

Management Accounts Review – September 2023

For monitoring purposes, any Variance to Annual Budget / YTD Budget which shows a (Deficit) should be reviewed, and the reasons considered.

Overview

The first seven pages of the Management Accounts show summary information.

Note that Annual Budget and YTD Budget Variances are the same in March, as these accounts relate to the full year.

As well as being summarised on Page 3, Designated Reserves balances are also shown under the relevant budget section to indicate where some budget requirements may potentially be funded.

Page 7 shows the Summarised Income & Expenditure Account, with details of each budget section reported in more detail on pages 8 to 13.

Pages 13 to 15 show details of the “pots” of funds which the Town Council holds for various initiatives which are organised and funded in partnership with other stakeholders.

Summary

- 1) Before Management Accounts adjustments, the **Year To Date (YTD) Trial Balance** shows a surplus of **£338,741** (Page 1). The large increase from August is due to receiving the latest tranche of the precept this month.

This month	Last month	Last year	Variance (from 22/23)
338,741	70,744	320,133	↑ 18,608

- 2) **Net Assets** (excluding Fixed Asset Reserve) have **risen to £737,669**. Again, the increase from last month is due to receipt of the precept. The overall increase from last year is namely due to the increase in precept and CIL receipts.

This month	Last month	Last year	Variance (from 22/23)
737,669	469,672	703,947	↑ 33,722

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- 3) **Deferred Income** has **remained at £20,219**. Please see the Town Hall Commercial Management section for further detail.

This month	Last month	Last year	Variance (from 22/23)
20,219	20,219	9,892	↑ 10,327

- 4) **Investments & Bank** (Page 2) have increased by **£80,071** compared to FY 2022/23. See the detailed section below for a full explanation.
- 5) After year-end adjustments, the **Designated Reserves** (Page 3) have **increased by £51,294** compared to FY 2022/23, and the **General Reserve** has **decreased by £9,874**.
- 6) **Income & Expenditure**

Page 4 shows a summary of adjusted YTD Actuals compared to the Previous year.

Income (including the Precept) has **increased by £25,180**

YTD Gross Expenditure has fallen by **£7,813**, resulting in an adjusted YTD **NET Surplus of £99,794**

Page 5 shows a summary of adjusted YTD Budget compared to YTD Actuals. It confirms an adjusted YTD **NET Surplus of £99,794** compared to an expected YTD Budget Deficit of **£38,473**.

Page 6 has two pie charts showing the proportion of YTD Income and Expenditure (p7) from different budget sections, taken from the figures on p7.

Page 7 shows the summarised income & expenditure, comparing the annual, YTD and previous figures. It confirms that, after Management Accounts adjustments, the **YTD Net Surplus** is reported as **£99,794**.

Please see the detailed review below for a full explanation on income and expenditure.

DETAILED REVIEW

The change in long term investment, as previously reported, is attributable to a 2-year fixed bond maturing and so being transferred to the short term investment line.

Page 2 – Investments & Bank

This shows a summary of balances of all the Investments, Savings, Bank Accounts and Cash. The total funds stand at **£805,867**. The month-to-month difference is due to the latest tranche of the precept being received.

As previously reported, the difference in long term investments is attributable to a 2-year fixed bond maturing in December 2022 and being transferred to a Savings Account (and so reflected in the short-term investments balance). The difference cash at bank and in hand is to do increased income, namely due to the , but also the timing of payments.

This month	Last month	Last year	Variance (from 22/23)
805,867	543,288	725,796	↑ 80,071

Page 3 – Reserves

The **Reserves section** shows the balances and variance in funds between the current point in the financial year and the last financial year end (and so not this time last year), after year-end adjustments.

Designated Reserves have increased by **£51,294** namely due to the CIL and SBC receipts received.

This month	Last month	Last year (year end)	Variance (from 22/23)
293,858	293,858	242,564	↑ 51,294

The **General Reserve** has decreased by **£9,874**. This is due to movement of funds between the general reserve and designated reserves during year-end adjustments.

This month	Last month	Last year (year end)	Variance (from 22/23)
140,076	140,076	149,950	↓ 9,874

Pages 4-7 Income & Expenditure

YTD Actuals vs YTD Previous (p4)

Total Income (including the Precept) has increased by **£25,180** which is mostly due to the increase in CIL receipts and precept received. There is an increase in interest and dividends also as interest rates have

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started to recover. Overall **expenditure has decreased by £7,813**. Please see the detailed sections below for more information on each budget section.

ACTUALS	This month	Last month	Last year	Variance (from 22/23)
Income	486,703	412,778	461,524	↑ 25,180
Expenditure	386,910	329,687	394,722	↓ 7,813
NET Surplus/(Deficit)	99,794	83,091	66,802	↑ 32,992

Notes to consider:-

- the annual precept amount is split equally across 12 months for accounting purposes, and so will change monthly even though the precept tranches are received twice a year.
- CIL will always show in surplus of budget if any receipts are received, as it is an unknown and varying amount and so cannot be budgeted for.
- The timing of expenditure – while spend is currently under budget, much of the Town Council’s spending takes place in the second half of the financial year, such as support for initiatives and so **this surplus is anticipated to reduce as the year progresses**.

YTD Budget vs YTD Actuals (p5)

When compared against the YTD Budget (p5), the **YTD Actual Total Gross Income is £28,696 above budget and YTD Actual Gross expenditure is £109,570 below budget, confirming a YTD NET surplus of £99,794** against a NET YTD budgeted deficit of £38,473.

ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Income	486,703	412,778	461,524	458,007	28,696
Expenditure	386,910	329,687	394,722	496,480	109,570
NET Surplus/(Deficit)	99,794	83,091	66,802	(38,473)	138,267

Again, most of the Town Council’s expenditure takes place in the latter half of the year and so this large surplus is anticipated to reduce. There are some small deficits but are not beyond the annual budget figure (p7) and not currently a concern. Please see the detailed sections below for comment on the larger variances.

Summarised income & expenditure (p6 & 7)

The pie charts on p6 reflect the data from p7, and show the precept, CIL and the Market & Christmas Festival Income [Net] as the most significant sources of income (in addition to Cemetery Fees which are not shown

separately here as they are included under Expenditure – Cemetery [Net]), while just over half the expenditure is on Operational & Administrative Expenses, followed by Cemetery [Net], Civic Expenditure and initiatives & projects.

Page 7 (YTD Budget against YTD Actuals) confirms that, after Management Accounts adjustments, the **YTD Net Surplus is reported as £99,794.**

Page 8 – Market & Christmas Festival

Currently, Market income is under budget but is a timing issue. The annual review of the markets contract takes place this month to calculate the RPI uplift, and the new rate will be active from October. Expenditure is also under budget, however, spend has not yet begun on the 2023 Christmas Festival and the market expenditure will change under the contract review. This leaves the current NET income at £34,003.

The Christmas Festival designated reserve stands at **£4,727.**

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Income	85,034	70,862	89,979	87,178	(2,144)
Expenditure	51,031	42,526	45,482	63,694	12,663
NET Income	34,003	28,336	44,497	23,484	10,519

Page 8 – Town Hall Commercial Management

The **YTD Town Hall income is showing as £16,104 which is under the YTD budget (in deficit).** The previously mentioned in-depth analysis is underway but will take some time to gather and analyse the data, but this deficit should still be looked at by the Civic, Heritage and Events committee.

YTD expenditure is sitting at £17,737 which is also under budget (underspend), giving a YTD NET expenditure of £1,634.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Income	16,104	16,279	18,869	21,509	(5,405)
Expenditure	17,737	14,352	17,002	22,270	4,533
NET Expenditure	1,634	(1,927)	(1,867)	761	(873)

Page 9 – Operational & Administrative Expenses

The **YTD expenditure is £161,039** which is a £34,355 underspend from budget. This is namely down to timing of payments. There are a number of YTD deficits and in this section, however as they are relatively small and have not exceeded the annual budget, they are not currently a concern. Salaries, wages and related costs have increased compared to

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last year due to the several changes in personnel between 2022 and 2023, and the 2022/23 pay award. Audit fees are anticipated to go over budget due to an unexpected increase in charges. Heating and lighting is expenditure may go over budget due to the drastic increase in energy prices since the budget was set. Energy saving efficiencies should continue to be sought.

The designated reserves for building maintenance and election expenses sit at £5,116, and £18,462 respectively.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Expenditure	161,039	137,511	182,559	195,394	34,355

Page 10 – Civic Expenditure

Civic Expenditure currently has an £1,849 underspend against the YTD budget which is mostly due to accruals for future events. is largely due to event security costs increasing and one-off events such as King Charles III coronation. Event Security expenditure is very close to the annual budget figure and should be monitored closely with events still to take place this financial year. A previous processing error should see circa £2,000 returned to this line but this still leaves an overspend. The budget request for 2024/25 should be carefully researched and considered. There are a few small YTD deficits, but overall expenditure is well within the annual budget and so these are not currently a concern.

The designated reserves for events and vehicle replacement (shared with the Cemetery) stand at £5,000 and £1,500 respectively.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Expenditure	27,456	24,981	32,575	29,305	1,849

Page 11 – Cemetery

The **YTD Fee income is £7,9932 under budget (i.e., in deficit)**, standing at £24,460, some £7,000 less than July 2022. This is offset by a **YTD expenditure with an underspend of £20,052** . This results in a **YTD NET expenditure of £55,896**. Much of this is attributable to the underspend in salaries, wages and related costs which is due to staff changes and awaiting any 2023/24 pay award instruction. Most variances are due to timing and will adjust as the year progresses, with the exception of heating and lighting which may go over budget due to the rapid increase in energy costs. This should improve slightly when the latest recharge invoice is paid for the mast.

The Cemetery Land & Buildings designated reserve stands at £42,135 and the vehicle replacement designated reserve (shared with Civic expenditure) at £1,500.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Income	36,950	28,510	44,490	44,944	(7,993)
Expenditure	92,819	77,740	86,836	112,871	20,052
NET Expenditure	55,896	49,230	42,346	67,927	12,058

Page 12 – Holy Trinity Churchyard & Garden of Remembrance

The YTD budget for Holy Trinity currently has a £691 overspend due to unplanned tree works. There was no YTD expenditure at this point in 2022. Generally, this budget line has little expenditure as costs for labour are included under Cemetery (see Page 11) and not recharged to this budget section. This is something to consider changing for the future if more accuracy is wanted for this budget area and may help the Cemetery budget.

The designated reserve currently stands at £9,674.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Expenditure	2,941	2,016	0	2,250	(691)

Page 12 – Tranquility Garden

YTD Fee income is £736 in surplus. This is against expenditure of £200 leaving a negative YTD NET expenditure of £4,4265 and a surplus of £1,036 against YTD budget. Again, it should be noted that labour maintenance costs for the Tranquillity Garden are covered under Cemetery (see Page 11) and not recharged to this budget section. This is something to consider changing for the future if more accuracy is wanted for this budget area.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Income	4,465	2,773	2,644	3,729	736
Expenditure	200	200	9	500	300
NET Expenditure	(4,265)	(2,573)	(2,635)	(3,229)	1,036

Page 12 – Allotments – Park Road

There has been very little activity in relation to the allotment finances, with £0 YTD income and £84 YTD expenditure. This leaves the YTD NET Expenditure at £84 which is £167 in deficit as income is also under budget. This has been flagged with officers and should be looked at by the Community Services Committee. Again, it should be noted that labour maintenance costs for the Allotments are covered in the Salaries, Wages & Related Costs section under Cemetery (see Page 11).

The designated reserve for Allotments currently stands at £4,662.

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YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Income	0	0	18	88	(88)
Expenditure	84	84	0	5	(79)
NET Expenditure	84	84	(18)	(83)	(167)

Page 13 – Hatton Rock

The **YTD expenditure** is reported at **£9,129** against a YTD budget of £9,739, leaving a surplus of £610. This is due to timing of payments. These figures are before the apportionment of storage costs for the Shakespeare Birthday Celebrations (SBC) where approximately half of the total expenditure relates to SBC equipment storage costs and so is recharged to the SBC “pot” towards the end of each financial year.

It should be noted that Council is potentially liable for all costs relating to the lease of this facility, regardless of any future activities relating to SBC. **It should also be noted that a new lease agreement is currently being confirmed, which includes a reviewed rent amount.**

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Expenditure	9,129	8,732	8,911	9,739	610

Page 13 – Initiatives, Projects and Grants

YTD Expenditure currently sits at **£22,288** against a **YTD budget of £59,360** leaving a **YTD budget surplus of £37,072**. This surplus is due to timing as most funds are awarded in the latter half of the financial year. The BID Levy is over budget YTD but is within the annual budget with no further expenditure expected. CCTV contributions have increased since last year due to increased cameras and costs, and special project costs has increased but a recharge payment is anticipated to be received by the Town Council shortly. There was no Youth Town Council in 2022, and both the YTD and Annual budget for YTC has been exceeded for this financial year. With 6 months of the year yet to take place, this budget line needs to be monitored closely by the Town Council Committee.

The designated reserves for CIL and Climate Change stand at £104,733 and £11,108 respectively.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance
Expenditure	22,288	19,361	19,164	59,360	37,072

The following items are 'pots' of money held for joint initiatives where the Town Council acts as 'purse holders'.

Page 14 – Town Centre Strategic Partnership

So far this year, there has been no activity apart from £1,500 for PR costs, leaving the “pot” with **£198**.

Page 14 – Shakespeare Statue Restoration

There has been no change since the last report, leaving the “pot” with a **balance of £8,547**. This will be carried forward to cover future cleaning costs and any further minor maintenance work required.

Page 15 – Shakespeare Birthday Celebrations

There has been no activity since the last report. The **YTD Income remains at £40,632** and **YTD expenditure at £29,178** giving a **NET surplus of £11,454**. Expenditure should vary slightly in the next report in the correction of a mis-posting.

The designated reserve balance stands at £77,996.

As previously reported, the substantial surplus “in the pot” for the current financial year is down to timing, as the District and Town Council’s contributions have been added to the “pot” after expenditure on the event in April 2023 has been accounted for. A reduction in the District Council’s contribution to £20,000 was proposed to match that of the Town Council in 2022-23. Despite budget challenges owing to high inflation and the cost of living crisis, there is still a commitment from both organisations to maintain this level of contribution. The Town Council may want to review their contribution and apportionment of other costs incurred in relation to this event in future years if budget challenges continue. However, there should still be sufficient funds in the designated reserve for the 2024 event if it is undertaken on a similar scale to 2022 and 2023 and is further supported by fundraising. The impact of inflation and escalating event security charges should be considered for future costs.

Please ask for more information if you have any queries.

Responsible Financial Officer
October 2023