

Minutes of the meeting of the FINANCE AND GOVERNANCE COMMITTEE held in Rickards Hall at 7.30 pm on Monday 15 November 2021

Present: Cllrs, J Aldridge, A Layland, N Lloyd (Chairman), S McGregor, S Sumner (Vice Chairman) and B Todd.

In attendance: Town Clerk and Responsible Finance Officer. No members of the press or public were present.

1. APOLOGIES FOR ABSENCE

Apologies were received from Cllrs Baker, Compton, Gemmell Smith.

2. DECLARATION OF INTEREST OR PREDETERMINATION

Cllr Layland declared an interest in agenda items 6.2 and 6.3 -Eden Valley Museum.

3. TO CONFIRM THE MINUTES OF THE FINANCE COMMITTEE HELD ON 27 September 2021

Resolved: that the minutes of the Finance and Governance Committee meeting held on 27 September 2021 be duly signed by the Chairman as a true and accurate record of the meeting; pages 9600-9601.

4. MATTERS ARISING FROM THE MINUTES FOR REPORT AND NOT COVERED ELSEWHERE (FOR INFORMATION ONLY)

Nothing to report.

5. FINANCIAL STATEMENT AND ANALYSIS OF RECEIPTS AND PAYMENTS (Financial report pack)

To approve the Financial Income and Expenditure Statements as of the 31 October 2021

5.1. To ratify the expenditure up to 31 October 2021

Members,

Ratified: the expenditure to the 31 October 2021.

5.2. To approve the list of expenditure for payment

Members,

Approved: the list of expenditure payments.

5.3. To review expenditure over £500 up to 31 October 2021

Members,

Resolved: the Expenditure over £500 up to 31 October 2021.

5.4 To receive the income up to 31 October 2021

Members,

Resolved: the income to the 31 October 2021.

5.5 To review the Financial I&E Budget Comparisons report

Members,

Resolved: the financial Income and Expenditure comparisons budget up to the 31 October 2021.

5.6 To review the Consolidated Balance Sheet to 31 October 2021

Members,

Resolved: the Consolidated Balance Sheet to the 31 October 2021.

5.7 To receive the Financial Summary Cashbook

Members,

Resolved: the Financial Summary Report Cashbook to the 31 October 2021.

5.8 To Confirm the Bank Reconciliation statements and Procurement Card for September and October 2021.

Cllr Lloyd confirmed he had seen the reconciliations. Members,

Ratified: the Bank Reconciliation statements and Procurement Card statements for September and October 2021.

5.9 To approve and accept the transfers into, out of and between bank accounts
Members,

Ratified: the transfers into, out of and between bank accounts.

5.10 To note and advise on invoices outstanding over 3 months
Nothing to report.

6. FINANCIAL BUSINESS

6.1. To review fees and charges for 2022

The fees and charges increase each year, usually in line with inflation measured by the Retail Prices Index (RPI) or the Consumer Prices Index (CPI). The RPI for September 2021 was 4.9%. Members considered the proposed increase and that any increase needed to allow for the Council's increased costs, for example utilities. It was also noted that any increase to the hire fees for Rickards Hall may make the Hall fees higher than its competitors. There was further discussion about the cemetery fees and what neighbouring cemeteries charged. Members **agreed** that a review of its charges and costs should be undertaken in 2022; Cllr Sumner, the Town Clerk and RFO would look at this.

Members voted, there was one abstention. Members,

Resolved: to make recommendation to the full Council, to increase the fees and charges in line with the RPI rate; and at the September rate 4.9%.

6.2. To Confirm the Service level Agreements (SLA) for 2022

The current Service Level Agreement (SLA) grants were HOUSE £7,500; The Eden Valley Museum £6,500; Twinning Association £500. HOUSE had asked the Council to consider if they could increase its annual grant. Members recognised the great work HOUSE carried out with the young people in Edenbridge, which was also reported at the Annual Town Meeting. The Twinning Association had also requested consideration of an increase. In 2020/21 it did not claim its grant, and it was looking at preparations for the 50th anniversary.

Members unanimously,

Resolved: to recommend to the full Council to continue with the SLA agreements and the following awards: HOUSE increase to £8,000; Eden Valley Museum £6,500; and the Twinning Association increase to £1000.

6.3. To Confirm the Lease rents for 2022

Members unanimously,

Resolved: to recommend to the full Council the lease rents increases as per the Lease Agreements for 2022 for Cricket Club; Rugby Club; Nomads Football Club at the current (September) RPI rate, 4.9%.

7. GOVERNANCE

7.1. To Receive the Internal Auditors report – half-yearly interim review (October)

Members received the Internal Auditor's (Keith Robertson) report, which had been published on the website. There were no significant observations were raised. Members,

Resolved: To recommend to full Council to receive and accept the report.

7.2. To receive the amended Complaints Policy section 8 and appendix Members unanimously,

Resolved: to recommend to full Council to adopt the amendments to the Complaints Policy section 8 and the new appendix flowchart.

8. BUDGETS 2022/23

8.1. To consider the draft budget for 2022/23

Cllr Lloyd presented the draft budget for the year from 01 April 2022 to 31 March 2023 which had been prepared by the Town Clerk and RFO during October 2021 and reviewed by Cllr Sumner (Vice-Chairman) and himself, and with six months spend experience in the current year as a reference. He said that the Council's general reserves was considerably below the

recommended level (of at least 6-months spend) and that it could not continue to rely on drawing from the reserves to make up the deficit in the budget as had been the case for many years. Last year, the Council had considered cutting its services to try to achieve a saving of £50,000 per annum; to do this would require cutting the maintenance of the town's open spaces and further reducing staffing levels. Members had agreed last year that this should not be an option and this committee remains of that view. The residents of Edenbridge valued these facilities and services. The past two years the precept had had a 4-5% increase as part of a budget recovery plan, but with the impact on the tax base last year resulting from uncollected council tax due to the Covid-19 pandemic, this was not achieving the desired target, balancing the budget by 2024. The General Reserve would continue to reduce, to potentially harmful levels, which no certainty of resolving the issue. Consequently it was considered necessary to change strategy and address the problem more immediately.

The draft budget assumed the staffing recommendations as approved by full Council at its October and November meetings, and with grading increases and an assumed 3% pay increase in the 2022/23 staff cost would be £380,000 compared to £364,000 budgeted this year. The 10-and 30-year building and open spaces maintenance costs for next year have been reviewed with some elements scaled back from the levels identified in the current detailed maintenance plans. Some items, such as replacement windows for the Rugby Club pavilion, had not been included and were to be discussed by Council as to the preferred solution. A full review of the 10-and-30 maintenance plans was needed, but this would be before next year.

All other costs and revenues other than the precept have been considered on a line-by-line basis and reflected a small inflation increase and spend or income trends from the current year. The draft budget expenditure (£718,866) for next year showed a small overall reduction of £13,309 compared to the current budget (£732,175).

Draft budget non-precept income for next year of £73,217 was consistent with the current budget (£76,216).

The income gap for next year (2022/23) that needed to be covered by precept and the General Reserve was £645,649. The precept for the current year was £582,722 with a budgeted reserves transfer of £75,558 balancing income and expenditure - with lower maintenance spend this is expected to be reduced to just over £61,000.

Members discussed the budget and the council's costs at length. One Member expressed great concern with the potential increasing of the precept beyond the inflation rate – previous years had considered up to 2%. The recommendation to reduce staffing levels and find other savings was asked to be considered again and a new budgeted presented.

Members accepted that most of the of the Council's expenditure were fixed running costs with very little movement for further savings. Cllr McGregor requested a recorded vote. Members voted 5-1 in favour of the draft budget and,

Resolved: to recommend to full Council to accept the draft budget for 2022/23: expenditure £718,866; income excluding the precept £73,217.

8.2. To consider the Precept and to make recommendations to present to full council.

Members noted that the actual tax base for 2022/23 would not be known until early December. It was currently 3,697 with a band D property precept of £156.22. For the budget to balance, the precept would need to be £645,649. Without any increase to the current tax base this would mean a band D property would increase to £173.40 per year, or a monthly increase of £1.43 (0.33p per week). Members discussed further and the consequences if they did not recognise this and only raised the precept in line with inflation – currently at 4.9% (an increase to £164.03). Members discussed the current financial climate, and the pressures households were already facing with increased cost of living, but that the Council was also facing the same increases and challenges to maintain its services. Cllr McGregor requested a recorded vote. Members voted 5-1 in favour of the draft budget and,

Resolved: to recommend to full Council to increase the precept from £582,722 to at least £645,649 for 2022/23 and a band D increase of up to 11% to £173.40 (0.33p per week).

9. FINANCE CORRESPONDENCE

None.

10.PRESS RELEASE

None.

11.DATE OF NEXT MEETING – 24 January 2022

Meeting closed at 21:37