



**SHREWSBURY TOWN COUNCIL
FINANCE & GENERAL PURPOSES COMMITTEE
30th JULY 2018**

Agenda No

6i

Responsible Officer: Andy Watkin - RFO

Statement of Accounts for the quarter 30.06.18

1 Purpose of Report

To appraise members on the following:

- 1.1 The financial position of the Council for the first quarter of the 2018/19 financial year, and the year to date position.
- 1.2 Please note that these accounts do not include a provision for depreciation and earmarked reserves which are included in the final published accounts, which are non cash items.

2 Accounts preparation

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

3 Income and Expenditure account for the 1st quarter ended 30th June 16 compared to budget (column A)

- 3.1 Per the attached detailed and consolidated Income & Expenditure account report, there is an overall positive variance of £470,612 compared to the budget.
- 3.2 Expenditure is a negative variance of £50,716. There are small positive negative variances due to timing issues of spending budgets the main driver is £28,594 of play equipment which will be financed by commuted sums but also overtime £6,913 and building maintenance £13,725.
- 3.3 There is also a positive variance on income of £521,328 due to sums received in respect of neighbourhood fund and commuted sums, not budgeted although expected due to change in accounting treatment now show as income.

4 Income and Expenditure account for the 1st Quarter ended 30th June 16 compared to prior year (Column B)

- 4.1 When comparing the first quarter to the same period in the prior year there is an overall positive variance of £420,729
- 4.2 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.

- 4.3 The expenditure variance is negative, spending increased by £219,648 to total £908,871 for the quarter. This is due to increases in costs of products, services and salaries and borne out by the many small red negative variances eg 4130 Property insurance (£1,201). The major variances are:

- (24,598) 4000 – Wages, pay inflation and staff recruitment
- (22,973) 4110 – Rates, timing of invoice received Q2 prior year
- (31,246) 4170 – Building maintenance, front loaded and Cost centre overspend
- (23,392) 4235 – Play equipment, replacement equipment
- (12,598) 4300 – Ride on maintenance, machine repairs
- (60,350) 4640 – Election costs, 2017 elections
- (11,302) 4700 – Town promotions, counting infrastructure

- 4.4 There is a positive variance on income of £640,377, other than small variances which are down to inflationary increases in scale of charges the main drivers are:

- (2,516) 1130 Fishing, change in licence and running
- (10,247) 1700 Revenue grants, decrease in youth funding
- 511,961 1750 Commuted sums, change in accounting treatment
- 7,500 1600 Sale of assets, equipment part exchanged
- 128,038 1900 Precept, 9.99% increase in rate

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

- 5.1 Same figures and explanations as 1st quarter

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

- 6.1 Same figures and explanations as 1st quarter

7 Recommendations

- 7.1 Income and collection is in line with expectations

- 7.2 There are no areas of concern regards spending that need addressing.



- 7.3 Expectations are that interest rates will increase despite the Monetary Policy Committee (MPC) keeping them at 0.25% earlier in the month. The most recent vote was 6:3 not the expected 7:2 implying a greater likelihood of an August increase. The impacts of leaving the European Union (EU) in under a year are unknown but likely to impact on imports later in the year hitting utilities and generally leading to inflation.