



## Wivenhoe Town Council

MINUTES of the Finance Committee meeting held in the Council Chamber on Thursday 5 January 2023 at 7.30pm **Chair Approved**

Present: Cllr Kane (Chair), Cllr Aldis, Cllr Multon, Cllr Burke, J Beighton-Emms (TC), M Howard (Accountant via Zoom) & E Buckley (RFO)

**01.05/01 Apologies for absence:** Cllr Read and Cllr Maltby

**01.05/02 Minutes of the previous meeting:** Approval of the minutes for the Personnel and Finance Committee meeting held on 2 November 2022 was proposed by Cllr Burke and seconded by Cllr Multon as an accurate record of proceedings, with all in favour.

**01.05/03 Declarations of interest:** None.

**01.05/04 Current 2022/23 Budget Update:** Cllr Kane reported on the current projected 2022/23 budget figures (Appendix B). At the 30 November 2022 there is a predicted underspend of £55,303, as per the budget report dated 05.01.2023 (Appendix A). This is due to an underpayment of £25,000 on loan charges, due to delays in the development project and the PWLB application. £17,000 has been predicted as an underspend on repairs and renewals, due to a delay in work progressing on the Cemetery wall repairs. No expenditure has been incurred on planning legal costs, which is a saving of £5,408. The remaining £8,000 is on various smaller items. The underspend is recommended to be used for reserves for the Council's liabilities for the following year. These are mainly the cemetery wall and the development project. Cllr Aldis clarified that the expenditure for the replacement windows and doors at the Police houses has been included in these figures, which it had.

**01.05/05 To discuss the Council 2023/24 annual budget presented by the Finance Committee and set the precept for 2023/24 for approval from FTC.** MH reported to the Finance Committee that this has been a difficult budget to prepare with confidence this year due to the economic situation. There are many uncertain factors that are beyond our control, inflation and wage increases for 2023/24. The budget has been prepared with a 5% wage increase, but whatever is decided by NJC the Council will have to implement. The cemetery wall and development could cause a major variance to the budget and reserves in the coming year. The figures have been worked on 10% which seemed fair and under the current inflation figure reported.

The Expenditure budget has increased mainly due to the payroll budget. This has increased by £34,000. This is due to the NJC 22/23 increases and a predicted 5% for the 23/24 award. Pension contributions have also increased from 23.3% to 24.8%. The payroll budget was not exceeded in the 22/23 year, due to an underspend on the office vacancy, but the pay award was greater than the predicted 3%. The 10% increase will cover this extra expenditure, and also leaves an £8,000 surplus. The Finance Committee feels this is a prudent measure for the Council under the circumstances. The Committee discussed the need to be conscious of any increase especially due to the cost of living crisis on the tax payer and how it needed to be fair when making their decisions. It was discussed that we have confirmed on the PWLB application that we are not increasing the precept for the development works. Discussions were had that the increase of 10% is currently below the rate of inflation, which the Councillors are in agreement with. In November it was reported as 10.7% and the years figure is over 11%, with this expected to go higher in 2023. The RFO reported that the low precept increases in the past are not sustainable for this year, due

to the uncertain economy and a higher precept is required to continue to be in the position to continue with plans and projects and cover increases in overheads and expenditure.

The Committee discussed all that the Council has introduced this year and the community is benefitting from community days, community funds, events, hiring a funding officer to look for grants available and the Council is working hard for the local town and engaging more.

The Council has many older assets and with this comes greater liabilities, the Council needs to be prepared with enough funds and reserves. The Committee discussed the tax base and how it has stayed a similar figure to last year and how low development in the town has meant this has made the band D figure higher.

Cllr Kane proposed the recommendation to get FTC approval to request a precept for the amount of £400,057. This is a 10% increase on last year's precept. With an expenditure budget for 2023/24 of £480,840, as per the budget report date 05.01.2023. The Band D figure will increase from £125.60 to £138.41. This is an extra £12.81 per year to the council tax payer and an increase of 10.19%. This breaks down to £1.08 per month or 25p per week. This was seconded by Cllr Burke with all in favour.

Cllr Kane and the committee thanked the staff for their work on preparing the budget.

**01.05/06 Exclusion of press and public:** None.

The meeting was closed at 20.04