

AGENDA 8, Enc iii) Financial Overview, Year Ending 2023/24

Summary

Prudent financial management has been a guiding principle for Ashington Town Council, ensuring that our resources are strategically allocated to deliver maximum impact in line with our priorities. The following summary provides an overview of our financial position during 2023/24 which has informed our Annual Governance and Accountability Return.

The Council's opening cashbook balance on 1st April 2023 was £424,584.

We received payments totalling £1,000,457; this included £836,861 in Precept, £90,736 VAT repaid, and £72,859 other incomes.

We made payments of £1,160,143; this included NET payments of £827,161, Employment Costs of £257,244, and VAT paid £75,738.

The Council's closing cashbook balance on 31st March 2024 was £264,898.

Income

Our primary source of income as always was the Precept paid by the taxpayers of Ashington, amounting to £836,861. Additionally, we received £90,736 in VAT repayments and £72,859 from other revenue streams, bringing our total income to £1,000,457. Notably, we secured £25,000 in funding from Scottish Power Renewables, which contributed to the cost of developing new play areas at Epsom Drive and Aintree Close. Furthermore, we received funding from our County Councillors' Members Local Improvement Scheme (MLIS) to support initiatives such as the installation of litter bins and speed signs.

Other County Cllr supported schemes crossed over financial years, so whilst they are included in the report, income received has been removed from the year's figures as is proper practice.

We secured £8,619 in allotment rents and contributions, though this figure was nearly £3,000 lower than the previous year due to reduced contributions from allotment associations towards projects. As we move forward, with direct control over allotments at Woodhorn, Hirst East End, North Seaton Colliery, and Nursery Park, we will receive 100% of rent payments while assuming full responsibility for associated costs.

Expenditure

Our total expenditure for the year amounted to £1,160,143, which included £827,161 in net payments, £257,244 in employment costs, and £75,738 in VAT paid.

Management and Support

We allocated £324,000 for management and support, with the majority of expenditure dedicated to employment costs (£257,244). Other expenses included office and administration (£45,000), vehicle and equipment maintenance (£14,000), and training and development (£3,500).

AGENDA 8, Enc iii) Financial Overview, Year Ending 2023/24

Recreation & Leisure Services

With a budget of £208,000, our spending in this area increased to £261,000. This included £32,000 from Earmarked Reserves and the Scottish Power Renewables grant, which facilitated the redevelopment of play areas at Epsom Drive and Aintree Close. While spending on events, community engagement, and recreation was lower than anticipated, we maintained our commitments to Christmas lights (£26,346) and play area maintenance (£7,723).

Additionally, we contributed £23,680 to Northumberland County Council for the maintenance of Hirst Park, an expenditure not supported in the current year (2024/25) as the Council focuses spending on our own assets.

Environmental Services

Our most significant expenditure, totalling £406,025, was dedicated to environmental services. This included £236,700 towards our Partnership Agreement with Northumberland County Council, as well as investments in litter bins (£11,800), seats (£1,588), bus shelters (£55,581), environmental contracts and improvements (£59,210), and climate initiatives (£33,199).

Grant Funding

We allocated £120,000 for grant funding but spent £16,000 less due to fewer small grant applications received and supported. However, we anticipate an increase in requests during the current year (2024/25).

Other Services

This category included expenses for elections (£17,584), CCTV (£17,476), and interactive speed signs (£6,506).

The election expenses exceeded the allocated budget due to the occurrence of two by-elections during the year.

Reserves

In 2023/24, we made a strategic decision to reduce our General Reserves and Contingency from £250,000 to £175,000, enabling us to achieve our spending plans and priorities without increasing the precept. An additional £13,537 was utilised from general reserves and contingency to support necessary unplanned expenditures.

Our Earmarked Reserves, dedicated to replacing and improving assets such as play areas, were reduced from £107,000 to £93,000 to align with our revised long-term plans following a comprehensive review of play area facilities.

Through this judicious management of our financial resources, we have ensured that every penny is invested wisely, delivering tangible benefits to our community while maintaining a strong financial foundation for the future.

AGENDA 8, Enc iii) Financial Overview, Year Ending 2023/24

Looking Ahead to 2024/25

As we move into the 2024/25 financial year, Ashington Town Council remains focused on delivering value and impact through strategic financial planning. Our total projected expenditure is £946,888, allocated as follows:

Management and Support: £354,481

Recreation & Leisure Services: £95,100

Environmental Services: £342,130

Grants & Subsidies: £100,000

Other Services: £55,177

After utilising £46,938 from balances, the precept requirement for 2024/25 was set at £899,950 to meet these planned expenditures. We will hold £65,000 in Earmarked Reserves dedicated to asset replacements and improvements, while our General Reserves and Contingency has been maintained at £175,000.

This financial outlook demonstrates our ongoing commitment to pragmatic budgeting that aligns resources with community priorities. Environmental services and management support remain top investment areas, while allocations for recreation, grants, and other vital services ensure a balanced approach to enhancing Ashington's quality of life.

Through proactive planning and strategic financial stewardship, we are well-positioned to build upon the progress achieved in 2023/24 as we continue creating a better community for all residents in the year ahead.

Concluding Comments

The Council's Annual Governance and Accountability Return will be presented to Full Council on Tuesday 25th June. Following approval, the information will be made available on the Council's website and for public inspection, along with the Council's accounts.

If anyone has any questions about any of the information contained in this annual report, please contact me.

Kind regards, Sarah Eden (Executive Office/Responsible Financial Officer)