
Agenda Item: Finance Report

Meeting Date: 16 September 2024

Contact Officer: Responsible Financial Officer

Should Members have any queries about this report advance notice would be appreciated, in writing, by 10am on the day of the meeting to allow for a full response at the meeting. E-mail nigel.warner@witney-tc.gov.uk and copy in townclerk@witney-tc.gov.uk

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 2024 to 31 July 2024.

For the Halls, Cemeteries and Allotments Committee the following cost centres are in place.

Cost centre	Service
102	Langdale Hall
103	Bars
104	Corn Exchange
105	Burwell Hall
106	Madley Park Community Centre
301	Tower Hill Cemetery
302	Windrush Cemetery
303	Closed churchyards – St Mary’s/ Holy Trinity
305	Allotments

Cost centres, comprising three digits, typically represent a discrete service entity, to which income and expenditure is allocated against previously agreed revenue budgets.

Within each cost centre income and expenditure is then allocated to a four-digit nominal ledger code; these codes are common across the cost centres. Nominal ledger codes further define 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.

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

Council financial years run from 1 April to 31 March following. Consequently the management accounts to 31 July represent the first four months of the 2024/25 year.

Members may wish to note the following matters in relation to the management accounts:

1. Works department recharges. As previously advised, almost two years on from the transfer of grounds maintenance from a contractor to an inhouse team, cost centres 605 and 606 (general and grounds maintenance teams) now been combined into a new cost centre 601 (which had been the cost centre for the works team up to 30 September 2022). Cost centre 601 will include all staff-related expenditure; any property/equipment/materials-related expenditure formerly in cost centre 606 has been transferred to cost centre 604, which is now Depot and related-expenditure. Budgets are being transferred accordingly.
2. Recharges. The following recharges have been processed for the period 1 April to 31 July:
 - (i) 4888 – Outside staff, totalling £155,383.
 - (ii) 4892 – Central support staff, totalling £141,578.
 - (iii) 4899 – Depot and related (vehicles, equipment, materials etc), totalling £42,318.
3. The following recharges have been processed for the period 1 April to 31 May 2024:
 - (i) 4890 – works non-staff overhead totalling £3,471. June and July journals will total £9,371.
 - (ii) 4893 – central support non-staff overhead totalling £76,593. June and July journals will total £4,649.
4. In relation to the bar, I have now created split the drinks budget between soft (1003) and alcoholic (1000) based on the percentages from 2023-24, meaning that at line 1009 a sum of £7,064 has been transferred from line 1000.
5. I have not provided any detailed commentary on individual budget lines, this will be done as part of the budget process so if Members have any queries please e-mail as per the above. Overall the expenditure for this Committee is in line with budget but there are some areas where there are budgetary pressures.

Note also the following comments relating to the management accounts across the Council:

1. There will always be an inevitable “lag” between expenditure being incurred and being shown in the accounts. However the introduction of the computerised purchase order from September will mean that committed expenditure will be shown on future reports, improving the timeliness of financial information.
2. Expenditure is not necessarily incurred evenly over the course of the year. For example most expenditure in relation to nominal ledger code 4025 (insurance) is incurred when

the annual premium is paid in April. There will also be similar patterns on the income as noted for football and cricket fees paid and for some annual charges for rentals etc.

- Members will likewise recall that the Council is now accounting for earmarked reserve movements differently. The previous system, used by this and other councils, was to represent in-year funding from earmarked reserves as negative expenditure (4995 – transfer from earmarked reserves) and transfers to earmarked reserves as expenditure (code 4991). These fund movements will in future be shown in these reports as a “below the line” adjustment “Transfer from/to EMR” so they do not impact on expenditure but are correctly shown as funding. Appropriate adjustments have been made in the 2023-24 accounts. The intention is also that such transfers are undertaken at or shortly after expenditure has been incurred. An example with regard to the Corn Exchange is shown on page 3 of the management account report.

The summary for the period is:

	Budget	Months 1 to 4 actual	Percentage of budget spent/received in Months 1 to 4 (33.3% of the year)
Expenditure	£944,905	£314,472	33.3%
Income	(£398,280)	(£146,402)	36.8%
Net expenditure	£546,625	£168,070	30.7%
Transfer from earmarked reserves	-	(£27,811)	-
Movement from general reserve	£546,625	£140,259	-

The accounts will be updated at the Policy, Governance and Finance Committee when the remaining few invoices will have been processed; having reviewed these invoices they will affect the position materially. In addition I will also have processed the remaining £14,020 of non-staffing overhead across the whole Council. I estimate that just under 25% of this will end up being costed against this committee, i.e. approximately £3,455, noting that the total Council overhead already processed for the period is £419,343 (97%).

REVENUE BUDGET 2025-26 AND CAPITAL & SPECIAL REVENUE PROJECTS 2025-26 AND BEYOND

In line with normal Council procedures, the RFO will shortly be commencing the annual review of all the Committees to prepare the revenue budget for 2025-26.

Draft budgets are prepared based upon current activities and patterns of income and expenditure. Any additional revenue expenditure is considered separately as Revenue Growth Items.

It is also normal practice that during the budget cycle the Council considers the Capital and Special Revenue budget to identify which projects or schemes are to be implemented and undertaken during the next financial year.

Therefore Members are requested to consider items to be included in next year's budget so that Officers can obtain costings accordingly. This will then enable the RFO to draft as accurate budget estimates as possible.

Impact Assessments

The Town Council has a duty to consider the effects of its decisions, functions and activities on equality, biodiversity, and crime & disorder. Consideration should also be given to effects on the environment, given the Council's Climate Emergency declaration in 2019.

- a) Equality – whilst a sufficient budget is necessary for the Council to meet its obligations and objectives, there are no implications directly resulting from this report.
- b) Biodiversity – whilst a sufficient budget is necessary for the Council to meet its obligations and objectives, there are no implications directly resulting from this report.
- c) Crime & Disorder – whilst a sufficient budget is necessary for the Council to meet its obligations and objectives, there are no implications directly resulting from this report.
- d) Environment & Climate Emergency – whilst a sufficient budget is necessary for the Council to meet its obligations and objectives, there are no implications directly resulting from this report.

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.

The provision of regular financial reports is part of the Council's risk management system.

Social Value

Social value is the positive change the Council creates in the local community within which it operates. Social value is not quantified in the financial reports but clearly the creation of social value is dependent on setting adequate budgets to meet the Council's objectives.

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:

1. To note and approve the report and the management accounts of the Halls, Cemeteries & Recreation Committee for the period 1 April to 31 July 2024.

2. Consider items to be included in next year's revenue and capital/special revenue item budgets, noting that approval of such items will be for the Council to consider in the budget cycle of meetings.