

HALLS, CEMETERIES & ALLOTMENTS COMMITTEE

Date: Monday, 13 March 2023

Title: Finance Report

Contact Officer: Responsible Financial Officer (RFO) – Nigel Warner

Should Members have any queries about this report advance notice would be appreciated, in writing, by 5pm on the Friday before the meeting to allow for a full response at the meeting.

BACKGROUND

Detailed income and expenditure statements for budgets which are the responsibility of this committee are enclosed. The period to which this report relates is 1 April 2022 to 31 January 2023.

CURRENT SITUATION

A full review of the budgetary position was undertaken during the budget-setting cycle. Most areas of interest were raised at the last meeting of this committee and at the extra-ordinary meeting of the council. The RFO would refer members to the finance/ budget reports of the Town Clerk which were approved at those meetings for further details.

Current year budget: In terms of the report presented at this meeting, the current year (2022/23) budget is that which was projected when the estimates were revised and agreed by the Council at its meeting on 4 January 2023. It should be noted that the revised estimates were produced by your officers in the autumn of 2022. This means that, with the year end (31 March 2023) rapidly approaching, there will be some cases where the actual spend to date exceeds the revised estimates. Conversely there will be other lines where actuals at 31 March 2023 will not reach the projected estimate figure. Overall, the impact on budget should be broadly neutral when the year-end accounts are produced.

Members are reminded that expenditure is not necessarily incurred evenly over the course of the year. For example the vast majority of expenditure in relation to nominal ledger code 4025 (insurance) is incurred in April each year when the annual premium is paid. There will also be similar patterns on the income side such as grants received.

Estimates for 2023/24: These are shown in the report in the three columns on the right-hand side of the page. The report of the Town Clerk to the Extraordinary Council meeting of 4 January 2023 stated that “it should be noted that the revised estimates and the estimates for next year do not include the recharges from these (*works/ central support*) cost centres; these will be calculated after the budget has been adopted.” This is standard practice and following

agreement of the budget the recharges have been processed and these are reflected in the estimates for 2023/24.

Recharges: With the cessation of the grounds maintenance contract there have been a number of changes to the cost centres (CC) and these are summarised below:

CC 503, Agency services. The cost centre ceased on 30 September 2022, with recharges being made to that date. From 1 October 2022 these costs are accounted through CC 604, Works depot (includes most property, vehicles and equipment) and CC606 Grounds maintenance (mainly staffing costs). Note that at present recharges have not been processed in “actual YTD” column although they are represented in the projected estimates for 2022/23 and the estimates for 2023/24.

CC 601, Works department – cost centre ceased 30 September 2022. These costs are now accounted through CC 604, Works depot (includes most property, vehicles and equipment) and CC605, General maintenance (mainly staffing costs). Recharges for CC605 have been made to 31 January 2023.

CC 602, Central support. This cost centre remains in place and recharges made to 31 January 2023.

YEAR-END AND EARMARKED RESERVES

Overall, the management accounts show the following in relation to the current year:

	2022/23 Year to date	2022/23 Projected estimate
Income	£247,449	£249,423
Gross Expenditure	£443,045	£721,639
Net expenditure (i.e. gross expenditure minus income)	£195,595	£472,216

Income to date compares very favourably to the projected budget, the income for ten months representing at 99% of the amount which was expected when your officers projected the estimates for the full year of £249,423, which itself was revised upwards from the original budget of £214,916.

Expenditure to date is significantly below the projected estimates. The main reason for this relates to recharges. As noted above recharges have yet to be made re the depot (dept604) and the grounds maintenance team (previously under contract). In relation to the other recharges there are also some areas where these have not been as high as anticipated. Estimates for where recharges are allocated, costs centre by cost centre, are based on historic data but within the year will depend on where staff time is spent. The latter will then be driven

by activity, projects and priorities. Taking all recharges together the amount allocated to date amounts to £189,592 compared with the projected spend of £345,119, a difference of £155,527. On a simple straight-line calculation there will also be additional expenditure of £50,690 by year end (this figure excluding recharges). These two items would result in gross expenditure increasing from £443,045 (month 10) to £649,262 (month 12), which is 90% of projected budget.

Therefore, the financial position is favourable with the Committee's services being delivered within budget.

Ahead of the year end your officers will be thoroughly examining the various budget lines and proposals will come forward to the Policy, Governance and Finance Committee on 27 March 2023 where they may be some modest proposals from your officers to allow for transfers to the earmarked reserves where specific budgets in relation to property and equipment are underspent. This would be in line with the Council's de facto policy to maintain prudential reserves where expenditure has not been required this year but will in future years.

ENVIRONMENTAL IMPACT

The Council declared a Climate Change Emergency at its 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.

Officers are continually assessing the environmental impact of services and assets to ensure where possible measures are taken to support the Council's climate declaration of carbon neutrality by 2028. This extends to the procurement of goods and services.

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.

Members are reminded that collectively they are custodians of the public purse with most of the funding coming from the taxpayers of Witney. Therefore, Officers ensure they get best value, value for money, and comply with the Council's Standing Orders, Financial Regulations, and Procurement Policy.

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 also in the attached appendices.

RECOMMENDATIONS

Members are invited to note the report.