

APPENDIX B

From: Lucy Dalby – OALC <CountyOfficer@oalc.org.uk>

Sent: 20 August 2024 15:59

To: Sharon Groth <sharon.groth@witney-tc.gov.uk>

Subject: Subs increase 2025/26

Dear Sharon

I will be writing to all member councils today advising them of the proposed changes to our subs for 2025/26.

As you may be aware, OALC has only two sources of income, member subscriptions and training. Over the last few years OALC have been running at a loss (c. -£5k in 2023 and estimated to be the same again in 2024). We have been using reserves to continue to provide these services to our members but, this is clearly not a sustainable way of managing the association.

At our AGM held on the 15th July we discussed the position and had majority support from the attendees to make changes to the subscription in 2025/26 to bridge this gap. This communication is to give you advance notice of this proposal which will be put to an online extraordinary general meeting on 7th October 2024 at 12 noon.

As a member body you will have one vote at this meeting, or you can return the attached postal vote which can either be scanned and sent back by email or posted in the traditional way, your council will need to have discussed and resolved its position in order to exercise this vote. Votes must be returned by 4pm on Friday 4th October.

This will give all members the opportunity to include the new subscription level in their budgeting process.

In terms of background, the [Office for National Statistics Consumer Price index](#) reported an annual average raise of 7.9% in 2022, 6.8% in 2023 (17.2%). OALC only raised their portion of the subscription* by (7%) a 10% deficit.

*The minimum payment threshold raised by 12% over the same time period so still a 5% deficit.

The bulk of our member subscriptions are calculated using a pence per electorate formula, however as Witney has an electorate of over 20,000 the town council's subscription is calculated in a slightly different way with a cap applied.

The proposal we will be putting to the meeting would mean an increase from £3701.61 +VAT to £4120.80 + VAT or £419.19 for Witney (dependent on the actual electorate figure provided by WODC in January).

If you or your councillors have any questions or comments I would be more than happy to talk this through.

Thank you for your ongoing support.

Kind regards

Lucy



Oxfordshire Association of Local Councils

Town Hall, Market Place, Wallingford, OX10 0EG

Email – info@oalc.org.uk

Subscription proposal 2025/26

Background

OALC has just 2 main sources of income.

- Annual subscriptions for membership to OALC
- Provision of training courses to members (and non members)

These two sources of income provide OALC with a combined income of c.£130,000 per annum. Circa £35,000 of this income is immediately passed over to NALC for their portion of the membership fee.

This leaves approx £95,000 to run OALC for the year. The large majority of OALC costs are fixed e.g. rent, insurance, services (website, phone, accounting packages, IT). There are almost no levers for the team to call upon to reduce costs other than reducing staffing which is already stretched beyond capacity providing the training and information services to the Councils in Oxfordshire of which are OALC members. In addition, there are 68 Parish meetings.

	Councils	Members	Min electorate	Max electorate	Average Electorate
Parish Meetings	68	13	8	215	88
Parish Councils	235	227	85	10,134	1,005
Town councils	15	15	1,252	38,827	13,583

Subscription (subs) calculation

Subs are made up of two parts, OALC and NALC. In many cases (56% of members) this calculation results in a subscription less than £100 due to the size of electorate in councils within OALC's catchment area i.e. lots of small Parish Meetings and Parish Councils. Therefore, OALC has always applied a minimum charge. Currently set at £140+ VAT for 24/25 and 164 (c64%) of our members currently fall into this category.

Current financial performance

Over the last 4 financial years OALC has almost always had to use reserves in order to fund a deficit.

2020/21 - **-£3,028.49**

2021/22 - **-£1,456.96**

2022/23 - **-£524.58**

2023/24 - **-£4,661** (balance of NALC fee 2022/23 and staffing)

Estimated 2024/25 – **-£5,550**

Requirement going forward

Ultimately for OALC to run in profit and invest for the future, without using reserves, we require an additional income in the region of £10,000 per year.

Proposal – subscriptions 2025/2026

To achieve a contribution to the financial improvement that we need, we have the following proposal:

- 1. Maintain the Parish Meetings at the current (2024/2025) minimum fee of £140+VAT.**
This will not increase OALC's income and OALC will take a small financial hit of c.£130pa (based on current PM's membership) due to needing to pass on the NALC element of the fee which is expected to increase by 5%.
- 2. Maintain the 2024/2025 OALC rate for the 5 large (>20,000 electorate) i.e. do not apply an annual increase for OALC's element of the membership fee for 2025/26.**
In recognition of the different support provided to these councils which includes direct access to NALC and 2 annual meetings per year. NALC's expected 5% annual increase will still need to be applied and passed across to NALC with two of the three Town Councils benefiting from NALC's cap (expected to be £2,139 for 25/26).
- 3. Increase the minimum fee from £140+VAT to £150+VAT for Parish Councils with electorate below 501.**
This is a relatively small increase and recognises the nature of small parishes and the pressures upon budget. By communicating with Councils ahead of the usual budget setting period we believe this will allow them to have a timely review of their precept.

Impact to OALC £1,060pa*

- 4. Increase the minimum fee from £140+VAT to £200+VAT for Parish Councils with electorate in excess of 501 and below the threshold where the standard calculation would apply (c840 electorate).**
By communicating with Councils ahead of the usual budget setting period we believe this will allow them to have a timely review of their precept. Councils with electorate greater than the threshold for the minimum payment will continue to pay subscriptions based on the standard calculation for the subscription fee.

Impact to OALC £1,879pa*

- 5. Increase OALC's portion of the membership fee by 5% to match with the proposed NALC increase.**
An annual increase is prudent and reflects the increased costs for OALC – insurance, IT, administration and staffing. N.b. staff salaries are based on the NALC pay scale and therefore increases applied in line with NALC recommendations. This increase would move the per electorate fee from 0.1474p to 0.1548p.

Impact to OALC £1,799pa*

TOTAL - £4,738 (only 50% of what is really needed).

*Note: This assumes that all existing members renew and that no new members join