

Annual Report on the Council's Finances 2022/23

1. Introduction

Welcome to this annual report on the Council's finances which we hope you will find informative and of interest.

This report sets out the Council's spending plans for this year; 2023/24, whilst also providing a summary of the Council's actual income, expenditure, and financial performance over the last year; 2022/23.

2. The Council Budget

The Council Budget is an estimate of the resources that the Council will require to be raised from council tax to fund all of the services it provides for the year ahead.

The Budget covers the financial year which runs from 1st April to 31st March. The Council needs to set a Revenue Budget and a Capital Budget each year.

The **Revenue Budget** funds the day to day running costs of the Council's services such as salaries and goods and services, and the net cost, after deducting any income receivable from fees and charges and grants, is met from the Town Council proportion of the Council Tax.

The **Capital Budget** funds major one-off investment in the Council's fixed assets such as its buildings, vehicles and play areas and is funded from the Council's Balances and Reserves and any external grants that may be available.

3. 2023/24 Revenue Budget

The 2023/24 Revenue Budget was prepared on the basis of 'business as usual' for the new financial year, following another uncertain and challenging year as a result of high inflation and the cost-of-living crisis. It was also developed on the principle of continuing to provide all Council services, facilities and events and maintaining current standards of service, whilst recognising the longer-term budget pressures faced by the Council, and the need to maintain contingency resources within the Revenue Budget for as long as possible and address the forecast depletion in the level of the Council's balances and reserves.

Additional budget provision needed to be made for a number of issues including projected increases in insurance premiums, continuing increases in relation to electricity and gas costs, increases in staffing cost including a local government pay award and an increase in the employers pension contributions as well as ongoing unavoidable inflationary increases. A number of budget lines also saw reductions to assist in offsetting increases being experienced.

The council tax base growth, as a result of increased employment opportunities, reduced claims for council tax support and new housing development, helped to offset increased in budget provision, in addition to this the Council Tax Support Grant settlement for 2023/24 saw a year on year increase in funding. Additional budgeted income at the Sports Complex, Golf Complex, Driving Range and Pre-School were also provided for which helped to offset the additional budget provision which was required.

The overall effect of these changes resulted in the 2023/24 Revenue Budget being approved on the basis of an increase of 7.50% in the Town Council Tax.

In overall terms, the Council's 2023/24 Net Revenue Budget, as represented by the Precept has increased by £143,870 or 8.2%, from £1,746,869 in 2022/23 to £1,890,739 in 2023/24.

In overall terms, the 2023/24 Revenue Budget is considered to be a robust and prudently set budget, that will ensure all services can continue to be provided to the standard expected by the residents of Great Aycliffe during the year, continue to provide a firm foundation and some surplus resources to meet the increase in running costs that lie further ahead, and allow the Council to continue to replenish its balances and reserves moving forward.

The table on the following page provides a summary of the Council's 2023/24 spending plans:-

2023/24 Revenue Budget Summary

Service Area	2023/24 Budget £
Members and Civic Expenses	69,500
Finance Section	101,550
Administration Section	88,900
Corporate Section	273,650
St Oswald's Pre Schools	303,350
Works	291,300
Depot	38,400
Capital Financing Charges	30,050
Community Events	220,850
Sports Complex	875,150
Sports Pitches	23,300
Golf Course	231,800
Driving Range and Golf Shop	155,900
Parks and Play Areas	214,450
Environment and Open Spaces	102,100
Street Equipment	11,300
Cemeteries and Church Works	111,700
Allotments	31,100
Contingency Sum	15,000
Total Cost of Running Town Council Services	3,189,350
Capital Programme Investment in Council Assets	116,500
Contribution to Capital Reserves	50,000
Total Planned Revenue and Capital Spending	3,478,100
Less Income	
Council Tax Support Grant	(204,911)
Pre-School Funding and Fees	(238,250)
Sports Complex Fees and Charges	(462,400)
Golf Course Fees and Charges	(158,650)
Driving Range and Golf Shop Fees and Charges	(151,750)
Cemeteries and Church Works Fees and Charges	(67,050)
Sports Pitches	(7,350)
Allotments Fees and Charges	(8,150)
Feed in Tariff Income from Solar Panels	(12,250)
Other Income	(10,850)
Investment Income	(27,000)
Total Income	(1,348,611)
Less Use of Council Balances - Capital Programme	(116,500)
Net Budget Requirement / Council Precept	1,890,739

4. 2023/24 Council Tax

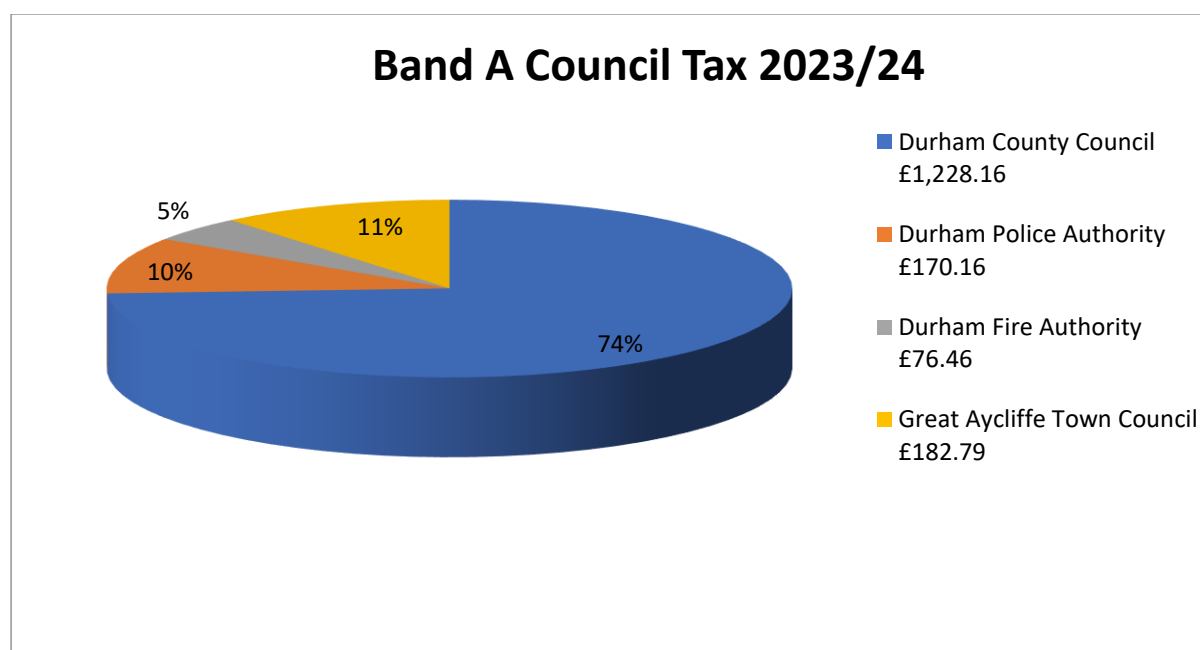
The 2023/24 Band D Town Council Tax is £274.19 per year.

This is an increase of £19.13 a year on the 2022/23 Council Tax.

However, it is important to note that around 60% of the properties in Great Aycliffe fall within Council Tax Band A and pay only two thirds of the Band D Council Tax.

The 2023/24 Band A Council Tax is £182.79 per year which equates to around £15 per month.

A breakdown of the 2023/24 Council Tax is shown below demonstrating that 11p in every £1 of the total Council Tax comes to the Town Council:-



5. 2023/24 Capital Programme Budget

The Council will continue to make capital investment in order to deliver the Council's Asset Management Plan and invest in community assets.

The Capital Programme Budget for 2023/27 currently stands at £116,500.

The budget includes provision for various building works, replacement works vehicles and machinery, information technology improvements, footpath repairs and play area safety surfacing replacement.

The budget has been prepared on the basis of essential investment only linked to the need to closely control capital spending to help maintain and protect the Council's balances and reserves for as long as possible.

There were a large number of delayed capital projects in 2022/23, totalling £335,500, which have been carried forward to 2023/24.

The Capital Programme Budget will be funded from the Council's Earmarked Capital Reserves which are set aside for this purpose.

6. Council Balances and Earmarked Reserves

The Council's Balances and Earmarked Reserves stood at £1.663 million at the 31st March 2023. This is better than anticipated and is as a result of the savings delivered on the Council's Revenue Budget and lower than expected spending on the Capital Programme Budget last year.

This is considered to be an adequate level of reserves to fund capital spending commitments for the medium term and to provide some protection against future revenue budget pressures and possible cuts to funding.

During 2023/24 it is anticipated that Balances and Reserves will fall to £1.095 million as a result of commitments including carry forward requirements from 2022/23, funding of the 2023/24 capital programme, and contribution to reserves from the 2023/24 Revenue Budget.

7. 2021/22 and 2022/23 Actual Revenue Spending

A summary of the Council's actual expenditure in 2021/22 and 2022/23 in running its various services, and how this expenditure was funded is detailed below:-

2021/22 £	Service Area	2022/23 £
64,232	Members and Civic Expenses	67,117
81,039	Finance Section	90,999
66,628	Administration Section	73,622
300,484	Corporate Section	262,463
242,829	St Oswald's Pre Schools	261,634
165,662	Works and Depot	226,444
31,321	Depot	33,055
26,159	Capital Financing Charges	28,727
116,371	Community Events	196,618
599,918	Sports Complex	805,361
18,525	Sports Pitches	20,806
212,338	Golf Course	220,452
136,782	Driving Range and Golf Shop	159,702
141,153	Parks	144,310
61,319	Play Areas	62,470
93,524	Environment and Open Spaces	98,431
8,733	Street Equipment	8,090
92,406	Cemeteries	95,916
12,500	Church Works	12,850
30,032	Allotments	29,994
4,377	Contingency Sum	-
2,506,332	Total Cost of Running Council Services	2,899,061
	Less Income	
(184,992)	Council Tax Support Grant	(191,681)
(229,433)	Pre School Funding and Fees	(237,593)
(306,312)	Sports Complex Fees and Charges	(503,622)
(133,461)	Golf Course Fees and Charges	(122,090)
(131,818)	Driving Range Fees and Charges	(142,714)
(39,198)	Coronavirus Job Retention Scheme Funding	-
(49,320)	Cemeteries Fees	(65,557)
(7,664)	Allotments Rents	(8,189)
-	Sports Pitches	(6,886)
(13,477)	Other Income	(8,155)
(424)	Investment Income	(23,482)
(12,325)	Feed in Tariff Income from Solar Panels	(13,205)
(1,108,424)	Total Income	(1,323,174)
(24,201)	Less Use of Reserves	(10,893)
1,373,707	Actual Net Cost of Council Services	1,564,994
323,793	Contribution to Council Balances / Savings	181,875
1,697,500	Council Precept / Council Tax	1,746,869

The financial position and spending of the Council is continuously monitored and controlled in order to help achieve the most efficient use of public resources and, as can be seen above, this prudent management of the Council's spending has resulted in savings being achieved in both 2021/22 and 2022/23.

Spending in 2022/23 was £181,875 or 10% under the level of Precept. The main reasons for this saving were the budgeted contribution to capital reserves, no use of the contingency sum, a significant increase in income at the Sports Complex, better than expected interest income as a result of the increase in interest rates, an increase in pre-school funding and fees, an increase in golf shop sales and lower than usual spending across all services to help offset increases in utility, fuel, and insurance costs and a higher than budgeted staff pay award following the national agreement for Local Government employees.

All savings achieved on the Revenue Budget are set aside in the Council's Earmarked Reserves to provide for further investment in Council and community assets for the benefit of the tax payers of Great Aycliffe over the coming years.

8. 2021/22 and 2022/23 Actual Capital Investment

A summary of the Council's capital investment in Council and community assets in 2021/22 and 2022/23, and how this expenditure was funded is detailed below:-

2021/22 £	Investment Area	2022/23 £
57,094	Council Building Works and Improvements	55,560
84,718	Replacement Vehicles, Machinery and Equipment	53,166
7,753	Information Technology and Office Equipment	3,820
54,451	Parks and Play Area Improvements	10,571
41,782	Infrastructure Works (Drainage, Footpaths)	17,630
17,301	Street Equipment (Bus Shelters, Seats, Bins, Fencing)	27,542
263,099	Total Capital Investment	168,289
	Funded by:-	
206,151	Use of Council Balances	139,960
56,948	External Funding	28,329
263,099	Funding of Capital Investment	168,289

9. Annual Return and External Audit Report

The Council completes an Annual Return each year comprising its Accounting Statements, Annual Governance Statement and Internal Auditors Report.

The Annual Return is reviewed by the Council's external auditors and an opinion is provided on whether the Council has prepared the accounts and governance statement in accordance with statutory requirements and proper practices for town and parish councils.

The Council is pleased to report that the external auditors did not raise any issues of concern in respect of the 2021/22 Annual Return.

The 2021/22 Audited Annual Return to the Council is available to view at the Council Offices or on the Council's website, along with the 2022/23 Unaudited Annual Return.