



**SHREWSBURY TOWN COUNCIL
FINANCE & GENERAL PURPOSES COMMITTEE
7th AUGUST 2017**

Agenda No

6i

Responsible Officer: Andy Watkin - RFO

Statement of Accounts for the quarter 30.06.17

1 Purpose of Report

To appraise members on the following:

- 1.1 The financial position of the Council for the first quarter of the 2017/18 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 £42,044 compared to the budget.
- 3.2 Expenditure is a positive variance of £34,414. The majority of these are positive and due to timing issues with spending of budgets with the odd negative eg 4267 Horticultural Materials (6,444).
- 3.3 There is also a positive variance on income of £7,610 these are timing issues with the exception of the following:
 - 5,868 – 1400 SLA, inflation higher than budgeted
 - (4,920) – 1870 Interest rec'd, lower interest rates and timing of bonds maturing

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 of 2017/18 to 2016/17 there is an overall positive variance of £98,029.
- 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 a positive £2,171. This is despite increases in costs of products and services borne out by the many small red negative variances eg 4450 Vehicle insurance (738), apart from timing the major variances are:

(8,995) 4000 – Wages, pay inflation and Youth services
(11,249) 4100 – Rent, due on Riggs Hall not incurred last year
7,844 4685 – Professional fees, costs incurred prior year

4.4 There is a positive variance on income of £95,818, other than small variances which are down to inflationary increases in scale of charges the main drivers are:

(4.434) 1010 Commercial, livestock market income decrease
9,279 1100 Events/fairs, 80's concert and other events
10,753 1400 SLA, Increase due to inflation on the contract
9,663 1880 Inv income, increase in property fund holding
67,365 1900 Precept, 3.99 increase in rate paid

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 but not until 2018. 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.