
	10.2	To receive the projected year-end financial forecast for 2026/27	7

10.3 Personnel Committee – To receive and consider the Personnel Committee's recommendations for the 2027/28 staffing budget 7
10.4 To consider the overall draft budget for 2027/28, including any proposed amendments, and agree a recommendation to Full Council 7
10.5 To consider the proposed budgets for the remaining cost centres and agree recommendations to Full Council: 8
10.5.1 Council (100s/1000s) 8
10.5.2 Central Services (200s/2000s) 8
10.5.3 Open Spaces Committee (Cost Centres 300s/3000s) 8
10.5.4 Community Warden (400s/4000s) 8
10.5.5 Emergency Planning (500s/5000s) 8
10.5.6 Buildings & Leases (700s/7000s) 8
10.6 Draft Budget 2027/28 – overall budget 8
11 Precept 2027/28 8
12 Governance matters 9
12.1 Councillor Training and Development Policy 9
13 Date of Next Meeting - Monday 15 February 2027 9

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.

Members are reminded to the Code of Conduct, and Appendix B - Registering interests and nonparticipation.

3 **Public Questions and Statements**
Members of the public, and members with prejudicial interests on items on the Agenda, may make representations, answer, ask questions and give evidence at this meeting in respect of items on the Agenda. (This is the only opportunity for members of the public to make a contribution during the meeting.)

Both public and members are limited to three minutes per person to speak and the total time designated for public questions shall not exceed fifteen minutes unless directed by the Chairman of the meeting.

4 **To receive, approve and sign the minutes of the Finance and Governance Meeting held on 19 October 2026 (pages 2023-154/1-5).**

Finance and Governance | 19 October 2026 v.1 - Minutes (Pages 2023-154/1-5)

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

5.1 **Deputy Clerk / Responsible Financial Officer Report**
October - November 2026

Budget Preparation

The Clerk and I have been working on the preparation of the 2027/28 budget. The proposed budget was discussed with Cllrs Compton, Jaques and Stockdale in November in readiness for consideration at the November Council meeting.

This process has included reviewing current expenditure, anticipated costs and future commitments to support Members in setting priorities and making informed budget decisions for the coming financial year.

VAT

Following submission of the VAT return for the period July to September 2026, a call was received from HMRC regarding a routine inspection, as the value of the claim was significantly higher than our usual quarterly returns. This was partly due to expenditure associated with works at the Pavilion.

HMRC has since raised a number of follow-up queries. Following the Council's decision at the November meeting, an independent VAT specialist has been appointed to assist with the review and preparation of the Council's response.

The inspection has resulted in additional work to review and amend the VAT return, while also enhancing my understanding of the Council's VAT procedures and requirements. There is likely to be a considerable amount of further work, as HMRC is considering reviewing VAT

returns submitted over the previous four years.

Members will be kept informed of any significant developments arising from the HMRC review**.**

Solar Panels

Following the last Council meeting, a Councillor suggested contacting the Rugby Club to establish who supplies its electricity. I am currently awaiting a copy of the Club's electricity bill to explore an alternative route to registering the solar panel supply.

In addition, contact is being made with the company that previously attended the Depot to replace a component within the solar installation, to seek advice on the most effective way to progress the registration process.

Council also agreed in principle to meet any legal costs that may be necessary should specialist legal advice be required.

Closing Summary

In addition to the Council's routine financial and administrative functions, a considerable amount of officer time has been dedicated to several complex matters during this period, including budget preparation, responding to HMRC enquiries and progressing issues relating to the Council's solar installation.

These matters remain ongoing and will continue to require officer attention over the coming months, alongside the continued delivery of the Council's core services and responsibilities.

5.2 **Internal Audit Visit**
Members are requested to note that the Internal Auditor is scheduled to visit on Monday, 30 November 2026.

6 **AGAR Completion**
The Annual Governance and Accountability Return (AGAR) for the year ended 31 March 2026 has been successfully completed and audited by Mazars, with a clean audit opinion and no issues raised. The public rights period ran from 3 June to 14 July 2026, and the Notice of Conclusion of Audit was published on 10 November 2026.

The auditor noted a minor recommendation for future years, namely that any variation reported in Box 9 (Fixed Assets) should be supported by a full explanation. Petty Cash reporting was also mentioned and will be checked with the Internal Auditor on his November Visit.

7 **HMRC VAT Review - update**
At its November meeting, Full Council received a confidential report concerning the ongoing HMRC review of the Council's VAT arrangements. Members considered the background, potential implications and actions proposed, and approved the recommendations set out in the report.

Following Council's decision, officers have continued to progress the matter and have advised HMRC that the Council is seeking independent specialist VAT advice to assist with the review and preparation of its response.

An extension to the original response deadline has been requested and granted by HMRC, with the revised deadline is now 25 November 2026.

Officers will continue to work with the appointed VAT specialist and HMRC, with a further update provided to Full Council at its December meeting. Further updates will be reported to the Finance & Governance Committee as appropriate.

Recommendation

Members are asked to note the update and the actions approved by Full Council at its November meeting, including:

- **The appointment of an independent VAT specialist to assist with the review of the Council's VAT arrangements and correspondence with HMRC.**
- **Authorisation for the Town Clerk and Deputy Clerk/RFO, in consultation with the Chair and Vice-Chair of Council, to progress the review and necessary correspondence with HMRC, seeking specialist advice as required.**
- **The requirement for any material financial implications or proposed settlement arrangements to be reported back to Full Council for consideration.**
- **A further update will be provided to Full Council in December.**

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

To approve the Financial Income and Expenditure Statements as of 31 October 2026. Please note that the reports are for 1 month as the 6 month review was carried out at the October meeting.

8.1 **To ratify the expenditure**

Do Members ratify the expenditure report?

Annex 1: .1 Expenditure transactions 31 10 26.pdf (click to download).

8.2 **To approve the list of expenditure for payment**

Nothing to report.

8.3 **To review Expenditure over £500**

Do Members accept the expenditure over £500?

Annex 2: .3 Accepted Expenditure over £ 500 31 10 26.pdf (click to download).

8.4 **To receive the income report**

Do Members accept the income report?

Annex 3: .4 Income transactions B 31 10 26.pdf (click to download).

8.5 **To review the Financial I&E Budget Comparisons report**

Do Members have any questions about the Budget Comparison report?
Do members receive the Budget Comparison report?

Annex 4: .5 Financial Comparison 31 10 26.pdf (click to download).

8.6 **To review the I&E Accounts summary**

Do Members have any questions about the I&E Accounts summary?
Do Members confirm the I&E Accounts?

Annex 5: .6 I&E account period 31 10 26.pdf (click to download).

8.7 **To review the Consolidated Balance Sheet**

Do Members have any questions about the Consolidated Balance Sheet?
Do Members receive and confirm the Consolidated Balance Sheet?

Annex 6: .7 Consolidated Balance Sheet Period 31 10 26.pdf (click to download).

8.8 **To receive the Financial Summary Cashbook**

Do Members have any questions about the Financial Summary Cashbook?
Do Members receive and confirm the Financial Summary Cashbook?

Annex 7: .8 Financial Cash Book Summary.pdf (click to download).

8.9 **To confirm the Bank Reconciliation statements and Procurement Card for September**

Do Members confirm and accept the bank reconciliation and the procurement card reconciliation?

Annex 8: .9 Bank Reconciliation 31 10 26.pdf (click to download).
Annex 9: .9 Procurement card.pdf (click to download).

8.10 **To approve and accept the transfers into, out of and between bank accounts**

Do Members approve and accept the transfer out of and between bank accounts?

Annex 10: .10 Account transfers.pdf (click to download).

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

At the Full Council meeting on 2 November 2026, Members resolved to proceed through the Small Claims Court to recover the outstanding debt owed by KTreatz. The cost of issuing the claim is £50.00; and is in the process of being prepared for submission.

The Historical Society is now fully paid and up to date.

Annex 11: Income ledger - credit control 31 10 26.pdf (click to download).

9 **To review fees and charges for 2027-28**

The fees and charges are reviewed annually and are usually increased in line with inflation, as measured by the Retail Price Index (RPI). The October 2026 RPI was 4.2%. Some fees have been rounded up or down to the nearest 50p to provide simpler, rounded figures.

Serviceable charges and cemetery fees have historically been increased in line with the Council Tax (Precept) percentage increase. The percentage increase for 2027/28 will be confirmed by Full Council when setting the budget and precept.

Members are advised that, as a result of the ongoing VAT review, it is possible that VAT may need to be applied to certain Council fees and charges.

Do Members agree to increase the Council's fees and charges for 2027/28 by 4.2%, in line with the October 2026 RPI?

Do Members agree that serviceable charges and cemetery fees for 2027 be increased in line with the approved precept percentage increase for 2027/28, once determined by Full Council?

Annex 12 Confidential annex is omitted from public papers

Annex 13 Confidential annex is omitted from public papers

10 **Draft Budget 2027/28**

The Town Clerk and Deputy Clerk/RFO met with the Chair and Vice-Chair of the Finance & Governance Committee, Cllrs Compton and Jacques, together with Cllr Stockdale, to review the draft budget proposals for 2027/28.

A detailed report is attached, providing background information on the Council's financial position, General and Earmarked Reserves, the projected year-end outturn for 2026/27, and the proposed budget for 2027/28. The report also identifies potential budget pressures, future financial commitments and options for consideration.

A Budget Comparison Report is also attached, showing the projected year-end position for 2026/27 (pink column) and the proposed draft budget for 2027/28 (final column).

The report and accompanying financial information provide the detailed narrative and supporting figures for consideration of each of the agenda items below (10.1–10.6), together with item 11 relating to the proposed precept for 2027/28.

The draft budget papers are being circulated to Members on a confidential basis at this stage, pending consideration and recommendations by the Committee and Full Council. The budget and precept will be discussed at public meetings, with the proposed budget subsequently published for public consideration ahead of formal approval in January 2027.

Annex 14 Confidential annex is omitted from public papers

Annex 15 Confidential annex is omitted from public papers

Annex 16 Confidential annex is omitted from public papers

10.1 **To receive an update on the Council's General and Earmarked Reserves**
To receive and discuss the Earmarked and General Reserves.

Recommendation: To note the projected year-end reserves position.

10.2 **To receive the projected year-end financial forecast for 2026/27**
To receive and discuss the current income and expenditure, and the projected year-end position.

Recommendation: To note the projected year-end position.

10.3 **Personnel Committee – To receive and consider the Personnel Committee's recommendations for the 2027/28 staffing budget**
Recommendation: To confirm support for the Personnel Committee's proposed 2027/28 staffing budget and recommend its inclusion within the overall draft budget.

10.4 **To consider the overall draft budget for 2027/28, including any proposed amendments, and agree a recommendation to Full Council**
The draft budget includes provision for a number of proposed financial commitments which remain subject to formal consideration and approval by Full Council.

Members are asked to review the overall draft budget, taking account of the Council's existing commitments, proposed additional expenditure, potential financial risks and opportunities to reduce the precept requirement.

The detailed report identifies the following proposed adjustments and options for consideration:

Recommended Budget Adjustments

1. **Election Budget – £5,000:** Remove the provision from the 2027/28 budget, with any costs arising from a contested election to be funded from the Elections Earmarked Reserve.
2. **Kubota – £5,820:** Remove the final contribution towards replenishing the General Reserves following the 2024 purchase, noting that the reserves are considered to be at a stable level.

These adjustments would provide a combined reduction of £10,820.

Further Options for Consideration

3. **Streetlighting Replacement Programme – £10,000:** Consider funding £10,000 of the proposed £20,000 programme from the Open Spaces Earmarked Reserve, thereby reducing the 2027/28 precept requirement.

Members should be mindful that using reserves to fund an ongoing replacement and maintenance programme provides a short-term reduction in the precept rather than a sustainable saving. This approach could place additional pressure on future budgets, either through the need to replenish the reserve or by reducing the funding available for future works.

Furthermore, the current maintenance plan proposes an annual budget of £15,000 from 2028/29. Reducing the 2027/28 budget provision to £10,000 would therefore result in a £5,000 increase in the following year's budget, assuming the planned programme is maintained.

Members are asked to consider whether the short-term reduction in the precept outweighs the potential impact on future budgets and the Council's longer-term maintenance

commitments.

OR

4. **Reorganisation & Assets – £5,000:** Consider reducing or removing the proposed contribution to the Reorganisation & Assets Earmarked Reserve, noting the potential impact on financial provision for future local government reorganisation and asset responsibilities.
5. **Contingency budget:** Members are also asked to consider whether the proposed general contingency provision of £10,000 should be increased to £15,000, in recognition of the potential financial commitments and unforeseen expenditure identified in the report.

Recommendation: To consider the proposed financial commitments, budget adjustments and further savings options, and agree which amendments should be incorporated into the draft 2027/28 budget for recommendation to Full Council.

10.5 **To consider the proposed budgets for the remaining cost centres and agree recommendations to Full Council:**
Having considered the draft budget as a whole, including potential additional expenditure and savings, Members are asked to confirm the proposed income and expenditure budgets for each cost centre, excluding payroll expenditure and incorporating any amendments agreed under item 10.4.

Recommendation: To confirm the proposed income and expenditure budgets for each cost centre (below) and recommend their inclusion in the overall draft budget for 2027/28.

10.5.1 **Council (100s/1000s)**

10.5.2 **Central Services (200s/2000s)**

10.5.3 **Open Spaces Committee (Cost Centres 300s/3000s)**
The Open Spaces Committee has considered and supported its proposed 2027/28 budget. However, this does not reflect the potential savings and alternative funding arrangements identified within the detailed budget report.

Recommendation: To confirm support for the Open Spaces Committee's proposed 2027/28 budget, subject to any amendments agreed during consideration of the overall draft budget under item 10.4.

10.5.4 **Community Warden (400s/4000s)**

10.5.5 **Emergency Planning (500s/5000s)**

10.5.6 **Buildings & Leases (700s/7000s)**

10.6 **Draft Budget 2027/28 – overall budget**
Having considered the above matters, including the recommendations from the Personnel and Open Spaces Committees and any agreed budget adjustments, Members are asked to confirm the overall draft income and expenditure budget for 2027/28, including payroll expenditure.

Recommendation: To confirm the overall draft budget for 2027/28 and recommend its approval to Full Council.

11 **Precept 2027/28**
Having confirmed the recommended draft budget for 2027/28, Members are asked to consider

and agree the proposed precept requirement, taking account of the Council's financial position, reserve balances and longer-term financial sustainability.

Recommendation: To confirm the proposed precept requirement for 2027/28 and recommend its approval to Full Council.

12 **Governance matters**

12.1 **Councillor Training and Development Policy**

In September 2026, the Town Council adopted an updated and comprehensive Training and Development Policy for staff, reflecting its commitment to professional development and good governance.

The Council's existing Councillor Training Policy was last reviewed as part of the annual polices review in 2013 and is now considerably out of date. Following the recent review of the staff policy, it is considered appropriate to bring the Councillor Training Policy up to date, ensuring it reflects current practices and expectations.

With the Town Council elections taking place in May 2027, this is also a timely opportunity to establish a clear framework for councillor induction, training and ongoing development, particularly for any newly elected members.

The proposed policy provides a flexible and proportionate approach to councillor development, supporting good governance, awareness of responsibilities and the Council's strategic priorities. Much of this is already undertaken in practice, and the policy seeks to formally recognise these existing arrangements, providing a clear framework upon which the Council can continue to build and develop.

Members are asked to consider the draft Councillor Training and Development Policy and recommend its adoption to Full Council.

Annex 17 Confidential annex is omitted from public papers

13 **Date of Next Meeting - Monday 15 February 2027**

Members are asked to note date of next meeting, subject to the annual schedule of meetings approval by Council at its December meeting.