



To: All members of the Finance Working Party,

A meeting of the Finance Working Party will be held in the Council Chamber, Town Hall, Lewes, on 5 December, 2022, at 6:30pm, which you are summoned to attend.

Laura Chrysostomou
Town Clerk
29 November 2022

Agenda

1 Filming of council meetings and mobile phones

During this meeting, the public are allowed to film the committee and officers only from the front of the public gallery, providing it does not disrupt the meeting. Any items in the exempt part of an agenda cannot be filmed. If another member of the public objects to being recorded, the person(s) filming must stop doing so until that member of the public has finished speaking. Please switch mobile devices to silent for the duration of the meeting

2 Election of chair

To elect a chair for the municipal year 2022 to 2023

3 Apologies for absence

4 Members' declarations of interests

To note any declarations of personal or prejudicial interest in items to be considered at this meeting.

5 Question time

Members of the public are welcome to attend this meeting of the council. Questions regarding items on the agenda may be heard at the start of the meeting with the Mayor's consent. A period of 15 minutes is allocated for this purpose. Questions or requests to address the council must be submitted to the Town Clerk by noon the day before the meeting.

6 Chair's announcements and urgent items

7 Officers' reports

7.1 Draft budget for the financial year 2023 to 2024

To consider the first draft budget which is presented in a revised format and provide feedback on further development of the draft budget.

(Report FWP001/2022 attached pages 3 to 20)

8 Exempt business

It is recommended that:

The public and accredited representatives of the press be excluded from the meeting under Section 100 Local Government Act 1972 due to the confidential nature of the business to be conducted.

Lewes Town Council

Non- Confidential

Working Party: Finance

Date: 5 December 2022

Report Number: FWP001

Report by: Town Clerk

Subject: Draft budget 2023 to 2024

1. Summary

- 1.1 This report sets out the draft budget for 2023 to 2024 (appendix 1).
- 1.2 The draft budget is presented in a revised format developed by the Town Clerk and locum Responsible Financial Officer through a series of workshops with members. The Finance Working Party are invited to comment on the revised format. It will be further developed to include projected budgets for 2024 to 2025 and 2025 to 2026.
- 1.3 This is an initial draft budget which will be subject to further changes as the Council progresses through the budget setting process. The Town Council's budget is under great pressure with substantial increases to utility costs and salary increases. Work is ongoing to provide projections on increases in areas such as business rates, utility bills and contractor costs. The results of recent surveys and research are also yet to be received and will impact on the budget.
- 1.4 The Finance Working Party is invited to comment on this initial draft which will be developed further and brought back to the working party on 20 December 2022 for consideration. The Finance Working Party will need to comment on the draft budget and recommend its proposals to Full Council who will approve the budget and set the precept at its meeting on 19 January 2023. Additional meetings of the Finance Working Party may be needed in early January 2023 to formulate those recommendations.

Members are reminded of the restrictions on voting outlined in Section 106 of the Local Government Finance Act 1992.

In particular it should be noted that where a Member has at least two months arrears of Council Tax he or she must not vote on any matter relating directly to the setting of a precept or any recommendation, resolution or other decision which might affect the calculation of the precept (though they may remain in the meeting and may speak).

2. Recommendations

- 2.1 The Working Party is recommended to:
1. Consider and comment on the initial draft budget which is presented in a revised format and provide feedback on further development of the draft budget.

3. Background

- 3.1 Through a series of budget workshops with members of the Council the Town Clerk and Responsible Financial Officer have revised the format of the budget with the aim of making it clear and easy to understand in the spirit of openness and transparency.
- 3.2 Attached as appendix 1 to this report is the initial draft budget. It should be noted that this is an initial draft budget which will be subject to further changes as the Council progresses through the budget setting process. The Town Council's budget is under great pressure with substantial increases to utility costs and salary increases. Work is ongoing to provide projections on increases in areas such as business rates, utility bills and contractor costs. The results of recent surveys and research are also yet to be received and will impact on the budget.
- 3.3 Emphasis has been put on maintaining budgets where needed, aiming to build ongoing and new items into revenue budgets, building reserve budgets for the buildings as well as taking into consideration the balance of earmarked reserves (EMR). These are commented upon below and are shown in the itemised budget sheets attached at appendix 1.

4. Corporate Administration

- 4.1 This cost centre has been revised to include all staff salaries except for those that directly relate to the Community Centres (the Town Hall, Mallings and All Saints).
- 4.2 The National Joint Council (NJC) for Local Government Services agreed a pay award of £1,925 for the 2022 to 2023 financial year, but this was only agreed in November 2022. There has been no confirmation of the pay award for 2023 to 2024. The salary budget has been set with a 5% increase in staff salaries.
- 4.3 All staff will earn at least the equivalent to the Real Living Wage which is £10.90 per hour.
- 4.4 The telephones and ICT budget line has been separated out and is now represented by four budget lines: telephones, ICT, website, software licences. This budget has been significantly under budgeted in the last three years, set at £14,878 in 2022 to 2023, as reported recently to the Audit and Governance Panel. The revised budget has been prepared taking into consideration all known costs. The ICT budget of £16,403 includes contracted ICT support and monitoring. The software licences budget of £8,420 includes staff Microsoft Office 365 licences, accounting software, and other software licences. The telephones budget of £8,131 includes the contracted lease and monitoring of the Council's telephone system.

- 4.5 The subscriptions budget includes membership of national and local associations such as NALC (National Association of Local Councils). It also includes subscription to GDPR (General Data Protection Regulations) support services.

5. Democratic Services

- 5.1 This is a new cost centre bringing together relevant expenditure from the previous Civic Administration and Mayoralty cost centres.
- 5.2 There is a new budget line for software licences which is the cost of Microsoft Office licences for councillors.
- 5.3 There is a new budget line for a mayors discretionary fund of £1,000. The purpose of the budget provided is to meet those one-off initiatives that the Town Mayor might identify whilst out and about in the Community. It is not intended to provide another round of grant funding. Criteria will be developed and approved if this budget is agreed by the Finance Working Party.
- 5.4 The four budget lines of twin town civic visits, tourism, civic awards and corporate hospitality have been separated out as previously they were all within a miscellaneous expenses budget.
- 5.5 Mayors expenses includes tickets for externally organised dinners and events.

6. Grants and Service Funding Agreements

- 6.1 This is a new cost centre bringing together various grants and service funding agreements (SFAs) each with their own budget line. Previously these had sat in different cost centres, some under a grants and subscriptions budget line, others under miscellaneous expenses or recharges to services.
- 6.2 Major funding grants is a new budget line aiming to build into the budget major funding grants rather than meeting adhoc requests from the General Fund.
- 6.3 The cost centre also includes support in the form of room hire for the Lewes Conservation Area Access Group and the Pells Pool Community Association.
- 6.4 Various SFAs need to be reviewed as part of this budget setting process including consideration of the increase to SFAs such as the Priory Trust. The Town Council will also be looking to implement agreements for the SFAs which will set out clear objectives and service requirements and form part of a monitoring and review process.
- 6.5 An estimated provision has been made for contribution towards an access officer post in collaboration with Lewes District Council and East Sussex County Council following a resolution by Council at its meeting on 10 November 2022.

7. Events

- 7.1 This is a new cost centre separating out into individual budget lines various events that had been amalgamated in the budget lines of catering in the previous Civic and Mayoral cost centres.

- 7.2 Each budget line aims to account for all costs associated with the event including room hire, staffing, catering and performers where applicable.

8. Town Hall

- 8.1 This cost centre includes costs related to the operation of the Town Hall as a building in which the Council offices are located as well as it being a community centre. It also includes staff costs related to the operation of the Community Centre.
- 8.2 The new software licences budget is for a share of the cost of the bookings software used across all three community centres.
- 8.3 The new budget line of waste has been separated out from grounds maintenance.
- 8.4 The new budget line of health and safety has been separated out from repairs and maintenance.
- 8.5 A 50% increase has been applied to utilities such as electricity and gas, although information is still being gathered on likely increases and this could be more. It should also be noted that in setting the budget for 2022 to 2023 utilities were only increased by 2%.
- 8.6 £100,000 has been budgeted for earmarked reserves for the Town Hall. There is currently £326,000 in earmarked reserves, and it is anticipated that the current heating project will cost £200,000. The essential redecoration works from the business plan in 2021 are still on hold pending the heating project completion and recent surveys. The results of recent surveys including the fire risk assessment, asbestos survey and condition survey are due imminently and are expected to have significant financial implications.
- 8.7 The Finance Working Party is asked to consider whether fees and charges should be increased and if so by what percentage.

9. All Saints Community Centre

- 9.1 £100,000 has been budgeted for earmarked reserves for the All Saints Centre in 2023 to 2024 (£40,000 was earmarked in the 2022 to 2023 budget). There is currently £81,735 in earmarked reserves. A condition survey carried out in 2020 identified apparent structural deficiencies and general essential maintenance and provided approximate costings for these in the region of £415,000. It should be noted that this estimate was given pre covid and costs have risen substantially since then. The approximate costings do not take into consideration other associated costs around the work such as investigations, contract management and costs of making good following works. The condition survey did not include any works to drainage just the investigation of it to establish the work required. It did not include any internal redecoration.
- 9.2 Further quotes are being sought for the essential structural work following listed planning permission.
- 9.3 A 50% increase has been applied to utilities such as electricity and gas, although information is still being gathered on likely increases and this could

be more. It should also be noted that in setting the budget for 2022 to 2023 utilities were only increased by 2%.

- 9.4 The Finance Working Party is asked to consider whether fees and charges should be increased and if so by what percentage.

10. Malling Community Centre

- 10.1 The advertising and promotions budget has been increased from £120 to £500 to promote the centre.
- 10.2 A 50% increase has been applied to utilities such as electricity and gas, although information is still being gathered on likely increases and this could be more. It should also be noted that in setting the budget for 2022 to 2023 utilities were only increased by 2%.
- 10.3 There is currently £60,000 remaining in earmarked reserves for Malling Community Centre. There are still some outstanding items of work from the refurbishment such as landscaping. The budget does not seek to add further contributions to earmarked reserves in 2023 to 2024 but this will need to be considered in future years for ongoing proactive maintenance. The building has suffered from leaks in the main hall due to the roof needing work. One section of this is about to be repaired at a cost of nearly £20,000. It is likely that in the near future further works to the other sections of the roof will be needed.
- 10.4 The Finance Working Party is asked to consider whether fees and charges should be increased and if so by what percentage.

11. Pells

- 11.1 This cost centre has been revised to separate out budgets for various elements of expenditure. The £10,000 grant for the Pells Pool Community Association has been moved to the Grants and SFAs cost centre.
- 11.2 £10,000 has been budgeted for earmarked reserves for the Pells playground. This is a new EMR recognising that the playground equipment will need to be replaced.
- 11.3 The grounds maintenance works that are contracted to Lewes District Council have been separated out into individual budget lines.

12. Open Spaces and Amenities

- 12.1 This is a new cost centre combining the previous open spaces cost centre and amenities cost centre.
- 12.2 Provision of £15,000 has been included for environmental audits.
- 12.3 The Grounds Maintenance budget of £25,000 is for all open spaces and includes maintenance works such as tree inspections and works, repairs to fencing and gates at Landport Bottom, maintenance of Jill's Pond at Landport Bottom.

- 12.4 The grounds maintenance works that are contracted to Lewes District Council have been separated out into individual budget lines.
- 12.5 An estimated provision has been made for festive lights following a resolution by Council to explore this. Further work is required to explore options and costs.
- 12.6 Work is being undertaken to explore the options of grass cutting on rural, wildflower and meadow verges in the town being delivered by the Town Council rather than East Sussex County Council. Although the County Council will allocate a revenue budget of £1,665 for the Town Council to deliver and manage the urban verge cutting service, and £2,371 to deliver and manage special verges – designated wildflower verges - initial research has identified that there could be additional costs. A report will be prepared for Council in December.
- 12.7 The earmarked reserve budget for historic plaques has been increased from £300 to £800 to reflect current costs of around £800 for each plaque.

13. Allotments

- 13.1 A new budget line for subscriptions has been added for the allotment association subscription.
- 13.2 The budget for software licences is for the allotment software package.
- 13.3 The new budget line for allotment show costs was previously called advertising and promotions and was £650. This has been increased to £2,175 to reflect the costs of catering, prizes, staffing and use of the venue.

Laura Chrysostomou

Town Clerk

Appendix 1

SUMMARY DRAFT BUDGET 2023 to 2024				
		Income	Expenditure	Net Income over
100	Corporate Administration	1,280	392,203	-390,923
150	Democratic Services	0	42,213	-42,213
170	Grants & Service Funding Agreements	0	175,325	-175,325
180	Events	0	17,200	-17,200
200	Town Hall	92,800	319,412	-226,612
220	All Saints Centre	55,000	132,901	-77,901
240	Malling Community Centre	50,000	153,944	-103,944
260	Pells	150	18,593	-18,443
300	Open Spaces & Amenities	0	112,792	-112,792
320	Allotments	4,975	14,338	-9,363
	COUNCIL	204,205	1,378,921	-1,174,716
	Contribution to reserves	0	242,000	-1,416,716
	Precept	1,416,716		
		1,620,921	1,620,921	0
	Tax Base	6,049.6		
	Band D Equivalent	£234.18	12.46%	
	General Fund as at 1 April 2022	£405,102		
	Agreed expenditure from the GF	£26,408		

<u>100 CORPORATE ADMINISTRATION</u>		<u>2023/24</u>
		<u>Draft</u>
1000	Fees & Charges	50
1015	Miscellaneous Income	1,230
	Income	1,280
4000	Salaries & Wages	247,970
4010	National Insurance	20,655
4020	Superannuation	56,065
4055	Other Staff Expenses	1,500
4125	Printing	230
4130	Stationery	510
4135	Books & Periodicals	234
4140	Postage	745
4145	Telephones	8,131
NEW	ICT	16,403
4150	Office Equipment	2,165
NEW	Internal Audit Fees	800
NEW	External Audit Fees	2,000
NEW	Website	4,272
NEW	Software Licences	8,420
4185	Training	7,500
4190	Subscriptions	6,801
4195	Advertising & Promotions	800
4200	Traveling & Subsistence	120
4400	Repairs & Maintenance	100
4430	Equipment & Furniture	102
4445	Premises Insurance	1,510
4605	Miscellaneous Insurance	4,570
4615	Other Miscellaneous Expenditure	600
	Expenditure	392,203
	Net Income over Expenditure	-390,923
	Contribution <u>from</u> Reserves	0
	General Reserve	5,000
	ICT Replacement EMR	2,000
	Website EMR	300
	Contributions <u>to</u> Reserves	7,300

<u>150 DEMOCRATIC SERVICES</u>		<u>2023/24</u>
		<u>Draft</u>
1015	Miscellaneous Income	
	Income	0
4110	Regalia	3,600
4125	Printing	1,000
4130	Stationery	800
4140	Postage	360
NEW	Software Licences	1,010
4150	Office Equipment	167
4170	Legal Expenses	2,000
4175	Hospitality	850
4180	Members Allowances	9,000
NEW	Mayors Allowance	978
NEW	Mayors Discretionary Fund	1,000
NEW	Members Training	1,000
NEW	Twin Town Civic Visits	6,800
NEW	Tourism	4,000
NEW	Civic Awards	1,500
NEW	Corporate Hospitality	1,500
NEW	Subscriptions	250
NEW	Mayors Expenses	250
NEW	Cllrs & Staff Xmas Dinner	1,000
NEW	Mayoral Miscellaneous	500
NEW	Town Meeting	642
4200	Traveling & Subsistence	2,600
4605	Miscellaneous Insurance	1,406
	Expenditure	42,213
	Net Income over Expenditur	-42,213
	Contribution from Reserves	0
	Renewable Energy EMR	2,000
	Election Costs EMR	5,000
	Contributions to Reserves	7,000

170 GRANTS & SERVICE FUNDING AGREEMENTS		2023/24
		<u>Draft</u>
	Income	0
4190	Community Grants	60,000
NEW	Major Funding Grants	20,000
NEW	CAB SFA	8,000
NEW	Christmas Traders SFA	2,000
NEW	Twinning Association Support	5,000
NEW	LCAAG Support	500
NEW	Pells Pool Community Association SFA	10,000
NEW	PPCA Support	510
NEW	Compass Bus SFA	15,000
NEW	CTLA SFA	12,600
NEW	Lightbox Project SFA	3,000
NEW	Priory Trust SFA	13,715
NEW	CCTV SFA	9,000
NEW	Bonfire Stewards	6,000
NEW	Access Officer Contribution	10,000
	Expenditure	175,325
	Net Income over Expenditure	-175,325
	Contribution from Reserves	0
	Contributions to Reserves	0

180 EVENTS		2023/24
		Draft
1015	Miscellaneous Income	0
	Income	0
NEW	Bonfire Breakfast	1,000
NEW	Bonfire Supper	1,000
NEW	Easter Tea	1,500
NEW	Civic Carol Service	1,000
NEW	Remembrance Sunday	1,000
NEW	Christmas Late Night Shopping	1,000
NEW	Heritage Open Day	1,000
NEW	Black History Month	2,000
NEW	Mayoral & Civic Receptions	3,000
NEW	Mayor Making Reception	4,000
NEW	Holocaust Memorial Day Launch	200
NEW	British Empire Medal Investiture	500
	Expenditure	17,200
	Net Income over Expenditure	-17,200
	Contribution from Reserves	0
	Commemorations & Events EMR	2,000
	Contributions to Reserves	2,000

<u>200 TOWN HALL</u>		<u>2023/24</u>
		<u>Draft</u>
1000	Fees & Charges	85,000
1010	Rentals	7,800
	Income	92,800
4000	Salaries & Wages	115,113
4010	National Insurance	10,296
4020	Superannuation	25,440
4100	Housekeeping consumables	2,600
4105	Equipment Rental	900
4115	Small Plant & Tools	1,100
4125	Printing	250
4130	Stationery	500
4140	Postage	350
4145	Telephones / ICT	1,100
4150	Office Equipment	150
4160	Loan Charges	10,056
4165	Consultants	1,000
NEW	PRS/PPL Licences	2,450
NEW	Software Licences	126
4195	Advertising & Promotions	750
4400	Repairs & Maintenance	13,000
NEW	Waste	3,500
NEW	Health and Safety	2,000
4405	Grounds Maintenance	1,300
4410	Electricity	19,793
4415	Gas	16,748
4420	Water & Drainage	3,000
4425	Alarm Systems	3,500
4430	Equipment & Furniture	2,500
4440	Business Rates	65,130
4445	Premises Insurance	15,735
4605	Miscellaneous Insurance	1,025
	Expenditure	319,412
	Net Income over Expenditur	-226,612
	Contribution from Reserves	0
	Town Hall EMR	100,000
	Contributions to Reserves	100,000

<u>220 All SAINTS CENTRE</u>		<u>2023/24</u>
		<u>Draft</u>
1000	Fees & Charges	55,000
	Income	55,000
4000	Salaries & Wages	71,344
4010	National Insurance	6,356
4020	Superannuation	15,767
4100	Housekeeping consumables	1,400
4105	Equipment Rental	500
4115	Small Plant & Tools	200
NEW	Kiosk Stock	400
4125	Printing	500
4130	Stationery	350
4140	Postage	480
4145	Telephones / ICT	1,000
4150	Office Equipment	250
NEW	PRS/PPL Licences	2,450
NEW	Software Licences	126
4185	Miscellaneous Expenses	350
4195	Advertising & Promotions	280
4400	Repairs & Maintenance	3,000
NEW	Health and Safety	1,000
NEW	Waste	700
4405	Grounds Maintenance	300
4410	Electricity	3,045
4415	Gas	1,830
4420	Water & Drainage	2,480
4425	Alarm Systems	380
4430	Equipment & Furniture	9,500
4440	Business Rates	3,875
4445	Premises Insurance	3,860
4605	Miscellaneous Insurance	1,178
	Expenditure	132,901
	Net Income over Expenditure	-77,901
	Contribution from Reserves	0
	All Saints EMR	100,000
	Contributions to Reserves	100,000

240 MALLING COMMUNITY CENTRE		2023/24
		Draft
1000	Fees & Charges	50,000
	Income	50,000
4000	Salaries & Wages	60,300
4010	National Insurance	5,507
4020	Superannuation	13,326
4100	Housekeeping consumables	1,200
4105	Equipment Rental	500
4115	Small Plant & Tools	150
4125	Printing	100
4130	Stationery	150
4140	Postage	100
4145	Telephones / ICT	1,000
4150	Office Equipment	100
4160	Loan Charges	48,000
4165	Consultants	1,000
4170	Legal Expenses	1,500
NEW	PRS/PPL Licences	2,450
NEW	Software Licences	126
4185	Miscellaneous Expenses	300
4195	Advertising & Promotions	500
4400	Repairs & Maintenance	1,500
NEW	Health and Safety	500
NEW	Waste	600
4405	Grounds Maintenance	150
4410	Electricity	1,530
4415	Gas	1,530
4420	Water & Drainage	1,500
4425	Alarm Systems	600
4430	Equipment & Furniture	1,000
4440	Business Rates	5,275
4445	Premises Insurance	2,030
4605	Miscellaneous Insurance	1,420
	Expenditure	153,944
	Net Income over Expenditure	-103,944
	Contribution from Reserves	0
	Malling Centre EMR	0
	Contributions to Reserves	0

<u>260 PELLs</u>		<u>2023/24</u>
		<u>Draft</u>
1000	Fees & Charges	150
	Income	150
4105	Equipment Rental	50
NEW	Water extraction licence	90
NEW	Lake Maintenance	4,500
NEW	Playground Maintenance	1,000
NEW	Playground Contracted Inspections	900
NEW	Pells Contracted Grounds Maintenance	8,760
4405	Grounds Maintenance	2,000
4445	Premises Insurance	1,120
4605	Miscellaneous Insurance	173
	Expenditure	18,593
	Net Income over Expenditure	-18,443
	Contribution <u>from</u> Reserves	0
	Pells Lake EMR	3,300
	Pells Kiosk EMR	5,000
	Pells Playground EMR	10,000
	Contributions <u>to</u> Reserves	18,300

300 OPEN SPACES AND AMENITIES		2023/24
		Draft
NEW	Verges	4,036
	Income	4,036
4115	Small Plant & Tools	615
4165	Provision for environmental audits	15,000
4170	Legal Expenses	1,200
4185	Miscellaneous Expenses	2,000
4195	Advertising & Promotions	200
4400	Repairs & Maintenance Amenities	8,000
4405	Grounds Maintenance	25,000
4410	Electricity	700
4430	Equipment & Furniture	2,000
4445	Premises Insurance	1,056
4605	Miscellaneous Insurance	441
	Subscriptions	600
NEW	Landport Bottom Motor Road & Water Costs	2,000
NEW	Landport Bottom Contracted Grounds Maintenance	432
NEW	Landport Bottom Ranger Service	8,000
NEW	Hanging Baskets Contracted	2,546
NEW	Contracted Client Charges Grounds Maintenance	2,100
NEW	Contracted General Costs for Grounds Maintenance	5,175
NEW	Christmas Trees Contribution	3,500
NEW	Festive Lights	30,000
NEW	Verges	4,036
	Priory Repairs & Maintenance	200
	Priory Water & Drainage	180
	Priory Premises Insurance	315
NEW	Priory Cluniac Membership	1,532
	Expenditure	116,828
	Net Income over Expenditure	-112,792
	Contribution from Reserves	0
	Environmental Enhancement EMR	1,000
	Town Clock EMR	300
	Historic Plaques EMR	800
	Priory EMR	300
	Contributions to Reserves	2,400

<u>320 ALLOTMENTS</u>		<u>2023/24</u>
		<u>Draft</u>
1010	Rentals	4,975
	Income	4,975
NEW	Subscriptions	70
4195	Advertising & Promotions	150
4200	Traveling & Subsistence	100
4400	Repairs & Maintenance	1,500
4405	Grounds Maintenance	6,000
4420	Water & Drainage	4,000
NEW	Software Licences	175
NEW	Allotment Show Costs	2,175
4605	Miscellaneous Insurance	168
	Expenditure	14,338
	Net Income over Expenditur	-9,363
	Contribution from Reserves	0
	Allotment site EMR	5,000
	Flint Wall at Paddock EMR	0
	Contributions to Reserves	5,000