Agenda No

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SHREWSBURY TOWN COUNCIL
POLICY & RESOURCES COMMITTEE
Monday 9th February 2026

Officer: Andy Watkin – Head of Resources (RFO)

Q3 Management Account 2025/26

Purpose of Report

- To appraise members of the financial position of the Council for the third quarter of the 2025/26 financial year, and the year to date position.

Accounts preparation

- The accounts have been prepared using the same procedures and techniques as previous years.

- No provision is made for depreciation and earmarked reserves which are included in the final published accounts, which are non-cash items.

Income and Expenditure account for the 3rd quarter ended 31st December 2025 compared to budget (column A)

- Per the attached detailed and consolidated Income & Expenditure account report (last page 6ii), there is an overall positive variance of £70,203 compared to the budget for Q3

- Expenditure is a small negative variance of (£12,368). There are numerous small positive and negative variances and the vacant posts help offset some of the over spends for the quarter.

- There are positive variance's on staff costs £46,987 as vacant posts are yet to be filled. Other variances are as follows:

  (£28,217) – Building maintenance – timing of expenditure
  (£11,767) – Tree pruning – Quarry trees
  (£16,600) – Capital – Capital purchases stepping up team

- There is a positive variance on the income received of £82,571. This is due to backdated element of SLA for Q1 + Q2 £56,056.

- Other gains totalling £26,515 have made the position better, some are temporary due to the timing such as interest received £7,112. Commercial gains are from estimates included in accounts at year end.

Income and Expenditure account for the 3rd Quarter ended 31st December 2025 compared to prior year (Column B)

- When comparing the third quarter to the same period in the prior year there is an overall negative variance of (£172,856).

- Please note due to seasonal, operational, and unforeseen circumstances one year is never the same as the next. These things tend to unwind and balance out over the course of the year but it is useful to compare to the prior year as guide on the income and performance.

- Expenditure is a negative variance of (£231,278) which is expected due to the "town team" not in last years accounts but higher than expected due to more capital purchases, and CCTV network repairs, other variances are mainly adverse which is attributable to small increases across the board due to inflation and expected from year to year.

- There is a positive variance on income compared to previous year of £58,422 to back dated SLA income for Q1+2 regards the SLA and higher interest received.

Year to Date (YTD) variances for income and expenditure compared to budget (Column C)

- Overall, there is a positive YTD variance of £277,686 this has increased from last quarter and is driven by vacant posts, and unbudgeted income but is misleading for reasons below:

- The positive expenditure variance decreased for the explanations given in the quarter to £85,207. The positive wages variance of £143,669 is due to delay in town team recruiting and vacant posts, if discounted the position would be adverse (£58,462). It is expected that the variances with exception of salaries will unwind in the second half of the year as the work patterns shift and overspends not follow though to year end.

- The income variance remains positive driven by unbudgeted neighbourhood fund of £165,836, if discounted the position would be positive £26,643 per the quarter explanation. It should be noted that the neighbourhood fund increase is not revenue for covering overspends it is for future projects or match expenditure commitments.

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Year to Date (YTD) variances for income and expenditure compared to prior year (Column D)

- Overall, there is a positive variance of £159,641 a decrease of £172,856, from last quarter per explanations for the quarter.

- The expenditure negative variance has increased to (£276,755) while there are timing variances on capital and building, overall this is not unexpected, due to inflation on expenses and the pay award provision and addition of stepping up team.

- Income compared to last year has increased by £58,422 for the quarter to £426,396. Whilst the precept has increased income by £619,505, grants, CIL and assets is lower by (£77,783). Other income due to lower SLA value but offset by some increases is overall lower by (£105,353.).

Recommendations

(i) Report be noted, (net) Income and expenditure broadly in line with budget, for break even position at year end.