

**A REPORT OF THE TOWN CLERK TO
A MEETING OF MALVERN TOWN COUNCIL
to be held on Wednesday 19 June 2024 at 6.00pm
in the Council Chamber, Belle Vue Terrace, Malvern**

YEAR END ACCOUNTS 2023/24

1. Purpose of Report

- 1.1. The purpose of this report is to present to Full Council the Year End Accounts for the Financial Year 2023/24 for approval and adoption.

2. Recommendation

- 2.1. Council is recommended to approve and adopt the Year End Accounts for 2023/24 as attached at Appendix A.

3. Background

- 3.1. Although not a statutory requirement, the Town Council adopted the current Year End Accounts format in April 2010 to detail the Council's activities in a more user friendly format and in line with its quarterly management accounts. These accounts allow Councillors to see more detailed income and expenditure headings than those on the Annual Governance and Accountability Return Annual (AGAR). It also ensures that full and complete year end records are kept and that year end accounts are produced in a format more consistent with the quarterly format.
- 3.2. The Accounts and Audit Regulations 2015 state that a Council with gross income or gross expenditure over £200,000 but less than £6.5 million per annum is subject to an Intermediate Level Review by the External Auditor.
- 3.3. The Council is required to prepare accounting statements for the year ending 31 March 2024 along with supporting working papers and must certify that these statements have been approved by Full Council.
- 3.4. The Year End Accounts consist of a Summary Actual/Budget Comparison for the year, an Income and Expenditure Account, Balance Sheet and notes to the Accounts. The details from these accounts are then used to calculate the figures required to complete section 2 of the AGAR.
- 3.5. A meeting of the full authority must be held to consider, approve and sign the Annual Governance Statement and Accounting Statements (Sections 1 and 2 of the Annual Governance and Accountability Return). The AGAR along with all other information requested must be submitted to the external auditors, PKF Littlejohn LLP by 1 July 2024.

4. Key Financial Implications

- 4.1. The budget for 2023/24 forecast a small surplus of £25. The surplus for the financial year ending 31 March 2024 is £135,828.

- 4.2. It is important to note that when the original budget for 2023/24 was set in December 2022, the Council had to make several difficult assumptions. The timings, costs and funding arrangements for both the sale of Belle Vue Terrace Offices and the construction of the new Community Hub at Victoria Park were still unknown and it was decided that the most prudent way of setting the budget was to assume that the Council would remain in its current location and to allow any changes to that to be covered by the use of reserves and exception reporting.
- 4.3. 2023/24 has been an important year for Malvern Town Council. The Council offices on Belle Vue Terrace were sold and the Council are now tenants within the building. Work also commenced on the New Community Hub Building in Victoria Park and costs connected with this will be seen bridging the two financial years of 2023/24 and 2024/25.
- 4.4. For the financial year ending on 31 March 2024, there has been a surplus against budget in 2023/24 of £135,803. Councillors will note that the table below shows the variance after figures for depreciation and deferred grants have been removed and therefore adds correctly to the year-end variance of £155,828 under budget for the financial year.

| | |
|------------------------------|--|
| Income | (£18,725) surplus |
| Administration | £24,181 overspend |
| Operations | £1,480 overspend |
| Discretionary Costs | (£15,831) underspend |
| Special Expenditure | (£44,116) underspend |
| Earmarked Reserves | (£82,792) underspend |
| <u>Total Variance</u> | <u>£135,803 surplus</u> <u>against budget</u> |

- 4.5. Income has been lower than expected during the year, due to the reduced rental being received from the Belle Vue Terrace building. One flat has remained empty throughout the year, the third-floor tenants moved out in December 2023 and then the building was finally sold in early February 2024. This income deficit has been offset by the gain made on disposal of the building after income and accounting value had been taken into account.
- 4.6. There have been notable underspends against administration salaries and insurance costs during the financial year, but these have been more than offset by the level of professional fees which have resulted in an overspend for the year. Legal costs have been incurred in connection with issues in Rose Bank Gardens and for solicitor's fees for the sale of Belle Vue Terrace. Estate agent's fees were also incurred in connection with the sale of Belle Vue Terrace.
- 4.7. Operational costs are very close to budget, with just a £1,480 overspend for the financial year. An overspend was caused by the National Local Government Salary Agreement being slightly higher than anticipated along with higher-than-expected business rate costs. This overspend has been slightly offset by lower grounds maintenance and equipment / vehicle running costs. Discretionary costs have also been under budget with lower-than-expected expenditure against both grants and events.

- 4.8. Special Expenditure is approximately £45,000 overspent for the year. There have been both underspends and overspends against a variety of projects but projects at Victoria Park, surfacing works, the installation of the Malvern Sign and the final refurbishment costs for the bus shelter outside Rose Bank Gardens all contributed to higher-than-expected expenditure during the year. The budget contingency fund of £20,000 has not been used during the year.
- 4.9. A large release of £98,250 from the capital receipts reserve has resulted in the underspend against Earmarked Reserves, however it should be noted that reserves have also been created at year end for the refurbishment of the play area at Jamaica Crescent as well as landscaping works at Victoria Park.
- 4.10. The surplus for the year has increased the balance on the Council's Income and Expenditure Account from £551,446 at 31 March 2023 to £687,274 at 31 March 2024.
- 4.11. General Reserves at the Year End should equate to some 25% of the following year's annual precept in order to provide sufficient reserves pending receipt of the first instalment of that year's precept. In the Council's case, the precept for 2024/25 was increased to £828,500 and 25% of this amount is £207,125. General Reserves at 31 March 2024 were only just above this level at £232,104, although it should be noted that both the VAT refund and the draw down of the Public Works Loan Board loan funds were due to be received in April 2024.
- 4.12. Earmarked and Special Reserves at the year-end stood at £264,513, a decrease of £101,542 from 31 March 2023, mainly due to the release of a capital receipts reserve of £98,250 during the year. This is part of the funding agreed for the new community hub being built at Victoria Park. Other funds being released from Earmarked Reserves include those to cover the costs of Town Council elections in May 2023, funds from the Vehicle and Machinery Replacement Reserve to cover the cost of the new electric vehicle as well as funding carried over from a previous financial year for the Malvern Sign and works to the Bus Shelter outside of Rose Bank Gardens.
- 4.13. Cash in hand and at bank amounts to £371,740, which is a decrease of £373,931 from 2023. This follows two stage payments being made for the new Community Hub building at Victoria Park. The Council will draw down its loan funding until April 2024 ahead of the final payment being made on completion of the project.
- 4.14. The level of long-term investments remains at £66,484 in the Local Authorities Properties Fund. The Council's external auditors requested in 2022/23 that all Earmarked Reserves be treated as short term assets and not as a long-term investment and a year end adjustment was made accordingly.

5. Legal Implications

- 5.1. There is no statutory requirement for the Town Council to produce financial accounts in the full format that it does, only to submit Accounting Statements in the form required by proper practices and now known as the Annual Governance and Accountability Return. However, it is considered good practice for year-end financial accounts to be produced and submitted as these support the statutory returns required by the external audit regulations.

End.

Linda Blake
Town Clerk

MALVERN TOWN COUNCIL



STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

MALVERN TOWN COUNCIL
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2024

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MALVERN TOWN COUNCIL

2023/2024

COUNCIL INFORMATION

The following schedule sets out details of Members of the Council during the year ended 31 March 2024.

Mayor: Cllr C Hooper (appointed 18/05/23)

Deputy Mayor: Cllr D Watkins (appointed 18/05/23)

Members of the Council 2022/23 and 2023/24

Cllr K Aksar (2022/23)

Cllr L Lowton (2022/23 & 2023/24)

Cllr S Austin (2023/24)

Cllr J Maclusky (co-opted Aug 23)

Cllr M Birks (co-opted Aug 23)

Cllr F Matthews-Jones (2022/23 & 2023/24)

Cllr C Bovey (2022/23 & 2023/24)

Cllr R McLaverty-Head (2022/23 and
co-opted Aug 23)

Cllr A Cherry (2023/24)

Cllr D Mead (2022/23 & 2023/24)

Cllr I Dawson (2023/24)

Cllr C Fletcher (2022/23 & 2023/24)

Cllr S Meager (co-opted Aug 23)

Cllr J Green (2023/24)

Cllr K Newbigging (co-opted Aug 23)

Cllr C Hooper (2022/23 & 2023/24)

Cllr N Mills (2022/23)

Cllr N Houghton (2022/23 & 2023/24)

Cllr C Palmer (2022/23)

Cllr M Jones (2023/24)

Cllr J Satterthwaite (2022/23)

Cllr L Lambeth (2022/23)

Cllr A Stitt (2022/23)

Cllr C Lee (co-opted Aug 23 and
resigned Jan 24)

Cllr D Watkins (2022/23 & 2023/24)

Cllr J Leibrandt (2022/23 & 2023/24)

Cllr J Wilkinson (2022/23)

MALVERN TOWN COUNCIL

2023/2024

COUNCIL INFORMATION

Accounts Prepared by

Linda Blake ACMA CGMA CPFA

Internal Auditor

Duncan Edwards – DKE Audit Services

External Auditor

PFK Littlejohn LLP

MALVERN TOWN COUNCIL

STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2024

EXPLANATORY FOREWORD

The Accounts and Audit Regulations 2015 state that a Council with gross income and/or gross expenditure over £200,000 but less than £6.5 million per annum is subject to an Intermediate Level Review by the External Auditor and must complete the Annual Governance and Accountability Return 2023/24 Form 3.

As a smaller authority, Malvern Town Council is required by law to:

- a) Complete the Annual Governance and Accountability Return 2023/24 Form 3. This comprises:
 - Annual Internal Audit Report 2023/24, page 3 which is completed by the Council's Internal Auditor, Duncan Edwards.
 - Section 1 – Annual Governance Statement (AGS) 2023/24, page 4
 - Section 2 – Accounting Statements 2023/24, page 5
 - Section 3 – External Auditor Report and Certificate 2023/24, page 6Sections 1 and 2 must be completed and approved by the authority.
- b) To prepare Accounting Statements for the year ended 31 March 2024 in the form required by proper practice.
- c) Certify the Accounting Statements.
- d) Consider and approve the Internal Audit work which has been carried out during the year and ensure the Internal Auditor completes page 3 of the AGAR.
- e) Consider the findings of the Council's review of the effectiveness of the system of Internal Control.
- f) Review the effectiveness of the Council's system of Internal Control and prepare the Annual Governance Statement.
- g) At a meeting of Full Council, sign and approve the AGAR Sections 1 and 2. At the meeting where these are approved, the Council must in the following order:
 - Approve Section 1 of the AGAR, the Annual Governance Statement.
 - Consider the Accounting Statements.
 - Approve Section 2 of the AGAR, the Accounting Statements by Resolution.
 - Ensure the Accounting Statements are signed and dated by the person presiding at the meeting at which the approval is given.
- h) Publish on a public website the approved sections of the AGAR and the completed notice of Public Rights and Publication of Unaudited Annual Governance and Accountability Return along with its accompanying notes.

- i) Ensure arrangements are in place for the exercise of public rights with an inspection period of 30 working days. The period for local government electors to inspect, object and question the auditors will be Monday 1 July until Friday 9 August 2024.
- j) Submit the approved and signed AGAR along with the list of items required for an intermediate level review to the External Auditor no later than Monday 1 July 2024.
- k) Publish or display the certified Governance and Accountability Return by 30 September 2024, including the signed external auditor report.

The Town Council still publishes its own format of accounts in addition to the AGAR. These accounts are in line with the format of the quarterly accounts subject to Year End Financial Reporting adjustments and allow councillors to see more detail in the Council's Year End Accounting Statements.

Council approved a simplified format for its statement of accounts in April 2010 and Malvern Town Council's financial statements for the year ended 31 March 2024 are set out in the following pages.

Summary Budget / Actual Comparison for the Year

This compares current year income and expenditure with the previous year and also with the current year's budget. Explanations of the major variances are explained within the accounts.

The Income and Expenditure Account

This illustrates the Council's revenue account, covering income and expenditure and allocating them across the departmental headings. Movements on the general fund are detailed at the bottom of the Consolidated Revenue Account in order to reconcile the net surplus or deficit from expenditure against services to the Council's spending against council tax raised, taking into account the use of reserves built up in the past and contributions to funds and reserves.

The Balance Sheet

This sets out the financial position of the Council at 31 March 2024 i.e. its assets and liabilities at that date. Local authorities are required to include capital reserves on their balance sheet which are used to account for the financing of fixed assets. These reserves do not have equivalents in other sectors.

Notes to the Financial Statements

These include supporting notes on:

| | |
|-----------------------|--|
| Fixed Assets | Stocks, Debtors and Cash in Hand and at Bank |
| Creditors | Borrowings |
| Movements in Reserves | Earmarked and Special Reserves |
| Staffing Structure | Section 137 Expenditure |
| Publicity | |

MALVERN TOWN COUNCIL 2023/24 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2023/24

| | 2023/24 Budget | 2023/24 Actual | 2022/23 Actual |
|--|----------------|----------------|----------------|
| <u>Gross Income</u> | | | |
| Rental Income | 56,372 | 40,513 | 48,940 |
| Other Administration / Event related | 3,750 | 36,288 | 2,988 |
| Allotments | 5,851 | 5,786 | 5,874 |
| Cemetery | 71,500 | 69,969 | 70,829 |
| Grounds Maintenance | 9,040 | 7,355 | 11,359 |
| Leisure and Recreation | 12,788 | 7,101 | 8,521 |
| Reverse Premium Income | - | - | 50,000 |
| Interest Receivable | 7,600 | 18,614 | 8,223 |
| Deferred Grants * | - | 8,893 | 8,893 |
| | <u>166,901</u> | <u>194,519</u> | <u>215,627</u> |
| <u>Administration</u> | | | |
| Paycost | 229,881 | 213,212 | 230,308 |
| Utilities | 18,925 | 23,779 | 13,717 |
| Rates | 9,159 | 10,345 | 10,374 |
| Maintenance of Buildings | 10,780 | 13,572 | 10,091 |
| Communication Costs | 12,310 | 12,179 | 11,502 |
| Insurance | 37,000 | 19,572 | 18,200 |
| Professional and Consultancy Fees | 23,600 | 73,884 | 4,877 |
| IT Expenses | 9,350 | 13,240 | 10,633 |
| Leasing | 1,500 | 1,241 | 1,369 |
| Depreciation * | - | 1,231 | 7,913 |
| Miscellaneous | 16,821 | 12,483 | 13,453 |
| | <u>369,326</u> | <u>394,738</u> | <u>332,437</u> |
| <u>Operations</u> | | | |
| Paycost | 279,626 | 285,018 | 248,004 |
| Utilities | 12,956 | 10,026 | 13,662 |
| Rates | 10,195 | 13,534 | 10,192 |
| Maintenance of Buildings | 1,825 | 2,362 | 1,017 |
| Communication Costs | 1,340 | 1,115 | 1,996 |
| Maintenance of Grounds | 35,305 | 31,452 | 33,655 |
| Equipment and Vehicle Running Costs | 18,043 | 17,070 | 15,361 |
| Depreciation * | - | 83,127 | 77,287 |
| Miscellaneous | 2,302 | 2,495 | 1,801 |
| | <u>361,592</u> | <u>446,199</u> | <u>402,975</u> |
| <u>Discretionary Costs</u> | | | |
| Grants, Donations and Community Projects | 42,050 | 38,106 | 36,811 |
| Events | 51,908 | 40,021 | 48,723 |
| Depreciation * | - | 4,015 | 4,015 |
| | <u>93,958</u> | <u>82,142</u> | <u>89,549</u> |

* These items are not currently included within the budget, but form part of the year end financial reporting adjustments.

MALVERN TOWN COUNCIL 2023/24 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2023/24

| | 2023/24 Budget | 2023/24 Actual | 2022/23 Actual |
|--|--------------------|-------------------------|------------------------|
| <u>Asset Renewal and Refurbishment</u> | | | |
| Litter Bins | - | - | - |
| Refurbishment of Jamaica Crescent Play Area | 20,000 | - | - |
| Refurbishment of Michael Crescent Play Area | - | - | - |
| Works to Victoria Park Play Area | - | 10,000 | - |
| Preparatory Works - New Hub at Victoria Park | - | 15,194 | 30,252 |
| Surfacing Works to Car Parks at Monksfield Lane Allotments | - | 4,350 | - |
| Mill Lane Car Park and Fencing | 12,000 | 3,375 | - |
| Malvern Sign in Rose Bank Gardens | - | 4,288 | - |
| Refurbishment of Bus Shelter Outside Rose Bank Gardens | - | 8,812 | 9,724 |
| Jenny Lind Fountain in Rose Bank Gardens | - | - | 2,000 |
| Repairs and Resurfacing of Roads at Great Malvern Cemetery | - | 3,150 | 10,973 |
| Refurbishment of Ground Floor Cemetery Lodge and Toilets | 8,000 | - | - |
| Timber Building in Cemetery Yard | 15,000 | 714 | - |
| Tarmaccing of Pathway at Dukes Meadow | - | - | 3,905 |
| Fencing and Footpath Works - Western Boundary of Rose Bank Gardens | - | - | 6,950 |
| Works to investigate land slippage | - | - | 2,350 |
| Replacement Vehicle | 28,750 | - | - |
| New Electric Tool Package | 6,000 | 5,769 | - |
| New Christmas Lights | - | 2,492 | - |
| Contingency Fund | 20,000 | - | - |
| <u>Special Expenditure</u> | | | |
| Early Retirement Costs | 8,000 | 8,490 | 7,722 |
| Loan Repayments | - | - | - |
| Special Expenditure Total | <u>117,750</u> | <u>66,634</u> | <u>73,876</u> |
| Gross Expenditure Total | <u>942,626</u> | <u>989,713</u> | <u>898,837</u> |
| Net Cost of Services | <u>775,725</u> | <u>795,194</u> | <u>683,210</u> |
| Add Movements to Reserves | 20,000 | 48,625 | 86,690 |
| Less Movements from Reserves | (38,750) | (150,167) | (49,884) |
| Reversal of Depreciation | - | (88,373) | (89,215) |
| Reversal of Deferred Contributions | - | 8,893 | 8,893 |
| Capital Financed from Revenue | - | 7,000 | 17,464 |
| Adjusted Net Expenditure for the Year | <u>756,975</u> | <u>621,172</u> | <u>657,158</u> |
| Precept on the District Council | 757,000 | 757,000 | 701,500 |
| (Surplus) / Deficit for the year | <u>(25)</u> | <u>(135,828)</u> | <u>(44,342)</u> |

MALVERN TOWN COUNCIL 2023/24 ACCOUNTS

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR
ENDED 31 MARCH 2024

| Cost of Services | -----2024----- | | | 2023 |
|---|--------------------------------|----------------------|---------------------------|------------------------------|
| | Gross expend- iture £ | Gross income £ | Net expend- iture £ | Net expend- iture £ |
| Cemetery | 135,373 | 69,969 | 65,404 | 63,849 |
| Allotments | 23,304 | 5,786 | 17,518 | 6,016 |
| Maintenance of other Town Council grounds | 151,425 | 7,355 | 144,070 | 176,972 |
| Leisure and recreation services | 183,006 | 7,101 | 175,905 | 131,660 |
| Miscellaneous services | 37,000 | - | 37,000 | 22,156 |
| Other services provided to the public | 129,272 | 1,674 | 127,598 | 160,699 |
| Administration - Corporate and democratic support | 198,904 | 75,127 | 123,777 | 80,778 |
| Administration - Professional support | 93,323 | - | 93,323 | 21,385 |
| Grants to local bodies | 38,106 | - | 38,106 | 36,811 |
| NET COST OF SERVICES | 989,713 | 167,012 | 822,701 | 700,326 |
| Interest, deferred grants and investment income | | | (27,507) | (17,116) |
| NET OPERATING EXPENDITURE | | | 795,194 | 683,210 |
| Precept on District Council | | | (757,000) | (701,500) |
| (SURPLUS) / DEFICIT FOR THE YEAR | | | 38,194 | (18,290) |
| <u>Reconciliation of Items for Movement on General Fund</u> | | | | |
| Removal of depreciation and deferred contributions to avoid impact on precept | | | (79,480) | (80,322) |
| Movement on Earmarked Reserves | | | (101,542) | 36,806 |
| Capital Financed from Revenue | | | 7,000 | 17,464 |
| Removal of Income from Sale of Land to Reserves | | | - | - |
| Surplus for the Year Ended 31 March 2024 after movements on General Fund | | | (135,828) | (44,342) |

MALVERN TOWN COUNCIL 2023/24 ACCOUNTS
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2024

| | Notes | 2024 £ | 2023 £ |
|--|----------|------------------|------------------|
| FIXED ASSETS | 1 | | |
| Operational assets | | | |
| Land and buildings | | 1,525,218 | 1,313,318 |
| Plant, vehicles and equipment | | 92,305 | 102,887 |
| Infrastructure | | - | - |
| Non-operational assets | | - | - |
| | | <u>1,617,523</u> | <u>1,416,205</u> |
| Long Term Investments | 2 | 66,484 | 66,484 |
| CURRENT ASSETS | | | |
| Stocks | 3 | - | - |
| VAT recoverable | | 131,483 | 8,559 |
| Debtors | 4 | 8,970 | 11,454 |
| Payments in advance | | 8,234 | 7,977 |
| Cash in hand and at bank | 5 | 371,740 | 745,671 |
| | | <u>520,427</u> | <u>773,661</u> |
| CURRENT LIABILITIES | | | |
| Creditors | 6 | (60,836) | (64,272) |
| Receipts in advance | | (4,713) | (6,106) |
| Short term borrowing | 7 | - | - |
| | | <u>(65,549)</u> | <u>(70,378)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,138,885 | 2,185,972 |
| LONG TERM BORROWING | 7 | - | - |
| DEFERRED GRANTS AND CONTRIBUTIONS | | (86,785) | (95,678) |
| TOTAL ASSETS LESS LIABILITIES | | <u>2,052,101</u> | <u>2,090,295</u> |
| REPRESENTED BY: | | | |
| Fixed asset restatement account | 8 | 924,769 | 924,769 |
| Capital financing account | 8 | 175,545 | 248,025 |
| Earmarked and special reserves | 9 | 264,513 | 366,055 |
| Balance on income and expenditure account | | 687,274 | 551,446 |
| | | <u>2,052,101</u> | <u>2,090,295</u> |

These financial statements were approved by the Council on 19 June 2024 and signed on its behalf:

.....
Town Mayor

.....
Town Clerk

MALVERN TOWN COUNCIL 2023/24 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

1. FIXED ASSETS

1.1 Movements in fixed assets

| | Operational property £ | Vehicles, plant & machinery £ | Infra- structure £ | 2024 £ | Totals 2023 £ |
|---------------------------------------|------------------------------|--|--------------------------|------------------|---------------------|
| Cost | | | | | |
| At 1 April 2023 | 2,160,771 | 698,098 | 8,608 | 2,867,476 | 2,534,583 |
| Additions | 884,261 | 35,764 | - | 920,025 | 32,151 |
| Revaluation | (195,000) | - | - | (195,000) | (180,433) |
| Disposals | (450,000) | - | - | (450,000) | (225,530) |
| At 31 March 2024 | <u>1,693,327</u> | <u>733,862</u> | <u>8,608</u> | <u>2,435,796</u> | <u>2,160,771</u> |
| Depreciation | | | | | |
| At 1 April 2023 | 140,748 | 564,896 | 8,608 | 714,252 | 702,646 |
| Charge in year | 42,027 | 46,346 | - | 88,373 | 89,215 |
| Revaluation | - | - | - | - | - |
| Eliminated on disposals / revaluation | (14,667) | - | - | (14,667) | (47,295) |
| At 31 March 2024 | <u>168,109</u> | <u>641,557</u> | <u>8,608</u> | <u>818,273</u> | <u>744,567</u> |
| Net Book Value | | | | | |
| At 31 March 2024 | <u>1,525,218</u> | <u>92,304</u> | <u>-</u> | <u>1,617,524</u> | <u>1,416,205</u> |
| At 31 March 2023 | <u>1,313,318</u> | <u>102,887</u> | <u>-</u> | <u>1,416,204</u> | <u>1,831,937</u> |

1.2. Valuation of fixed assets

The Code of Practice on Local Authority Accounting in Great Britain requires that all assets are re-valued at least once every five years.

The last valuation of the Council's Offices on Belle Vue Terrace was carried out by the Valuation Agency as at 1 April 2021. The building was sold in February 2024 and has been disposed off at revalued cost.

The Council's Operational Properties were valued as at 1 April 2020 by the Valuation Agency. These properties therefore next become due for valuation on 1 April 2025.

1.3. Note on Rose Bank Gardens

The Council began a 99 year lease of Rose Bank Gardens on 15 February 2012. CIPFA SORP states that Community Assets should be included at their historical cost which is nil as the gardens were gifted to Malvern Hills District Council (the lessor) and are being leased on a peppercorn rent. Therefore a nil value has been assumed.

2. LONG TERM INVESTMENTS

2024

2023

Long term investments represent the funds held by the Council in a Local Authorities Property Fund.

| | | |
|---------------------------------|---------------|---------------|
| Local Authorities Property Fund | 66,484 | 66,484 |
| | <u>66,484</u> | <u>66,484</u> |

3. STOCKS

The Council has resolved that stocks with a value of less than £2,500 are not material to the accounts. There is, accordingly, no stock shown in the balance sheet.

4. DEBTORS

An analysis of debtors is as follows:

| | 2024 | 2023 |
|--|--------------|---------------|
| Interest receivable on investments and bank accounts | 3,695 | 1,536 |
| Sundry debtors | 5,275 | 9,918 |
| | <u>8,970</u> | <u>11,454</u> |

MALVERN TOWN COUNCIL 2023/24 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

| | | |
|------------------------------------|----------------|----------------|
| 5. CASH IN HAND AND AT BANK | 2024 | 2023 |
| Current Account | 142,992 | 486,882 |
| Public Sector Deposit Account | 228,516 | 258,516 |
| Petty Cash | 232 | 441 |
| Unity Credit Card | - | (168) |
| | <u>371,740</u> | <u>745,671</u> |

| | | |
|---|---------------|---------------|
| 6. CREDITORS | 2024 | 2023 |
| An analysis of creditors is as follows: | | |
| HM Revenue & Customs | 11,302 | 12,089 |
| Creditors | 23,243 | 30,781 |
| Accruals | 26,291 | 21,402 |
| | <u>60,836</u> | <u>64,272</u> |

7. BORROWINGS At 31 March 2024, the Council had no loans outstanding. A loan application for £310,000 to be taken over a period of 25 years, received approval in March 2024 and is due to be drawn down in April 2024. Loan Repayments will commence in October 2024.

8. STATEMENT OF TOTAL MOVEMENT IN RESERVES

| | Capital accounts | | Revenue reserves | | Totals | |
|----------------------------------|-------------------------|-------------------|------------------|-----------------------|--------------------|--------------------|
| | Fixed asset restatement | Capital financing | General | Earmarked and special | 2024 | 2023 |
| | £ | £ | £ | £ | £ | £ |
| Balance at 1 April 2023 | (924,769) | (248,025) | (551,446) | (366,055) | (2,090,295) | (2,430,673) |
| Net (surplus)/deficit for year | - | - | (135,828) | - | (135,828) | (44,342) |
| Disposal of fixed assets | - | - | - | - | - | - |
| Revaluation / Impairment | - | - | - | - | - | 358,668 |
| Release of retentions | - | - | - | - | - | - |
| Movements on EM reserves | - | - | - | 101,542 | 101,542 | (36,806) |
| Net depreciation of fixed assets | - | 79,480 | - | - | 79,480 | 80,322 |
| Financing of fixed assets | - | (7,000) | - | - | (7,000) | (17,464) |
| Balance at 31 March 2024 | <u>(924,769)</u> | <u>(175,545)</u> | <u>(687,274)</u> | <u>(264,513)</u> | <u>(2,052,101)</u> | <u>(2,090,295)</u> |

9. EARMARKED AND SPECIAL RESERVES

The Council has adopted, as a key element of its financial strategy, a policy of developing reserve funds against future known or anticipated commitments. The policy includes a recognition of the need to maintain assets in a fit and proper condition such that their value, both operational and financial, will remain the same over time.

The reserves also include two perpetuity funds: that is funds where the capital amount is required to be maintained intact and invested with the income generated being applied for maintenance purposes. In one case, the fund is in respect of a section 106 payment from Malvern Hills District Council.

A Vehicle and Machinery Reserve also exists to smooth the impact of the purchase of these larger items against the annual precept. Funds are built up annually and then released only when Vehicles and or Machinery are required.

A further reserve was created in the 2022/23 financial year with funds received alongside the transfer of land at Adam Lea being set aside for future maintenance.

Details of movements on individual reserves are set out below:

| Name of Reserve | Year ended 31 March 2024 | | | |
|--|----------------------------|----------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2023 | Addition to reserves | Contributions from reserves | Balance as at 31 March 2024 |
| | £ | £ | £ | £ |
| Elections | 12,500 | - | (10,089) | 2,411 |
| Cemetery extension | 16,659 | - | - | 16,659 |
| Asset Repair and Development Reserve | 32,294 | 28,625 | (13,064) | 47,855 |
| Vehicle and Machinery Replacement Fund | 53,202 | 20,000 | (28,764) | 44,438 |
| Allotment Reserve | 50,000 | - | (50,000) | - |
| Capital Receipts Reserve | 48,250 | - | (48,250) | - |
| CIL Reserve - Brookfarm Drive | 36,666 | - | - | 36,666 |
| Premium for Land at Mill Lane | 50,000 | - | - | 50,000 |
| Graves perpetuity | 5,284 | - | - | 5,284 |
| Townsend Way - s106 perpetuity | 61,200 | - | - | 61,200 |
| | <u>366,055</u> | <u>48,625</u> | <u>(150,167)</u> | <u>264,513</u> |

MALVERN TOWN COUNCIL 2023/24 ACCOUNTS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

10. STAFFING STRUCTURE

The Council's approved and actual establishment at the year end was:

| | 2024 | 2023 |
|--------------------------------------|-------------|-------------|
| Operations management | 1.0 | 1.0 |
| Operations Staff | 8.0 | 8.0 |
| Total Operations Staff | 9.0 | 9.0 |
| Administrative and Corporate support | 5.0 | 3.6 |
| Town Clerk | 1.0 | 1.0 |
| Total numbers: | 15.0 | 13.6 |
| Full time equivalents | 14.0 | 13.6 |

11 SECTION 137 EXPENDITURE

Section 137 of the Local Government Act 1972 (as amended) enables the Council to spend, in any single year, up to a specified product per head for each registered elector in Malvern Town, on activities and projects which are not authorised specifically by any other statute. All such expenditure must be declared by the Council to be for the benefit of all or some of the inhabitants of the Town.

| | 2024 | 2023 |
|--|-------------|-------------|
| Annual product per head | 9.93 | 8.82 |
| Number of registered electors | 22,864 | 22,864 |
| Maximum permissible amount under section 137 | 227,040 | 201,660 |
| Expenditure during the year comprised the following: | | |
| Remembrance Observation | 180 | 1,387 |
| Other grants and donations | 16,326 | 9,596 |
| Citizen's Advice Bureau Grant | 16,000 | 16,000 |
| Community Action Grant | 5,450 | 10,900 |
| | 37,956 | 37,883 |

12. PUBLICITY

The Local Government Act 1986 requires the Council to disclose expenditure on publicity. Gross expenditure on publicity and advertising during the year was as follows:

| | 2024 | 2023 |
|------------------------------|-------------|-------------|
| Public consultation | 60 | 1,901 |
| Council Newsletter | 5,528 | 2,778 |
| Statutory and public notices | 854 | 813 |
| Availability of grants | 330 | 315 |
| Events Publicity | 115 | 798 |
| Display Boards | 689 | - |
| Employment Vacancies | - | 25 |
| | 7,576 | 6,630 |

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2023/24

A Summary of the major points contributing to the variance of actual from budget for the YEAR, is as follows:

Comments have been made where variances are greater than 10% of the budgeted amount or over £300

INCOME - surplus income is shown in brackets

Rental Income

The budget for 2023/24 assumed that the Council building on Belle Vue Terrace would be occupied throughout the financial year with rental income being received. The rear middle flat has remained empty during the year, Community Action, tenants of the third floor, moved premises in December and following the sale of the building in February 2024, no further rental income has been received. 15,859

Other Administration income / event related

The sale of the Town Council Offices resulted in a gain on disposal of this asset which was not included in the original budget. (29,928)

Grounds Maintenance

Income was budgeted for the sponsorship of roundabouts during the year, but owing to uncertainties with nearby developments and a lack of interest in sponsorship opportunities, these were not pursued and income has been under budget. 1,500

Leisure and Recreation

An amount of £4,000 was included in the budget for income to be received from an ice cream tender at Victoria Park. Despite advertising, there was no interest in this tender during the summer of 2023 and then works were scheduled to begin on the new building in early 2024. 4,000

Usage of Town Council football pitches and changing rooms continues to decline, with facilities now only used by junior teams. Income has been falling over past years. 702

Interest Receivable

The Council now has investments with both the Public Sector Deposit Fund and the CCLA's Property Investment Fund. Interest rates have been higher than expected during the 2023/24 financial year resulting in higher than budgeted income. In addition, Officers have been mindful to deposit funds when bank balances were high following completion of the sale of Belle Vue Terrace. (11,014)

Deferred Grants

This item is not included in the annual budget and is an adjustment required in the Year End Accounts. (8,893)

COSTS - Expenditure below budget and therefore causing a surplus is shown in brackets

ADMINISTRATION

Salary Costs

The National Local Government salary agreement was finalised in November 2023 and resulted in an average increase against salaries of 7% which is above the 6% included in the budget. However this increase in salary costs has been more than offset as there has been a staffing vacancy since July 2023. Council have agreed to make the post of communications and events officer full time and it will be filled in the first quarter of 2024/25. (16,669)

Utility Charges at Belle Vue Building

Gas charges in Belle Vue Building were very high during the financial year. This related to both unit costs and to higher than expected usage. 5,033

Rates

The cost of business rates / council tax incurred at Belle Vue Terrace has been above budget due to charges made for the rear middle flat which has remained empty during the period. 1,186

Maintenance of Buildings - rental costs

Due to uncertainty around the sale of Belle Vue building, the budget assumed that the council would remain in occupation as owners of the building for the entire financial year. The sale was completed in early February 2024 after which, the Council became a tenant in the same building. 4,500

Insurance

When officers were setting the budget for 2023/24, the advice from the Council's insurance brokers was to expect a large increase in premium and the budget was set accordingly. When the insurance contract was agreed in July 2023, costs had only increased by 12% resulting in savings. In addition the premium for Belle Vue Terrace was removed at the sale date resulting in an additional credit. (17,428)

Professional - Legal Fees

The review of legal fees incurred and pending carried out at year end resulted in the need for an adjustment and overspend to cover both past and ongoing legal fees relating to Rose Bank Gardens and the sale of Belle Vue Terrace with associated lease arrangements. 42,500

Professional - Estate Agent Fees

Costs were incurred in relation to the marketing and sale of the Council owned building on Belle Vue Terrace 11,416

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2023/24

COSTS - Expenditure below budget and therefore causing a surplus is shown in brackets

IT Software Expenses

An overspend against IT expenses has been caused by the costs of subscriptions including Survey Monkey, Canva and Creative Cloud. 1,258

Costs for data protection have also increased following the expiry of an initial discount period. 2,700

Other Costs - Mayoral Allowance

The Mayoral allowance was set at £3,000 as part of the 2023/24 budget. Costs in the year have been approximately one third of the budgeted amount. (1,960)

Other Costs - Meeting Accommodation

Savings have been made as a result of the Council decision to hold all meetings after Annual Council 2023 in the Council chamber on Belle Vue Terrace, thus avoiding room hire charges. (800)

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 1,231

OPERATIONS

Utilities

There have been no costs incurred in respect of water charges at Victoria Park. The old pavilion was demolished in July 2022 and although some drainage charges are expected in respect of the tarmaced car parking areas, the account is on hold pending connection of a new supply. (3,133)

Rates

Some outstanding charges have been levied in relation to the old pavilion before it was demolished. These were not anticipated in the original budget and are therefore an overspend in the financial year. 3,075

Maintenance of Buildings

Repair and maintenance costs at Dukes Meadow Pavilion have been higher than anticipated due to a toilet leak. 551

Essential electrical repairs were also required at the cemetery lodge 200

Maintenance of Grounds

With a budget of £35,000 there have been a number of underspends and overspends against this cost heading. (3,853)
Underspends include lower than expected gas lamp maintenance, reduced bedding costs and play area maintenance costs being reduced by the larger refurbishment schemes. Overspends include works in Rose Bank Gardens, planting of fruit trees in Greenfields Road / Yates Hay and works to pitches and courts at Victoria Park. 89% of this budget was spent during the 2023/24 year.

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 83,127

DISCRETIONARY COSTS

Large Grants

Expenditure on Large Grant Awards has been over budget during the financial year. Four large grants were awarded in October 2023, with a further three approved in March 2024, and the overspend being subsequently agreed by Full Council. 1,150

Community Support Grant

A Community Support grant was paid to Community Action to offset their rent for the period whilst they were tenants of Belle Vue Building. Following their departure from Belle Vue Terrace, no grant has been due, resulting in budget savings. (5,450)

Events

Despite a full and varied programme for Bands in the Park during summer 2023, costs for the year are below the amount included in the budget. Costs have been kept low due to work by officers to source good quality bands at a reasonable fee. (988)

Costs for the Christmas Light Switch on were slightly lower than anticipated. (830)

There was no Mayoral Bonanza held in August 2023 and this has resulted in budget savings being made (8,851)

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 4,015

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2023/24

COSTS - Expenditure below budget and therefore causing a surplus is shown in brackets

ASSET REFURBISHMENT / RENEWAL

Refurbishment of Jamaica Crescent Play Area

This project was delayed during the year due to ongoing poor weather. An earmarked reserve has been created at year end to carry funds over into the 2024/25 financial year when works will be completed. (20,000)

Works to Victoria Park Play Area

Works to Victoria Park Play Area were agreed by Council during the year. The zip wire was moved, new safety surfacing installed as required and boundary fencing removed and relocated. These were works required due to the proximity of building works for the new community hub. 10,000

Preparatory Works - New Hub at Victoria Park

Some fees were incurred in respect of planning requirements, transport statements, design statements etc. Council agreed that these would be funded from reserves as required. 15,194

Surfacing Works to Car Parks at Monksfield Lane Allotments

Following an approach by Monksfield Lane Allotment Association who self manage one of the Council's allotment sites, it was agreed to fund works to improve the surfacing of car parks at the Monksfield Lane site. This is an overspend against budget, but makes improvements to a Council owned facility. 4,350

Mill Lane Car Park and Fencing

Works to install a car park on the land at Mill Lane / Adam Lee commenced during the year. The stone surfacing of the car park has been put in place ahead of any pump track construction taking place. The final stages of this project to install fencing and a new gateway will be completed after the pump track has been installed. (8,625)

Malvern Sign in Rose Bank Gardens

An amount of £5,000 was agreed by Council for this project and put into earmarked reserves at year end 22/23. The sign was installed during May 2023 and funds were released to offset the costs from this project. 4,288

Refurbishment of Bus Shelter Outside Rose Bank Gardens

The final works to install the metal cladding on the rear wall of the bus shelter took place in the first quarter of the year and therefore the remaining earmarked reserves were released to offset these costs. 8,812

Repairs and Resurfacing of Roads at Great Malvern Cemetery

This project began in the 2022/23 financial year and was completed in November 2023 when the final asphaltting works took place. 3,150

Refurbishment of Ground Floor Cemetery Lodge and Toilets

This project has been deferred as non urgent expenditure given other financial commitments. It will be reviewed as part of the 2025/26 budget. (8,000)

Timber Building in Cemetery Yard

When a storage container became available during the 2023/24 financial year, officers presented a revised specification with reduced costs to Council. This was agreed and a storage container was installed in Great Malvern Cemetery instead of the more costly option of creating a new timber storage building. (14,286)

New Electric Vehicle

Although included in the budget for 2023/24, the cost of the new electric Corvus vehicle was capitalised as part of the Year End Accounting Process. (28,750)

New Christmas Lights

Full Council agreed during the year that new Christmas Lights could be purchased for a tree in Barnards Green as well as for Belle Vue Island. This has been an overspend against budget. 2,492

Contingency Fund

Although included in the budget for 2023/24, Council have not agreed any specific use for the contingency fund in 2023/24 (20,000)

Earmarked Reserves

The Capital Receipts Reserve was released in March 2024 as part of the funding agreed for the new Community Hub Building. (98,250)

Budget 2023/24 (25)
Year End Surplus (135,828)
Variance against Budget (135,803)