



**SHREWSBURY TOWN COUNCIL  
FINANCE & GENERAL PURPOSES COMMITTEE  
5th FEBRUARY 2018**

Agenda No

**7i**

**Responsible Officer: Andy Watkin - RFO**

**Statement of Accounts for the quarter 31.12.17**

---

**1 Purpose of Report**

To appraise members on the following:

- 1.1 The financial position of the Council for the third 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 3<sup>rd</sup> quarter ended 31<sup>st</sup> December 2017 compared to budget (column A)**

- 3.1 Per the attached detailed and consolidated Income & Expenditure account report, there is an overall positive variance of £643,877 compared to the budget.
- 3.2 There is a positive expenditure variance of £55,183 which is a little misleading as £36,306 net of earmarked reserves and capital have been released therefore leaving a net £18,877 underspend and the year to date position gives a true reflection, see 5.1. The material variances are as follows:

8,860 - 4330 Ride on maintenance, timing of repairs  
6,274 – 4308 Winter maintenance, timing of maintenance  
6,200 – 4170 Building maintenance, timing of maintenance  
5,050 – 4205+4252 Tree pruning, timing of expenditure  
(19,406) – 4700, Geo sense project

- 3.3 There is also a positive variance on income of £588,694 these are timing issues with the exception of the following:

5,869 – 1400 SLA, inflation higher than budgeted  
543,590 – 1600 sale of assets, land proceeds  
19,379 – 1420 Other works, additional work



#### **4 Income and Expenditure account for the 3rd Quarter ended 31<sup>st</sup> December 2017 compared to prior year (Column B)**

4.1 When comparing the third quarter of 2017/18 to 2016/17 to previous year there is a similar trend to that of the budget and overall positive variance of £516,477.

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 negative £65,494. The major variances are:

(6,258) 4100 – Rent, due on Riggs Hall not incurred in full last year  
(17,945) 4170 – Buildings, timing, see YTD position  
(15,152) 4685 – Professional fees, capital sale costs and legal fees  
(22,012) 4700 – Promotions, Geo sense project

4.4 There is a positive variance on income of £581,971, other than small variances which are down to inflationary increases in scale of charges the main drivers are:

10,753 1400 - SLA, Increase due to inflation on the contract  
11,278 1880 - Inv income, increase in property fund holding  
541,471 1600 – Capital, sale proceeds

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

5.1 Overall there is a positive variance of £639,278

5.2 There is a positive variance on expenditure of £36,295

5.3 There is a positive variance on income of £602,983 due to capital receipts

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

6.1 Overall there is a positive variance of 536,038

6.2 As expected with rising costs there is a negative variance on expenditure of (£147,795) due to the reasons stated in 4.3 some of which like rent are for 3 quarters not just one quarter.

6.3 There is a positive variance on income of £683,833 due mainly to one off capital receipt as well as the SLA and precept increases.



## **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 The current positive variance will roll forward to the final quarter and forecast shows positive variance for expenditure and income.
- 7.4 Future expenditure to be reviewed to bring forward and utilise available funds