

FINANCE AND GOVERNANCE CABINET ADVISORY BOARD

Tuesday, 12 October 2021

**Present: Councillor Tom Dawlings (Chairman)
Councillors Scott (Vice-Chairman), Simmons, Chapelard, Everitt, Goodship, Hall and Scholes**

Officers in Attendance: Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)) and Caroline Britt (Democratic Services Officer)

Other Members in Attendance:

APOLOGIES

FG40/21 Apologies were received from Councillors Hickey, Holden and Knight.

DECLARATIONS OF INTERESTS

FG41/21 There were no disclosable pecuniary or other significant interests declared at the meeting.

NOTIFICATION OF PERSONS WISHING TO SPEAK

FG42/21 There were no visiting Members or members of the public who had registered to speak.

MINUTES OF THE MEETING DATED 7 SEPTEMBER 2021

FG43/21 No amendments were proposed.

RESOLVED – That the minutes dated 7 September 2021 be approved as a correct record.

FORWARD PLAN AS AT 27 SEPTEMBER 2021

FG44/21 No amendments were proposed.

RESOLVED – The Forward Plan as at 27 September 2021 be noted.

BUDGET UPDATE REPORT 2022/23

FG45/21 Lee Colyer, Director of Finance, Policy and Development introduced the report set out in the agenda.

Discussion and questions from Members included the following:

- The Council currently spent about £100k a year on gas and £370k a year on electricity.
- The Council's energy costs were procured through LASER (Local Authority South East Region) which was a consortium that worked together to go to the market to obtain gas and electricity. The contracts that were awarded were on 6 monthly intervals that fixed the price for that period. The prices are fixed in April and October each year.
- LASER hedged their pricing which meant there would be a little more

time before the effect of any increases would be felt. The Council had however prepared for a 10% increase.

- The Council had no plans currently to undertake any hedging.
- Cultural services included the Assembly Hall, Sports Centres, TN2 and other similar facilities. The data included was all pre-pandemic so that the Council could better monitor the impact of the changes in income levels.
- The Assembly Theatre team were working very hard to bring the audiences back but the effects of the pandemic was still affecting decision making so it was likely to be some time before confidence fully returned.
- Potential income from The Amelia had not been included in the budget.
- Business Rates for the Council was £1.2m each year. Of which just under £100k was attributed to the Town Hall itself. If part of the Town Hall was leased to other users, they would be liable for their proportion of the costs, thus reducing the amount the Council had to pay.
- The Town Hall liability amounted to about 10% of the total estate.
- Current occupancy levels in the main car parks was about 25%. The Council would normally generate a net return of £3.5m a year. But based on current levels income was nearer £2m.
- Car parks came with significant costs in terms of Business Rates, service charges, maintenance and other utility costs. If income levels were lower, then there wasn't the income to fund capital costs needed in order to cover the costs of keeping them fit for purpose.
- The main opportunity for the Council to increase its income would come from growing the economy by retaining existing businesses and attracting new businesses to the area (increasing car park usage and footfall). This would generate more Business Rate yield which the Council would receive a share.
- The report included an assumption that there would be no year on year increase in car parking income (Appendix A page 47 refers). It was too early to predict the longer term effects of the pandemic and therefore what would happen in future years.
- When a review of Local Government funding takes place ('Fair Funding' or 'Levelling Up'), it tends to disadvantage Councils like Tunbridge Wells who were seen to be in affluent areas. The Council itself was not affluent, but the area was. This often resulted in funding being allocated to other areas of the country.

RESOLVED – That the recommendations to Cabinet as set out in the report be supported.

URGENT BUSINESS

FG46/21 There was no urgent business.

DATE OF THE NEXT MEETING

FG47/21 The next meeting was scheduled for Tuesday 16 November 2021 at 6:30pm

NOTES:

The meeting concluded at 7.00 pm.

An audio recording of this meeting is available on the Tunbridge Wells Borough Council website.