HALLS, CEMETERIES AND ALLOTMENTS COMMITTEE

Agenda Item: Finance Report: Revised Revenue Budget 2026/27 and Draft Base Revenue Budget for 2027/28

Meeting Date: 9th November 2026

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 9th November to allow for a full response at the meeting.

The purpose of this report is report to Members in relation to income and expenditure revenue budgets for the year to date, present projections as to the revised revenue estimates for 2026-27 and to present the proposed revenue estimates for 2027-28.

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 2026/27 and the first draft of the revenue budget for 2027/28 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 undertake. Therefore this report will be subject to updates when this Committee's estimates are presented to the meeting of the Policy, Governance and Finance Committee on 23 November and for reasons explained later in this report some of those changes may be material.

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.

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

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 2025/26 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 2027, based on the latest estimates. The right-hand columns relate to the draft budget for 2027/28. Note that the financial software the Council uses shows this budget as "Agreed" when it should state "Proposed."

The Committee's revenue budget growth items for 2027/28, and its capital/special revenue projects programme for 2027/28 and beyond are dealt with as a separate budget item.

Budget parameters for 2027/28

Draft **revenue budgets** are prepared based upon current activities and projected patterns of income and expenditure. Any additional revenue expenditure is considered separately as Revenue Growth Items.

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 actually benefiting from the service which has been paid for by all Witney council taxpayers. The CPI (consumer prices index) as of September 2026 was 3.5%. However this is expected to rise to around 3.75% later this year and some forecasts are that it could rise to 4% early in 2027. All these forecasts will be affected by the geopolitical situation and global trade policy which remain highly volatile. The RFO has a reasonably low level of confidence in any forecasts.

   The Bank of England CPI target is 2%.

   The recommendation is to add 3.5% to fees and charges.

2. Staffing Costs

   The national pay award for 2025-26 was agreed at 3.3%.

   The agreed budget parameter for 2027-28 is an increase of 3.5%.

3. Utilities

There remains massive uncertainty regarding **gas and electricity prices** and these will change depending on the increasingly unstable international circumstances. At this stage the RFO's working assumption is to budget for current levels of usage plus a price rise of 15% but this will be subject to change during the budget cycle.

In relation to **water and sewerage charges** there have been large increases in recent years but there is no information online in relation to 2027-28. Services are being assessed on a case-by-case basis, to reflect current usage, and then with an increase of 5% allowed .

Regarding National Non-Domestic Rates the increase for 2027-28 this will be announced in the government's budget but is normally based on the CPI in the autumn, which will be around 3.75%.

4. Insurance

The Council's Long-Term Agreement (LTA) with Zurich Municipal will apply during 2027-28, as agreed by the Council on 30th March 2026. The Council went through a tender process earlier this year but as anticipated premiums increased sharply, reflecting the fact that they had not increased in terms of rating for five years.

The new LTA guarantees the same rate (insurance charge per £1K insured) for three years from 1st April 2026 although premiums will rise to reflect increased sums insured e.g., due to buildings inflation. Increased insured risks will impact the budget e.g., in relation to the Windrush Place Pavilion ends as of 31 March 2026.

The budget will be based on current year's premiums, known additional perils and a 3.5% inflation uplift, revised down from 4%.

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. There are likely to be some areas e.g. fuel, where a steep increase will be proposed. However where a cost-of-living increase is applied, 3.5% will be used for 2027-28, revised down from 3.75%.

BASE REVENUE BUDGETS

Members may wish to note the following general comments:

1. The actual year to date figures are for the first six months of the financial year, the period April to September 2026 and include the recharges from central budgets.

2. At this stage in the budget the committees are asked to consider their spending. The funding of this spending and the utilisation of earmarked reserves is a matter which will be considered by the Policy, Governance and Finance Committee later in the cycle.

3. Members are reminded that for the 2026-27 estimates there have also been a number of changes in relation to the treatment of **property budgets**.

   For this Committee this affects the Langdale Hall and Madley Park Hall. These are leased to third parties and under the Committee terms of reference property matters in relation to leases etc are a matter for the Policy, Governance and Finance Committee (PGF).

4. It should be noted that a significant proportion of expenditure for this Committee's 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 2026 are based on timesheet analysis. This means that there will often be significant variation against individual cost centre budgets depending on what works have taken place on individual sites.
   (ii) The revised 2026-27 estimates are simply included at the same level as the original budgets. Note that this approach means that there will be some budgets where the projected year end expenditure looks disproportionate to the spend to month 6 and example being the allotments where year to date allocation of outside staff time is £254 but the revised budget is £6,129. Note on this budget that the 2025-26 was £6,715. Note that overall, in relation to central budget costs it is considered at this stage that expenditure outturn will be within these budgets.
   (iii) The 2027-28 estimates are based at this stage on an overall inflationary increase of 3.5% in relation to the central budgets, noting that there may be some changes between individual cost centres 601 (works team), 602 (central support) and 604 (works depot).

5. There are major inflationary pressures on the Council and so increases have been kept as low as possible. Members will see that some budgets have been reduced or removed to avoid any over-provision. If additional funds are required in-year then increased use of virements is encouraged i.e. funding an overspend on one budget from underspends elsewhere. It is also anticipated that more use of "holding budgets" will be introduced whereby a budget is established which can be used by a number of cost centres and whereby virements are made when there is an expenditure need.

Notes in relation to specific items

Time has not allowed for a comprehensive commentary on every item in the accounts but some items of interest are detailed below:

Page 1 – Café/ Bar income. This includes both the Corn Exchange/ 1863 and the Burwell Hall. Income has increased overall this year, original budget being £229,734, revised for 2026-27 to £239,675 and the initial estimate for 2027-28 being £251,440 (increase of 9.4% on 2026-27 original estimate and 4.9% on the revised estimate). A major driver of this increase has been sales related to the Music on the Square events during the summer months.

Page 1 – Direct costs (code 3000-3011) – these relate to purchases of stock and have increased as a result of sales. However the same margins have been retained in the revised 2026-27 and 2027-28 estimates compared with 2026-27.

Page 1 onwards- salaries and wages code 4001. These have increased across the halls services, with the overall revised figure showing an increase and the estimates for 2027-28 across the cost centres 103 to 105 amounting to £289,700 compared with the 2026-27 original budget £255,336, an increase of 13.5%. The causes of this include: increased staffing in relation to the café/bar, salary scale changes, increases in the Real Living Wage (+6.7% for 2026-27 and +4.8% for 2027-28) and legislative changes which include provision for sick pay in relation to casual hours staff. Cumulatively these changes are significant and have the result of increasing the halls running costs from £218,873 (2026-27 original) to £229,067 initial estimate for 2027-28.

Page 2 Income Corn Exchange – the 2026-27 projection is in line with the original estimates and an allowance of 3.5% increase is made for 2027-28 at this point.

Page 3 onwards – 4011 – National Non-Domestic rates – estimates reflect the announcements made in the Chancellor's budget on 28th October.

Page 3 onwards – 4014 electricity and 4015 gas. Estimates reflect usage for the period October 2025 to September 2026 and 15% has been applied for 2027-28. These estimates will be subject to further refinement during the coming weeks.

Page 4 – Burwell Hall income increase on projected 2026-27 budget from £33,350 to £35,850 reflects increased usage.

Page 6 – Tower Hill Cemetery income. Cemetery income is difficult to predict, it varying year on year to reflect the number of interments, the type of interments (including out of parish interments) and local changes (e.g. in relation to crematoria). During the year to date income for both cemeteries is lower than budget. In addition the Tower Hill cemetery now

only has interments for those who reserved spaces many years ago and so your officers have revised estimates down and decreased income for 2027-28 by 10%. The impact is to reduce budgeted income from £32,175 (original 2026-27) to £23,208 (revised) and £20,965 (2027-28), a reduction of £11,210.

Page 7- Windrush Cemetery income. This is now the main area for cemetery activity. However the estimates have been reduced in relation to budgeted income from £65,819 (original 2026-27) to £56,250 (revised) and £58,215 (2027-28), a reduction of £7,604.

The RFO will be re-visiting cemetery estimates in the coming few weeks. Current estimates are modest and there may well be an increase when they are re-examined.

Summary

Overall the budget estimates for this Committee show:

Original 2026-27 revenue budget: £577,237 (adjusted for virements)

Revised 2026-27 revenue budget: £588,918.

Proposed 2027-28 revenue budget: £615,909 (increase of 6.7% on 2026-27 original)

Note the above figures will likely change when the revenue costs of works/ central budgets are considered by the Policy, Governance and Finance Committee. Members will further wish to take in to account that 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.

Corporate Strategy

The Council's Strategic Plan 2025–29 sets out the Council's long-term priorities and direction, supporting its mission to 'make Witney a great place to live, work and visit.' This report contributes to the delivery of the following strategic pillar of the plan:

1. A Forward Looking Town Council

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 and 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 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 budget must also be realistic; if adequate budgets are not set then service delivery is likely to be affected.
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.

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

Member are invited to note the report and

1. Consider the revised base revenue budget for 2026-27 and the estimated base revenue budgets for 2027-28, as detailed in the draft estimates.
2. Make a recommendation to the Policy, Governance and Finance Committee regarding the budget.