

PARKS AND RECREATION COMMITTEE

Date: Monday 8 November 2021

Title: **Budget:** Financial Report: Revised Budget 2021/22 and Proposed Budget 2022/23

Contact Officer: Town Clerk & CEO – Sharon Groth

Background

Financial Regulation 3.2 requires *each committee through the actions of the Policy, Governance & Finance Committee, to review its three-year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of November each year including any proposal for revising the forecast.*

The purpose of this report is to present to Members the revised budget for 2021/22 and the first draft revenue budget for 2022/23 – in the attached document.

However, the Town Clerk would point out that, unfortunately, the RFO left the Council's employment on 21 October, following a period of absence, and therefore she has had to resume the role of RFO and begin the budget process as a matter of urgency. At this stage she has only been able to pull together some limited information regarding the revenue budget and is therefore not able to provide a full written report explaining each budget line as she did last year. The Town Clerk plans to do a full presentation in early December in order to make sure Members are fully abreast of the financial situation of the Council when she has had the opportunity to fully review and scrutinise the spending to date and accounted for new aspirations. She has therefore just covered a few key points below for information and a reminder.

Recharge from Works Department and Central Support

In order to get a true cost of its services, the Council recharges the total cost of its Works Department (Cost Centre 601) and Central Support (Cost Centre 602) across it. For the Works Department this is done based on the weekly time sheets, and for the Central Support is based on the apportionment of responsibilities of the Officers.

It should be noted when reviewing the accounts that the recharge from the Works Department and Central Support are yet to be made in this financial year and as the Town Clerk is using system generated reports it has not been possible to exclude these accounts from this summary. Only when the budget for both these departments have been agreed by the Policy, Governance & Finance Committee will the Town Clerk be in the position to calculate the revised recharges and the estimates for 2022/23.

Similarly with regard to the Grounds Maintenance Contract – [shown as 4891- Agency Services Recharge] – Members will note that the present contract has been extended to end on 30 September 2022 and a new specification is currently being drawn up to take account of the outcomes from the Open Spaces Strategy - so for the purposes of this report the current years figures have been retained with a 5% inflationary increase applied, in order to be able to make comparison on a like for like basis across the two years. It is hoped that the Council will be able to make a decision on the future of its Grounds Maintenance Service in December.

Members should also remember that with regard to patterns of income and expenditure, there will always be some variations over the course of the year and for that reason the Council works to annual budgets rather than monthly or quarterly.

Obviously, the ongoing situation around the pandemic gives some cause for uncertainty and concern around budget setting for the Council’s various services. A prudent approach has therefore been taken to not set unachievable targets for income. Gradually Officers are seeing confidence in group gatherings, but the future is still very unpredictable at this stage.

Format of the Council’s Base Revenue Budget

With regard to the Halls, Cemeteries and Allotments budget, the Committee’s services are divided into 12 base revenue cost centres, responsibilities as follows:

<u>Cost Centre</u>	<u>Area</u>	<u>Description</u>
102	Langdale Hall	This cost centre relates to the property currently leased to the ICE Centre. This includes costs incurred under landlords responsibilities as well as recharges made to the tenant.
103	Corn Exchange: Café/Bar	This is a new cost centre which includes the direct costs for the café/bar as well as the income derived from this operation.
104	Corn Exchange	This includes all income from hall hire, as well as the expenditure relating to the management of the building.
105	Burwell Hall	This includes all income from hall hire, as well as the expenditure relating to the management of the building.
106	Madley Park Community Centre	This cost centre relates to the property currently leased to the Madley Park Trust. This includes costs incurred under landlords responsibilities as well as recharges made to the tenant.

301	Tower Hill Cemetery	This cemetery is now primarily closed to new reservations for burials as it is potentially full, although there is still some space for the burial of ashes – and pre-existing reservations. However, there are substantial running costs of maintaining the Cemetery despite it being closed.
302	Windrush Cemetery	Income from burials and the cost of maintaining the site.
303	Closed Churchyards St Marys & Holy Trinity	The Council is responsible for some aspects of maintenance in these closed churchyards and therefore the costs associated to this work.
305	Allotments	Three allotment sites are under the management of the Witney Allotments Association. With the fourth – the new Windrush Allotments about to be incorporated and management transferred in the new lease.

Budget Parameters – Draft Estimates 2022-23

The format of this report is quite straightforward; the first two columns relate to the original budget from 2020/21 against the actual figures for last year. The middle section of three columns relate to the current years original budget, actual expenditure year to date, the projected budget to 31st March 2022. The remaining section of the report relates to the draft budget for 2022/23.

Draft budgets are prepared on current activities and patterns of income and expenditure – in a normal year! Obviously COVID-19 has impacted on the generation of income from the Council’s facilities significantly due to the lockdown earlier in the financial year and continues to be affected due to a rise in COVID cases. In some areas additional expenditure has also has to be incurred.

The Committee’s revenue budget growth items for 2022/23, and its capital/special revenue projects programme for 2022/23 and beyond will be dealt with via a separate report, if time permits, if not it will be referred to PGF, based on current requests.

Public Halls Service

The Council’s Public Halls service is evolving with the earlier addition of the Bar 1863, as well as the additional facilities being installed in the Corn Exchange such as the sound and lighting and the retractable seating. Inevitably this is going to change the Council’s business model for running the Corn Exchange, widening its offer to certain clientele, as well as maybe limited

the opportunities of other current users. The Town Clerk had asked the Venue & Events Officer for his input into the budget and forward plan – and at a later agenda item he has provided a business plan specifically for the Café/Bar 1863. However more thought needs to be given to how the Council wishes to run the venues and what an events programme could look like – so that the Town Clerk can then budget accordingly.

Revenue Budget Summary

The Base Revenue Budget for this Committee is summarised on page one of the attached schedules.

For reasons outlined in this report the budget papers attached are very limited until a clear direction can be given to calculate as accurate budget as possible.

At this stage it is pointless summarising the end result due to the above as we are not comparing like for like, as well as several unknowns. The reports give the detail and Members will be able to ask questions either ahead or at the meeting.

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.

All the Council's Committees receive financial reports in order to carry out its checks and balances. The Town Clerk has approached the budget with prudence so as accurate budget as possible can be set. Obviously the impact of losing the RFO is being assessed and the Town Clerk is doing her best in order to present information to Committees at an early stage in the budget setting cycle – but hopes to be in a position to do a full presentation in early December to ensure all Members fully understand the financial position of the Council and its aspirations for the coming financial year, and the impact it has on the Council Tax Payers of Witney.

The Council Officers continue to keep under review the guidance and regulations relating to COVID-19 in order to safeguard staff and the public from contracting the virus – this may result in additional unplanned expenditure.

Financial implications

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 to note the report and

1. Consider the business plan for the Café/Bar 1863 provided at a later agenda item in order to give the Town Clerk a steer on how she should budget for this facility as well as the operation of the Corn Exchange with the additional facilities.
2. Consider the revised base revenue budget for 2021/22 and the estimated base revenue budgets for 2022/23, as detailed in the draft estimates be approved – subject to any further adjustments necessary.