



**SHREWSBURY TOWN COUNCIL  
FINANCE & GENERAL PURPOSES COMMITTEE  
6<sup>th</sup> FEBRUARY 2017**

Agenda No

**7i**

**Responsible Officer: Andy Watkin - RFO**

**Statement of Accounts for the quarter 31.12.16**

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**1 Purpose of Report**

To appraise members on the following:

- 1.1 The financial position of the Council for the third 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.

**Income and Expenditure account for the 3rd quarter ended 31<sup>st</sup> December 16 compared to budget (column A)**

- 2.2 Per the attached detailed consolidated Income & Expenditure account report, there is a positive variance compared to the budget of £57,120.
- 2.3 There is a positive variance on income of £33,194 and the major variances are:
  - 18,056 1420 – Other works, additional income from SC, youth and schools
  - 3,560 1400 – SLA, inflation higher than expected.
  - 7,076 1120 – Sports lettings, correct adverse variance last qtr
- 2.4 The £33,194 is split over the cost centres per the variances in 3.2 above, recreational and community are showing higher positive due to the schools work and additional sports rents.
- 2.5 Expenditure is a positive variance of £23,926. This is due to timing issues with spending of budgets.
- 2.6 The £23,926 is split between various cost centres showing marginal positive and negative variances highlighting the different peak times and costs incurred.



### **3 Income and Expenditure account for the 3rd Quarter ended 31st December 16 compared to prior year (Column B)**

- 3.1 When comparing the third quarter of 2016/17 to 2015/16 there is an overall positive variance of £33,263.
- 3.2 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.
- 3.3 There is a positive variance on income of £38,347, other than small variances which fluctuate between nominal codes the major variances are:
- 12,257 1420 – Other works, additional schools and youth work
  - 25,619 1400 – SLA, Youth services agreement commenced Jan 16
  - (7,881) 1600 – Sale of assets
- 3.4 The cost centre variances are due to where the nominal changes impacted namely Operational (£7,239) and Community £28,666.
- 3.5 The expenditure variance is negative, to the tune of (£5,083). Apart from timing the major variances are:
- (25,720) 4000 – Wages, Youth services
  - (9,249) 4010 – Er's NI, Changes to rates by government
  - (7,707) 4020 – Casual, SC secondment for the qtr
  - (7,650) 4100 – Rent, Riggs hall not incurred prior year
  - 20,249 4170 – Buildings repairs, timing of expenditure
  - (8,823) 4580 – Computer, WAN charges etc
- 3.6 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.

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

- 4.1 Overall there is a positive variance of £71,555
- 4.2 There is a positive variance on income of £42,421, due to some additional income and inflation higher than expected for contracted income
- 4.3 There is a positive variance on expenditure of £29,134 slight overspends or additional costs have been offset by some reductions compared to budget.



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

5.1 Overall there is a positive variance of £31,143.

5.2 There is a negative variance on income of (£33,613) this is due to sale proceeds received in the prior year of £154,814. Whilst the precept increased due to the tax base, Youth services income and other increases.

5.3 There is a positive variance on expenditure of £64,756 due to the reinvestment of sale proceeds in the previous financial year of £141,608. Youth costs on wages reduces this as spending only started in Q4 of 15/16.

## **6 Recommendations**

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

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

6.3 Underspends will be investigated and possible spending plans for 2017/18 brought forward.