

## POLICY, GOVERNANCE & FINANCE COMMITTEE

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**Date:** Monday, 3rd October 2022

**Title:** Budget Parameters 2023/24, Capital & Special Revenue Projects 2023/24 and beyond

**Contact Officer:** Town Clerk – Sharon Groth

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### Background

In line with normal Council procedures, the Officers will shortly begin the annual review with the Committees in order to prepare the revenue budget for 2023/24. 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 12th December 2022 – 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. The adopted Open Spaces Strategy continues to be used to help calculate as accurate budget as possible, and with the decision to bring the grounds maintenance service in house this will also be incorporated into service delivery costs.

The Council will be considering 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 budgets will hopefully go through the spending committees during the next cycle of meetings. 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 2023/24 will be then be presented to the Policy, Governance & Finance Committee meeting on 21 November 2022 and the final budget to the Special meeting on 12 December 2022.

### Budget Framework

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

1. Band D Council Tax

The percentage increase to the band D equivalent council tax levy – the increase applied for the current year resulted in a 4.9% increase.

2. Staffing Costs

National pay negotiations for local government workers have yet to be determined for the current financial year – the latest indications are that what was anticipated and budgeted for in the current year (2.5%) isn't sufficient.

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 2023/24, 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, as well as rising costs of utilities and material costs.

4. Capital Expenditure & Special Revenue Projects

Committees have been encouraged to put forward projects and this Committee is requested to put an upper limit on the Capital Budget, if possible.

5. Utilities

Several Councillors have quite rightly raised the situation with the Council's utilities bills – recent communication from the supplier GE is attached at the end of this report for information.

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 £166.83 (this realised £1,829,398 in precept). The tax base was 10965.64

### **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 Town Clerk/RFO would caution that given the ongoing circumstances and uncertainty around the economy and particularly utilities, supply of materials etc, she will be looking to set a prudent and balanced budget which in turn will try to negate the need for excessive increases to the Precept, given the financial crisis the majority of residents will be encountering in the next few years.

The General Reserve should not be used to balance the budget – best practice is to ensure the Council has 3 to 6 months net expenditure. 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 2023/24 as detailed above.

**From:** Phil Robin

**Sent:** 14 September 2022 16:53

**To:** Sharon Groth <sharon.groth@witney-tc.gov.uk>

**Cc:** Loraine Harwood <loraine.harwood@witney-tc.gov.uk>; Loraine Harwood <loraine.harwood@witney-tc.gov.uk>; Adam Clapton <adam.clapton@witney-tc.gov.uk>

**Subject:** RE: Witney TC 1334369 - Electricity & Gas Contracts Renewal

Dear Sharon,

Unfortunately, the volatility in the market makes it impossible to predict where renewal prices might be when your contract ends on 31/03/23. We hope that the global situation will be more stable once winter is out of the way, however the outlook seems to be that prices will remain at a fairly high level for several years.

What I can tell you is that the prices we are offering now are several times higher than your current contract prices due to the ongoing market conditions. These impact greatly what we need to pay to source our energy, therefore renewal prices are much higher than what we could offer even 6 just months ago.

For information, the prices we would currently offer for a 12-month contract starting next month would be an electricity unit rate of about 110 p/kWh exc. VAT and a gas unit rate of about 25 p/kWh exc. VAT. As a reminder you are currently paying 28.70 p/kWh exc. VAT for electricity and 12 p/kWh for gas.

We haven't received any concrete information from the government following last week's announcement. All we have gathered so far is that whatever help becomes available for non-domestic customers will be for a few months only. We will hopefully receive more details after the national mourning period.

I hope this helps with your budgeting. Although this is not something we can help with, installing generation equipment and energy storage facilities on your premises might help reduce your energy costs. Moreover, the more renewable energy is produced and stored in the UK, the less we have to rely on fossil fuel.

Kind regards,

Phil Robin  
green energy uk

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