

Management Accounts Review

Introduction

In the main **Management Accounts** document and **YTD Comparison** version, **Summary** information can be found on **pages 1 to 5**, while **Detailed** breakdowns can be found on **pages 6 to 12**.

Note the Income and Expenditure values should be the same in both versions. The reason for the separate YTD Comparison version is to focus on Variance Increases or Decreases between this year and last year, which in the present circumstances may be more helpful than comparing Budget Surpluses and Deficits because the Budget values were approved before the coronavirus pandemic took effect.

The **Overview** version shows summarised Income and Expenditure on a single page – Annual Budget, YTD Budget and YTD Actuals for the current year, as well as YTD Actuals for the previous year for comparison purposes.

Summary

- 1) The coronavirus pandemic and lockdown restrictions continue to have a significant impact on Council's finances;
- 2) With a budget deficit in all other income streams, the Precept accounts for a huge proportion of total YTD Net Income (82% compared to budget 66%);
- 3) There are significant surpluses in Operational & Administrative Expenses as well as Civic Expenditure, due to delays on maintenance expenditure and event cancellations caused by the pandemic;
- 4) The proportion of expenditure for Initiatives, Projects and Grants (currently 17%) is expected to increase over the next few months as further grant award payments are made;
- 5) **NET Surplus / (Deficit) YTD** is reported as a **deficit** of **£45,375** (page 5), significantly less than the budgeted deficit of £180,079 because falls in income have been offset by substantial underspends;

Page 1 Balance Sheet

Net Assets have fallen to **£921,462** (excluding the Fixed Asset Restatement Reserve) compared to £1,014,580 in the same period last year. This reflects the deficit of £83,269 reported to 31 March 2020 in the last financial year.

The 'Financed by' section shows the breakdown including the Year To Date **Surplus** / (Deficit) which is reported as **£162,588**. (N.B. this is before Management Account adjustments e.g. phasing of the Precept income). Note that the second tranche of the Precept has been received and no further significant income is expected until the next Precept receipt in April 2021.

Page 1 Investments & Bank and Reserves

Investments & Bank shows a summary of balances of all the Investments, Savings, Bank Accounts and Cash. Total Investments & Bank stand at **£958,077**, down nearly £70,000 from the previous month.

Reserves shows the balances as determined at the previous Year End at 31/03/2020 (note these figures will not change during the year). The General Reserve has fallen in line with last year's deficit, although there was a small increase in total Designated Reserves.

Note that the General Reserve is available to be used for any Council expenditure, while the other Designated Reserves are "ring fenced" and held for specific purposes. The Community Infrastructure Levy (CIL) balance is also "ring fenced", although projects to which this may contribute are still to be recommended and approved by Council.

The Shakespeare Birthday Celebrations Reserve is included in the accounts because the Town Council acts as "purse keeper" but it should be noted that these funds are not available to be reallocated for any other purpose.

Details (significant deficits)

- 1) Investment Income (page 5) is down on budget and is expected to be lower by Year End because of the economic impact of the pandemic on investment performance. (N.B. it is currently slightly higher than at the same period last year);
- 2) The Town Council's share of the Market Income YTD Deficit is now over £31,000 (page 6);

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- 3) Some Town Hall Lettings Income has now been reported as a result of events going ahead in October but there is still a substantial YTD Deficit of nearly £16,000 (page 6) because of cancellation of Town Hall events due to the lockdown restrictions and because a number of refunds have also been issued;
- 4) There is a substantial Deficit of £8,254 in Cemetery Expenditure [Net] (page 9) but this primarily relates to timing of delayed works to the Cemetery driveway and expenditure on new equipment. These have now been completed in the current financial year and have previously been agreed to be funded from Reserves. The YTD deficit in Salaries, Wages & Related Costs is down to timing of seasonal work. Cemetery Fees show a YTD Deficit of £6,115;
- 5) There is a small Deficit of £1,842 for Tranquility Garden Fee Income (page 10). It is possible that this is due to delayed ash burials and memorials as a result of lockdown restrictions;
- 6) The Deficit of £11,404 for Town Projects / Partnership Working / CCTV is due to timing as the annual contribution for CCTV has been paid to the District Council;
- 7) There is a Deficit of £8,357 for the COVID-19 Response & Community Support, as this unforeseen item was not budgeted for.

Please ask for more information if you have any queries.

Deputy Town Clerk
November 2020