

Management Accounts Review – October 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 **£328,933** (Page 1)

This month	Last month	Last year	Variance (from 22/23)
328,933	338,741	280,525	↑ 48,408

- 2) **Net Assets** (excluding Fixed Asset Reserve) have **risen to £725,911**. 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)
725,911	737,669	644,339	↑ 81,572

- 3) **Deferred Income has remained at £20,219** however an admin error has been discovered which means this figure is incorrect and will be adjusted next month. Please see the Town Hall Commercial Management section for further detail.

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This month	Last month	Last year	Variance (from 22/23)
20,219	20,219	8,894	↑ 11,325

- 4) **Investments & Bank** (Page 2) have increased by **£74,094** 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 £49,344** compared to FY 2022/23. 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.

YTD Income (including the Precept) has **increased by £55,681**

YTD Gross Expenditure has fallen by **£1,464**, resulting in an adjusted YTD **NET Surplus of £122,423**

Page 5 shows a summary of adjusted YTD Budget compared to YTD Actuals. It confirms an adjusted YTD **NET Surplus of £122,423** compared to an expected YTD Budget Deficit of **£44,884**.

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 **£122,423**.

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

DETAILED REVIEW

Page 2 – Investments & Bank

This shows a summary of balances of all the Investments, Savings, Bank Accounts and Cash. The total funds stand at **£780,152**. 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 in cash at bank and in hand is to do with increased income, namely due to CIL and Precept receipts, but also the timing of payments. A £12,701 award was also received this month from the UK Shared Prosperity Fund (UK SPF) via the District Council to go towards the Christmas Lights Switch On event, providing free and accessible entertainment.

This month	Last month	Last year	Variance (from 22/23)
780,152	805,867	706,058	↑ 74,094

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 £49,344** namely due to the CIL and Precept receipts received. This figure has changed slightly since last month due to the correction of a misposting under SBC as mentioned in the last report.

This month	Last month	Last year (year end)	Variance (from 22/23)
291,908	293,858	242,564	↑ 49,344

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. The general reserve is currently 19.4% of NET budgeted expenditure, which is below the figure set out in the reserves policy and continues to be monitored, as per previous reports.

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 £55,681 which is mostly due to the increase in CIL receipts and precept received, and for this month onwards, the revised income from the market contract. There was also the receipt of funds from the UK SPF as mentioned under investments and bank. There is an increase in interest and dividends also as interest rates have started to recover. Overall **expenditure has decreased by £1,464**. 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	572,326	486,703	516,645	↑ 55,681
Expenditure	499,903	386,910	451,367	↓ 1,464
NET Surplus/(Deficit)	122,423	99,794	65,278	↑ 55,405

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 £37,986 above budget and YTD Actual Gross expenditure is £129,321 below budget, confirming a YTD NET surplus of £122,423** against a NET YTD budgeted deficit of £44,884.

ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Income	572,326	486,703	516,645	534,340	37,986
Expenditure	449,903	386,910	443,497	579,224	129,321
NET Surplus/(Deficit)	122,423	99,794	73,149	(44,884)	167,307

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

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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 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 £122.423.**

Page 8 – Market & Christmas Festival

Currently, Market income is under budget, but this should improve now that the revised fees are in place from this month. The budgeted amount was a best estimate at the time of setting the budget last year, as the exact figures are not known until September of the coming year. Expenditure is also under budget, however, spend is yet to be completed on the 2023 Christmas Festival. This leaves the current NET income at £40,189.

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

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Income	100,499	85,034	89,979	101,708	(1,208)
Expenditure	60,310	51,031	54,006	74,310	14,000
NET Income	40,189	34,003	35,972	27,398	12,791

Page 8 – Town Hall Commercial Management

The **YTD Town Hall income is showing as £21,040 which is £4,053 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 £20,784 which is also under budget (underspend), giving a negative YTD NET expenditure of £256 (i.e., expenditure was £256 less than income)

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YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Income	21,040	16,104	22,390	25,093	(4,053)
Expenditure	20,784	17,737	19,630	25,981	5,197
NET Expenditure	(256)	1,634	(2,760)	888	1,144

Page 9 – Operational & Administrative Expenses

The **YTD expenditure is £193,972** which is a £33,987 underspend from the YTD budget. This is namely down to timing of payments. There are several YTD deficits in this section, however as they are relatively small and have not exceeded the annual budget apart from lift maintenance, they are not currently a concern. The lift maintenance deficit is due to the timing of the contract period and payments. Salaries, wages, and related costs have increased compared to 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 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. Some of the Town Council’s utility contracts are soon due for renewal and pricing is being investigated. Overall, expenditure has decreased since last year namely due to the completion of the Town Hall works.

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 (to YTD budget)
Expenditure	193,972	161,039	206,202	227,959	33,987

Page 10 – Civic Expenditure

Civic Expenditure currently has a £4,364 underspend against the YTD budget which is mostly due to accruals for future events. The Mayor’s Allowance is slightly over budget, but this is due to timing of payments and should even out over the remainder of the year. Event security has had the previously mentioned posting error rectified, but this still leaves this line with a £1,038 overspend. The security budget request in particular 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.

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YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Expenditure	29,825	27,456	35,057	34,189	4,364

Page 11 – Cemetery

The **YTD Fee income is £4,239 under budget (i.e., in deficit)**, standing at £48,195. This is offset by a **YTD expenditure with an underspend of £29,134**. This results in a **YTD NET expenditure of £54,352**. 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, except for 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.

Setting the income budget for 2024/25 should be given careful consideration.

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 (to YTD budget)
Income	48,195	36,950	46,930	52,434	(4,239)
Expenditure	102,547	92,819	103,125	131,682	29,134
NET Expenditure	54,352	55,896	56,195	79,248	24,896

Page 12 – Holy Trinity Churchyard & Garden of Remembrance

The **YTD budget for Holy Trinity currently has a £316 overspend** due to unplanned tree works. While the expenditure has remained the same, the variance has changed due to the change in YTD budget as the year progresses. 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 here. 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 (to YTD budget)
Expenditure	2,941	2,941	0	2,625	(316)

Page 12 – Tranquility Garden

YTD Fee income is £1,494 in surplus. This is against expenditure of £200 leaving a **negative YTD NET expenditure of £5,645** (income has exceeded expenditure) **and a surplus of £1,877 against YTD budget.** Again, it should be noted that labour maintenance costs for the Tranquility 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 (to YTD budget)
Income	5,845	4,465	2,552	4,351	1,494
Expenditure	200	200	9	583	383
NET Expenditure	(5,645)	(4,265)	(2,543)	(3,768)	1,877

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 a **YTD NET Expenditure of £87 against a YTD budgeted negative expenditure of £96**, which leaves a variance of £180 in deficit. This has been flagged with officers for checks on rents 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.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Income	0	0	18	102	(102)
Expenditure	84	84	0	6	(78)
NET Expenditure	84	84	(18)	(96)	(180)

Page 13 – Hatton Rock

The **YTD expenditure** is reported at **£11,775** against a YTD budget of £11,362, leaving a deficit of £413. This is due to timing of payments and recharges. 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.**

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YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Expenditure	11,775	9,129	9,289	11,362	(413)

Page 13 – Initiatives, Projects and Grants

YTD Expenditure currently sits at **£25,283** against a **YTD budget of £69,253** leaving a **YTD budget surplus of £43,970**. 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 which will close this off. 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 (to YTD budget)
Expenditure	25,283	22,288	21,864	69,253	43,970

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, however the correction of the previously mentioned posting error results in a slight change to the YTD expenditure. The **YTD Income remains at £40,632** and **YTD expenditure is £31,128** giving a **NET surplus of £9,504**.

The designated reserve balance stands at £76,046.

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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