

FULL COUNCIL

Date:	Monday 8 January 2024
Title:	Revised Budget 2023/24 and Estimates 2024/25
Contact Officer:	Responsible Financial Officer

Background

The purpose of this report is to provide an overview of the revised budget for 2023-24 and the estimates for 2024-25 in order for the Council to 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 budgets are prepared based upon current activities and patterns of income and expenditure, as well as projects and priorities identified by the spending Committees throughout the year. The budget needs to be realistic, achievable, and affordable and the RFO believes that Members can have confidence in adopting this budget which will reasonably meet the Council's aspirations.

A copy of the detailed draft budget –by Committee, (see Appendix A) with some narrative explanation provided later in this report. The format of the detailed budget estimates report is straightforward. For each budget line, last year's figures are in the first two columns. The current year shows the original estimate for 2023-24 including any in year adjustments such as virements between budgets shown as TOTAL, followed by ACTUAL YTD figures (based on month 8 – up to 30 November 2023), 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 committed column is not currently used. The final columns, on the far-right hand side of each schedule, shows the estimate for 2024-25 – the agreed (proposed) estimate to be funded from in-year revenue; EMR which shows expenditure to be funded from earmarked reserves and a Carried Forward column which is not currently used.

Note that all the revenue growth and capital items recommended by the spending committees have now been incorporated into the estimates.

Budget deliberations by the spending Committees from October to December 2023

During October and November each of the Committees met and considered to their revenue and capital budgets for 2024/25. During this time further work took place to check the

estimates and to incorporate the latest information available. This means that the estimates have been presented in several drafts; the latest/final is draft 3.

OVERVIEW OF REVENUE BUDGET – REVISED 2023-24 AND ESTIMATES 2024-25

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.

Budget parameters

When considering the estimates, the RFO has examined each individual budget line, looking at the historic trends and known future developments; a flat percentage is not applied uniformly across the estimates. There remains some uncertainty in relation to inflation, reflecting the international situation.

Public sector wage inflation, although lower than that in the private sector, is currently 6.8% (August 2023). The pay increase for 2023-24 was agreed in October 2023 at £1,925 across all pay grades, the equivalent to £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 6.4% for the highest. 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. This is a figure which is typical of a service-based business where staff are necessary to deliver services 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 (and shown as non-staffing expenditure) are now directly employed. Early in the budget cycle the RFO projected wage inflation for 2024-25 at 6.7%; this has now been revised down to 4.0%.

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

For other budget lines, where a cost-of-living increase has been applied, 6.7% has been used for 2024-25.

Finally, and for information, the latest inflation indicators are: CPI (Consumer Prices Index) is 4.2% (November 2023, published on 20 December) and RPI (Retail Prices Index) is 5.3% (November 2023, published on 20 December).

Revenue budget – general comments

Members may wish to note the following:

1. Year to date figures (including salaries, wages and overhead allocations) represent receipts and payments for the eight-month period 1 April to 30 November 2023.

2. The estimates reflect energy costs much lower than budgeted for this time last year, this having a significant impact on the bottom line.
3. On several nominal codes where expenditure is likely to be under-budget the revised budget is retained at the original. A proposal will come forward at final accounts stage for the difference between spend and budget to then be transferred to the earmarked reserve at year end, consequently not impacting on the projected bottom line.
4. Conversely over-spends on nominal budgets may be met from earmarked reserves. With one exception at cost centre 104 (Corn Exchange) any proposed transfers from earmarked will be made at final accounts stage although the favourable position with regard to the general fund your officers may recommend that such transfers are either not made or are limited for 2023-24.
5. There may now be some YTD figures which are higher than projected year end for 2023-24. This will occur because the revised estimates for 2023/24 were being drafted from September but on reviewing these the RFO does not consider they have a material impact on the “bottom line” and so have not been amended.
6. Change in insurance costs reflect the result so the revaluation of the Council’s buildings for reinstatement purposes from 1 October 2023.
7. The proposed increase in fees and charges for all services for 2024-25 is 6.7%. The increase reflects the inflationary pressures felt by the Council during the last year.
8. There has been a full review of estimates since the last figures were last presented to the Policy, Governance and Finance Committee in November 2023. Whilst some changes have been made and there are some budget lines where your officers have identified likely under/over budgets the view has been taken that overall the likely impact is neutral and therefore the “bottom line” estimate for 2024-25 remains as previously stated.

BUDGET REVIEW BY COMMITTEE

COMMITTEE: PARKS & RECREATION COMMITTEE

201 – SPLASHPARK

This shows the expenditure relating to the Splashpark at the Leys Recreation Ground. Code 4012/201 – Splashpark water rates. Members will be aware of the significant challenges in operating the Splashpark this year. The facility was open during the summer season but the problems with the plant resulted in a much higher water rates charge than

has been anticipated (£35,996 compared with £12,000). The general fund position is such that it is not now proposed that this be funded from the earmarked reserve. For 2024/24 the water charge will reduce back to previous levels assuming that the major planned works are undertaken.

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. Some works have been undertaken during 2023/24 leaving a current balance of £157,600 which it is intended to use for works during 2025/26.

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.

Code 4110/202 Subsidised lettings the Leys. The expenditure of £4,545 in the year to date is in relation to the use of the Leys in relation to the Witney Pride, Witney Music Festival and Witney Carnival. The income code 1051 – ground hire, is credited with the same amount.

4110 – Subsidised Lettings it has been assumed that the Council will offer subsidised use of the Leys Recreation Ground for third-party events such as the Witney Carnival, Witney Pride and Witney Music Festival if they all go ahead in 2024; 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.

Code 4036/203 property maintenance West Witney. Budget £1,500, spend to date £3,522. This is higher than budget due to the installation of the new water pump/ irrigation system for the bowls greens, costing £2,516. This was agreed by the Committee on 6 March 2023 (minute PR118).

Code 4046/203 sports equipment West Witney. Spend £1,354 but no budget. This relates to the purchase of the cricket boundary rope and winder system, as agreed by the Committee at its meeting of 6 March 2023 (minute PR117).

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.

The following cost centres (207 to 217) 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. In relation to nominal codes 4047 – play equipment maintenance. As previously advised a budget is allocated to each of the play areas on an annual basis. This is not always required and so at the year-end any underspend is transferred to the appropriate earmarked reserve. However, when spending is required it will sometimes exceed the annual budget amount allocated to the relevant site for that year and so the difference is funded either through the earmarked reserve or from a virement from underspent budgets on other sites.

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

215 – CEDAR DRIVE PLAY AREA

216 – UNTERHACHING PLAY AREA

217 – WATERFORD LANE PLAY AREA

The Council has included an additional £3,300 in the budget ongoing revenue costs following the adoption of Cedar Drive, Unterhaching and Waterford Lane play areas. The other play area due to be adopted – Raleigh Crescent – already has a budget.

SPORTS PITCH INCOME

During the budget cycle the RFO reviewed the income in relation to use of sports pitches. The estimates were increased across many of these income lines at all the sites, reflecting strong demand in particular for football.

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. The lease with the ICE centre provides for 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.

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.

The projected costs of operating the bar reflect the appointment of the bar manager and the impact on staffing across the halls service and the overheads applied.

104 – CORN EXCHANGE.

This includes all income from hall hire, as well as the expenditure relating to the management of the building.

Members will be considering the business plan for the Corn Exchange at the meeting of the Halls, Cemeteries and Allotments Committee on 22 January 2024. It has required investment of both capital and revenue to develop the facilities. In particular there have been higher employee costs reflecting the increased activity in the halls but employment of direct staffing means that reduced overhead is deployed from central services. Income has also increased. The challenge now is to maximise use and therefore reduce the relative deficit on the facility. Work is ongoing in this area.

The budget estimates have been drafted based on current activity with limited adjustments in relation to income, café margins, overheads and staffing.

The agreement and implementation of the Business Plan which is being brought forward for approval should have a positive impact on budget but cannot be fully incorporated into the budget for 2024-25.

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 and this work was undertaken as part of the current year capital programme.

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 £18,780 as a contingency should anything structural go wrong with the building.

301 – TOWER HILL CEMETERY

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

Revised income during 2023-24 at Tower Hill is higher than budget - £42,380 compared with £31,889. The 2024-25 estimates are based on these patterns although it can be anticipated that this income will fall away in future years as ore-existing reservations are utilised. Current year expenditure at Tower Hill is estimated now at £135,624 (original £148,995). The 2024-25 estimate is £157,636, based on the works team being fully staffed per the agreed establishment.

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. There are also two Chapels – one is operational and available for use 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.

An EMR for Memorial Maintenance is 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

This cost centre shows 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. Revised income during 2023-24 at the Windrush Cemetery is revised at £58,261 compared with the original budget of £46,500 and the same pattern is assumed for 2024/25.

Current year expenditure at Windrush Cemetery is projected at £203,246 (original £223,981). The 2024-25 estimate is £236,617, based on the works team being fully staffed per the agreed establishment.

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 coming 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) amounting to £145,853.

303 – CLOSED CHURCHYARDS ST MARY'S & HOLY TRINITY

By law the Council is responsible for maintaining closed churchyards although there are some maintenance items within the churchyards for which the Council does not bear a responsibility.

Part of the Council's responsibility in maintaining the churchyards 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 £35,000. As agreed by Committee provision is made for one-year increased in the budget at 4036 from £11,000 to £16,000 for 2024-25.

305 – ALLOTMENTS

Four allotment sites are under the management of the Witney Allotments Association. The revenue cost of service is budgeted to increase from £6,893 to £7,047 for 2024-25.

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 2023 (deferred grant/s.106). Current year spending of £9,323 will be sourced from these funds.

COMMITTEE: STRONGER COMMUNITIES

402 – COMMUNITY INFRASTRUCTURE

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

The Council holds an infrastructure EMR has been set up (A/c 369) and the balance at 1 April 2023 was £59,944. A sum of £9,171 was utilised this year as match funding towards new bus shelters. Note that within the EMR there is funding for the replacement of the Welch Way Planters 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.

1052 – Expenses recovered. This income line relating to recharges for memorial benches has been introduced for 2024-25 with a budget of £1,336. The expenditure will be part of 4200/402.

1171 – Donations received. Budget line of £1,334 for 2024-25 relates to Christmas lights sponsorship.

4035 – Bus shelter maintenance. Increase in budget from £2,000 to £3,000 as recurring revenue growth item requested by Committee.

4067 – Tree Survey A tree survey has been commissioned to commence in January 2024, at a cost of £5,500. The Council sets aside a sum of £8,000 towards surveys and related works such as load-testing of trees.

4105 – Xmas Lights Tree & Infrastructure The Christmas Lights working party requested an increase in budget from £44,000 to £55,000 for 2024-25. Of the additional £11,000 of revenue growth, £10,000 is to be treated as a contingency. By way of reminder the Council's contract with its suppliers/installers ends after the current lights season and therefore the

Council will be reviewing its Christmas lights ahead of going out to tender in time for Christmas 2024.

4200 – Street Furniture Revenue growth item to increase budget from £1,000 to £5,000 to provide for and maintain street furniture, the current budget now being inadequate.

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 and this sum is included in the 2024/25 budget.

408 – COMMUNITY ACTIVITIES

This relates to community events including the Advent Fayre, Remembrance Sunday parade, anniversaries, as well as supporting the Youth Council.

4001/2/3 – Salaries & Associated Costs Note that this budget line supports a portion of the pay costs of the Venue & Events Officer in respect of time spent on third party events.

4103 – Grant Youth Council this has been increased to £1,350 to allow for training.

4104 – Grant Carnival/Xmas Rotary Club next year's budget has been based on the continuation of supporting both the Carnival and Xmas Light Switch-on event via a grant with a cost of living 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 year's budget has been based on the continuation of supporting the annual OPA play day with a grant of £1,000.

4111 – Water Safety/Education Continued budget of £2,000 allowed for.

4141 – Events this budget line covers several community events the Council funds and has been increased from £9,000 to £10,000.

4148 – D-Day Anniversary Commemoration A budget of £1,500 has been set aside for this commemoration due in June 2024.

4149 – WTC 50th Anniversary 2024 is the 50th anniversary of the establishment of Witney Town Council, following the local government restructure. A sum of £5,000 is allowed to mark this anniversary.

4154 – Experience Oxfordshire membership The budget line of £1,200 for 2024-25 allows the Council to become members of Experience Oxfordshire. Whilst treated as a recurring item in the schedule the Committee will review the membership as part of the 2025-26 budget deliberations.

4167 – Bus Service budget set aside for £21,000, based on the existing level of grant since 2020. On 28 December 2023 your officers received a request from West Oxfordshire

Community Transport to increase the grant to £23,500. Your officers suggest that this request be considered by the committee at its next meeting and any increase be met from the general grants budget (code 4100/407).

4169 – Children & Youth Provision this budget line has been retained at £40,000 for 2024/25.

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 of £20,000 has been retained for the 2024/25 financial year.

There are also specific budget lines within this cost centre for Citizens Advice Bureau £2,000; Witney Dementia Alliance £1,000; Volunteer Link-Up £2,000. These are additional to the grants included in cost centre 408.

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.

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. An EMR is held for Town Hall Maintenance (A/c 321) and the balance currently stands at £60,885.

503 – AGENCY SERVICES

This cost centre relates to the Grounds Maintenance Contract which ended at 30 September 2022 and is therefore no longer used. The expenditure in this cost centre has been superseded by cost centres 604 – Works Depot/Vehicles; 605 - General Maintenance and 606 – Grounds Maintenance.

505 – PRECEPT

This relates to the annual Precept agreed, being the amount raised from Council Tax by the District Council on behalf of the Town Council. This is paid into the Council's accounts in two-equal instalments in April and October. For the purposes of the budget papers only, the precept shown for 2024-25 is based on the same Council Tax level as for 2023-24, £166.83 (Band D) at the 2024-25 estimated Council tax base.

506 – INTEREST RECEIVED Accounts for bank charges and also interest received from the Council's surplus balances held in CCLA and Barclays. Interest received this year is higher than anticipated but is projected to fall back from £62,047 to £39,804 in 2024/25 as interest rates fall and Council balances reduce due to expenditure on major capital projects.

601 – WORKS DEPARTMENT Due to the restructure from bringing the grounds maintenance in house this cost centre has been redundant since 30 September 2022 but remains in the budget reports due to 2022/23 expenditure. It will drop out of reports next financial year.

The costs are now included in 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 Superannuation There have been several vacancies which have not been filled for all or part of the year; this has been reflected in the revised budget.

A full staffing complement is assumed for 2024/25; in line with the budget parameters a 4% pay increase has been applied.

4023 – Stationery Revenue growth item to increase budget from £2,500 to £3,000 reflecting increased costs in this area as prices have risen.

4028 - IT with the introduction of MS365, upgrading systems and the increase in the numbers on the network, IT costs have increased considerably and the budget has been increased from £18,000 to £21,340 to reflect this. Note also the separate capital bid of £25,000 at code 4967/800.

4892 and 4893 – staffing and overhead recharges Your officers have undertaken an annual review of allocations of staff time between services and adjustments are reflected in the revised estimates for 2023-24 and the estimates for 2024-25.

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

The Council has now directly delivered grounds maintenance services for over 14 months and therefore the various budgets in the above cost centres reflect the actual expenditure incurred.

With regard to departments 605, general maintenance and 606, grounds maintenance, your officers propose that these two cost centres are merged in 2024/25. The division is now no longer meaningful as the two teams effectively operate as one and there is much overlap in tasks undertaken.

700 – STRATEGIC PLANNING INITIATIVES

Major projects take time to come to fruition and a significant amount of time is spent on strategic planning. This needs to be accounted for and this is through a recharge from Central Support.

701 – CORPORATE MANAGEMENT

This cost centre relates to the Council's Corporate Management costs in terms of officer times as well as audit fees and related insurances and advertising.

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 – The budget of £15,000 for 2023-24 reflects the additional costs which have been incurred "in-year" for the ordinary elections which take place every 4 years. For 2024/25 the budget will fall back to £5,124. This would pay for any by-election and would be rolled over into an earmarked reserve if not required.

COMMITTEE: CLIMATE, BIODIVERSITY & PLANNING

206 – WITNEY COUNTRY PARK

This cost centre relates to the maintenance of the lake and country park. Members will recall that the Open Spaces Strategy identified the need for an officer to manage the lake and country park as well as supporting the Council achieve its biodiversity aspirations. This position is held by the Biodiversity and Green Spaces Officer and the staff member has been in place since July 2022.

4036 Property Maintenance, 4040 Arboriculture, 4042 Equipment –these budget lines support the improvements and ongoing maintenance of the lake and country park. The Council therefore needs to make sure there is a sufficient budget to undertake the necessary works. The Climate, Biodiversity & Planning Committee considered the Management Plan Summary 2024-2034 at its meeting in November 2023 and the revenue budget, alongside

the funds already allocated in the earmarked reserves, allows for implementation of agreed actions during 2024/25.

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.

CAPITAL & SPECIAL REVENUE PROJECTS

Capital projects are shown in the budget estimates at cost centre 800.

Income to the cost centre (codes 1170-1200) shows the source of non-precepted funding. The expenditure items are then shown from codes 4291 through to 4996.

As Members will be aware your officers have made some changes to the way in which fixed assets and earmarked reserve movements are accounted for. Further advice is awaited from the software suppliers regarding how this is shown in cost centre 800 and so there will be some post-budget adjustments. These will not affect the “bottom-line.” The attached spreadsheet shows the capital and special revenue projects for the current year and the estimates for 2024-25 and future years.

Post-budget some further items will likely be added, including the Lake and Country Park items. These are provided for in existing revenue and earmarked reserves so should not impact on the “bottom-line.”

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

Overall, the budget estimates for the whole Council, as they stand, show the net revenue requirement (defined as gross revenue-funded expenditure less non-precepted income) :

Original 2023-24 budget: £1,955,834

Revised 2023-24 budget: £1,757,875

Proposed 2024-25 budget: £2,108,927

FUNDING OF THE COUNCIL'S BUDGET

The Council now needs to agree how the budget requirement for 2024-25 should be met.

For information, for 2023-24 the Council's net expenditure requirement was funded as follows:

Net expenditure requirement		£1,955,836
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Funded by:

Use of General Revenue Reserve	£94,128	
Precept	£1,861,708	£1,955,836

Note that the precept resulted in a Council Tax in Band D of £166.83, based on a tax base of 11,159.31.

The net expenditure requirement may be met through a combination of sources.

EARMARKED RESERVES (EMR)

The RFO has referred to some EMR's in the report. EMRs are an important source of funding for Capital and Special Revenue Projects and are already accounted for at cost centre 800.

A summary of the EMRs for Member's information together with a list of section 106 funds currently held (Appendix C).

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. Based on the 2024-25 estimates, this amounts to £479,610.

As at 1 April 2023 the balance on the General Fund was £549,164. When setting the budget for 2023/24 it was estimated the Council would need to use £106,128 from the General Fund to balance the budget. The projected budget suggests that in fact the Council can actually transfer £103,833 into the General Fund. Taking all the above into account the closing balance as at 31 March 2024 on the General Fund is estimated to be £652,997.

PRECEPT (FUNDS RAISED FROM THE COUNCIL TAX)

In relation to the precept Appendix B shows a range of options as to how the £2,108,927 may be funded from a combination of precept and general fund balances. This is based on the assumption that all other income and expenditure variables are now, in effect, fixed.

Members may also find it helpful to refer to the presentation given by the RFO to the Council meeting on 11 December 2023.

The Council's aim is to agree the precept on 8 January 2024 but legally it is entitled to set a precept as late as February (the precept must be issued before March each year).

Environmental impact

Having declared a Climate Change Emergency at its Council meeting on 26 June 2019 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.

It is the task of the Responsible Financial Officer to advise accordingly, in line with Financial Regulations and Statute. He has carried out extensive scrutiny of the Council's income and expenditure and is confident in the accuracy of the estimates.

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 2023/24 as presented;

2. adopt the budget for 2024/25 as presented and agree its funding, including the amount of precept requested and reserve movements.