

HALLS, CEMETERIES & ALLOTMENTS COMMITTEE

Date: Monday, 11 March 2024
Title: Finance Report
Contact Officer: Responsible Financial Officer (RFO)

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 2023 to 31 January 2024.

CURRENT SITUATION

A full review of the budgetary position was undertaken during the budget 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 which were approved at those meetings for further details.

Current year budget: In terms of the report presented at this meeting, the current year (2023/24) budget is now the "Projected" column (fifth column from the right). This was agreed by the Council at its meeting on 8 January 2024. However, it should be noted that the revised estimates were produced by your officers in the autumn of 2023 and so with the year-end (31 March 2024) 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 year-end will not now reach the revised 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 football and cricket pitch hires.

Estimates for 2024/25: These are shown in the report in the columns on the right-hand side of the page.

SUMMARY FOR 2023/24

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

	2023/24 Original budget- Jan. 23	2023/24 Projected estimate- Nov.23	2023/24 Year to date (Month 10)
Expenditure	£899,770	£871,083	£672,216
Less income	(£255,381)	(£365,111)	(£306,011)
Less transfer from earmarked reserves	-	(£7,778)	(£7,778)
Net expenditure	£644,389	£498,194	£358,428

The projected estimate for the current financial year is 22.7% below original net expenditure and therefore the financial position is favourable with the Committee's services being delivered within budget.

MATTERS TO NOTE

1. Expenditure to date is below the projected estimates. However, a portion of the underspend relates to budget lines which the Council has not needed to utilise this year due to careful asset management and also projects which are either in progress or have been delayed. Ahead of the year-end your officers will be thoroughly examining the various budget lines and proposals will come forward following the financial year end (31 March 2024) for a number of these overspends to be transferred into the earmarked reserves to allow projects to continue and to provide for prudential reserves where expenditure has not been required this year but will in future years.
2. Change in insurance costs reflect the result so the revaluation of the Council's buildings for reinstatement purposes from 1 October 2023.
3. Spend during the year to date and the revised estimates reflect energy costs being lower than budgeted for this time last year, this having a significant impact on the bottom line. The expectation is that bills will continue to fall during 2024/25 as a result of the reduction in wholesale prices, together with the results of the Council's energy saving measures, in particular the improvements resulting from the installation of the boiler servicing the Burwell Hall and adjacent changing rooms.
4. **Cost centres 102 to 106. Public Halls.** In relation to the directly managed public halls, Members the business plan for the Corn Exchange has been agreed. During 2023-24 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. However, the accounts show that going forward the running costs of the hall are reducing, and this is reflected in the estimates

for 2024-25 which show a reduction between the original 2023-24 estimates and the 2024-25 estimates across cost centres 103 to 106.

5. 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.
6. In relation to **cost centre 103 – bar/café**, the year-to-date direct expenditure (cost of sales) amounts to £50,359 compared with income of £119,866, i.e. 42%. Albeit unadjusted to stock, this is a considerable improvement on the previous year when cost of sales was 49%.

Note that a new income line has been created at 1003 – soft drinks, these sales were previously part of 1009 – hot drinks.

7. In relation to **cost centre 104 – Corn Exchange lettings (line 1007)**, the income to 31 January 2024 amounts to £53,935; this exceeds the revised budget for 2024-25 which amounts to £53,715.
8. With regard the **cemeteries cost centres 301 and 302** the budgets are stable. Revised income during 2023-24 at Tower Hill was set higher than budget - £42,380 compared with £31,889; Windrush was revised at £58,261, compared with original budget at £46,500. Latest indications are that the Tower Hill figure will be as per the projected budget, but Windrush may now fall back to £54,000.
Current year expenditure at Tower Hill is estimated now at £150,435 (original £148,995); at Windrush £225,783 (original £223,981).

Expenditure was projected to rise on the cemeteries during 2024-25 but the current review in relation to the work team, one year on from the ground's maintenance work being taken inhouse, is likely to have a material impact in this regard.

In relation to the ten months to 31 January 2024, the net expenditure across this Committee's services is £358,428, which is 56% of the original estimate (£644,389) and 72% of the revised estimate (£498,194).

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 approve the report and the management accounts of the Committee's services to 31 January 2024.