



**SHREWSBURY TOWN COUNCIL  
FINANCE & GENERAL PURPOSES COMMITTEE  
1<sup>st</sup> AUGUST 2016**

Agenda No

6i

**Responsible Officer: Andy Watkin - RFO**

**Statement of Accounts for the quarter 30.06.16**

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**1 Purpose of Report**

To appraise members on the following:

- 1.1 The financial position of the Council for the first quarter of the 2016/17 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 1<sup>st</sup> quarter ended 30<sup>th</sup> June 16 compared to budget (column A)**

- 3.1 Per the attached detailed consolidated Income & Expenditure account report, there is a positive variance compared to the budget of £13,936.
- 3.2 There is a negative variance on income of (£109) and the major variances are:
  - (5,386) 1870 – Interest Income, bond maturity dates altered impact Q1.
  - 3,561 1400 – SLA, inflation higher than expected.
- 3.3 The (£109) is split over the cost centres per the variances in 3.2 above, organisation variance (£5,228) due to lower than budgeted interest income and the SLA positive variance split over amenity, recreational and countryside cost centres.
- 3.4 Expenditure is a positive variance of £14,045. The majority of these are timing issues with spending of budgets with the exception of:
  - 12,683 4000 – Wages, leavers and delays in appointing replacements
  - (4,716) 4685 – Professional fees, consultant costs and legal re leases
- 3.5 The £14,045 is split between various cost centres showing marginal positive and negative variances highlighting the different peak times and costs incurred except for organisation (3,129) due to the professional fees per 3.4.



#### **4 Income and Expenditure account for the 1st Quarter ended 30<sup>th</sup> June 16 compared to prior year (Column B)**

4.1 When comparing the first quarter of 2016/17 to 2015/16 there is an overall positive variance of £49,469.

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 There is a positive variance on income of £59,212, other than small variances which fluctuate between nominal codes the major variances are:

16,565 1010 – Indoor Market income re 15/16 adj  
25,620 1400 – SLA, Youth services agreement 16/17 income only  
22,622 1900 – Precept, increase in tax base

4.4 The cost centre variances are due to where the nominal changes impacted namely Organisational £23,993, markets £11,915 and Community £21,366.

4.5 The expenditure variance is negative, to the tune of (£9,743). Apart from timing the major variances are:

(14,048) 4000 – Wages, Youth services  
(7,755) 4010 – Er's NI, Changes to rates by government  
7,623 4170 – Buildings repairs, timing of expenditure

4.6 The expenditure cost centre variances are felt in the Community cost centre which is due to the provision of youth services, this variance will disappear later in the year, the other variances are spread amongst all cost centres.

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

5.1 Same figures and explanations as 1<sup>st</sup> quarter

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

6.1 Same figures and explanations as 1<sup>st</sup> quarter

#### **7 Recommendations**

7.1 Income is in line with expectations, and no issues regarding actual collection, per the balance sheet.



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

7.3 Expectations are that interest rates will decrease further despite the Monetary Policy Committee (MPC) keeping them at 0.5% earlier in the month. The impacts of leaving the European Union (EU) are unknown but likely to impact on imports later in the year hitting utilities and generally leading to inflation.