

## ABINGDON TOWN COUNCIL

Report to	Finance, Governance and Asset Management Advisory Committee
Meeting date	23 November 2021
Report author	Deputy Town Clerk / RFO
Agenda item	9

### 2022-23 Estimates

#### 1. Purpose of the Report

1.1 The purpose of this report is to:

- inform members of the proposed budget structure w.e.f. 1 April 2022
- inform members of the budget setting timetable and process
- provide an opportunity to suggest any additional budget bids the committee would like the RFO to feed into the draft estimates.

#### 2. Summary

- 2.1 The changes to the council's committee structure mean that the existing budget reporting structure (the management accounts) does not reflect the committees' Terms of Reference. The RFO has produced a revised "chart of accounts" upon which the 2022-23 budget shall be based. This is a "top down" approach, with each accounting line (budget) relating to a specific delegation stated in the Terms of Reference for this committee. The proposed structure includes some further changes for reporting which is it hoped will provide transparency on the cost of council services. **See section 6.1 of this report for further details.**
- 2.2 The draft estimates for this committee are currently being calculated. The work so far assumes that the budgets for existing services will continue (with uplift for inflation, pay increases etc and reductions if any efficiency savings have been identified) and the Forward Plan shall identify any additional budgets. **These are listed in section 6.2 of this report.** Members are requested to communicate and further budget bids to the officers so these can be incorporated.
- 2.3 The RFO is aiming for the draft estimates to be available to members well in advance of the Christmas break. The budget shall then require consideration at the meeting of this committee on 18 January 2022. The Council's full budget and resulting precept shall be approved at the Full Council meeting on 26 January 2022.

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3. **Action required**

3.1 Members are requested to:

- (i) note the proposed accounting budget and reporting structure.
- (iii) consider the projects included in the Forward Plan and determine any additional projects which may require an additional budget bid.

4. **Link to strategic plan and objectives**

4.1 The setting of this committee's 2022-23 budget is linked to the following objective:

*3. To manage the Council's assets efficiently and effectively to meet for the needs of the community now and in the future.*

4.2 This committee also considers the budget requirements for the council in full, which is linked to all four objectives.

5. **Background**

5.1 The Forward Plan was agreed by Council on 27 January 2021 and the projects contained therein for 2022-23 will be incorporated into the draft budget.

6. **Key information and options**

6.1 **Proposed accounting / budget structure:**

The approved Terms of Reference for this committee outline four main areas of delegation:

- 1. Property management
- 2. Corporate governance and democratic management
- 3. Central services
- 4. HR and staffing
- 5. Finance and budgetting

New cost centres have been devised which link back to one of these five areas. Each cost centre will then be further split into income and expenditure codes. These codes have all been mapped from the Council's existing budget codes, and members will be able to review the I&E codes and the mapping exercise via SharePoint.

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The table below shows the proposed cost centres for each area of delegation:

<p><b>Property management</b>                  Business rates                  IT comms and infrastructure                  Building security and safety                  Gas and electricity costs                  Water costs                  Insurance                  Cleaning costs                  Ownership and rent                  Maintenance and upgrades                  Archives and treasures</p>	<p><b>Central services</b>                  Office expenses (e.g., photocopiers)                  Staff related costs (e.g., training)                  Back-office functions (e.g., finance)</p> <p><i>All these costs to be recharged to direct service cost centres</i></p>
<p><b>Corporate governance and democratic management</b>                  Corporate management                  Democratic</p>	
<p><b>HR and staffing</b>                  All staff salaries (gross pay)                  All salary related costs (PAYE, NIC and pension)  <i>All these costs to be recharged to direct service cost centres</i></p>	
<p><b>Finance and budgeting</b>                  Pooled budgets (e.g., use of pooled property fund)                  Community infrastructure levy (income)                  Additional response budgets (e.g., COVID response)                  Precept (income)</p>	

The proposed structure includes a change regarding staff costs. Currently the staff costs relating to the outdoor services team and the museum services are coded directly to the relevant cost centres, but the central services (Royse Court) staff costs are reported under a central services cost centre (601 – reported to FGAM committee). It is proposed that all staff costs will be initially coded to **HR and staffing cost centres** and then reallocated to appropriate cost centres which will then provide a clearer understanding of the cost of providing each council service.

The proposed structure also reflects the shift agreed relating to the council's land and property. Currently, for example, the business rates and utility costs (gas, electric, water etc) are reported to the committee which uses each building for its services (e.g., County Hall building costs fall under the previous County Hall Museum Management Committee). The approved governance arrangements suggested that all building-related (rather than service-related) costs fall under the responsibility of this committee instead. It is intended that this approach will allow each committee to focus on the services it provides rather than having to approve costs which in general are fixed and unavoidable.

6.2 **Forward Plan:**

The projects included in the forward plan for 2022-23 specific to this committee are:

- Building's maintenance and improvements programme

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- County Hall lift project
- Surplus land review

In consultation with the Leader, Cllr Samantha Bowring, an additional project: Use of the Old Magistrates Court and Robing Room has been identified.

Your officers have identified one further project: Storage requirements. As stated in the report of the Properties Officer, further work to ascertain the storage needed across the council is being completed.

Members are requested to consider any additional projects which they wish to be added to the Forward Plan and budget.

7. **Climate change/green implications**

7.1 There are no direct implications to be considered.

8. **Financial/budget implications**

8.1 The draft budget which shall be presented to the next committee meeting, together with any suggested additional budget bids shall state the financial implications for 2022-23.

9. **HR implications**

9.1 The work currently underway on the council's draft budgets and new coding structure is taking a significant amount of time of the RFO. It is suggested that any additional budget information is requested as far in advance as possible to accommodate this work in time for the council deadline.

10. **Supporting papers and appendices**

10.1 The following documents shall be available for members to review via SharePoint ahead of the next committee meeting:

- Terms of Reference for all committees with suggested coding structure
- Budget mapping exercise (old codes → new codes)
- Draft budgets

Susan Whipp  
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16 November 2021