

## CLIMATE, BIODIVERSITY & PLANNING COMMITTEE

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**Date:** Monday 27 November 2023

**Title:** Financial Report: Revised Budget 2023/24 and Proposed Budget 2024/25 – Revenue and Capital

**Contact Officer:** Responsible Financial Officer

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### **Background**

The purpose of this report is to present to Members the revised budget for 2023/24 and the first draft revenue budget for 2023/24; please see attached.

The report also considers a bid for the 2024/25 capital programme.

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.

### **Recharge from Works Department and Central Support**

To get the true cost of its services, the Council recharges the total cost of its Works Department (Cost Centre 601) and Central Support (Cost Centre 602) across it. 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 first draft revised estimates for 2023-24 and the proposed budget for 2024-25 have now been approved and are reflected in the recharges to service cost centres.

It should be noted when reviewing the accounts that the recharge from the Works Department and Central Support are yet to be made in this financial year and as the Responsible Financial Officer (RFO) is using system generated reports it has not been possible to exclude these accounts from this summary. Only when the budget for both these departments has been agreed by the Policy, Governance & Finance Committee will the RFO be in the position to calculate the revised recharges and the estimates for 2023/24.

Members should also remember that regarding 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.

## Format of the Council's Base Revenue Budget

With regard to the Climate, Biodiversity & Planning budget, the Committee's services are divided into 2 base revenue cost centres, responsibilities [but with other interests overlapping into other Committee's Cost Centres], as follows:

<u>Cost Centre</u>	<u>Area</u>	<u>Description</u>
206	Witney Country Park	This cost centre relates to the maintenance of the lake and country park.
403	Planning	This relates to the recharge form Central Support for administering the planning function of the Council.

The revenue budgets for the two cost centres are in the attached report. The format of this report is quite straightforward; the first two columns relate to the original budget from 2022/23 against the actual figures for last year. The middle section of three columns relate to the current year's original budget, actual expenditure year to date, the projected budget to 31 March 2024. The remaining section of the report relates to the draft budget for 2024/25.

## Budget Parameters – Draft Estimates 2022-23

Draft budgets are prepared on current activities and patterns of income and expenditure.

When considering the 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.

There is a relatively high volatility in relation to inflation, reflecting the international situation. In the light of recent information and [HM Treasury Autumn Statement 2023](#) any cost of living increases, where applied, have been reduced from the 6.7% used earlier in the budget cycle to 4% for 2024-25. This has been applied to staff salaries for 2024-25.

There remains much uncertainty regarding gas and electricity prices. However, for the purposes of the budget for 2024-25 an inflationary increase of 10% over 2023-24 has been assumed. Gas and electricity accounts for 4% of the Council's gross expenditure budget (revised 2023-24).

For information, public sector wage inflation, although lower than that in the private sector, is currently 6.8% (August 2023). The pay increase for 2023-24 has now been agreed at £1,925 for scale points up to SCP43, an equivalent of £1 per hour. In percentage terms this is equivalent to 10.4% for the lowest of the NALC (National Association of Local Councils) pay points and 3.88% for the highest and those from scale point SCP44. The 2023-24 revised gross expenditure budget indicates that employment costs account for 55% of the budget so

inflationary pressure in this area is an important consideration. Note that this is a figure which is typical of a service-based business but has risen in the last year as the grounds maintenance work was taken in house meaning that the contractors' staff previously undertaking Town Council work are now directly employed.

Finally, CPI (Consumer Prices Index) is 4.7% and RPI (Retail Prices Index) is 6.1% (October 2023).

### **Cost Centre 206 – Witney Country Park**

The majority of the expenditure relating to this cost centre are staffing and overhead costs. The expenditure for non-staffing/overheads was £19,000 and has been increased to £20,750 for 2024-25, a necessary increase to give the staff the resources to deliver on the management plan for the area.

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.

4059 – Other professional fees have been revised to £5,000 for 2023-24 and retained at this level for 2024-25. These relate to the important surveys which are required, as detailed in the Management Plan summary at agenda item 9. These are essential to allow for proper management of the area and also may be important in attracting grant funding towards revenue and capital.

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

The costs of the vehicle used by the Climate, Biodiversity and Green Spaces Officer is included under cost centre 604 (works depot/vehicles) and cost centre 206 receives a recharge from this cost centre.

### **Other Budget Lines Under Indirect Control – for information**

4066/402 – Replacement Trees is as follows:

<b>22/23 Budget</b>	<b>Expenditure to date</b>	<b>Proposed 24/25</b>
£8,000	£5,620	£8,000

It is Council policy that any trees which must be removed are replaced and therefore the necessary funding needs to be in place to fulfil its objective, reflected in the budget set aside.

4067/402 – Tree Survey is as follows:

<b>22/23 Budget</b>	<b>Expenditure to date</b>	<b>Proposed 24/25</b>
£8,000	£0	£8,000

The Council has a rolling programme of surveying its tree stock – which is a requirement for insurance purposes. The same level of budget has been retained for the next financial year as recently we have had to carry out pull tests and other surveys on trees – therefore a contingency has been made.

A further report on capital spending in the current year will be presented directly to the Policy, Governance and Finance Committee.

### **Revenue Budget Summary**

The Base Revenue Budget for this Committee is summarised on page one of the attached schedules. The two cost centres are summarised as follows:

<b>Cost centre</b>	<b>Original budget 2023-24</b>	<b>Revised budget 2023-24</b>	<b>Estimate 2024-25</b>
206- Witney Country Park	£93,228	£99,019	£98,795 (+6.0%)
403 – Planning	£31,822	£29,784	£31,986 (+0.5%)

### **Capital budget bid for 2024/25**

There is one capital budget bid for floating platforms as referenced in the Management Plan summary at agenda item 9.

There are earmarked reserves for a number of other major items, a report on the earmarked reserve position will be part of the report in relation to funding Council services for 2024-25 and beyond and will be considered later in the budget cycle.

### **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.

As mentioned above the Council has now successfully brought its grounds maintenance contract in house. By doing this the Council will be able to take into consideration greener measures to work towards its objective for carbon neutrality by 2028. This, along with the budget allocated to Climate Emergency and Biodiversity should help to facilitate projects yet to be identified by the Council.

## **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 their checks and balances. The RFO has approached the budget with prudence so as accurate a 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 and to approve these estimates so the Council can proceed to the next step of the budget process.
- (b) Recommend the inclusion of a sum of £11,000 for floating platforms as part of the Council's Capital Programme.
- (c) Note that work in relation to both revenue and capital estimates is ongoing and therefore it is likely that the estimates for the various cost centres will change. The estimates must be considered accordingly