

## 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 Gross Income and Gross 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) **NET Surplus / (Deficit) YTD** is reported as a **Deficit** of **£82,901** (page 5), significantly less than the budgeted Deficit of £231,530 because falls in income have been offset by substantial underspends.
- 2) As previously reported, income streams from the Market and Town Hall continue to be impacted by the coronavirus pandemic and lockdown restrictions.
- 3) Allowing for the annual increment to the Charter Market Contract, the YTD **Deficit** in the Town Council's share of Market income is now over **£35,000**, but offset by cost savings from the cancellation of the Victorian Market this year. The Net Deficit reported in the Management Accounts is £17,335.
- 4) The YTD **Deficit** in Town Hall Lettings income is now over **£20,000**.
- 5) There are significant surpluses in Operational & Administrative Expenses, primarily due to delays on maintenance expenditure caused by lockdown restrictions. The total YTD **Surplus** currently stands at **£104,950**.

N.B. Town Hall Planned Maintenance & Repairs has now been separated out into its own budget line (page 7) and shows a YTD Budget Surplus of **£75,395**, although this is expected to decrease before year end as expenditure is incurred on internal decorations which commenced in January 2021.

- 6) There are significant surpluses in Civic Expenditure of **£55,761**, due to event cancellations caused by the pandemic.

### **Page 1 Balance Sheet**

**Net Assets** have fallen to **£804,816** (excluding the Fixed Asset Restatement Reserve).

The 'Financed by' section shows the breakdown including the Year To Date **Surplus** / (Deficit) which is reported as **£45,941**. (N.B. this is before Management Account adjustments e.g. phasing of the Precept income). This will turn to a Deficit in the next few months before year end.

**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 **£816,673**, down nearly £38,000 from the previous month. N.B. further grant award payments of £40,000 are due in January 2021 in additional to regular monthly expenditure.

**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 of £73,047 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. N.B. This “pot” will be reduced at Year End 2020-21, despite the event in 2020 being cancelled because of the coronavirus pandemic, because there are costs associated with the Hatton Rock storage facilities which still need to be recharged.

**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 and with reduced funds invested.
- 2) The Town Council’s share of the Market Income YTD Deficit is now over **£35,000** (page 6).
- 3) Town Hall Lettings Income shows a substantial YTD Deficit of over **£20,000** (page 6) because of cancellation of Town Hall events due to the lockdown restrictions and because several refunds have also been issued.  
N.B. Deferred Income (deposits for event bookings yet to happen) has more than halved since the start of the financial year and now stands at £4,629 (this is not shown in the Management Accounts).
- 4) Cemetery Fees show a YTD Deficit of **£8,193**. The YTD Deficit of £3,669 in Salaries, Wages & Related Costs is down to additional employer pension costs and the timing of seasonal work.
- 5) There is a YTD Deficit of **£2,308** 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 YTD Deficit of **£6,723** 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 £9,030 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  
January 2021