

STRONGER COMMUNITIES COMMITTEE



Agenda Item: Finance Report

Meeting Date: 23 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 Stronger Communities Committee the following cost centres are in place:

Cost centre	Service
402	Community Infrastructure
408	Community Activities

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.

At this meeting there are also two other matters which the Committee is requested to consider:

1. The revenue budget for 2025-26 and the capital/special revenue budgets for 2025-26 and beyond.
2. The renewal of the agreement in relation to Witney Feast from 2025 onwards.

These are covered by separate sections within this report.

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. 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 rollout of the computerised purchase order from September onwards 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 4105/402 (Christmas lights) is incurred from August through to January and so the spend to date is £0 on a budget of £55,000.

3. This Committee budgets to receive a modest sum of income (£2,670) which it does relates to grants, donations and expenses recovered so is often driven by projects.

4. 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	£571,960	£83,938	14.7%
Income	(£2,670)	(£565)	21.2%
Net expenditure	£569,290	£83,373	14.6%
Transfer from earmarked reserves	-	-	
Movement from general reserve	£569,290	£83,373	

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

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.

WITNEY FEAST -RENEWAL OF AGREEMENT

Members will be aware of the annual Witney Feast Fun Fair, which is a long Witney tradition, held on the Leys Recreation Ground every September.

Bob Wilson Funfairs Ltd organises the fun fair and the Council charges them a ground rent for the period they are on site, which is usually ten days.

The Wilsons have been associated with the fair for many years and it is understood that they have been fair organiser since the 1940s. Bob Wilson & Sons Leisure Ltd is one of the leading funfair organisers and operators in the country and have had an excellent working relationship with the Council over the years.

The Council usually negotiates an annual rent agreement which, in the past has covered a period of three to five years.

The current agreement was for five years from 2019 to 2023 but as the 2020 fair did not take place due the Covid-19 restrictions the Council extended the agreement by one year. Consequently the current agreement ends after this year's fair.

The terms of the current agreement are:

- A payment for ground rent to be made of £8,000 annually in relation to the Leys Recreation Ground on which the Fair takes place. Under VAT Notice 742 the default position is that rent on land and buildings is exempt from VAT.
- The option to operate on the Saturday proceeding the usual Monday/Tuesday for which an additional sum of £500 would be charged. Note that this was not exercised.
- In line with the rules of the Showman's Guild the Council will not permit any other fair on the Leys Recreation Ground 28 days prior to the Witney Feast.
- Members should note that the duration of occupation on the Leys Recreation is from the Monday to the following Wednesday. The fair is set out on the football side and the caravans on the cricket side.

A meeting between the Council and Bob Wilson and Sons Leisure Limited took place on 16 September 2024. This was an opportunity for both parties to discuss the operation of the fair, which both parties agreed was working smoothly, with very good communication and co-operation between the Council and the fair organiser. The meeting discussed proposals for the next agreement. As these matters are currently under negotiation and thus commercially sensitive, some notes in relation to this matter and your officers' further thoughts are included in a confidential annex (Appendix A) to this report. Note that any changes to the

agreement need to be agreed by the Town Council and any increases in ground rent would require approval by the Showman's Guild of Great Britain.

The Council has always considered the historic and community value of the annual feast when considering and setting the level of rent payable. The Fair is a longstanding Witney tradition. In 1202 the Bishop of Winchester was granted an annual fair at Witney. The Witney Feast itself dates from 1243, some 781 years ago, the new church was rededicated and the fair was then sanctioned by Henry III. Consequently the history of the fair is very much bound up with that of [St Mary's Church](#). Members will see, if they follow the link to the Church's website, that the Witney Feast funfair is a major part of the wider celebration of the Feast each year.

There is a commercial aspect to the operation of the fair but ultimately the event belongs to the town is enjoyed by many and also has consequences of attracting visitors to the town frequenting other establishments along the way. To reflect this, at its meeting of 23 April 2018 the Council unanimously approved a motion and resolved "that Witney Town Council recognises the significance of The Witney Feast in the history of our town and bestows upon it a special status as a premier event in the town and its significance be front of mind in the decisions we make."

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.

The social value of the Witney Feast to the town should be considered in discussing the agreement for the Fair.

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 Stronger Communities 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.
3. Consider the Council's offer to Bob Wilson Funfairs Ltd for a new agreement to organise the Witney Feast.