

HALLS, CEMETERIES AND ALLOTMENTS COMMITTEE

Date: 20 May 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 Friday 17 May 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; these are the management accounts for this committee. The period to which this report relates is 1 April 2023 to 31 March 2024.

Council Committee Structure, Cost Centres, Nominal Ledger Codes and Structure Of The Financial Statements

The Council has five standing committees which have delegated powers to make decisions, including financial decisions, regarding the services which included within their terms of reference, subject to the committee having the necessary budget. The Council's coding system and management accounts reflect the committee structure.

Council financial years run from 1 April to the 31 March following. Consequently the Council is now in the 2024/25 year. However for the first meeting of the Council year the management accounts presented to each Committee are those based on 2023/24 activity but showing also 2024/25 budget.

The Council is so early in the new year that the 2024/25 income and expenditure does not as yet yield any meaningful information but if there were significant variances against the agreed budgets these would be reported even at this early stage; as yet there are no such variances for this committee for 2024/25.

Within each committee, there are individual cost centres, comprising three digits, typically representing a discrete service entity, to which income and expenditure is allocated against previously agreed revenue budgets.

Within each cost centre income and expenditure is also allocated to a four-digit nominal ledger code; these codes are common across the cost centres. Nominal ledger codes further refine the costs associated with the cost centre and correspond to a specific type of account, such as materials or staffing costs. Codes commencing with “1” are income codes; codes commencing with “4” are expenditure codes.

The report which is presented to Members has a number of columns, as follows and working from left to right:

1. 2022-23 Budgeted income and expenditure (I&E).
2. 2022-23 Actual I&E.
3. 2023-24 Total – this is the original budget as agreed in January 2023.
4. 2023-24 Actual YTD – this is the actual I&E shown in the Council’s ledger.
5. 2023-24 Projected – this is the revised I&E projection made in November 2023 and approved by the Council in January 2024.
6. 2023-24 Committed – this column is not currently used but would show committed I&E in the management accounts e.g. for an order for goods or services which has been issued but which has yet to be invoiced. However note that accruals are/will be made in the financial accounts at year end.
7. 2024-25 Agreed shows the budgets set by the Council at its meeting in January 2024.
8. This column indicates where 2024-25 expenditure is being funded from an earmarked reserve rather than precept.
9. This column is not used.

A report is submitted to every ordinary meeting of the standing committees and previous reports are available on the relevant committee section of the website.

Current Situation

A full commentary on the management accounts 2023-24 was given in previous reports and there are no further items which I wish to draw to the attention of Members at this stage.

Year-end close down and preparation of final account is progressing and if there are any matters which emerge then these will be reported to Members at a future meeting.

There are a number of items though to note since the last meeting:

1. Cost centres 103 to 105. In relation to the directly managed public halls, the business plan for the Corn Exchange was agreed in 2023/24.

During 2023-24 there were increased employee costs reflecting the increased activity in the halls. Income 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.

2. Cost centre 103 – Bar/Café. The value of promotions approved by the Council in relation to the hot drinks discount card (free drink after ten purchased) and “Fizzy Friday” is £1,013. The appropriate income codes have been credited and the cost of the promotions debited to code 3010.
3. In relation to cost centre 103 – bar/café, the year-to-date direct expenditure (cost of sales) amounts to £60,212 compared with income of £145,482, i.e. 41%. This takes account of the year-end stocktake and 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 previously part of 1009 – hot drinks.
4. In relation to cost centre 104 – Corn Exchange lettings (line 1007), the income amounts to £62,539; this exceeds the revised budget for 2024-25 which was £53,715 and the original budget of £38,500.
5. Cost centre 305 – Allotments. The works to fencing and gates yield a year-to-date expenditure of £5,000 compared to the budget of £500.

Summary For 2023/24

Overall, the management accounts show the following in relation to 2023-24 and the estimate for 2024-25:

	2023/24 Original budget- Jan. 23	2023/24 Projected estimate- Nov.23	2023/24 Provisional outturn (pre some yearend adjustments	2024/25 Budget set Jan. 24
Expenditure	£899,770	£871,083	£823,338	£942,905
Less income	(£255,381)	(£365,111)	(£371,386)	(£398,280)
Less transfer from earmarked reserves	-	(£7,778)	(£7,778)	
Net expenditure	£644,389	£498,194	£444,174	£544,625

The provisional outturn for the current financial year is 31% below original net expenditure. 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. As part of the year end process your officers are examining the various budget lines and a number of these underspends 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. This will reduce the difference between original estimate and out-turn.

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 strive to 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 March 2024.