

POLICY, GOVERNANCE & FINANCE COMMITTEE



Agenda Item: Finance Report

Meeting Date: Monday, 31 March 2025

Contact Officer: Responsible Financial Officer

Should Members have any queries about this report advance notice would be appreciated, in writing, by 12 noon on Monday 31 March 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 2024 to 31 January 2025.

Current Situation

A Management accounts

The Council has appointed five standing committees which have delegated powers to make decisions, including financial decisions, regarding the services which are 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.

The Committee's terms of reference details the various responsibilities of this Committee.

- The Committee has budgets which are its direct responsibility.
- The Committee also has the responsibility for oversight of all the Council's resources, its terms of reference including: "b. To conduct effectively the Council's budgetary, financial and precepting responsibilities in accordance with statutory requirements, and to keep the smooth functioning of the Council's work under review" and "d. To consider the resources available to meet the Council's objectives in terms of land, property, finance and manpower and to advise other committees and the Council as required." Consequently, the management accounts of other committees are also brought forward to the Policy, Finance and Governance Committee, by committee.

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.

The cost centres for which this committee has **direct responsibility** are:

Cost centre (CC)	Service
401	Civic activities
407	Grants and donations
502	Town Hall Maintenance
505	Precept
506	Interest received
601	Works department
602	Central support
604	Works depot, vehicles , equipment etc
605	<i>General maintenance – now part of 601 and 604</i>
606	<i>Grounds maintenance – now part of 601 and 604</i>
700	Strategic planning initiatives
701	Corporate management
702	Democratic representation and management
800	Capital Projects

In relation to the Committee's **oversight responsibilities** these are in the detailed management accounts as follows:

Committee	Cost centres
Parks and Recreation	201, 202, 203, 204, 205, 207, 208, 209, 211, 212, 213, 214, 215,216,217,218,219,299
Stronger Communities	402, 408
Halls, Cemeteries and Allotments	102, 103, 104, 105, 106, 301,302, 303, 305
Climate, Biodiversity and Planning	206, 403

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 "3" or "4" are expenditure codes.

The format of this report is as follows:

- (i) Last year 2023-24 - the first two columns relate to the original budget from 2023/24 against the actual figures for last year.
- (ii) Current year 2024-25. (a) Brought forward – sums brought forward from last year against specific codes. (b) Net virement – this represents in year transfers between budget lines. (c) Agreed budget – estimate agreed by the Council in January 2025. (d) EMR – budgeted use of earmarked reserves. (e) Total – this is the total amount approved in the current year budget, the total of columns (a) to (e) inclusive. (f) Actual year to date spend.

- (iii) Next year 2025-26. The three columns show, respectively, the agreed budget to be funded from precept, the contribution to or from earmarked reserves and any sums which are budgeted to be carried forward.

The Omega financial programme has several different report formats, and this is the first time that I have chosen to present this one. This format has been chosen because it shows much more clearly the use of earmarked reserves by including columns showing the earmarked reserve movements. The downside is that this report format does not show the revised 2024-25 estimates agreed in January 2025 and for these I would refer Members to the report submitted to the meeting of 6 January 2025.

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 the subsequent Policy Governance and Finance Committee and full Council meetings. The RFO would refer members to the finance/ budget reports which were approved at those meetings for further details.

However, there are a number of points it is worth making:

1. Current year budget: In terms of the report presented at this meeting, the current year (2024/25) budget is that originally agreed in January 2024 ahead of the 2024/25 year – see comments above.
2. The actual year to date figures are for the period April 2024 to January 2025, subject to the comments in relation to recharges of overheads (point 3, below).
3. The treatment of overheads was previously reported to Members. Central support overheads (nominal ledger codes 4892 and 4893) have been allocated in the current year to 31 January 2025. Works overheads (nominal ledger codes 4888, 4890 and 4899) have been allocated in the current year to 30 September 2024 and will shortly be processed to date as part of the year end work.

The financial year end is on 31 March 2025. The accounts will be “closed down” during April 2025. This will involve a number of tasks. All purchase ledger invoices for 2024-25 will be entered and any remaining sales ledger invoices will be raised. Further adjustments will be made for accruals.

There are inevitably some coding errors which will have crept through the accounts and these will be corrected.

Reserve movements will be processed and as part of the year end process your officers will thoroughly re-examine the various budget lines and proposals will come forward following the financial year end (31 March 2025) for a number of underspends against specific codes 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 be in future years. On specific nominal codes where expenditure is likely to be under-budget the revised budget was retained at the original. A proposal will come forward at final accounts stage for any difference between spend and budget to then be transferred to the earmarked reserve at year end. Over-spends on nominal budgets may also, where appropriate, be met from earmarked reserves. Any adjustments will be made at final accounts stage and will then reduce revenue expenditure for the year.

There have also been reductions in the recharges in relation to the works team across most cost centres, compared with original budget. This is due to staffing costs being lower than originally budgeted for and this has impacted the bottom-line.

B Investments

At each meeting Members receive the latest updates in relation to the Council's investments.

The Council holds the following investments:

1. Public Sector Deposit Fund (CCLA Investment Management Ltd.) – Value of £1,169,650 as of 28 February 2025 (Value of £1,160,303 as of 31 December 2024) an increase of £9,347 over the two-month period (0.8% over the two months).
2. The Local Authorities' Property Fund (CCLA Fund Managers Ltd.) – Value as of 31 December 2024 = £58,210 (*Value as of 31 December 2024 = £58,214*). This represents an increase in value of £4 over that period. Income is credited to the Council on a quarterly basis and the sum of £716.50 was credited on 31 January 2025.

The report on investment activity during 2024-25 will be presented to the June 2025 meeting of this Committee together with any proposals for changes to investments such as transfer of funds to [the CCLA Better World Cautious Fund](#).

C Membership of the Co-Operative Councils Innovation Network

During 2024-25 the Council was a member of the Co-operative Councils Innovation Network, [CCIN](#). Membership costs £250 per year. Minute F317(5) of 10 June 2024 states "That, the Council renew its membership of the Co-operative Councils Innovation Network for a further year with a review to be carried out at the end of the 2024 membership year."

Your officers have not used the CCIN during 2024-25. However Members may have used the Network.

Members are requested to review the benefit of membership of the CCIN and whether to continue in membership for 2025-26.

D Witney Music Festival (WMF)

Your officers have met with a representative of WMF to discuss accounts and governance matters per minute F73(5) of 3 February 2025. The WMF representative welcomed the interest and feedback from the Council. Subsequent to the meeting your officers understand from WMF that they are taking advice on the matters discussed.

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 – no implications directly resulting from this report.
- b) Biodiversity - no implications directly resulting from this report.
- c) Crime & Disorder - no implications directly resulting from this report.
- d) Environment & Climate Emergency - 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 and associated matters 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.

This report forms part of the Council's mechanisms for budgetary control, as it enables income and expenditure incurred to be reviewed and to be compared with the Council's budgets.

Recommendations

Members are invited:

1. To approve the report and the management accounts of the Committee's services to 31 January 2025.
2. To approve the report on investments to the period to 28 February 2025.

3. To review membership of the CCIN and whether to continue in membership for 2025-26 at a subscription of £250.
4. To note the section of the report in relation to the Witney Music Festival.