

MINUTES OF THE ANNUAL FINANCE MEETING

16th January 2023, 7.30pm

The Guildhall

Present:

Cllr T Martin
Cllr E Thomas
Cllr Henderson
Cllr A Reynolds

Cllr K Barker
Cllr J Saunders
Cllr H Perkin
Cllr BJ Martin

Cllr C Cavanagh
Cllr C Jackson
Cllr A Hook

In Attendance:

Louise Bareham (Town Clerk)

Questions from members of the public appear in Appendix One.

681. Apologies for Absence

Cllrs Irwin, Rowlands, and Williams.

682. Declarations of Pecuniary and Non-Pecuniary Interests

None

683. Monthly Financial Reports

The financial reports at 31st December 2022 were noted.

It was proposed by Cllr BJ Martin, seconded by Cllr Barker it was **RESOLVED to accept the Monthly Financial Reports for December 2022.**

684. Draft Budget

The Tax Base Rate had increased from 6880.49 to 7189.88.

It was proposed by Cllr Barker, seconded by Cllr Henderson to increase the Precept by 3%.

Cllr Saunders proposed an amendment to the motion to increase the Precept by 5% and to take funds from general reserves to make up to £25,000, as an additional sum for cost code 4500 Community Grants. The amendment was seconded by Cllr Jackson and **on being put to the meeting the amendment was lost**

2 VOTES FOR, 6 VOTES AGAINST, 2 ABST

On being put to the meeting it was **RESOLVED to increase the precept by 3%**

8 VOTES FOR, 2 AGAINST

685. Earmarked Reserves

It was proposed by Cllr T Martin, seconded by Cllr Henderson and on being put to the meeting it was **RESOLVED the Earmarked Reserves and the unspent 2022/2023 budgets, for inclusion in the Earmarked Reserves and carried over at 31st March 2023, be recommended by the Policy and Resources Committee in March 2023.**

686. Precept

It was proposed by Cllr Barker, seconded by Cllr BJ Martin and on being put to the meeting it was **RESOLVED that the Precept required by Faversham Town Council for the Financial Year 2023/2024 be £595,322 representing a 3% increase.**

8 VOTES FOR, 2 ABST

687. Private Session

To Resolve that under the Public Bodies (Admission to Meetings) Act 1960, the public and representatives of the press and broadcast media be excluded from the meeting during the consideration of the following items of business as publicity would be prejudicial to the public interest because of the confidential nature of the business to be transacted.

688. Salaries

It was proposed by Cllr T Martin, seconded by Cllr Barker and on being put to the meeting it was **RESOLVED to note the draft staff salaries for 2023/24, which are subject to the recommendations of the Staffing Committee.**

APPENDIX ONE

Questions received from Maria Newman and read out at the meeting by the Town Clerk.

“References are to the report within the published Agenda Papers titled: “Annual Budget - By Centre (Actual YTD Month 9)” NB I have not received a response to my enquiry as to whether the YTD figures are month 8 (as stated in the column heading) or month 9 (as stated in the title). However, I assume they are month 9 as they agree to the “Income and Expenditure Account @ 31 December 2022” also published.

That is correct

(Salaries + PAYE + Pension) Salaries for the 9 months to 31 December 2022 = £183,264 (116,602 + 38,029 + 28,633) So one could expect 12 months to 31 Mar 2023 to total £244,352 (12/9 x 183,264) 2023/24 Budget shows £308,799 (223,799 + 45,000 + 40,000) ie an increase of £64,447 or 26%.”

Q1 – what additional services will residents receive for this substantial increase in staff costs?

Cllr T Martin advised the staffing costs were subject to a private session, however there had been a delay in the National Agreement increase that the staff were employed under which meant the salaries for 2021/2022 and 2022/2023 are different. There had been a number of staff changes which had changed the staffing structure and had an effect on the salary figures.

The Town Clerk added that part way through this financial year there had been an increase in National Insurance which had been rescinded but would be reintroduced as the Health and Social Care Levy of 1.25%. Additionally, employer pension contributions had increased.

Q2 - Why when IT costs (account 4225) for 2021/22 and 2022/23 are around £6,000 pa is a budget of £2,500 again thought to be adequate?

A one-off cost of a new high-speed computer, agreed at Policy and Resources Committee in April and costs would return to normal going forward.

“12 Market Place Premises re the Faversham Society. I have in the past been informed that the rent was originally agreed on the basis business rates payable by FTC would be halved (due to Fav Soc being a charity so no business rates due on the ground floor). I have since been informed this proved to be incorrect. Hence account 4200 had a 2022/23 budget of £2,500 but the actual YTD shows paid of £5,551. When I enquired at a previous meeting, I was informed these business rates would be passed on to the Faversham Society (ie a cash rich organisation who can very easily afford the extra). If not, Faversham Society are effectively occupying the premises for free, as they receive a grant of £3,600 pa from SBC to run the VIC.”

Q3 – Where is the additional amount for rates due from Faversham Society reflected in the budget?

The Town Clerk advised there was a confidential lease agreement with the Faversham Society approved at the Policy and Resources Committee in April. The rent was shown under 12 Market Place Premises. The Solicitor dealing with the lease agreement on behalf of the Council had advised against leasing the whole ground floor as there would be no right of way in the event of a dispute. The rent figure was subject to an independent review which had been agreed.

Cllr BJ Martin commented it was not the concern of the Council where a charity received its funding. The Council's concern was that the agreed rent was paid.

“I note that no accompanying “Budget Report” has been published this year to go some way towards justifying the figures presented.”

Q4 – If such a report has been prepared and simply not on the website, may I please have a copy?

The Town Clerk advised paperwork was on the website.

Cllr T Martin commented a separate report had not been produced.

DRAFT