

## POLICY, GOVERNANCE & FINANCE COMMITTEE

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<b>Date:</b>	Monday, 27 September 2021
<b>Title:</b>	Budget Parameters 2022/23, Capital & Special Revenue Projects 2022/23 and beyond
<b>Contact Officer:</b>	Responsible Financial Officer - Tina Jardine

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### Background

In line with normal Council procedures, the Officers have begun the annual review with the Committees in order to prepare the revenue budget for 2022/23. It is usual practice that the Policy, Governance & Finance Committee agrees the budget parameters. This year's calendar of meetings schedules the resultant Revenue Budget to be adopted by full Council on 13 December 2021 – subject to receiving the tax base information from the District Council.

Members are reminded that draft revenue budgets are prepared based upon current/known activities and patterns of income and expenditure. Having adopted the Open Spaces Strategy earlier in the year this will also be used to help calculate as accurate budget as possible. The Council will also consider its **Capital Projects & Special Revenue Programme** during the budget setting cycle rather than setting a Rolling Capital Fund. This will enable work to be planned properly during the year.

The draft budget will go through the spending committees – Parks & Recreation on 1 November; Halls, Cemeteries & Allotments on 8 November and Stronger Communities on 15 November. These committees will also review the price increases for the relevant council services which were set at 1.5% and then rounded to the nearest £0 or £5 as in previous years.

The draft budget for 2022/23 will be then be presented to the Policy, Governance & Finance Committee meeting on 22 November 2021 and the final budget to the Special meeting on 13 December 2021.

### Budget Framework

In order for the RFO to have an initial instruction to form the basis of a base revenue budget, she requires the Committee to give consideration to

1. The percentage increase to the band D equivalent council tax levy – in the past there has been a desire to apply a voluntary cap of 2% in line with the District and County Councils, although in recent years a higher increase has been set i.e. 10% in 2020/21.

2. The staffing costs will be based on the new staffing structure adopted in January 2021. However, Members should be aware that under the Open Spaces Strategy, work is currently in progress drafting a new grounds specification – part of this work will include reviewing the Council's direct work force – although it is not envisaged there will be any fundamental change in respect of current employee costs.

National pay negotiations for local government workers have yet to be determined for the current financial year – the latest being that the three local government unions – UNISON, GMB and Unite are balloting their members on the final pay offer of 1.75% through September/October – but it is understood they are recommending the pay offer is rejected. On this basis, and previous years increases along with the economic climate the RFO will prudently budget for a 2% pay increase.

3. Fees and Charges – more recently only a minimal or no increase has been applied to the Council's fees and charges for its services – such as the hire costs of the halls, pitches etc. Members are asked to consider an appropriate increase for 2022/23, so that as accurate as possible income budgets can be drafted. Members should take into account the improvements made specifically to the Corn Exchange when considering relative increases.
4. With regard to the Capital Expenditure, Committees have been encouraged to put forward projects and this Committee is requested to put an upper limit on the Capital Budget, if possible.

Normally the District Council is not able to advise the tax base level until mid- November but this should hopefully be in time for the draft budget to be presented to the November meeting of this Committee.

The current Band D equivalent for Witney Town is £159.04 (this realised £1,691,877 in precept). The tax base was 10638.06.

### **Environmental impact**

Having declared a Climate Change Emergency at its Council meeting on 26 June 2019 – with this in mind Councillors should have due regard to the environmental impact of any decisions they make with regard to its facilities and services it operates.

### **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.

With all the above in mind, the RFO would caution that given the ongoing circumstances and uncertainty around COVID, last year's substantial loss of income and additional expenditure, she will be looking to make savings again in order to try and balance the current year's budget and also try to negate the need for excessive increases to the Precept.

Whilst the Council does have healthy reserves earmarked for particular projects, it is not good practice to agree supplementary estimates during the course of the financial year, Council will be encouraged to set as accurate budget as possible – both revenue and capital – to capture the ambitions for the next financial year and to manage cash flow and budgets accordingly.

### **Financial implications**

These are included in the report above.

### **Recommendations**

Members are invited to note the report and consider the budget framework and parameters for 2022/23 as detailed above.