

POLICY, GOVERNANCE AND FINANCE COMMITTEE



Agenda Item: Finance Report

Meeting Date: 22 September 2025

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 2025 to 30 July 2025.

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

Cost centre (CC)	Service
401	Civic activities
403	Planning (staffing)
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
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 and, for 2024-25, were 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 and Biodiversity	206

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 regularly submitted to each of the standing committees and previous reports are available on the relevant committee section of the website.

At this meeting the Committee is requested to undertake initial consideration of the revenue budget for 2026-27 and the capital/special revenue budgets for 2026-27 and beyond. This is covered by a separate section within this report.

Current Situation

A detailed commentary in relation to the management accounts will be prepared for each Committee for the November/budget cycle meetings. This evening a number of general points are made:

1. The summary of income and expenditure for the committee for the period to 31 July 2025 is shown on page 5 of the management accounts. This shows that income received during this first 33% of the year amounts to 50% of the annual total, which is as running ahead of budget – although this Committee’s budget includes the precept, which is paid in two instalments in April and October, interest received is £27,759 or 68.4% of the £40,600 budget.
Expenditure is at 46% of annual budget. However in reality this will be lower than that:
 - (i) Overhead apportionments from works (601 and 604) are made every quarter and so the July allocation of £58,099 has remained with this committee for now. If this is discounted then the spend reduces to 43%.
 - (ii) The Council has just received the insurance recharge split, which will be allocated shortly.
2. The summary of income and expenditure for the Council as a whole is shown on page 24 of the management accounts. This shows that income received during this first 33% of the year amounts to 29% of the annual total, which as the RFO would expect at this stage. Expenditure is 17% of budget but will this is because major expenditure on projects will not be incurred until later in the financial year.
3. Within the terms of reference for the new Climate and Biodiversity Committee there are a number of responsibilities budgetary provision for which shows in the

current year budget being with this committee. These are, referenced directly from the Committee terms of reference for 2025-26:

(b) To manage the Council's Environmental Spaces, including Amenity Areas...

c) To oversee the management of the Council's tree stock across the town;

h) To oversee the maintenance of the Council's infrastructure concerning planting displays (including hanging baskets).

Ahead of the budget your officers will make the necessary changes to the budget/cost centre structures which will relate to cost centre 402 – Community Infrastructure and specifically nominal ledger codes – 4037, 4039, 4040, 4066, 4067, 4888, 4890, 4892, 4893 and 4899. These will be transferred in whole or in part a new cost centre attached to the Climate and Biodiversity Committee.

4. Members should note that the management accounts and the Council's accounting system more generally are driven by the requirements in place for town and parish councils, including the Accounts and Audit Regulations 2015 and the Practitioners' Guide issued by the Smaller Authorities' Proper Practices Panel (SAPPP) to support the preparation by smaller authorities in England of statutory annual accounting and governance statements found in the Annual Governance and Accountability Return. This means that the accounts can only include actual income and expenditure in terms of money (income and expenditure and sums held with financial institutions) and cannot include anything else.
5. There will always be an inevitable "lag" between expenditure being incurred and being shown in the accounts. 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 in particular seasonal items such as Christmas lights sponsorship.
6. At 31 March 2025 a number of unspent but committed sums were transferred to the earmarked reserves. During 2025-26 these sums are now reflected as additional sums available in the "current annual budget." The financial software does not show these figures separately in the management account report for this meeting but will show in a separate column in the differently formatted budget report when this is presented in the budget cycle.
Note that the sums themselves remain in the earmarked reserves until they are actually spent.
7. A confidential note for members in relation to a debtor will follow. This will be for noting and no decisions are required.

PROPOSED SUBSCRIPTION – BREAKTHROUGH COMMUNICATIONS - COUNCIL HIVE

Members will be aware that the Council has engaged this organisation in recent months to provide sector-specific training. For an annual fee, the Council would gain access to a range of support services, including compliance advice on areas such as data protection and communications (including crisis management), a resource hub, masterclasses, and an online portal for Councillors—with no limit on the number of users.

The subscription would enhance the Council's governance operations and serve as a valuable resource for senior officers, comparable to support received through other subscription-based services. Additionally, all councils subscribed to Hive receive a 20% discount on training throughout the year.

Further details of the Hive scheme are provided in the appendix.

The annual subscription is £1,997 although a discount has been offered for the first year, which I will advise at the meeting. It is proposed that subject to approval the subscription will run from 1 October 2025 and would this year be vired from other administrative savings.

INVESTMENT STATEMENT - JULY 2025

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 as of 31 July 2025 - £1,191,071 (*Value of £1,186,900 as of 30 June 2025*) an increase of £4,171 in July 2025, which was reinvested.
2. The Local Authorities' Property Fund (CCLA Fund Managers Ltd.) – Value as of 31 July 2025 = £58,825 (*Value as of 30 June 2025 = £58,802*). This represents an increase in value of £23 over the month of July. Income is credited to the Council on a quarterly basis and the sum of £655.56 was credited on 31 July 2025.

REVENUE BUDGET 2026-27 AND CAPITAL & SPECIAL REVENUE PROJECTS 2026-27 AND BEYOND

In line with normal Council procedures, the RFO and colleague will shortly be commencing the annual review of all the Committees to prepare the Revenue budget for 2026-27.

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.

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

In drafting budgets your officers will have due regard to the draft Strategic Plan and the medium term-financial strategy.

Members will be aware that the Council have a number of major projects taking place, the largest of which is the West Witney Project. There are also facilities due to be transferred from the District Council.

It should also be remembered that additional projects may have staffing implications – a sum in a budget to provide a new service or facility or organise an event will also mean that officer time needs to be dedicated to deliver the project.

The budget round promises to be challenging and Members are requested to consider items to be included in next year's budget and any other adjustments in the context of the Council's existing and upcoming service commitments. This will enable Officers to obtain costings and 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 30 June 2025.
2. To consider and approve the proposed subscription to Breakthrough Communications – Hive, annual cost £1,997 from 1 October 2025 subject to discount to be advised.
3. To note the investment statement for July 2025.
4. 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.