

Management Accounts Review – January 2024

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 14.

Pages 15 to 16 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 **£185,138** (Page 1)

This month	Last month	Last year	Variance (from 22/23)
185,138	296,503	152,043	↑ 33,095

- 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)
581,455	692,819	532,394	↑ 49,061

- 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)
14,505	7,982	13,549	↑ 956

- 4) **Investments & Bank** (Page 2) have increased by **£36,156** 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 £88,390** compared to FY 2022/23 mostly due to the increase in CIL receipts. The **General Reserve** has **decreased by £20,874**.
- 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 £73,442**.

YTD Gross Expenditure has **increased by £48,546**, resulting in an adjusted YTD **NET Surplus of £105,489** adjusted to **£12,325** when excluding CIL income.

Page 5 shows a summary of adjusted YTD Budget compared to YTD Actuals. It confirms an adjusted YTD **NET Surplus of £105,489** (£12,325 adjusted) compared to an expected YTD Budget Deficit of **£66,620**.

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 **£105,489** (£12,325 adjusted).

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 **£609,342**.

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). It has been previously reported that the current market value of the long-term investment is below the original investment amount, however the dividends received to date more than make up that difference. The RFO has requested a meeting with the investment manager to discuss.

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. The large step down between this month and last is due to the payments of initiative funding having now been fulfilled.

This month	Last month	Last year	Variance (from 22/23)
609,342	721,623	573,186	↑ 36,156

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 £88,390**. This is primarily due to the increase in CIL receipts. Please see income and expenditure for further notes on CIL. After excluding the restricted designated reserves, this leaves the total designated reserves at £102,384

This month	Last month	Last year (year end)	Variance (from 22/23)
349,404	349,404	261,014	↑ 88,390

The **General Reserve** has **decreased by £20,874**. 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)
140,076	140,076	160,950	↓ 20,874

Pages 4-7 Income & Expenditure

YTD Actuals vs YTD Previous (p4)

Total Income (including the Precept) has increased by £95,106 which is mostly due to the increase in CIL receipts (2nd 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 increased by £48,546**, mostly due to initiative funding and operational costs. Please see the detailed sections below for more information on each budget section.

This has resulted in a **NET surplus of £105,489**. However, this includes CIL funds (see note below). With the YTD CIL income deducted, **the revised NET surplus is £12,325**.

ACTUALS	This month	Last month	Last year	Variance (from 22/23)
Income	866,965	790,520	771,859	↑ 95,106
Expenditure	761,476	613,074	712,930	↑ 48,546
NET Surplus/(Deficit)	105,489 including YTD CIL	177,446 including YTD CIL	58,930	↑ 46,560

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 on 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 £103,621 above budget and YTD Actual Gross expenditure is £68,448 below budget, confirming a YTD NET surplus of £105,489** against a NET YTD budgeted deficit of £66,620. After accounting for CIL funds, the **revised surplus is £12,325**.

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ACTUALS	This month	Last month	Last year	Variance (from 22/23)
Income	866,965	790,520	771,859	↑ 95,106
Expenditure	761,476	613,074	712,930	↑ 48,546
NET Surplus/(Deficit)	105,489 including YTD CIL	177,446 including YTD CIL	58,930	↑ 46,560

Again, most of the Town Council’s expenditure takes place in the latter half of the year and so this 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 Initiatives & projects, Cemetery [Net] and Civic Expenditure.

Page 7 (YTD Budget against YTD Actuals) confirms that, after Management Accounts adjustments, the **YTD Net Surplus is reported as £105,489**. After deducting CIL, this leaves the NET surplus as £12,325.

Page 8 – Market & Christmas Festival

The Market income has continued to recover since the revised contract rates were implemented in October and remain 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 for the market is slightly over budget, but as above, this is an unknown until months after budget setting. The overspend is currently offset by the income that is ahead of budget. Income is expected to exceed the budget by approximately £3,400 and expenditure by £2,100 leaving a small surplus. Overall, expenditure is under budget however the Town Council has yet to receive the invoice from the District Council relating to Christmas Festival expenditure. Again, this figure is unknown until received but is anticipated to be around £19,000. This leaves the current NET income at £58,931. The Christmas Festival designated reserve stands at **£4,727**.

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YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Income	146,895	131,430	132,505	145,297	1,598
Expenditure	88,504	79,761	80,342	106,157	17,652
NET Income	58,391	51,669	52,163	39,140	19,251

Page 8 – Town Hall Commercial Management

The **YTD Town Hall income is showing as £37,226 which is £1,378 in surplus of the YTD budget.** Figures have changed slightly due to the movement or cancellation of bookings. The in-depth analysis of Town Hall bookings is underway and helped build the budget for 2024-25.

YTD expenditure stands at £32,570 (£4,546 under budget), leaving a negative NET expenditure (surplus) of £4,656. This area should continue to be monitored closely by the Civic, Heritage and Events committee, and it is recommended to look at where some costs are charged as some items would be more accurate to charge under operational costs.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Income	37,266	37,476	32,967	35,848	1,378
Expenditure	32,570	30,219	29,532	37,116	4,546
NET Expenditure	(4,656)	(7,257)	(£3,435)	1,268	5,924

Page 9 – Operational & Administrative Expenses

The **YTD expenditure is £305,937** some £19,719 underspend from the YTD budget which is mostly due to timing of payments. Salaries, wages and related costs has gone over the YTD budget but is still within the annual budget. There are several YTD deficits in this section, however as they are relatively small, and, for the most part, have not exceeded the annual budget apart from a few reactive lines, they are not currently a concern. 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 however the Town Hall gas contract has been renewed at an improved rate from the end of January and should have a positive impact. The last of the energy contracts is due for renewal later in the year, and again is hoped to bring savings. Energy saving

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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.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Expenditure	305,937	269,967	281,460	325,656	19,719

Page 10 – Civic Expenditure

Civic Expenditure currently has a **£3,184 underspend against the YTD budget** which is mostly due to formal and informal receptions, however there are still some events left in the year. A few budget lines have a YTD overspend but are within the annual budget, apart from Christmas Activities (£138 over budget) and security (£3,259 over budget) which has been discussed previously.

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 (to YTD budget)
Expenditure	48,157	45,663	53,553	51,341	3,184

Page 11 – Cemetery

The **YTD Fee income is £10,691 in deficit**, standing at £64,215 against a YTD budget of £74,906 and should be carefully looked at by the Community Services Committee. This is offset by a **YTD expenditure of £155,622 (an underspend of £32,495)** resulting in a **YTD NET expenditure of £91,407** against a YTD budget of £188,118. Much of this is attributable to the underspend in salaries, wages and related costs 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 but is out of sync with the supply invoices to the Town Council and so is not an accurate reflection of cost.

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

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YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Income	64,215	56,195	70,910	74,906	(10,691)
Expenditure	155,622	137,248	169,351	188,118	32,495
NET Expenditure	91,407	81,053	98,441	113,212	21,805

Page 12 – Holy Trinity Churchyard & Garden of Remembrance

The **YTD budget for Holy Trinity currently has an underspend of £489**. 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	3,750	489

Page 12 – Tranquility Garden

YTD Fee income is £3,335 in surplus. This is against expenditure of £200 leaving a **negative YTD NET expenditure of £9,973** (income has exceeded expenditure) **and a surplus of £4,591 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	10,173	9,483	5,810	6,215	3,958
Expenditure	200	200	9	833	633
NET Expenditure	(9,973)	(9,283)	(5,801)	(9,973)	4,591

Page 12 – Allotments – Park Road

There has been no further activity since last month's figures of **£140 YTD income** and **£84 YTD expenditure**. This leaves a **negative YTD NET Expenditure of £56 against a YTD budgeted negative expenditure of £138**, which leaves an £82 variance against YTD budget. Again, it should be noted that labour maintenance costs for the

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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	146	(6)
Expenditure	84	84	0	8	(76)
NET Expenditure	(56)	(56)	(18)	(138)	(82)

Page 13 – Hatton Rock

The **YTD expenditure** is reported at **£16,339** against a YTD budget of £16,232 leaving a negative expenditure of £107. 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” at 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 (to YTD budget)
Expenditure	16,339	13,693	17,259	16,232	(107)

Page 13 – Initiatives and Projects

YTD Expenditure currently sits at **£108,616** having now paid the 2023-24 awarded funding. This is against a **YTD budget of £98,933** but with no further initiatives expenditure planned, leaving a **YTD budget overspend of £9,683** but is within the annual budget. 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 the Annual budget for YTC has been exceeded by £176.

The designated reserves for CIL and Climate Change stand at £162,891 and £11,108 respectively.

YTD ACTUALS	This month	Last month	Last year	YTD Budget	Variance (to YTD budget)
Expenditure	108,616	30,793	79,240	98,933	(9,683)

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**. However, planning for the 2024 event is underway. 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
February 2024