

STRONGER COMMUNITIES COMMITTEE

Date: Monday 16 November 2020

Title: Financial Report: (a) Revised Budget 2020/21 and Proposed Budget 2021/22

Contact Officer: Town Clerk/RFO – 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 Stronger Communities budget, the Committee's services are divided into 2 base revenue cost centres, responsibilities as follows:

<u>Cost Centre</u>	<u>Area</u>	<u>Description</u>
402	Community Infrastructure	This cost centre relates to the infrastructure found in the town like bus shelters, bins, benches, cycle racks, defibrillators, church clock, floral displays – and the maintenance of them.
408	Community Activities	This relates to community events like the advent fayre, remembrance Sunday parade, anniversaries, as well as supporting the Youth Council.

This Committee also is responsible for the Christmas Lights Display in the town centre, the grant funding towards the Children & Youth provision, Carnival, supporting the Twinning Association although the accounting of this falls with the accounts presented to PGF under Cost Centre 407 – Grant & Donations (S137).

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.

Revenue Budget Summary

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

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.

As mentioned in the introduction the Council will be undertaking a root and branch review of its grounds maintenance contract. By reviewing the grounds maintenance contract this will enable the Council to take into consideration greener measures in order to work towards its objective for carbon neutrality by 2028. This, along with the budget allocated to Climate Emergency should help to facilitate projects yet to be identified in the Council's strategic plan which will be drafted early in the new year.

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 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.