

## **POLICY, GOVERNANCE & FINANCE COMMITTEE**

---

**Date:** Monday 25 September 2023

**Title:** Budget Parameters and timetable 2024/25, Capital & Special Revenue Projects 2024/25 and beyond

**Contact Officer:** **Responsible Financial Officer**

---

### **Background**

In line with normal Council procedures, the officers will shortly be commencing the annual review of all the Committees to prepare the revenue budget for 2024-25.

It is usual practice that the Policy, Governance & Finance Committee agrees the budget parameters. This year's calendar of meetings schedules the resultant Revenue Budget to be adopted by full Council on 12th December 2022 – subject to receiving the tax base information from the District Council.

Draft budgets are prepared based upon current activities and patterns of income and expenditure. Any additional revenue expenditure is considered separately as Revenue Growth Items.

It is also normal practice that during the budget cycle the Council considers the Capital and Special Revenue budget to identify which projects or schemes are to be implemented and undertaken during the next financial year.

Committees have been requested during this cycle to consider items to be included in next year's budget so that Officers can obtain costings accordingly. This will then enable the RFO to draft as accurate budget estimates as possible.

It is anticipated that the draft budgets will hopefully go through the spending committees during the next cycle of meetings. These committees will also review fees and charges for relevant council services for 2024/25.

The draft budget for 2024/25 will be then be presented to the Policy, Governance & Finance Committee meeting on 20 November 2023 and the final budget to the Special meeting on 11 December 2023.

## Budget Framework

To assist in the process of drafting estimates the RFO requests the Committee to consider:

1. Precept and Band D Council Tax

The [current precept](#) – the amount which the Town Council requires the District Council to collect on its behalf – is £1,861,708 and this equates to a Band D Council Tax of £166.83. Members will wish to consider their intentions regarding the Council Tax, and whether they will be seeking to increase, retain or decrease the amount currently levied.

There was no increase in the Council Tax for the Town Council part of the bill for 2023/24.

2. Staffing Costs

The Council is bound by national agreements in relation to staffing and salaries. National pay negotiations for local government workers are ongoing.

The current employers' offer for 2023-24 is a flat rate of £1,925 (full-time equivalent), equating to between 3.88% and 9.42% depending on their pay grade of the staff involved.

The Office for National Statistics annual growth for regular pay (excluding bonuses) for the period April to June 2023 higher at 7.8%.

The indications are that the employers' offer will be the basis for settlement and consequently your officers recommend that the current employers' offer becomes the basis for staff budgeting.

3. Fees and Charges

From 1 April 2023 the increase in fees and charges was 10% to reflect improvements made, especially to the Corn Exchange as well as relatively high inflation manifesting particularly in rising costs of utilities and material costs.

4. Capital Expenditure & Special Revenue Projects

Committees have been requested to consider capital and special revenue projects for next year. However Members will be aware that there are major projects and financial commitments over the coming year, including the grant to Courtside CIC re the Leys improvements, the relocation of the works depot and works to the West Witney Sports and Social Club building. Consequently your officers are recommending that other projects are kept to a minimum both for financial and delivery reasons.

5. Utilities

The Council benefited from renewing its energy contracts late February 2023 as prices were beginning to fall and were much lower than the considerable increases budgeted for. This will be reflected in the budget for 2024/25. However because of the political and economic situation the markets remain volatile.

6. Other costs

Your officers will be looking to keep increases in budgets to a minimum and achieve savings where possible. It should be noted that inflation in August 2023 was 6.7%. Although this was a decrease on the previous month there is nervousness that this will increase again because of increased oil prices.

Normally the District Council is not able to advise the tax base level until mid- November but this should hopefully be in time for the draft budget to be presented to the November meeting of this Committee.

**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 regarding its facilities and services it operates.

**Risk**

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

With all the above in mind, the RFO would caution that given the ongoing circumstances and uncertainty around the economy and particularly utilities, supply of materials etc., your officers will be looking to set a prudent and balanced budget which in turn will try to negate the need for excessive increases to the Precept, given continuing challenges of the cost of living crisis.

The General Reserve should not be used to balance the budget – best practice is to ensure the Council has 3 to 6 months net expenditure. It is not good practice to agree supplementary estimates during the financial year, Council will be encouraged to set as accurate budget as possible – both revenue and capital – to capture the ambitions for the next financial year and to manage cash flow and budgets accordingly.

**Financial implications**

These are included in the report above.

**Recommendations**

Members are invited to note the report and consider the budget framework and parameters for 2024/25 as detailed above.