

## FULL COUNCIL

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**Date:** Wednesday 4th January 2023  
**Title:** Revised Budget 2022/23 and Estimates 2023/24  
**Contact Officer:** Town Clerk – Sharon Groth

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### Background

The purpose of this report is to provide an overview of the revised budget for 2022-23 and the estimates for 2023-24 in order for the Council to ultimately make an informed decision about the level of the Precept demand to be served on West Oxfordshire District Council at the next agenda item.

Draft revenue budgets are prepared based upon current activities and patterns of income and expenditure, as well as projects identified by the spending Committees throughout the year. The budget needs to be realistic, achievable, and affordable. She has therefore undertaken further scrutiny of each budget line with the Council's contract accountant, DCK Accounting Solutions Ltd, to ensure Members can have confidence in adopting this budget which will reasonably meet the Council's aspirations.

The format of this report is quite straightforward; for each budget line, last year's figures are in the first two columns, the current year shows the original estimate for 2022-23 including any in year adjustments such as virements between budgets shown as TOTAL, followed by ACTUAL YTD figures, and then the revised estimate PROJECTED. This revised estimate is based upon income and expenditure during the year to date and known and expected variations relating to the remainder of the financial year. The final column, on the far-right hand side of each schedule, shows the estimate for 2023-24.

A copy of the detailed draft budget –by Committee, is attached, with some narrative explanation provided later in this report. Appendix B provides a budget summary.

The Town Clerk has also tried to explain some of the accounting procedures, Earmarked Reserves (EMR), which combined will hopefully give a clearer picture of the Councils financial position.

### GENERAL FUND (A/C 310)

It is good practice and recommended to keep a **minimum of 3 months net revenue expenditure** in the General Fund.

As at 1 April 2022 the balance on the General Fund was £585,211.

When setting the budget for 2022/23 it was estimated the Council would need to use £54,756 from the General Fund to balance the budget. The projected budget suggests that in fact the Council can put £39,154 into the General Fund.

Taking all the above into account the closing balance as at 31 March 2023 on the General Fund is now estimated to be £624,365. The Town Clerk would caveat that with bringing the Grounds Maintenance Contract in house, whilst she has set budget lines, the exact cost of materials, equipment, and amount of labour in the present climate is probably unknown and may differ from when the decision was taken in March 2022.

**RECHARGE FROM THE WORKS DEPARTMENT [COST CENTRE 601], CENTRAL SUPPORT [COST CENTRE 602], WORKS DEPOT/VEHICLES [COST CENTRE 604], GENERAL MAINT [COST CENTRE 605], AND GROUNDS MAINTENANCE [COST CENTRE 606]**

It should be noted that the revised estimates and the estimates for next year do not include the recharges from these cost centres; these will be calculated after the budget has been adopted.

**OVERVIEW OF REVENUE BUDGET – REVISED 2022-23 AND ESTIMATES 2023- 24**

Members should remember that with regard to patterns of income and expenditure, there will always be some variations over the course of the year and for that reason the Council works to annual budgets rather than monthly or quarterly.

Obviously, the ongoing situation around the cost-of-living crisis, as well as the aftermath of the pandemic, gives some cause for uncertainty and concern around budget setting for the Council's various services. A prudent approach has therefore been taken to not set unachievable targets for income. The future is still very unpredictable at this stage.

**COMMITTEE: HALLS, CEMETERIES & ALLOTMENTS**

**102 – LANGDALE HALL**

This cost centre relates to the property currently leased to the ICE Centre. This includes costs incurred under landlord's responsibilities as well as recharges made to the tenant.

**103 – BARS**

This cost centre relates to the direct costs for the café/bar 1863 in the Corn Exchange, as well as the bar within the Burwell Hall, and the income derived from this operation. Income and expenditure is based on the aspirations of the Council and the desire to turn the Corn Exchange into a fully functioning Arts Centre, now that the seating, sound and lighting has been installed. Hopefully the figures the budget is based on are realistic and achievable.

#### 104 – CORN EXCHANGE.

This includes all income from hall hire, as well as the expenditure relating to the management of the building. With the introduction of theatrical sound, lighting, and seating it is hoped that it will attract more touring theatre acts and the Venue & Events Officer will be able to draw up an all-encompassing programme of events to help with income generation as well as offsetting some of the expenditure. The events budget 4141/104 has therefore been increased to £10,000 in next year's budget, and any underspend in the current year will also be rolled over.

#### 105 – BURWELL HALL

This includes all income from hall hire, as well as the expenditure relating to the management of the Burwell Hall. Within **earmarked reserves (EMR) (A/c 372)** £30,000 was set aside for the replacement of the heating system; given the cost of a greener solution the Council recently agreed to installing a new gas boiler, which will be more efficient than what is currently in situ. With this resolution it is hoped that this will be procured and installed early in the new year and may have a bearing on reducing the utility bills.

#### 106 – MADLEY PARK COMMUNITY CENTRE

This cost centre relates to the property currently leased to the Madley Park Trust. This includes costs incurred under landlord's responsibilities as well as recharges made to the tenant.

**An Earmarked Reserve (EMR) is held (A/c 329) which currently stands at £15,980 as a contingency should anything structural go wrong with the building.**

#### 301 – TOWER HILL CEMETERY

This cemetery is now primarily closed to new reservations for burials as it is potentially full, although there is still some space for the burial of ashes – and pre-existing reservations. However, there are substantial running costs of maintaining the Cemetery despite it being closed.

Within the Cemetery there is the Cemetery Lodge which is leased by the Co-operative Funeral Company with rental income shown at budget line 1050/301. However, there are also two Chapels – one is operational and occasionally used by the public for the funeral services. The other Chapel was part of the lease to the Co-operative but was handed back a few years ago when the terms of the lease was renewed.

As part of the Council's Open Spaces Strategy within the Action Plan – IS3 requires the Council to undertake a full options survey of the unused buildings at the cemeteries – according to the OSS Action Plan this was scheduled to take place in April 2022 with an anticipated completion of the survey stage being November 2022, however this is yet to be commissioned. Therefore, a Revenue Growth Item for professional fees was included in budget line 4059/301 of £5,000 in the current year– **however this is to be funded from the EMR held (A/c 362) which currently stands at £21,500.**

An **EMR for Memorial Maintenance is also held (A/c 318)** this has accumulated over time whereby the Council transfers unspent budget line 4355 Memorial Maintenance into this reserve because to commission the topple testing is costly but an essential requirement at set intervals. It is therefore proposed that any expenditure is funded from the EMR.

#### 302 – WINDRUSH CEMETERY

Income from burials and the cost of maintaining the site. There has been a considerable increase in the Income from burial fees at budget line 1100/302. With the development of the land adjoining the Cemetery and the dialogue with the developers to provide an alternative access road off the development there may be some significant expenditure required in the next few years to provide for the road infrastructure. The Officers continue to work on the mapping of the burial ground in order to digitise the records as well as lay out the remaining burial plots. **An EMR is held (A/c 327) which currently stands at £118,853, with a further £25,000 budgeted to be set aside in the 23-24 budget.**

#### 303 – CLOSED CHURCHYARDS ST MARY'S & HOLY TRINITY

The Council is responsible for some aspects of maintenance in these closed churchyards and therefore the costs associated to this work.

It was established several years ago that part of the Council's responsibility was for part of the boundary wall and due to some deterioration, a condition survey was commissioned to establish what works were required under health and safety to safeguard the Council from any claims, particularly as there is a high footfall through the churchyard. The Council has therefore established an earmarked reserve (A/c 376) which currently stands at £25,000 with a further £10,000 budgeted for 2023/24 at budget line 4036/303.

As mentioned above the Council has a significant **EMR for Memorial Maintenance at A/c 318** last year £10,000 of this was used to offset the budget provision in 2022/23 estimates for these works to St Mary's wall – the Operations Manager has taken over this project from the retired Operations & Estates Advisor who has been obtaining quotes for the most urgent work. The funds available for this work from 1 April 2023 will be £45,000.

#### 305 – ALLOTMENTS

Four allotment sites are under the management of the Witney Allotments Association. The Council also holds funds on its balance sheet in respect of improvements to existing and new allotments which stands at £190,703 as at 1 April 2022.

### **COMMITTEE: PARKS & RECREATION COMMITTEE**

#### 201 – SPLASHPARK

This shows the expenditure relating to the Splashpark at the Leys Recreation Ground.

An **EMR (A/c 361)** for the eventual replacement was set up when the Splashpark was opened in 2015 – with consideration that the facility would last approx. 10 years. £25,000

has been set aside each year and added to the precept. **The current balance on the EMR is £167,000.** As the EMR is slightly higher because of some surplus budgets being added to it along the way it is proposed that £10,000 is only set aside in 23-24. There are some grounds works required and these will be funded accordingly.

#### 202 – THE LEYS RECREATION GROUND

This includes all income from sports/ground hire and expenditure relating to the management of the Leys including the adventure play area

4017 – Contract Clean/Waste this includes the contract cleaning of the toilets and changing rooms at the Leys Recreation Ground which is currently outsourced to a contractor.

4059 – Professional Fees the Open Spaces Strategy identifies a number of actions such as SP7 a condition survey, and SP8 a Masterplan. Both these will require professional input and therefore a budget of £10,000 was budgeted for in 2022-23. An **EMR has been set up (A/c 367)** to address the issue relating to the sewer pipe running from the Witney Town Bowls Club to the main sewer, as well as the works identified in the Open Spaces Strategy. **The current balance stands at £57,900** with an additional £25,000 set aside in the estimates for 2023-24.

4110 – Subsidised Lettings it has been assumed that the Council will offer subsidised use of the Leys Recreation Ground for third events such as the Witney Carnival, Libfest, and Witney Music Festival if they all go ahead in 2023 (and a corresponding income entry is provided under 1052/202).

#### 203 – WEST WITNEY SPORTS GROUND

This includes all income from sports, and the various tenants, as well as the expenditure relating to the management of the site, including the Clubhouse

1050 – Rent Received. Members will be aware from previous reports that due to the loss of income from the Snack Shack this income stream has had to be reduced, as it is doubtful the debt will be recovered under the circumstances.

#### 204 – BURWELL (QE2) SPORTS GROUND

This includes all income from football and the cost of maintaining the recreation ground including the play area/MUGA

#### 205 – KING GEORGES V /NEWLAND

This includes income from football and the cost of maintaining the recreation ground including the play area

#### 207 – MOORLAND ROAD PLAY AREA

#### 208 – WOOD GREEN PITCHES/PLAY AREA

#### 209 – ETON CLOSE PLAY AREA & TINY FOREST

#### 210 – OXLEASE PLAY AREA

#### 211 – FIELDMERE PLAY AREA

#### 212 – QUARRY ROAD PLAY AREA

213 – RALEIGH CRESCENT PLAY AREA

214 – PARK ROAD PLAY AREA

All the above cost centres relate to the cost of maintaining the Council's play areas – there are no significant changes that require pointing out as part of this report.

## **COMMITTEE: STRONGER COMMUNITIES**

402 – COMMUNITY INFRASTRUCTURE

This cost centre relates to the infrastructure found in the town like bus shelters, bins, benches, cycle racks, defibrillators, church clock, Christmas Lights and floral displays – and the maintenance of them.

**An infrastructure EMR has been set up (A/c 369) and the balance currently stands at £25,194** – however within this there is funding for the replacement of the Welch Way Planters whereby £2,000 is being set aside for 5 years so that a concrete planter can be created which will be more permanent than the wooden one currently in place. Other assets within this EMR include bins, benches, slat bins, bus shelters, defibs – and this is where budgets haven't yet been spent.

4067 – Tree Survey objective PO3 from the Open Spaces Strategy requires the Council to draw up and adopt a comprehensive arboriculture plan an additional £3,000 was provided in this budget line for a professional report to be drafted in 2022/23 – this has yet to be commissioned.

4105 – Xmas Lights Tree & Infrastructure the Council is currently in a 3-year contract the first year being 2021, the revised and budget estimate for 2022/23 and the estimate for 2023-24 has been adjusted based on known figures.

4166 – Defibrillator Expenditure the only recreation ground that is in the Council's ownership that doesn't have a defibrillator is King Georges Field –it has been agreed that one should be installed, and this is imminent.

4990 – Contribution to CCTV Scheme since the Town Centre CCTV Scheme was established back in 2003 the Town Council has contributed £10,000 towards the scheme. For the time being it has been assumed that the level of contribution remains the same although Members should be aware from previous officer reports that the scheme has been under review by WODC and TVP for a number of years now and some of the equipment is in desperate need to be replaced.

408 – COMMUNITY ACTIVITIES

This relates to community events like the advent fayre, Remembrance Sunday parade, anniversaries, as well as supporting the Youth Council.

4001/2/3 – Salaries & Associated Costs is a new budget line based on the restructure whereby a portion of the pay costs of the Venue & Events Officer is shared with this cost centre in respect of time spent on third party events.

4103 – Grant Youth Council it is hoped that the Youth Council will be resurrected in 2023/24 and therefore a small budget has been retained to provide the necessary resources to get it re-established.

4104 – Grant Carnival/Xmas Rotary Club next years budget has been based on the continuation of supporting both the Carnival and Xmas Light Switch-on event via a grant with a very slight increase should it be requested. Anything above and beyond this specific budget will need to be met from the Grants General Budget at A/c 4100/407.

4106 – Grant – Play Day next years budget has been based on the continuation of supporting the annual play day with a grant of £1,000, as the OPA are currently planning next years events.

4109 – Blue Plaques it was agreed to allocate £300 towards the plaque for Batts House, the remaining budget is going to be used to refurbish the plaque on the outside of the Corn Exchange.

4111 – Water Safety/Education last year the Council agreed to set aside a budget to help support a water safety campaign/education programme with other stakeholders. What transpired was more of a social media campaign using materials from other organisations piggy backing off those campaigns – therefore there hasn't been a cost so far. However, it was agreed that £2,000 of this budget could be used on better H&S signage at the lake – and the Park Ranger is progressing this.

4141 – Events this budget line covers several community events the Council funds.

4145 – Queens Jubilee (2022) – Officers are in the process of completing the legacy project with the installation of the sundial in Unterhaching Play Area.

4146 – Kings Coronation (2023) – A budget of £3,000 has been set aside to events over the Coronation weekend 6/7 May 2023, as agreed by Committee.

4167 – Bus Service the Council continues to support the West Oxfordshire Community Transport; this is the 2nd year of 3 at £21,000 per annum funding is pledged for. However, a request has been received to increase the provision to £25,000 in 2023/24. If Members wish to increase the grant it will need to be made via a supplementary estimate funded from the General Fund in order not to impact the Precept calculation.

4169 – Children & Youth Provision this budget line was increased last year, and therefore has been retained at £40,000 for 2023/24.

## COMMITTEE: POLICY, GOVERNANCE & FINANCE

### 401 – CIVIC ACTIVITIES

This cost centre relates to the Council's Civic Activities through the Office of the Mayor and the costs associated with this position of Office – maintaining the chain, civic functions such as the Annual Civic Reception which is a Town Council function hosted by the Mayor.

### 407 – GRANTS & DONATIONS (INC GPC/S137)

This includes the various grants the Council awards annually as well as the general grant budget.

4100 – Grants General the current level of grant funding has been retained for the 2023/24 financial year. However, the Town Clerk would comment that discussions have been taking place around the financial support of the next years Witney Music Festival – given the demands on the Council's finances she would suggest that a grant is provided from this budget line in the first instance – or from any savings identified from other appropriate accounts at the end of the financial year.

4162 – Grant Volunteer Link-Up Based on the decision taken the budget line has been increased to £2,000 for the next financial year.

### 502 – TOWN HALL MAINTENANCE

The Town Hall is leased from the Town Hall Charity – this cost centre therefore provides for the maintenance of the building and accounts for the income from the sublets of the retail units below it.

4013 – Rent Paid the Council's rent review is due in April 2023 a provision for a small increase has therefore been made in the 2023/24 accounts.

4036 – Property Maintenance Members will be aware from previous reports that the Town Hall building needs external decoration as part of the terms of the lease. The works were meant to have been carried out in the summer but unfortunately the contractor was unable to start the works. Officers have therefore gone back out to tender. **An EMR is held for Town Hall Maintenance (A/c 321) and the balance currently stands at £58,355.**

### 503 – AGENCY SERVICES

This cost centre relates to the Grounds Maintenance Contract which is then charged out across the various services and functions.

Members will be aware from previous reports that the grounds maintenance was brought in house from 1 October 2022. The Cost Centre is therefore no longer needed and superseded by cost centres 604 – Works Depot/Vehicles; 605 - General Maintenance and 606 – Grounds Maintenance.



#### 505 – PRECEPT

This relates to the annual Precept agreed. The Council no longer receives the Council Tax Reduction Grant this has been phased out now. The Precept is received into the Council's bank account in two tranches- April and October.

506 – INTEREST RECEIVED Accounts for bank charges and also interest received from the Council's surplus balances held in CCLA and Barclays. Given the increase in interest rates the Council will see a higher rate of return than originally anticipated.

601 – WORKS DEPARTMENT This relates to the costs of the Council's direct work force – and as explained in the introduction is charged back over the various cost centres analysed from the workmen's time sheets, in order to show a true cost of each service and function. Due to the restructure from bringing the grounds maintenance in house this cost centre is no longer used with effect from 30 September 2022 – with the introduction of new Cost Centres: 604 – Works Depot/Vehicles; 605 - General Maintenance and 606 – Grounds Maintenance.

#### 602 – CENTRAL SUPPORT

This relates to the costs of the Council's Central Admin Support – and as explained in the introduction will be charged back over the various cost centres.

4001 – Salaries, 4002 – ER'S NIC, 4003 – ER'S Superann Members will be aware that a new structure was implemented in March 2021. There have been several vacancies which have not been filled during the year this has been reflected in the revised budget. In line with the budget parameters a 10% pay increase has been assumed for 2023/24.

4028 - IT with the introduction of MS365, upgrading systems and the increase in the numbers on the network, IT costs have increased considerably. This is an area which will be reviewed during the new financial year to ensure the Council is getting the best service possible as the best possible cost.

604 – WORKS DEPOT/VEHICLES; 605 – GENERAL MAINTENANCE; 606 – GROUNDS MAINTENANCE (EX-AGENCY)

As explained above it has been necessary to change the format of the accounts to take into account the switch from external GM provision to bringing it in house. The Officers have done the best estimate they can but until they have experienced a full year of all seasons it is hard to predict the unknown. **A contingency is held in the EMRs [371] which stands at £80,865.**

#### 700 – STRATEGIC PLANNING INITIATIVES

Many projects take time to come to fruition and therefore a lot of time is spent on strategic planning and this needs to be accounted for – this is done as a recharge from Central Support.

#### 701 – CORPORATE MANAGEMENT

This cost centre relates to the Council's Corporate Management covering things like the annual external audit fees.

## 702 – DEMOCRATIC REPRESENTATION & MANAGEMENT

This cost centre relates to the Democratic part of the Council's business – which supports the Councillors and the running of meetings.

4180 – Election Expenses – Unfortunately this budget line has had to be increased in the current year to cover the two by-elections held in the year. These came in at a cost of £13,916; whilst the Officers set aside funds each year, the balance on the **EMR 324 is only £9,291.**

Next year there will be ordinary elections and the budget has been increased to cover these costs.

## COMMITTEE: CLIMATE, BIODIVERSITY & PLANNING

### 206 – WITNEY COUNTRY PARK

This cost centre relates to the maintenance of the lake and country park. The Open Spaces Strategy identified the need for a Park Ranger to manage the lake and country park as well as supporting the Council achieve its biodiversity aspirations. The role was filled in July.

4036 Property Maint, 4040 Arboriculture, 4042 Equipment – The general idea for these budget lines is to support the improvements and ongoing maintenance of the lake and country park. Now with a Park Ranger in post the Council can plan its improvements accordingly. The Council therefore needs to make sure there is a sufficient budget to undertake the necessary works. The Climate, Biodiversity & Planning Committee consider the Park Rangers report last month along with a list of projects for improvements and have prioritised the projects for 2023/24.

In respect of budget line 4042 Equipment part of this budget line relates to the continual maintenance of the paths around the lake which almost annually require attention due to flooding and paths being naturally eroded. The other more substantial part of the budget is for bank erosion works as well managing/increasing the biodiversity of the lake and country park. It also ensures funding is available for replacement life buoys which often are damaged or vandalised.

It should also be noted that within **Earmarked Reserve 366 – Climate/Biodiversity** there is a **sum of £23,050 set aside for biodiversity and bank stabilisation works around the lake.**

## EARMARKED RESERVES (EMR)

The Town Clerk has referred to some EMR's in the report above to suggest how the budget can be funded, as well as some Capital and Special Revenue Projects later in this report to make the budget affordable and limit the increase in the precept/Band D Council Tax.

A full list of the EMRs is provided in the attached appendices for Member's information (Appendix C).

### **CAPITAL & SPECIAL REVENUE PROJECTS**

No further capital projects have been budgeted for so far to keep the budget affordable and limit the increase in the precept/Band D Council Tax; realistically the ongoing projects at the Leys Recreation Ground, West Witney Sports Ground, and Burwell Recreation Ground are what Officers will continue to concentrate on in the next financial year. The minor special revenue projects have been included within the revenue budget under the relevant cost centres. Should any further capital projects be forthcoming in the course of the year this will be met from the Rolling Capital Fund (A/C 315) or the General Fund as a supplementary estimate.

### **SUMMARY AND BOTTOM LINE**

After a lot of scrutiny, the Town Clerk has done her best to present an affordable and realistic budget within the budget parameters agreed in September. This has resulted in a minimal precept increase of 4.95%, whilst maintaining the Council's General Fund to ensure it meets the recommended 3 months net revenue expenditure.

The summary report is provided at appendix B.

The Band D Equivalent Tax Base is 11159.31 which would result in £175.09 per annum (from £166.83 in the current year). This is an increase of 4.95% or £8.26 – less than 70 pence per month/15 pence per week.

### **Environmental impact**

Having declared a Climate Change Emergency at its Council meeting on 26 June 2019 – with this in mind Councillors should have due regard to the environmental impact of any decisions they make with regard to its facilities and services it operates.

Within the budget there is financial provision for various projects to assist the Council in achieving its objectives. These extend to upgrading of some of its vehicles, making buildings more energy efficient, as well as using green utility companies.

### **Risk**

In decision making Councillors should give consideration to any risks to the Council and any action it can take to limit or negate its liability.

Proper and sound financial management is necessary as all Councillors are collectively responsible for the budget, particularly expenditure and ensuring it is expended lawfully and in line with the Council's Financial Regulations.

As Town Clerk, the Council's Proper Officer and Responsible Financial Officer it is her job to advise accordingly, in line with Financial Regulations and Statute. She has carried out

extensive scrutiny of the Council's income and expenditure and if confident in the accuracy of her figures presented.

### **Financial implications**

This report forms part of the Council's due diligence and a process in line with its Financial Regulations. The financial implications are detailed above and in the attached appendices.

### **Recommendations**

Members are invited to note the report and

1. adopt the revised budget for 2022/23 as presented;
2. consider funding additional grant requests from existing budget lines, and utilising the Earmarked Reserves as detailed above to fund some revenue and capital expenditure so that the increase in precept can be kept to a minimum and within the budget parameters;
3. subject to the above adopt the budget for 2023-24.