

HALLS, CEMETERIES & ALLOTMENTS COMMITTEE

Date:	Monday 6 November 2023
Title:	Finance Report: Revised Revenue Budget 2023/24 and Draft Base Revenue Budget 2024/25
Contact Officer:	Responsible Financial Officer

Background

Financial Regulation 3.2 requires *each committee through the actions of the Policy, Governance & Finance Committee, to review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of November each year including any proposal for revising the forecast.*

The purpose of this report is to present to Members the revised budget for 2023/24 and the first draft revenue budget for 2024/25. Please see attached documents.

The budget process is ongoing and there is further work to do. Consequently an updated report on all cost centres which are the responsibility of this committee will be presented later in the budget cycle. This will include a fuller explanation of variances. For now this report covers only the major matters of note.

Recharges from Works Department and Central Support

To get a true cost of its services, the Council recharges the total cost of its Works Departments (Cost Centres 604, 605 and 606) and Central Support (Cost Centre 602) across the various cost centres/ services. For the Works Department this is done based on the weekly time sheets, and for the Central Support is based on the apportionment of responsibilities of the Officers.

The budget holding committee for the Works Department and Central Support is the Policy, Governance and Finance Committee and the revised estimates for 2023-24 and the proposed budget for 2024-25 will be brought to the next meeting of that Committee. This will have followed completion of the report in relation to the operation of the in-house grounds' maintenance operation for the year to 30 September 2023.

In the meantime the revised estimates for 2023-24 are the same as the original estimates. The RFO examines each individual budget line, looking at the historic trends and known future developments so a flat percentage is not applied uniformly across the estimates. However where appropriate an inflationary increase for 2024-25 is assumed at a 6.7% increase. Note that public sector wage inflation is currently 6.8% (August 2023), CPI is 6.3% and RPI is 8.9% (the latter two as at September 2023).

Format of the Council’s Base Revenue Budget

Regarding the Halls, Cemeteries and Allotments budget, the Committee’s services are divided into 12 base revenue cost centres, responsibilities as follows:

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	Corn Exchange: Café/Bar	This is a new cost centre which includes the direct costs for the café/bar as well as the income derived from this operation.
104	Corn Exchange	This includes all income from hall hire, as well as the expenditure relating to the management of the building.
105	Burwell Hall	This includes all income from hall hire, as well as the expenditure relating to the management of the building.
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.
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.
302	Windrush Cemetery	Income from burials and the cost of maintaining the site.
303	Closed Churchyards St Marys & Holy Trinity	The Council is responsible for some aspects of maintenance in these closed

churchyards and therefore the costs associated to this work.

305 Allotments

Four allotment sites are under the management of the Witney Allotments Association.

Revenue Budget Summary

The reports give the detail and Members will be able to ask questions either ahead or at the meeting.

Members may wish to note the following matters:

1. Recharges. The following recharges have been processed for the period 1 April to 31 August:
 - (i) 4894 – grounds staff;
 - (ii) 4895 – grounds staff overhead;
 - (iii) 4896 – Maintenance staff;
 - (iv) 4897 – Maintenance staff overhead;
 - (v) 4892 – Central support staff;
 - (vi) 4893 – Central support overhead.
2. Change in insurance costs reflect the result so the revaluation of the Council's buildings for reinstatement purposes from 1 October 2023.
3. The proposed increase in fees and charges for 2024-25 is 6.7%.
4. The estimates reflect energy costs being lower than budgeted for this time last year, this having a significant impact on the bottom line.
5. **Cost centres 102 to 106. Public Halls.** In relation to the directly managed public halls, Members will be considering the business plan for the Corn Exchange. There have been increased employee costs reflecting the increased activity in the halls. Income has also increased. It has required investment of both capital and revenue to develop the facilities. The challenge now is to reduce the overall deficit on the halls. Work is ongoing in this area and the budget estimates are likely to change as this work is taken forward ahead of final budget setting. The agreement and implementation of the Business Plan which is being brought forward for approval will have a positive impact and your officers anticipate that this will result in a reduction of the net running costs of the halls.
6. In relation to **cost centre 102 the Langdale Hall**, the lease with the ICE centre provides a rent review in March 2024 and stipulates that this is based on the RPI in the previous three-year period. This results in an increase in rent from £20,302 to £26,007.
7. With regard the **cemeteries cost centres 301 and 302** the budgets are stable. Revised income during 2023-24 at Tower Hill is higher than budget - £35,901 compared with £31,889; Windrush is revised at £46,367, just below original at £46,500. The 2024-25 estimates are based on these patterns. Current year expenditure at Tower Hill is estimated now at £150,435 (original £148,995); at Windrush £225,783 (original £223,981).

8. Expenditure is projected to rise on the cemeteries during 2024-25 but the current review in relation to the work team, one year on from the grounds maintenance work being taken inhouse, is likely to have a material impact in this regard.
9. **Cost centre 303 -Closed churchyards.** In accordance with the report of the Operations Manager (item 13) provision is made for increased property maintenance costs during 2024-25, the budget being increased from £11,000 to £16,000.
10. **Cost centre 305 – Allotments.** Provision for cost of service to increase from £6,893 to £7,280 in 2024-25.

Overall the budget estimates show:

Original 2023-24 budget: £644,349

Revised 2023-24 budget: £598,178 (reduction of 7.1%)

Proposed 2024-25 budget: £610,607 (reduction of 5.2% on 2023-24)

Note the above figures will change when the works/ central budgets and earmarked reserve movements considered by the Policy, Governance and Finance 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.

All the Council's Committees receive financial reports to carry out its checks and balances. The RFO has approached the budget with prudence so as accurate budget as possible can be set at this early stage, although there may be some opportunities to make savings if required to balance the budget.

Financial implications

This report forms part of the Council's mechanisms for budgetary control, as it enables income and expenditure incurred to be reviewed and to be compared with the Council's budgets.

Recommendations

Members are invited to:

- (a) Note the report and consider the revised base revenue budget for 2023/24 and the initial estimated base revenue budgets for 2024/25, as detailed in the draft estimates.
- (b) Note that work in relation to the estimates is ongoing and therefore it is likely that the estimates for the various cost centres will change. The estimates must be considered accordingly.

