



FINAL ACCOUNTS 2024/25

TOWN COUNCIL MEETING

REPORT 20/25

9 JUNE 2025

The purpose of this report is to ask Members to consider and approve the Annual Accounts of the Council for the financial year 2024/25.

NO. DETAIL

1) BACKGROUND

- a) As Members are aware, Town and Parish Councils with either receipts or payments during a financial year in excess of £200,000 are required to submit their Annual Accounts on an Income and Expenditure basis including a Balance Sheet.
- b) That threshold was passed by the Town Council in 2014/15 and that has continued in 2024/25.
- c) Moving to an Income and Expenditure basis entails the Town Council's Annual Accounts for 2024/25 reflecting the actual in-year financial activity by recording the costs incurred and income due in the year whether or not they were actually made or received during it.

2) PREPARATION

- a) The Town Council – and its Clerk – are fortunate in that its Payroll function has been provided since 2010 by a qualified accountant, Mike Cox, who extends his support in the preparation of the Annual Accounts.
- b) Consequently, the Town Council can have confidence in the presented Income and Expenditure Accounts and related Balance Sheet attached to this Report.

3) DEFICIT

The reserves have depleted over a number of years and there is now a deficit of £7,189 which will need to be replenished. The variances in the budget were highlighted at the Town Council meetings as follows:

August 2024:

A list of expenditure and income against budget heads for the period 1st April to 30th June 2024 is attached for Members' information. The main item of identified variance is the salary budget in respect of the Town Clerk and Administrative staff. The annual variance on this budget head is currently £ 7,177, which arises from the earlier than anticipated start date of the new Town Clerk, an additional month employment of Mr Gareth Hughes in respect of finance support, and additional hours undertaken by Mr Morgan Williams to support the office during the absence of the Assistant Town Clerk. A year end forecast has been completed for the salary budget and it is currently forecast that the annual overspend will total £10,657.

October 2024:

As per the Finance Report taken to the August Town Council meeting, the administration salaries overspend is due to our new Town Clerk being able to start work sooner than anticipated, and additional administrative support required. The anticipated year-end overspend is likely to be in the region of £7,500.

The Telecoms budget overspend is due to advertising costs for vacant job roles of £722, increased cost of our room-booking system which used to be free but now costs £342 per annum, and

significantly greater than expected cost of hosting the website of £675. By year-end, this overspend is anticipated to be circa £2,750.

The overspend in the Maintenance Budget reflects a mis-estimation of the salary costs associated with this component of the Budget. Anticipated year-end overspend will be in the region of £4,750.

We have been lucky with not too much costs associated with repairing vandalism at the Public Toilets, hence the underspend. We are hoping for this to remain the case to the end of the year.

The Isle of Wight Council are yet to invoice us for the costs we pay at Ventnor Library; the only costs we have had to pay so far are that of the cleaner we employ directly.

The reported overspend on the No.31 Bus project is in fact attributable to the grant we received rather than the precept budget.

The Community Development overspend relates to time when the outgoing staff overlapped with the temporary staff as well as an insufficiently budget to pay the rent. The rent is to be reviewed which will help to keep the end-of-year overspend under control.

Ventnor Town Council's Youth Offer budget does not allow for the committed usual expenditure of staff salaries for Full Time Youth Officer and two Sessional Youth Workers. The anticipated overspend by year-end is around £4,200.

The Isle of Wight Council usually invoice us annually for our contribution towards the Ventnor Park maintenance contract, hence not much expenditure until this time.

December 2024:

A list of expenditure and income against budget heads for the period 1 April 2024 to 30 November 2024 is attached to this report for Members' information. Note that the reported spend is, as ever, based on the cash book (i.e. 'receipts and payments' rather than 'income and expenditure'). At the end of the year, our accounts are converted into income and expenditure as required for a council of our size.

Notable variances include Administrative Salaries, Cleaning, and Maintenance, which were explained in the Finance Report to the October 2024 meeting.

The amount against Miscellaneous relates to the recent election costs, for which no budget provision exists.

Public Toilet expenditure is higher than anticipated due to the requirement to cover a member of staff currently on Maternity Leave, as well as the payment of electricity and water bills – it should be noted that we have received some income relating to that as it was agreed that our supplies be used for works to the revetment.

Expenditure on the Paddling Pool will be higher than anticipated as the budget included provision for staff only until the end of September where in fact due to better weather later in the year, the Pool continued to be open until the end of October.

There is some anticipated expenditure now by year-end for memorial benches. There were discussions underway prior to the start of the year, but the expenditure was not included in the budget. The income generated by these is greater than the expenditure.

Regarding Car Park reporting, members should note that we pay rent and Business Rates to the Isle of Wight Council. We collect income for cash paid into the machines, and residents' parking permits. The Isle of Wight Council collect income for fees paid by card (including PayByPhone).

The rent we pay is calculated from the balance of the above figures at the end of each year. To the end of October, the reported income from all sources has been £28,159 (net of VAT) but only the cash and permits income is displayed on the Budget Monitor document attached to this report as that is all that has entered our bank account at this point.

As previously reported, expenditure on the No.31 Bus will be greater than anticipated. The expenditure over the budget figure is covered by the grant we received.

Staffing costs for Business Development, Community Development, and Youth Service have been higher than was initially anticipated, hence the anticipated overspend against these budget lines.

Salisbury Gardens' budgeted income and expenditure figures are assumed rather than stated from this year's budget, as it was expected to show a budget contribution of £9,000 rather than stating the full income and expenditure. The anticipated year-end expenditure is circa £62,000 and anticipated year-end income is circa £63,250.

February 2025:

A list of payments and receipts against budget heads for the period 1 April 2024 to 31 January 2025 is attached to this report for Members' information. Note that the reported spend is based on the cash book. At the end of the year, our accounts are converted into income and expenditure as is required for a council of our size.

Notable variances include Administrative Salaries, Cleaning, and Maintenance, which were explained in the Finance Report to the October 2024 meeting. Variances relating to Miscellaneous, Public Toilets, Paddling Pool, Car Parks, No.31 Bus, Business Development, Community Development, Youth Service, and Salisbury Gardens were explained in the Finance Report that went to the December 2024 Town Council Meeting. The suggested yearend position on the above lines remains largely unchanged.

The apparent overspend relating to Warmer Ventnor similarly relates to funds that left the account in April 2024 which related to the previous Financial Year.

In January, VTC paid out a total of £80,443.99 to the Isle of Wight Council in respect of Ventnor Library and Grounds Maintenance at Ventnor Park.

The expenditure for Ventnor Library appears to be significantly above the budget provision. This is because in January 2025 we have now paid the long-awaited invoice from the IW Council relating to last year (2023-24) amounting to £23,387.66 plus VAT, as well as an invoice for the first half of this year (2024-25) amounting to £12,014.56 plus VAT. The Partnership Agreement for this service asks that we are invoiced bi-annually for the salary of the member of staff that VTC funds, and quarterly for the utility costs. We are now back on this schedule going forward.

VTC's contribution to the Grounds Maintenance at Ventnor Park for the entire year or £32,765 plus VAT. This has always been a one-off payment to the Isle of Wight Council as per the Partnership Agreement.

April 2025:

A list of payments and receipts against budget heads for the period 1 April 2024 to 31 March 2025 is attached to this report for Members' information. Note that the reported spend is based on the cash book. At the end of the year, our accounts are converted into income and expenditure as is required for a council of our size.

Notable variances include Administrative Salaries, Cleaning, and Maintenance, which were explained in the Finance Report to the October 2024 meeting. Variances relating to Miscellaneous, Public Toilets, Paddling Pool, Car Parks, No.31 Bus, Business Development, Community Development, Youth Service, and Salisbury Gardens were explained in the Finance

Report that went to the December 2024 Town Council Meeting. The variances relating to Warmer Ventnor and Ventnor Library were explained in the Finance Report which went to the February 2025 meeting.

In light of the financial position that VTC has found itself in, expenditure for stationery, equipment, etc. has been deferred wherever possible to Financial Year 2025/26 where there is sufficient budget to cover the expenditure, in order to not deplete the reserves.

We have been fortunate that bank interest has been higher than the budget by some £2,087.

The large payments in January predominantly to the Isle of Wight Council meant that we paid out quite a lot in VAT during the final quarter of the year. We are due to claim back approximately £14,000 which should arrive in the bank account in May.

Due to some issues with installing CCTV at the Esplanade toilets, this project has not yet progressed, the budget will be carried over to next year.

The apparent overspend relating the to Wellbeing Café was due to an insufficient budget. With a change to the group's anticipated operating style in 2025/26, it is less likely that there will be an overspend in the next financial year.

A reported underspend in relation to Ventnor Park is due to the annual contribution to the Isle of Wight Council for the partnership-managed Grounds Maintenance was not as large as expected.

4) RECOMMENDATION

The Town Council is recommended to:

- a) Approve the attached Income and Expenditure Account and related Balance Sheet as its Annual Accounts for the financial year 2025/26.
 - b) Note the deficit in the reserves and agree to authorise the Policy and Resources Committee to devise and monitor an action plan for replenishing the reserves.
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