

HALLS, CEMETERIES AND ALLOTMENTS COMMITTEE



Agenda Item:	Finance Report: Revised Revenue Budget 2025/26 and Draft Base Revenue Budget for 2026/27
Meeting Date:	Monday 10 November 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 3 November to allow for a full response at the meeting.

Background

Each year the committees review their estimates of income and expenditure so that proposals can be submitted to the Council in relation to revised revenue estimates for the current year and proposals for the next year.

Consequently this report presents Members with the revised budget for 2025/26 and the first draft of the revenue budget for 2026/27 for the cost centres which are the responsibility of this Committee. Please see attached document.

The budget process is ongoing and there is further work to be done. Therefore this report will be subject to updates when this Committee's estimates are presented at the meeting of the Policy, Governance and Finance Committee on 24 November.

Current Situation

For the Halls, Cemeteries and Allotments Committee the following cost centres are in place and these are shown in the report. Cost centres, comprising three digits, typically represent a discrete service entity, to which income and expenditure is allocated against previously agreed revenue budgets.

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

Cost centre	Service
103	Bars
104	Corn Exchange
105	Burwell Hall
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.

The format of this report is straightforward; the first two columns relate to the original budget from 2024/25 against the actual figures for last year. The middle columns relate to the current year’s original budget, actual expenditure year to date, the projected budget to 31 March 2026, based on the latest estimates. The right-hand columns relate to the draft budget for 2026/24.

The Committee’s revenue budget growth items for 2026/27, and its capital/special revenue projects programme for 2026/27 and beyond are dealt with as a separate budget item.

Members have requested an analysis of estimates by nominal code ledger so there are figures for overall staffing costs, utilities, property and equipment etc. The accounting software enables these reports to be produced but only on a full council basis and not by committee. The estimates, analysed by nominal ledger code, will be produced alongside the cost centre estimates for the PGF Committee at its meeting on 24 November 2025.

BUDGET PARAMETERS – DRAFT ESTIMATES 2026-27

Draft budgets are prepared based on current activities and patterns of income and expenditure. At this stage most of the budget lines have been kept as previously agreed unless there are known variations.

When considering the estimates the RFO examines each individual budget line, looking at the historic trends and known future developments so a flat percentage is not applied uniformly across the estimates. There has been significant inflationary pressure over recent years, peaking at 14.2% (RPI) and 11.1% (CPI) in the year to October 2022. Whilst inflation has since fallen it is higher than the Bank of England’s target, running at 3.8% (CPI) and 4.5% (RPI) in September 2025.

In preparing these estimates the following budget parameters, agreed by the Council, in the last cycle, have been applied:

INCOME

1. Fees and Charges

Fees and charges for recreation services need to be considered. The Council is subject to inflationary pressures and so it is reasonable that fees and charges are

increased to cover these. It should be remembered that services run at a net cost to the Council taxpayer – which is the ultimate reason they are provided by a local authority. Fees and charges are set at a level at which a reasonable amount is then recovered by those benefiting from the service which has been paid for by all Witney council taxpayers. 4% was previously proposed as the baseline for fees and charges increases.

EXPENDITURE

2. Staffing Costs

The national pay award for 2025-26 was agreed at 3.2%.

Previously an increase of 4% in line with inflation forecasts for 2025 was proposed; in this report the RFO has reduced this to 3.8%, in line with the latest CPI rate.

The Council's policy is to pay at least the "Real Living Wage" and for those staff affected in the public halls this means an increase in the hourly wage of 6.8% from 1 April 2025.

Regarding pensions the Council has today (7 November) received the initial findings in relation to the 2026 Oxfordshire Pensions Fund valuation. This indicates a reduction in employers' contributions from 21.7% to 19.9% from April 2026, the first reduction in many years. The direct salary allocations have been altered to reflect this; the central overhead allocations will be altered ahead of the meeting of Policy, Governance and Finance.

3. Utilities

There remains uncertainty regarding **gas and electricity prices** and these could change depending on the increasingly unstable international circumstances.

The contract placed for 2025-26 and energy efficiency improvements made by the Council mean that the budgets for gas and electricity were reduced from £87,598 to £53,396.

In relation to 2026-27 we are awaiting advice from our current suppliers although the anticipation is that any increase will be less than the current rate of inflation. However to be prudent an increase of 3.8% has been applied.

Regarding **water charges** the latest information is that business charges will increase in this area by an average of 4.5% and this has been applied.

Regarding National Non-Domestic Rates the increase for 2026-27 this will be announced in the government's budget is normally based on the CPI in the autumn and so again an increase of 3.8% has been applied. However note that for the Council's public halls there will be a change in that from April 2026. The previous Retail, Hospitality and Leisure Relief (RHL) Scheme, which gave the Corn Exchange and Burwell

Halls a 40% discount will cease. In its place rates will be calculated with reference to the small business RHL multiplier which may be up to 20 pence lower than the standard multiplier. However the rate will not be known until the Chancellor's budget later this month.

4. Insurance

The Council's Long-Term Agreement (LTA) with Zurich Municipal ends as of 31 March 2026. The LTA has guaranteed the same rate (insurance charge per £1K insured) for five years although premiums have risen with sums insured. The end of the LTA will result in significant increases and your officers should have more information in this regard following a meeting next month, although rates for any potential future LTA will not have been settled by then.

The Council will seek tenders early in 2026 but for now an increase of 28% has been applied, the CPI rate increase over the previous 5-year period.

5. Other expenditure lines

When considering the estimates the RFO examines each individual budget line, looking at the historic trends and known future developments so a flat percentage is not applied uniformly across the estimates. However where a cost-of-living increase is applied, 3.8% has been used for 2026-27.

REVENUE BUDGET SUMMARY

Members may wish to note the following general comments:

1. The actual year to date figures are for the first half year, the period April to September 2024 and include the recharges from central budgets.
2. As previously reported 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 are now 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 were made in the 2023-24 accounts. The intention is also that such transfers are undertaken at or shortly after expenditure has been incurred.

However for sums in relation to earmarked reserve 326 – committed sums – these have been input directly in to committed sums against individual budget lines and has the impact of increasing the budget line by that amount. A budget report can be

run to show these sums but when that report is run it does not then show the 2025-26 revised budget so on this occasion I am listing these sums which have been included in the 2025-26 budget lines, listed as cost centre/nominal ledger code:

Allotments 4037/305 - £500.

3. There has also been a change in relation to the treatment of property budgets. Previously where a property was leased out this was represented in the accounts against the site where the property was located.

For this Committee this impacts on the Cemetery Lodge rent and insurance recharge, previously shown under the Tower Hill cemetery budget (301). This inadvertently had the impact of distorting revenue budgets such as cc301 because in this case none of the expenditure in this cost centre related to this property. In governance terms it should also be noted that whilst clearly spending committees have an interest, property matters in relation to leases etc are primarily a matter for the Policy, Governance and Finance Committee (PGF).

Consequently a new cost centre – 501 – has been created under PGF and this will consolidate all rented property income and expenditure.

The Langdale Hall (cc102) and Madley Park Hall (cc106) are in a very similar position and have also been transferred to cc501.

Current year budgets have been vired over to that cost centre which has the impact of ensuring that like for like comparisons may more readily be made between 2025-26 and 2026-27.

4. It should be noted that a significant proportion of expenditure in the Halls, Cemeteries and Allotments budgets relates to recharges from central budgets. The latter will be considered by PGF at its next meeting but for now Members may wish to note the following:
 - (i) Works team recharges for the year to 30 September 2025 are based on timesheet analysis. This means that there will often be significant variation against individual cost centre budgets depending on what works has taken place on individual sites.
 - (ii) The revised 2025-26 estimates are based on expected outturn for the central budgets and for works, this has been allocated according to the percentage of time spent on that cost centre April to September 2025.
 - (iii) The 2026-27 estimates are based on the first draft estimates for cc.601 to 604 allocated to service cost centres based on the percentages used in the original 2025-26 estimates.

- (iv) Increases from central budgets are a significant factor in the increased costs to this Committee. Your officers have also reviewed how overheads are allocated and this has resulted in some changes between committees. For instance works overhead expenditure on the Closed Churchyards was previously allocated to town centre/ communal areas but is now allocated to cc303, closed churchyards, totalling £11,833 for 2026-27.

Overall the budget estimates show:

Original 2025-26 revenue budget: £516,265 (net of the property virement)

Revised 2025-26 revenue budget: £458,349.

Proposed 2026-27 revenue budget: £576,312.

The Council is under significant inflationary pressure and your officers are looking at ways to mitigate these pressures. The above estimates will change when the works/ central budgets and earmarked reserve movements are considered by the Policy, Governance and Finance Committee. There are also several areas where additional work is taking place to refine the estimates.

The Council has major ongoing capital projects and is also taking on new facilities and this will be an important consideration in setting a balanced budget.

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 consider any risks to the Council and any action they can take to limit or negate its liability. The RFO has approached the budget with prudence so as accurate budget as possible can be set at this early stage, although there may be some opportunities to make savings if required to balance the budget.

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 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:

Members are invited to note the report and consider the revised base revenue budget for 2025/26 and the estimated base revenue budgets for 2026/27, as detailed in the draft estimates.