

MALVERN TOWN COUNCIL



STATEMENT OF ACCOUNTS **FOR THE YEAR ENDED 31 MARCH 2023**

MALVERN TOWN COUNCIL
STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

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MALVERN TOWN COUNCIL

2022/2023

COUNCIL INFORMATION

The following schedule sets out details of Members of the Council during the year ended 31 March 2023.

Mayor:	Cllr N Houghton (appointed 11/05/22)
Deputy Mayor:	Cllr C Hooper (appointed 11/05/22)

Members of the Council

Cllr K Aksar (elected uncontested 11/08/23)	Cllr D Mead
Cllr J Ashington-Carter (resigned 17/12/22)	Cllr N Mills
Cllr C Bovey	Cllr N Morton (resigned 01/06/22)
Cllr C Fletcher	Cllr J O'Donnell (non-attendance 15/02/23)
Cllr C Hooper	Cllr C Palmer
Cllr N Houghton	Cllr J Satterthwaite
Cllr L Lambeth	Cllr A Stitt
Cllr J Leibrandt	Cllr P Smith (resigned 19/12/22)
Cllr L Lowton	Cllr S Taylor (resigned 01/06/22)
Cllr F Matthews-Jones (elected uncontested 11/08/23)	Cllr P Tuthill (resigned 01/06/22)
Cllr R McLaverty-Head	Cllr D Watkins
	Cllr J Wilkinson (elected 11/08/22)

MALVERN TOWN COUNCIL

2022/2023

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 2021

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 2022/23 Form 3.

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

- a) Complete the Annual Governance and Accountability Return 2022/23 Form 3. This comprises:
 - Annual Internal Audit Report 2022/23, page 3 which is completed by the Council's Internal Auditor, Duncan Edwards.
 - Section 1 – Annual Governance Statement (AGS) 2022/23, page 4
 - Section 2 – Accounting Statements 2022/23, page 5
 - Section 3 – External Auditor Report and Certificate 2022/23, page 6Sections 1 and 2 must be completed and approved by the authority.
- b) To prepare Accounting Statements for the year ended 31 March 2023 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. This will take place from Monday 3 July until Friday 11 August 2023.
- 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 3 July 2023.
- k) Publish or display the certified Governance and Accountability Return by 30 September 2023, 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 2023 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 2023 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 2022/23 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2022/23

	2022/23 Budget	2022/23 Actual	2021/22 Actual
<u>Gross Income</u>			
Rental Income	14,661	48,940	51,396
Other Administration / Event related	3,450	2,988	3,068
Allotments	5,851	5,874	5,775
Cemetery	65,000	70,829	53,880
Grounds Maintenance	8,200	11,359	7,810
Leisure and Recreation	17,660	8,521	10,948
Reverse Premium Income	-	50,000	50,000
Interest Receivable	2,750	8,223	2,662
Deferred Grants *	-	8,893	8,893
	<u>117,572</u>	<u>215,627</u>	<u>194,432</u>
<u>Administration</u>			
Paycost	221,009	230,308	216,333
Utilities	4,081	13,717	10,036
Rates	4,492	10,374	9,723
Maintenance of Buildings	9,098	10,091	10,462
Communication Costs	11,032	11,502	12,987
Insurance	18,000	18,200	17,520
Professional and Consultancy Fees	9,250	4,877	27,419
IT Expenses	8,320	10,633	8,232
Leasing	1,400	1,369	1,429
Depreciation *	-	7,913	7,408
Miscellaneous	17,945	13,453	15,970
	<u>304,627</u>	<u>332,437</u>	<u>337,519</u>
<u>Operations</u>			
Paycost	257,279	248,004	246,494
Utilities	8,358	13,662	11,117
Rates	8,640	10,192	11,352
Maintenance of Buildings	1,770	1,017	706
Communication Costs	2,250	1,996	1,797
Maintenance of Grounds	33,290	33,655	29,240
Equipment and Vehicle Running Costs	17,224	15,361	19,464
Depreciation *	-	77,287	92,304
Miscellaneous	2,258	1,801	2,122
	<u>331,069</u>	<u>402,975</u>	<u>414,596</u>
<u>Discretionary Costs</u>			
Grants, Donations and Community Projects	45,550	36,811	47,586
Events	56,675	48,723	39,992
Depreciation *	-	4,015	5,515
	<u>102,225</u>	<u>89,549</u>	<u>93,093</u>

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

MALVERN TOWN COUNCIL 2022/23 ACCOUNTS

SUMMARY BUDGET / ACTUAL COMPARISON FOR THE YEAR 2022/23

	2022/23 Budget	2022/23 Actual	2021/22 Actual
<u>Asset Renewal and Refurbishment</u>			
Litter Bins	-	-	2,159
Replacement of Trim Trail - Victoria Park	10,000	-	-
Replacement of Two Springers Victoria Park Play Area	-	-	995
Replacement of Two Springers Lower Howsell Play Area	-	-	1,680
Fencing at Lower Howsell	-	-	4,095
Replacement Pavilion Doors at Lower Howsell	-	-	4,750
Replacement Fencing at Townsend Way	-	-	3,960
Refurbishment of Michael Crescent Play Area	15,000	-	-
Refurbishment of Bus Shelter Outside Rose Bank Gardens	-	9,724	-
Jenny Lind Fountain in Rose Bank Gardens	-	2,000	-
Installation of New Basketball Courts at Victoria Park	-	-	1,757
Victoria Park New Pavilion Project	-	30,252	13,068
Tarmaccing of Pathway at Dukes Meadow	8,000	3,905	-
Fencing and Footpath Works - Western Boundary of Rose Bank Gardens	12,000	6,950	-
Path Edging Works in Rose Bank Gardens	-	-	2,906
Works to investigate land slippage	-	2,350	9,695
Refurbishment of Barnards Green Bus Shelter	-	-	1,026
Repairs to Roof at Great Malvern Cemetery	-	-	1,000
Repairs and resurfacing of roads at Great Malvern Cemetery	-	10,973	-
Replacement Sleepers for Compost Heap at Cemetery	-	-	1,167
Replacement Vehicle	22,000	-	-
New John Deere Mower	12,500	-	-
New Christmas Lights	-	-	-
Contingency Fund	20,000	-	-
<u>Special Expenditure</u>			
Early Retirement Costs	7,629	7,722	7,495
Loan Repayments	5,774	-	-
Special Expenditure Total	112,903	73,876	52,239
Gross Expenditure Total	850,824	898,837	897,447
Net Cost of Services	733,252	683,210	703,015
Add Movements to Reserves	15,000	86,690	66,580
Less Movements from Reserves	(47,000)	(49,884)	(25,229)
Reversal of Depreciation	-	(89,215)	(105,227)
Reversal of Deferred Contributions	-	8,893	8,893
Capital Financed from Revenue	-	17,464	51,675
Adjusted Net Expenditure for the Year	701,252	657,158	699,707
Precept on the District Council	701,500	701,500	682,890
(Surplus) / Deficit for the year	(248)	(44,342)	16,817

MALVERN TOWN COUNCIL 2022/23 ACCOUNTS

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	-----2023-----			2022
Cost of Services	Gross expend- iture £	Gross income £	Net expend- iture £	Net expend- iture £
Cemetery	134,678	70,829	63,849	72,132
Allotments	11,890	5,874	6,016	11,130
Maintenance of other Town Council grounds	188,331	11,359	176,972	133,138
Leisure and recreation services	140,181	8,521	131,660	137,099
Miscellaneous services	22,156	-	22,156	15,793
Other services provided to the public	163,172	2,473	160,699	135,737
Administration - Corporate and democratic support	180,233	99,455	80,778	120,963
Administration - Professional support	21,385	-	21,385	40,992
Grants to local bodies	36,811	-	36,811	47,586
NET COST OF SERVICES	898,837	198,511	700,326	714,570
Interest, deferred grants and investment income			(17,116)	(11,555)
NET OPERATING EXPENDITURE			683,210	703,015
Precept on District Council			(701,500)	(682,890)
(SURPLUS) / DEFICIT FOR THE YEAR			(18,290)	20,125
<u>Reconciliation of Items for Movement on General Fund</u>				
Removal of depreciation and deferred contributions to avoid impact on precept			(80,322)	(96,334)
Movement on Earmarked Reserves			36,806	41,351
Capital Financed from Revenue			17,464	51,675
Removal of Income from Sale of Land to Reserves			-	-
Deficit for the Year Ended 31 March 2023 after movements on General Fund			(44,342)	16,817

MALVERN TOWN COUNCIL 2022/23 ACCOUNTS
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023 £	2022 £
FIXED ASSETS	1		
Operational assets			
Land and buildings		1,313,318	1,721,347
Plant, vehicles and equipment		102,887	110,590
Infrastructure		-	-
Non-operational assets		-	-
		<u>1,416,205</u>	<u>1,831,937</u>
Long Term Investments	2	297,877	247,877
CURRENT ASSETS			
Stocks	3	-	-
VAT recoverable		8,559	11,232
Debtors	4	11,454	10,489
Payments in advance		7,977	8,944
Cash in hand and at bank	5	<u>514,278</u>	<u>552,284</u>
		<u>542,268</u>	<u>582,949</u>
CURRENT LIABILITIES			
Creditors	6	(66,076)	(123,694)
Receipts in advance		(6,106)	(5,630)
Short term borrowing	7	-	-
		<u>(72,182)</u>	<u>(129,324)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,184,168	2,533,439
LONG TERM BORROWING	7	-	-
DEFERRED GRANTS AND CONTRIBUTIONS		(95,678)	(104,570)
TOTAL ASSETS LESS LIABILITIES		<u>2,088,491</u>	<u>2,428,869</u>
REPRESENTED BY:			
Fixed asset restatement account	8	924,769	1,321,192
Capital financing account	8	248,025	273,128
Earmarked and special reserves	9	366,055	329,249
Balance on income and expenditure account		549,642	505,300
		<u>2,088,491</u>	<u>2,428,869</u>

These financial statements were approved by the Council on 21 June 2023 and signed on its behalf:

.....
Town Mayor

.....
Town Clerk

MALVERN TOWN COUNCIL 2022/23 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. FIXED ASSETS

1.1 Movements in fixed assets

	Operational property £	Vehicles, plant & machinery £	Infra- structure £	Totals 2023 £	2022 £
Cost					
At 1 April 2022	1,850,489	675,486	8,608	2,534,583	2,453,158
Additions	-	32,151	-	32,151	61,425
Revaluation	(180,433)	-	-	(180,433)	20,000
Disposals	(215,990)	(9,540)	-	(225,530)	-
At 31 March 2023	<u>1,454,066</u>	<u>698,098</u>	<u>8,608</u>	<u>2,160,771</u>	<u>2,534,583</u>
Depreciation					
At 1 April 2022	129,142	564,896	8,608	702,646	716,168
Charge in year	49,361	39,855	-	89,215	105,228
Revaluation	-	-	-	-	-
Eliminated on disposals / revaluation	(37,755)	(9,540)	-	(47,295)	(118,750)
At 31 March 2023	<u>140,748</u>	<u>595,211</u>	<u>8,608</u>	<u>744,567</u>	<u>702,646</u>
Net Book Value					
At 31 March 2023	<u>1,313,318</u>	<u>102,887</u>	<u>-</u>	<u>1,416,205</u>	<u>1,831,937</u>
At 31 March 2022	<u>1,721,347</u>	<u>110,590</u>	<u>-</u>	<u>1,831,937</u>	<u>1,736,989</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.

A valuation of the Council's Offices on Belle Vue Terrace was carried out by the Valuation Agency as at 1 April 2021, the next valuation is therefore due on 1 April 2026.

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

Long term investments represent the funds held by the Council in a Local Authorities Property Fund as well as Earmarked Reserves which are held on a long term basis.

	2023	2022
Local Authorities Property Fund	66,484	66,484
Long Term Earmarked Reserves	<u>231,393</u>	<u>181,393</u>
	<u>297,877</u>	<u>247,877</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:

	2023	2022
Interest receivable on investments and bank accounts	1,536	701
Sundry debtors	<u>9,918</u>	<u>9,788</u>
	<u>11,454</u>	<u>10,489</u>

MALVERN TOWN COUNCIL 2022/23 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

5. CASH IN HAND AND AT BANK

	2023	2022
Current Account	486,882	475,157
Public Sector Deposit Account	258,516	258,516
less Long Term Earmarked Reserves	(231,393)	(181,393)
Petty Cash	441	68
Unity Credit Card	(168)	(64)
Cheques Received not Banked	-	-
	<u>514,278</u>	<u>552,284</u>

6. CREDITORS

	2023	2022
An analysis of creditors is as follows:		
HM Revenue & Customs	12,089	11,941
Creditors	32,585	67,174
Accruals	21,402	44,579
	<u>66,076</u>	<u>123,694</u>

7. BORROWINGS

At 31 March 2023, the Council had no loans outstanding.

8. STATEMENT OF TOTAL MOVEMENT IN RESERVES

	Capital accounts Fixed asset restatement £	Capital financing £	Revenue reserves General £	Earmarked and special £	Totals 2023 £	2022 £
Balance at 1 April 2022	(1,321,192)	(273,128)	(505,300)	(329,249)	(2,428,869)	(2,310,244)
Net (surplus)/deficit for year	-	-	(44,342)	-	(44,342)	16,817
Disposal of fixed assets	-	-	-	-	-	-
Revaluation / Impairment	396,423	(37,755)	-	-	358,668	(137,750)
Release of retentions	-	-	-	-	-	-
Movements on EM reserves	-	-	-	(36,806)	(36,806)	(41,351)
Net depreciation of fixed assets	-	80,322	-	-	80,322	96,334
Financing of fixed assets	-	(17,464)	-	-	(17,464)	(51,675)
Balance at 31 March 2023	<u>(924,769)</u>	<u>(248,025)</u>	<u>(549,642)</u>	<u>(366,055)</u>	<u>(2,088,491)</u>	<u>(2,428,869)</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 new Reserve has been 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:

	Year ended 31 March 2023			
Name of Reserve	Balance as at 1 April 2022 £	Addition to reserves £	Contributions from reserves £	Balance as at 31 March 2023 £
Elections	9,310	3,190	-	12,500
Cemetery extension	16,659	-	-	16,659
Asset Repair and Development Reserve	36,491	18,500	(22,697)	32,294
Events and Grants	12,500	-	(12,500)	-
Vehicle and Machinery Replacement Fund	52,889	15,000	(14,687)	53,202
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>329,249</u>	<u>86,690</u>	<u>(49,884)</u>	<u>366,055</u>

MALVERN TOWN COUNCIL 2022/23 ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10. STAFFING STRUCTURE

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

	2023	2022
Operations management	1.0	1.0
Operations Staff	8.0	8.0
Total Operations Staff	9.0	9.0
Administrative and Corporate support	3.6	3.6
Town Clerk	1.0	1.0
Total numbers:	13.6	13.6
Full time equivalents	13.6	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.

	2022	2022
Annual product per head	8.82	8.41
Number of registered electors	22,864	22,864
Maximum permissible amount under section 137	201,660	190,228
Expenditure during the year comprised the following:		
Remembrance Observation	1,387	409
Other grants and donations	9,596	20,667
Citizen's Advice Bureau Grant	16,000	16,000
Community Action Grant	10,900	10,900
	37,883	47,976

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:

	2023	2022
Public consultation	1,901	1,901
Council Newsletter	2,778	3,147
Statutory and public notices	813	413
Availability of grants	315	610
Events Publicity	798	630
Employment Vacancies	25	-
	6,630	6,701

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2022/23

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

INCOME - surplus income is shown in brackets

Rental Income

The budget for 2022/23 assumed that the Council building on Belle Vue Terrace would only be occupied for the first quarter of the year and that no further rental income would then be received until some room hire income began to be received from a new building at Victoria Park in the final quarter. These assumptions have been incorrect due to delays in selling the building and agreeing the specification for the new building. Income has continued to be received from tenants at Belle Vue throughout the financial year causing a surplus in income. (34,279)

Other Administration income / event related

Income from the sale of hanging baskets has been slightly lower than anticipated and sponsorship levels have fallen with many businesses no longer able to meet these costs. 462

Cemetery Income

It is very difficult to accurately predict the level of cemetery income each year, but following a deficit last year, income in 2022/23 has been 9% higher than anticipated, (5,829)

Grounds Maintenance

Income was received from the sale of a John Deere Tractor which achieved a gain on disposal (2,000)
Surplus income was received from the sale of scrap metal during the financial year. (602)

Leisure and Recreation

An amount of £10,000 was included in the budget for income received from the new café tenants at Victoria Park and from an ice cream licence for the summer months. With works delayed on the new community building, no income has been received for the café and there were no parties interested in an ice cream licence. 10,000

Transfer of Land Premium

The transfer of land at Adam Lea to Malvern Town Council finally happened in March 2023 and the reverse premium funds attached to this land were also received. These will now form part of the Council's Earmarked Reserves. (50,000)

Interest Receivable

The Council now has investments with both the Public Sector Deposit Fund and the CCLA's Property Investment Fund. The effects of the Covid-19 pandemic resulted in a reduction in both dividends and interest paid, but the recent rises in interest rates have seen income increase more quickly than the budget assumed. (5,473)

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

Utility Charges at Belle Vue Building

The budget for 2022/23 assumed that Belle Vue Terrace building would be sold and vacated by the end of the first quarter and that utility costs would only be paid for this period. This overspend of 336% relates to utility costs being incurred for the entire financial year and that these charges have seen large inflationary increases since the budget was set. 9,636

Rates

The budget included payment of business rates for a Council owned building in both the first and final quarters. An overspend has occurred as rates have been payable on Belle Vue building for the whole year. 5,882

Maintenance of Buildings - rental costs

An amount to cover rental costs for temporary office space during the second and third quarter has not been required. (3,000)

Maintenance of Buildings

Maintenance works on the Belle Vue Terrace building have been undertaken as required during the entire 2022/23 financial year, resulting in costs above those included in the budget. 993

Professional - Elections

Funds accrued for election costs have been released at the end of the 2022/23 financial year. These funds had been put aside to cover the potential costs of Town Council by-elections but following invoices received in the third quarter of the year, these funds are now unlikely to be required and have been released back into general funds, resulting in an underspend for the year. (11,406)

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 ongoing legal fees relating to Rose Bank Gardens. 8,403

Professional - Planning Fees

None incurred during the year (750)

MALVERN TOWN COUNCIL

SUMMARY OF MAJOR VARIANCES - FINANCIAL YEAR 2022/23

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 increasing costs for the Council's SAGE support as well as charges for packages such as SurveyMonkey, Canva and Creative Cloud purchased during the year. 2,313

Other Costs - Mayoral Allowance

The Mayoral allowance was increased to £5,000 as part of the 2018/19 budget. Costs in the year have been low and this is the result of the Mayor submitting limited expense claims. (3,267)

Other Costs - Health and Safety Protective Clothing

Clothing has been purchased as required but savings have still been made against budget. (910)

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 7,913

OPERATIONS

Utilities

Costs for electricity and gas at Great Malvern Cemetery have been above budget for the financial year. This is as a result of the large rises in energy prices seen in 2022 which exceeded the 10% inflationary increase included in the budget. 1,386

Although there is currently no water being supplied at Victoria Park, the Council still have to pay drainage costs for the tarmaced car parking areas. This was not included in the budget and therefore is an overspend against the annual budget. 2,509

Electricity charges for the bus shelters at Barnards Green and outside of Rose Bank Gardens have been higher than anticipated both due to rising electricity charges and the implementation of standing charges. 1,652

Rates

The 2022/23 budget had anticipated that NNDR would still be payable for the car park at Victoria Park in line with business rates rules, but the charges incurred have been higher than expected resulting in an overspend. 1,680

Maintenance of Buildings

Repair and maintenance costs have been low at all sports pavilions and this is due to low usage at all sites. (443)

Repairs were required to the chapel roof during the year but otherwise, costs have remained low. (333)

Communication Costs

The cost of operational mobile phones has been lower than budgeted due to the decision by staff during the second half of the year to use their own mobile phones for work purposes. (294)

EQUIPMENT RUNNING COSTS

Machinery

There has been an underspend against repairs to operational machinery during the year. Machinery has been serviced and repaired as necessary throughout the year, but costs are often reduced as operational staff are able to undertake some general maintenance themselves. (2,168)

Vehicles

Fuel costs for operational vehicles have been above budget for the financial year as a whole. This is due to the rises in fuel prices which have been above the 8% inflationary increase included in the budget. 577

Depreciation

This item is currently not included in the budget and forms part of the year end adjustments. 77,287

Other Costs - Staff Training

Costs for staff training have been below budget. A training plan is scheduled with operational staff receiving appropriate training as required. 595

DISCRETIONARY COSTS

Small and Large Grants

The budget for grants in 2022/23 was £18,000. Grants were awarded over two rounds during the financial year, but there were underspends of £6,600 against large grants and £3,054 against small grants. (9,654)

Emergency Grants

The final payment of a three year Special Grant to The Autumn in Malvern Festival was paid during the fourth quarter. As a result of cancellations caused by Covid, the claim for this third year grant had been delayed and therefore this amount had been omitted from the original budget. 1,250

Events

The budget for the Bands in the Park had been increased to £9,500 for the 2022/23 year to allow for a wide range of bands playing an assortment of music genres over an 18 week period. Costs have been much lower than budgeted due to work by officers to source good quality bands at a reasonable fee. (5,665)

Costs for Malvern in Bloom across summer 2022 were lower than budgeted. (729)

Costs for the Christmas Light Switch On were lower than budgeted, largely due to Barnards Green (1,206)

Traders not holding an event and thus not claiming grant funding.

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 2022/23

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ASSET REFURBISHMENT / RENEWAL

Replacement of Trim Trail at Victoria Park

This project has been deferred for the present time whilst other projects at Victoria Park are being reviewed and completed. The new community building and the relocation of the skatepark will be completed first after which, Council will be in a better position to review the location and scale of a new trim trail. (10,000)

Refurbishment of Michael Crescent Play Area

Although included in the budget for 2022/23, the cost of the play area refurbishment was capitalised as part of the Year End Accounting Process. (15,000)

Refurbishment of Bus Shelter outside of Rose Bank Gardens

Works commenced on this refurbishment project in December 2022 with works to install the polycarbonate glazing being completed in the fourth quarter. Although this project appears as an overspend, it has been carried forward from the previous financial year and therefore costs will be offset by a release from earmarked reserves. Final works relate to the installation of cladding on the rear wall and this will be completed in the first quarter of the 2023/24 year. 9,724

Fountain Project in Rose Bank Gardens

Some initial groundwork costs which formed phase one of this project have now been paid for. Although this is an overspend against budget, an earmarked reserve exists for this work and funds have been released accordingly. A tender has been issued for the second stage of the project but this will require a further Council decision due to budget constraints. 2,000

Victoria Park - New Pavilion Project

Costs relate to the demolition of the old pavilion which was carried out in July 2022. The building had fallen into a poor state of repair and was unsuitable for any form of refurbishment. Demolition costs were agreed by Full Council although not included in the original budget. 30,252

Tarmaccking of Pathway at Dukes Meadow

This project was completed with savings of approximately 50% against the original budget. (4,095)

Fencing and Footpath Works - Western Boundary of Rose Bank Gardens

Works to replace the fencing and repair the footpath were completed with significant savings against budget being achieved. (5,050)

Works to investigate Land Slippage

Investigatory works have taken place during the year in respect of the slippage of land in Rose Bank Gardens. 2,350

Repairs and Resurfacing of Roads at Great Malvern Cemetery

Contractor delays meant that this project was carried forward from the previous financial year and an earmarked reserve was created. The first stage of works took place in the 2022/23 financial year with some residual works yet to be completed. 10,973

Replacement Vehicle

Due to the availability of suitable vehicles, this purchase has been deferred into the 2023/24 financial year. (22,000)

New John Deere Mower

Although included in the budget for 2022/23, the cost of the new John Deere mower was capitalised as part of the Year End Accounting Process. (12,500)

Contingency Fund

Although included in the budget for 2022/23, Council have not agreed any specific use for the contingency fund in 2022/23 (20,000)

Budget 2022/23	(248)
Year End Surplus	(44,342)
Variance against Budget	(44,094)