



REPORT FOR DECISION

Item No:- FC24/080

Committee:-	Finance and Governance Committee
Date:-	23 rd April 2025
Author:-	Martin Hammond, Clerk
Report Title:-	Year End Financial Position 2024/5
Wards Affected:-	All

1. Purpose of Report

To report on the year end financial position, and seek agreement for how the surplus funds accruing should be used.

2. Recommendations

It is recommended that

- a) The end of year report be noted
- b) That Council be recommended to approved the following budgetary changes, utilising the underspending in 2024/5 :-
 - a. A sum of £5,844, being the underspend in 24/5 for the neighbourhood plan, be passported through and added to the budget in 25/6
 - b. A sum of £15,000 be allocated for youth services, subject to a more detailed report being provided to Council on the proposed interventions
 - c. A sum of £10,000 be allocated for town centre improvements, subject to a more detailed report being provided to Council on the proposed interventions
 - d. A sum of £7000 be added to the neighbourhood plan budget
 - e. A sum of £10,000 be set aside to pay for the acquisition and operation of a vehicle to support the market, and that the clerk be delegated authority to decide on the optimum means of acquisition (either by lease, rental or purchase)
 - f. A sum of £6407 be added to reserves, with £1000 of that going to the election reserve.

3. Information

3.1. At the end of March 2025, the Council had spent just under £410,000 on the costs of services, put £72,00 into reserves and has a surplus of £85,000 for use in 25/6. This report summarises the financial movements during the year and recommends how the surplus should be used.

3.2. Attached as Appendix One is the summary budget statement as at 31st March 2025.

3.3. The Council started the year with £263,484 in its various reserves and current accounts and ends the year with £388,289.

3.4. Expenditure during the year compared to budget was affected by several movements

- Employment costs exceeded budget by £7000 as a result of an increase in hours for the administrative officer and some minor impacts from the pay award for 24/5
- Office admin costs exceeded the budget by £1000 as a result of the need to replace a printer and a laptop
- Civic and democratic costs underspent by £1500 because of lower than expected costs of civic regalia, mayoral allowances and consultation exercises
- Environmental and public services underspent by £55,000 mostly as a result of
 - o The non delivery of the public toilet project £30,000
 - o A Neighbourhood Planning grant received early £ 6,708
 - o The inability to upgrade electrics for the market £10,000
 - o Increased income from the market £ 4,000
 - o Various other lower than expected costs £ 4,000
- Community services underspent by £9000 largely because the Ise Play area project did not proceed
- Events underspent by £25,000 largely because the cost of the half marathon was met by the provider and a saving of £22,000 resulted

3.5. Income in the year comprised

- The precept	£490,000
- Market income	£ 11,156
- Event income	£ 6,547
- Grants	£ 10,828
- Allotments	£ 1,357
- Lottery	£ 5,636
- Refunds, charges and sales	£ 1,800
- Interest	£ 7,024
Total	£534,348

3.6. This means that at the end of March, allowing for end of year creditors and debtors and £2500 of VAT to claim back, the Council had a balance of £85,897 in its two current accounts and reserves of £302,896.

3.7. The sum of £85,897 above is partly spoken for already:-

- £5256 is reserved for lottery awards and the costs of managing the lottery
- £26390 is reserved to help meet the budget for 2025/6
- £5,844 is the underspend on the neighbourhood plan because of the early receipt of a grant, which should be passported into 25/6

Total £37490

3.8. This leaves £48,407 to allocate. It is suggested that the following allocations are made. They proceed in part from the January Council meeting when the desirability of investing in youth services and the appearance of the Town centre were both proposed when the budget was approved and also from developments that have occurred since January. Each is dealt with in turn below.

3.9 **Youth Services** Although still the subject of discussions, there is a view that investing in youth services across town will help reduce anti-social behaviour, develop the skills of young people and make a wider contribution to society. The possibility of a grant from NNC, contributions from the OPFCC and utilising the skills of several voluntary groups can all be harnessed so that a proposal to the next ordinary Council on what the best interventions are can be written. A guide budget of **£15,000** is suggested. It is likely that this will have to be an annual figure.

3.10 **Town Centre** The Neighbourhood Plan consultation has already flagged up perceptions that the town centre needs more visible care and attention and that options exist to make relatively small improvements which will have a disproportionate effect. The recent spring clean project demonstrated that small measures can be effective in lifting the mood. Members have also discussed the merits of a shop front grant scheme, although to be effective, this would need more resources than we have; it might nevertheless be possible to pay for cosmetic improvements such as the treatment provided to the Gala Bingo building. The Cultural Consortium is also keen to use vacant spaces to develop on street art and is in early discussions with *Love Kettering* to develop a concept. A budget of **£10,000** would help deliver these improvements and also pick up other improvements coming out of the Neighbourhood Plan engagement which are not appropriate to include in the plan this could be a one off or an annual figure.

3.11 **Neighbourhood Plan** A two year budget of £40,000 was set for the Neighbourhood Plan, which assumed £18,000 in government grant. The expenditure in 24/5 was £10,863, of which £6,708 was met by grant, leaving £29,137 to spend in 25/6. The project plan and the scope for the plan are already quite broad and intensive and it is likely more resources will be needed for public engagement (leaflets, website, meetings, events) and the administrative capacity to deliver these. It is suggested that a further **£7000** be added to the budget. This would be a time limited addition.

3.12. **Markets.** The Council has benefitted from its good working relationship with NNC in delivering the market; the two staff employed to provide market stalls use a NNC

vehicle free of charge, plus a trailer and we have free use of the market store to keep our market equipment. This relationship was dependent on the casual staff also continuing to be NNC employees for their day job; one has now resigned and this means that, operationally, the vehicle and trailer and the store are now no longer available. More details are in the separate report on this agenda. This leaves the Council having to source its own vehicle. A provision of **£10,000** will need to be included in the budget, and this would be an ongoing commitment.

3.13. **Reserves.** The balance - **£6407** – can be placed in reserves.

4. Consultation and Engagement

4.1. Youth services were discussed again at Council in March with feedback from town centre interests as well as members that action needed to be take tackle youth related anti social behaviour and improve life chances of young people in less affluent areas.

4.2. The neighbourhood plan consultation has highlighted the need to invest more in the appearance, safety and well being of the town centre.

4.3. The process of engaging properly with the 18000 residents of the neighbourhood plan area and the wider town can be better achieved with more dedicated resource than we currently have.

4.4. There has been no opportunity to consult on the market operational changes except with our employees/agency staff.

5. Finance, Legal and Resource Implications

5.1. As set out above, the Council has the leeway to address these issues in this financial year. There may be consequences for the budget in 2026/7 and beyond of some of these commitments continuing; the cost of a market vehicle and youth services are likely to be multi-year commitments adding £25,000 to the budget annually.

5.2. The Council's policy on reserves is to increase reserves until they reach 50% of its annual budget – the general reserves currently stand at £140,000, which is 26% of the annual budget.

6. Climate change implications

All of the proposals above can have a positive impact on sustainability if handled correctly

7. Policy Implications

The Council's policies include the following:-

1. The Council will support the town centre – through encouraging and delivering facilities, through putting on events and markets, and will help to make the town

centre safe, attractive, interesting and varied, with local businesses thriving alongside national retailers and service providers.

2. The Council will support measures to improve physical and mental health wellbeing, through its own services and in partnership with others.
3. The Council will support measures to improve public safety, road safety, and the safety of the night time economy in Kettering.
4. The Council will function as efficiently and effectively as it can, as a steward of the public money with which it is entrusted.
5. The Council will be an active and constructive partner to other statutory, voluntary and commercial organisations working for the benefit of Kettering and its residents; it will engage with local organisations to meet local challenges, to improve the welfare of its citizens and promote their interests

Background Papers

Minutes of Council January and March 2025

Correspondence with NNC and SFS re market operations

Neighbourhood Plan engagement plan

Financial accounts