

## Management Accounts Review – December 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 **£296,503** (Page 1)

This month	Last month	Last year	Variance (from 22/23)
<b>296,503</b>	275,651	178,618	↑ 117,885

- 2) **Net Assets** (excluding Fixed Asset Reserve) have **increased to £612,819**. 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)
<b>692,819</b>	671,968	560,152	↑ 132,667

- 3) **Deferred Income is reported at £7,982**. Please see the Town Hall Commercial Management section for further detail.

This month	Last month	Last year	Variance (from 22/23)

7,982	13,465	9,552	↓ 1,570
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- 4) **Investments & Bank** (Page 2) have increased by **£140,509** 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 £84,390** compared to FY 2022/23 mostly due to the increase in CIL receipts. The **General Reserve** has **decreased by £16,874**.
- 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 £79,700**  
YTD Gross Expenditure has fallen by **£38,709**, resulting in an adjusted YTD **NET Surplus of £177,446**.

**Page 5** shows a summary of adjusted YTD Budget compared to YTD Actuals. It confirms an adjusted YTD **NET Surplus of £177,446** compared to an expected YTD Budget Deficit of **£59,959**.

**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 **£177,446**.

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 **£721,623**.

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 in October from the UK Shared Prosperity Fund (UK SPF) via the District Council to go towards the Christmas Lights Switch On event that took place in December, providing free and accessible entertainment.

This month	Last month	Last year	Variance (from 22/23)
<b>721,623</b>	712,760	581,115	↑ 140,509

### 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 £84,390** namely due to the CIL and Precept receipts received. This is primarily due to the increase in CIL receipts. Please see income and expenditure for further notes on CIL.

This month	Last month	Last year (year end)	Variance (from 22/23)
<b>349,404</b>	291,246	265,014	↑ 84,390

The **General Reserve** has **decreased by £16,874**. This is due to movement of funds between the general reserve and designated reserves during year-end adjustments. The general reserve is currently 19.3% of NET budgeted expenditure, which is below the figure set out in the reserves policy and continues to be monitored, as per previous reports. A year-end budget surplus is required to bring this back in line.

This month	Last month	Last year (year end)	Variance (from 22/23)
<b>140,076</b>	140,076	156,950	↓ 16,874

**Pages 4-7 Income & Expenditure**

YTD Actuals vs YTD Previous (p4)

**Total Income (including the Precept) has increased by £99,197** which is mostly due to the increase in CIL receipts (2<sup>nd</sup> tranche received in December), precept and the revised market contract. There was also the receipt of funds from the UK SPF as mentioned under investments and bank. Interest and dividends have significantly increased since 2022-23. Overall **expenditure has decreased by £38,709**, however this is partly a timing issue due to some initiative funding being issued a month early this time last year. Please see the detailed sections below for more information on each budget section.

This has resulted in a **NET surplus of £177,446**. However, this includes CIL funds (see note below). **With the YTD CIL income deducted, the revised NET surplus is £84,282.**

ACTUALS	This month	Last month	Last year	Variance (from 22/23)
Income	<b>790,520</b>	651,158	691,323	↑ 99,197
Expenditure	<b>613,074</b>	535,161	651,789	↓ 38,709
NET Surplus/(Deficit)	<b>177,446</b> including YTD CIL	115,997	39,540	↑137,906

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. These are a restricted designated reserve - they can never be used for any purpose other than for which they were issued i.e. specific infrastructure expenditure. CIL funds appear the management accounts under income as it is necessary for financial reporting, however in reality this amount should not be considered when looking at the overall budget surplus/deficit.
- 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 £103,511 above budget and YTD Actual Gross expenditure is £133,893 below budget, confirming a YTD NET**

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**surplus of £177,446** against a NET YTD budgeted deficit of **£59,959**. After accounting for CIL funds, the **revised surplus is £84,282**.

<b>ACTUALS</b>	<b>This month</b>	<b>Last month</b>	<b>Last year</b>	<b>YTD Budget</b>	<b>Variance (to YTD budget)</b>
<b>Income</b>	<b>790,520</b>	651,158	516,645	687,009	<b>↑103,511</b>
<b>Expenditure</b>	<b>613,074</b>	535,161	443,497	746,967	<b>↓133,893</b>
<b>NET Surplus/(Deficit)</b>	<b>177,446</b>	115,997	73,149	(59,959)	<b>↑237,404</b>

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 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 £177,446**. After deducting CIL, this leaves the NET surplus as £84,282.

**Page 8 – Market & Christmas Festival**

The Market income has started to recover since the revised contract rates were implemented in October and are now slightly above budget. The budgeted amount is always a best estimate as the exact figures are not known until September of the coming year, well after the budget is set. Expenditure is under budget, however, spend is yet to be completed on the 2023 Christmas Festival. This leaves the current NET income at £51,669.

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

<b>YTD ACTUALS</b>	<b>This month</b>	<b>Last month</b>	<b>Last year</b>	<b>YTD Budget</b>	<b>Variance (to YTD budget)</b>
<b>Income</b>	<b>131,430</b>	115,965	118,329	130,767	663
<b>Expenditure</b>	<b>79,761</b>	70,449	71,759	95,541	15,780
<b>NET Income</b>	<b>51,669</b>	45,515	46,570	35,226	16,443

**Page 8 – Town Hall Commercial Management**

The YTD Town Hall income is showing as £37,476 which is £5,213 over the YTD budget (in surplus). 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 £30,219 which is under budget (underspend), giving a negative YTD NET expenditure of £7,257 (i.e., expenditure was £7,257 less than income)

<b>YTD ACTUALS</b>	<b>This month</b>	<b>Last month</b>	<b>Last year</b>	<b>YTD Budget</b>	<b>Variance (to YTD budget)</b>
<b>Income</b>	<b>37,476</b>	30,523	28,755	32,263	5,213
<b>Expenditure</b>	<b>30,219</b>	26,424	26,624	33,404	3,185
<b>NET Expenditure</b>	<b>(7,257)</b>	(4,099)	(2,131)	1,141	8,398

**Page 9 – Operational & Administrative Expenses**

The YTD expenditure is £269,967 which is a £23,123 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 alarm/CCTV and lift maintenance, they are not currently a concern. The lift maintenance deficit is due to the timing of the contract period and payments, and the alarm/CCTV is due to emergency call-outs. Salaries, wages, and related costs are over budget YTD but are within budget for the year for now. The increased expenditure is partly due to several changes in personnel between 2022 and 2023, and the 2022/23 pay award which were both unknown when setting the budget. 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, and we are now entering the coldest time of year. The new Town Hall gas contract comes into effect at the end of January and is anticipated to being a cost saving. A further contract is due for renewal towards the end of the year. Energy saving efficiencies should continue to be sought. 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. The election expenses should be deducted from the reserve at year end.

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<b>YTD ACTUALS</b>	<b>This month</b>	<b>Last month</b>	<b>Last year</b>	<b>YTD Budget</b>	<b>Variance (to YTD budget)</b>
<b>Expenditure</b>	<b>269,967</b>	229,668	267,825	293,090	23,123

**Page 10 – Civic Expenditure**

**Civic Expenditure currently has a £544 underspend against the YTD budget** which is mostly due to salaries, wages and related costs. A number of the budget lines have a YTD overspend but are within the annual budget, apart from Festivals & Events (£11 overspend) and event security (£3,259). The security budget request in particular for 2024/25 should be carefully researched and considered to avoid another budget overspend. There are a few small YTD deficits, but overall expenditure is well within the annual budget. It should be noted that a £3,000 virement from the Events designated reserve for the Christmas Activities was approved at the Finance & Audit meeting on 2023.09.05.

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

<b>YTD ACTUALS</b>	<b>This month</b>	<b>Last month</b>	<b>Last year</b>	<b>YTD Budget</b>	<b>Variance (to YTD budget)</b>
<b>Expenditure</b>	<b>45,663</b>	39,713	47,079	46,207	544

**Page 11 – Cemetery**

The **YTD Fee income is £11,220 under budget (i.e., in deficit)**, standing at £56,195 against a YTD budget of £67,415. This is offset by a **YTD expenditure with an underspend of £20,838** resulting in a **YTD NET expenditure of £81,053**. Much of this is attributable to the underspend in salaries, wages and related costs which is due to staff changes. Cemetery Land Extension fees should be moved to the designated reserve at year end. Most variances are due to timing and will adjust as the year progresses. Heating and lighting figures have improved with the latest recharge invoices being paid.

Setting the income budget for 2024/25 should be given careful consideration given the current significant deficit on this line.

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

<b>YTD ACTUALS</b>	<b>This month</b>	<b>Last month</b>	<b>Last year</b>	<b>YTD Budget</b>	<b>Variance (to YTD budget)</b>
<b>Income</b>	<b>56,195</b>	50,165	60,085	67,415	(11,220)
<b>Expenditure</b>	<b>137,248</b>	123,035	143,632	169,306	32,058
<b>NET Expenditure</b>	<b>81,053</b>	72,869	83,547	101,891	20,838

### Page 12 – Holy Trinity Churchyard & Garden of Remembrance

The **YTD budget for Holy Trinity currently has an underspend of £114**. While the expenditure has remained the same since last month, 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	3,261	3,261	0	3,375	114

### Page 12 – Tranquility Garden

**YTD Fee income is £3,889 in surplus**. This is against expenditure of £200 leaving a **negative YTD NET expenditure of £9,283** (income has exceeded expenditure) **and a surplus of £4,439 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 (to YTD budget)
Income	9,483	7,098	4,985	5,594	3,889
Expenditure	200	200	9	750	550
NET Expenditure	(9,283)	(6,898)	(4,976)	(4,844)	4,439

### Page 12 – Allotments – Park Road

There has been no further activity since last month's **income of £140 YTD** after invoices issued and £84 YTD expenditure. This leaves a **negative YTD NET Expenditure of £56 against a YTD budgeted negative expenditure of £123**, which leaves a negative NET expenditure variance of £67. 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	140	140	18	131	9



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<b>Expenditure</b>	84	84	0	8	(76)
<b>NET Expenditure</b>	(56)	(56)	(18)	(123)	(67)

**Page 13 – Hatton Rock**

The **YTD expenditure** is reported at **£13,693** against a YTD budget of £14,608 leaving a surplus of £915. 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.**

<b>YTD ACTUALS</b>	<b>This month</b>	<b>Last month</b>	<b>Last year</b>	<b>YTD Budget</b>	<b>Variance (to YTD budget)</b>
<b>Expenditure</b>	13,693	12,172	15,756	14,608	915

**Page 13 – Initiatives, Projects and Grants**

**YTD Expenditure** currently sits at **£30,793** against a **YTD budget of £89,040** leaving a **YTD budget surplus of £58,247**. This surplus is due to timing as most funds are awarded in the latter half of the financial year. The difference between now and this time last year is some initiative funding was requested to be issued earlier than planned. The BID Levy is very slightly 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. Special projects & Events is £150 over budget as there was no budgeted expenditure. 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 3 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 £162,891 and £11,108 respectively.

<b>YTD ACTUALS</b>	<b>This month</b>	<b>Last month</b>	<b>Last year</b>	<b>YTD Budget</b>	<b>Variance (to YTD budget)</b>
<b>Expenditure</b>	30,793	27,971	76,916	89,040	58,247

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

**Page 14 – UKSPF Project**

As previously reported, this is a new addition for 2023/24 after a successful application to the UK Shared Prosperity Fund to make the Christmas Lights Switch On event accessible for all. The Town Council was awarded £12,701 which was fully spent. Any remaining costs for the event came from the Civic Christmas Activities budget line.

**Page 15 – 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 15 – 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 16 – Shakespeare Birthday Celebrations**

There has been no activity since the last report. The **YTD Income remains at £40,632** and **YTD expenditure is £31,790** giving a **NET surplus of £8,842**.

The designated reserve balance stands at £75,384.

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  
December 2023