

Prudhoe Town Council - Annual Return for the financial year ended 31 March 2016**Explanation of year on year variances****Box 2 – Annual Precept**

The 2015/16 Precept was increased by 11%; this was considered moderate with increases in the following budget headings:

Management and Support +£10,290

Recreation and Leisure +£36,782

Other Services +£5,111

To further explain 'Other Services'; the council agreed to reduce the budget of professional expenses as a previous long-standing legal affair had come to a close. Town Council Development and Support was increased with a view to putting together a newsletter, however this did not happen. The usual £8,000 Contingency Budget heading was increased to £18,000; this included an allocation of £5,000 for the Tour of Britain Cycle Race and £5,000 for investment in Eastwood Park Play Area. £5,000 was paid over the Northumberland County Council as a contribution to the Tour of Britain Cycle event; however plans for Eastwood Park were not taken forward in 2015/16.

Budget allocations were reduced in some areas which allowed the investment described above without a significant increase in the precept:

Environment -£2,000

Cemeteries -£25,000

Grants/Subsidies -£3,184

Box 3 – Total other receipts

There was a substantial increase in receipts to the council in 2015/16 (+£66,550) this is as a direct result of external funding paid to the town council for its own projects and paid through the town council for projects in the town.

The council received £33,368 Housing Developer Funding for Highfield Park for a large scale revamp of this park that is owned and managed by the council on land under a long-term lease. As well as Housing Developer Funding, the council also received £7,000 County Councillor Capital Small Schemes Funding.

Castle Dene Play Area was also refurbished by the County Councillor for the area; this play area is not under the ownership of the town council but is expected to be transferred to the council in the near future. The project was managed by the town council and as well as receiving £16,826 County Councillor Capital Small Schemes Funding, £15,000 Housing Developer Funding was also received.

A new bus shelter was installed at Mickley by the County Councillor for that area. Again, the project was paid for by Prudhoe Town Council with external funding. The council received £12,726 County Councillor Capital Small Schemes Funding for the project.

In total that is £84,920 in external funding received by Prudhoe Town Council, with receipts for cemeteries almost £5,000 less.

Box 4 – Staff Costs

The increase in staff costs can be attributed to an annual incremental increase for both members of staff as well as the council contributing towards the 'National Employment Savings Trust' Pension scheme. The council agreed to double employee contributions to a maximum of 12%. In 2015/16 the council contributed 4%. It was agreed that staff would advise the council as part of the budget process the percentage they wished to contribute from their salary, so that budget allocations can be made.

Box 5 – Loan interest/capital repayments

The loan was repaid in 2014/15 and no further loans have been taken out.

Box 6 – All other payments

In 2015/16 the council added £40,000 to the budget to pay for improvements to the Council's only play area, Highfield Park. This equated to an overall increase in investment in recreation and leisure of £36,782. Although substantial at an almost 95% increase, the council considered this value for money with external funding expected to double the investment. Spending on Highfield Park was £80,744 although funding eventually equated to £40,368.

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There was also £36,826 spending on Castle Dene Play Area, not owned by the council but expected to be transferred; here the investment of the council was £4,000, however external funding amounted to £31,826.

Spending on the town's Youth Service was also significantly higher in 2015/16 than the previous year as £12,000 was carried forward from 2014/15 for activities expected to take place in 2015/16. Some of these activities took place and were therefore accounted for in the 2015/16 spending of the council.

There was an increase in spending on events in 2015/16; as all events increased in popularity the council made a conscious decision to invest more. At the Christmas Lights Switch-On this allowed the event to benefit from a professional stage as well as the council having a road closure in place, all serious health and safety considerations. In addition, the Tour of Britain Cycle Race began a leg in the town and red and orange bunting was purchased and professionally displayed to welcome the event

A bus shelter was purchased by the council at a cost of £3,075; although this was paid from the council's account the investment was made wholly by the County Councillor for Mickley.

In contrast, the council's spending on cemeteries was almost 60% less than in 2014/15 (£47,274 less) as no major works were undertaken as in previous years.

Likewise, spending on Christmas Lights was reduced by 50%, with £6,742 less spent in 2015/16 than in 2014/15, again as a result of the previous years' investment in new displays.

Box 7 – Balances carried forward

It is disappointing that balances carried forward have increased as a result of planned spending having not being complete.

The 'Live above a Shop Scheme' maintained a balance of £5,000 as the scheme by Prudhoe Community Partnership had not commenced at the year end, however this did begin in June 2016.

There was £2,000 remaining in the Youth Service budget as it had not been possible to deliver all of the planned work due to staff shortages.

The Lychgate budget heading remains untouched at £1,350 as this project is ongoing.

The Environmental budgets had £6,676 remaining in them, most specifically in relation to 'Environmental Improvements' as no new schemes were brought forward in this year.

Play Areas contained a budget of £3,375 that remains untouched as the four play areas in question have not been transferred to the council from Northumberland County Council.

Allotment spending was minimal in 2015/16; although Prudhoe Gardeners' Association did make a case to carry forward money from 2014/15, spending plans have not been forthcoming resulting in almost £3,500 remaining at the year end.

Over £13,000 remained in the Cemeteries budget as approximately £12,000 worth of fencing work expected to be carried out in 2015/16 did not happen and was therefore carried over into 2016/17.

With regard to Professional Expenses, the large under-spend relates to £2,000 carried forward that was added to the £5,000 budget. £2,000 was expected to be spent on legal fees for the register of title deeds for Edgewell Cemeteries and the transfer of play areas from Northumberland County Council, neither of these have been achieved in 2015/16. It is worth noting that the budget for Professional Expenses has been reduced in 2016/17 as £5,000 was considered too high as other than the cemetery title and transfer of play areas, there are no known costs.

Box 9 – Total fixed assets and long term investments and assets

The council staff re-evaluated the council's assets in April 2016 and the figure detailed reflects the cost of new Christmas Lights and new play equipment at Highfield Park. The figure is not significantly higher as old equipment had previously been valued at a higher cost. An Asset Register is included in the return.