



**SHREWSBURY TOWN COUNCIL  
FINANCE & GENERAL PURPOSES COMMITTEE  
10<sup>th</sup> FEBRUARY 2020**

Agenda No

**6i**

**Responsible Officer: Andy Watkin - RFO**

**Statement of Accounts for the quarter 31.12.19**

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**1 Purpose of Report**

To appraise members on the following:

- 1.1 The financial position of the Council for the third quarter of the 2019/20 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 3rd quarter ended 31<sup>st</sup> December 19 compared to budget (column A)**

- 3.1 Per the attached detailed and consolidated Income & Expenditure account report, there is an overall negative variance of (£311,703) compared to the budget.
- 3.2 Expenditure is a negative variance of (£311,847). There are small positive and negative variances due to timing issues of spending budgets the main driver is (£254,213) 4950, of capital or earmarked expenditure for Monkmoor, LED lights and machinery, (£26,488) 4235 play parks and (£54,085) 4170 building works fishing, allotments work all covered by earmarked reserves.

The JE report has been implemented and this has led to the positive variance on gross wages compared to budget and creditor carried forward of £23,071 as higher provisions were made. No provision has been made in respect of appeals.

- 3.3 There is a positive variance on income of £144, with small positive variances for revenue grants and adverse variance from sports lettings due to a few issues but predominantly the closure of the astro turf pitch for refurbishment.

**4 Income and Expenditure account for the 3rd Quarter ended 31<sup>st</sup> December 19 compared to prior year (Column B)**



4.1 When comparing the second quarter to the same period in the prior year there is a similar overall negative variance of (£328,156).

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, (£298,936) for the quarter. Small variances are expected due to increases in costs of products, services and salaries and borne out by the many small red negative variances. The major variances are:

28,991 4000 – Wages, JE conclusion  
(59,315) 4170 – Building maintenance, earmarked expenditure  
(245,131) 4950 – Capital projects  
(24,366) 4700 – Town promotions, CCTV contribution  
(25,638) 4235 – Play equipment – Refurbishment  
7,944 4580 – IT, change in billing phasing from IT provider

4.4 There is a negative variance on income of (£29,220), other than small variances which are down to inflationary increases in scale of charges the main drivers are:

(15,454) 1400 SLA, net effect of Crematorium contract and SLA increase  
(11,282) 1120 Sports, Monkmoor closed and change of league invoicing

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

5.1 Overall there is a negative variance of (£221,679), which is a significant reduction from the last quarter positive £90,024 but to be expected following the negative variance for the quarter, due to expenditure.

5.2 The expenditure variance is a negative (£221,679), for the reasons explained in 3.2 for the quarter and the prior period spending in relation to earmarked expenditure.

5.3 The income is still a positive £458,627 as no variance in the quarter and is due to positive variance in Q1 due to neighbourhood fund etc.



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

- 6.1 Overall there is a negative variance of (£575,315), this is a increase from the negative (£247,149) in Q2, but to be expected due to (£328,156) in the quarter per 4.1
- 6.2 As expected with rising costs there would be slight negative variance but due to the spending outlined in 4.3 this has contributed to a (£328,156).
- 6.3 There is still a positive variance on income of £57,018, reduced from last quarter for explanations in 4.4.

## **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, whilst large negative variances on expenditure this is earmarked expenditure and part of a capital programme.
- 7.3 Following the recent general election, interest rates remain unchanged by the bank of England MPC