

UNAUDITED ACCOUNTS

Shrewsbury Town Council



Annual Report and Accounts

for the year ended 31st March 2015

UNAUDITED ACCOUNTS

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**Shrewsbury Town Council
Annual Report
For the Year Ended 31st March 2015**

COUNCIL INFORMATION

Mayor

Miles Kenny

Councillors

Peter Adams
Beverley Baker
Andrew Bannerman
Anne Chebsey
Hannah Fraser
Ioan Jones
Jane Mackenzie
Pam Moseley
Alan Mosley
Peter Nutting
Kathleen Owen
Kevin Pardy
Malcolm Price
Keith Roberts
Jon Tandy
Alan Townsend

Clerk to the Council

Helen Ball BA Hons, FILCM

Internal Auditors

Auditing Solutions Ltd
Clackerbrook
46 The Common
Bromham
Chippenham
SN15 2JJ

External Auditors

Mazars LLP
The Rivergreen Centre
Aykley Heads
Durham
DH1 5TS

Further information about the accounts is available from Guildhall, Frankwell Quay, Shrewsbury, SY3 8HR. It is the Council's policy to provide full information about its affairs. Interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised in the press and on the Council's notice boards, and on the website.

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PRINCIPAL ACTIVITIES OF THE COUNCIL

Shrewsbury Town Council is part of the 'parish council sector' and as such, is the first tier of local government, the closest council body to the residents of Shrewsbury. Shrewsbury Town Council works closely with the other tiers of local government for the area, namely Shropshire Council, with a view to facilitating a 'joined up' approach across all parties in order to deliver the highest quality services and facilities to the local residents.

The Town Council is working on a Mission Statement and objectives, however the following strap line has been adopted:

Putting Shrewsbury First

Our Purpose

The purpose of the Town Council is: To create civic pride by providing a safe, tidy environment for residents and visitors to enjoy. We aim to improve people's quality of life by providing recreational areas and facilities for the public to pursue hobbies, a variety of sporting activities or just relax.

To provide an opportunity for young children to develop social skills and appreciate the value of play via the provision of safe children's play areas.

To provide a voice for the residents of Shrewsbury and be an advocate on all issue affecting the town.

Our Vision

To provide civic leadership in all aspects of making Shrewsbury socially, environmentally, economically and culturally sustainable and promote Shrewsbury as a good place to live, work and raise a family.

Our Aim

Our aim is to encourage and promote the best environmental, social, economic and commercial practices in and for the town of Shrewsbury, and to effectively, efficiently and economically manage our assets and resources to deliver the services for which we have responsibility, for the betterment and benefit of the local community and to secure value for money.

To achieve our aim we will strive to:

- Provide high quality value for money local services
- Be responsive to the needs and aspirations of the local community
- Promote the town of Shrewsbury and Shrewsbury Town Council at local, county, regional, national and international levels
- Develop partnership and agency working with the public, voluntary and private sectors for the benefit of the community
- Promote environmental sustainability and Fair Trade
- Involve local people in meaningful dialogue to shape vision and policy
- Help create a socially inclusive and caring community which embraces all its residents, irrespective of age, disabilities, culture, income, race or religion and which seeks to develop their well being, knowledge, understanding and mutual cooperation.

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Shrewsbury Town Council is widely consulted on a range of strategic priorities, from the recently announced cycle network to large developments planned over the next 30 years, through the Local Development Framework, Core Strategy documents and local planning issues.

DIRECT SERVICE DELIVERY AREAS

The Quarry and Dingle

The Quarry continues to be used for a wide range of planned activities from the Flower Show, Food Festival to the weekly ParkRun events, and is used most weekends of the year. As well as the planned activities it is the hub for the residents and visitors to Shrewsbury for leisure and recreational purposes every day of the year. The Town Council has altered the premises licence to provide a wide range of diverse events in the Quarry and is allowing musical groups to use the band stand. The Public Conveniences in the Quarry are now open for longer during British Summer Time in line with the opening hours of the Dingle the beautiful tranquil garden designed by Percy Thrower in the heart of the Quarry.

Playing Fields and Open Spaces

The Town Council is responsible for the maintenance of the majority of playing fields and open spaces located in the town. This responsibility includes the grass cutting, litter picking and all other maintenance costs.

The countryside land within the town boundary is now under the control and management of Shrewsbury Town Council with the freehold in the process of being transferred from Shropshire Council, and this asset will compliment the other open spaces for the town residents.

Allotments

There are twelve allotment sites, and the waiting list for prospective allotment holders continues to be very long. In these days of financial constraints, this type of pastime is increasing in popularity whilst also providing a good workout. The Council is exploring new opportunities to develop new sites to reduce the waiting lists, the Bowbrook extension has recently been completed.

Play Areas

The maintenance of the Town Council's many play areas continues to be a priority. Specifically trained personnel inspect the play areas every week, for both Health and Safety and maintenance issues, and they are also inspected annually by ROSPA. Spring programmes of refurbishment are carried out to ensure the equipment is ready for the busy spring / summer season.

Community Centres and Community Safety

The Town Council owns two Community Centres which are run by local residents in the Castlefields and Ditherington area.

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Shrewsbury Town Council Annual Report For the Year Ended 31st March 2015

Three neighbourhood warden positions were created and became operational with specific daily tasks in all the wards but are also available to respond in a quick and timely manner to any issues.

Sports Facilities

Shrewsbury Town Council owns two sports pavilions at the County Ground and Springfield, with associated football pitches and cricket wickets, these facilities are used by numerous teams, through the year. There are other football pitches available and through a "key scheme" there are tennis and crown green bowling facilities available.

The Monkmoor Recreation Park which includes astroturf, and grass football pitches, tennis courts, croquet and bowls is now being run and managed by Shrewsbury Town Council. The freehold is in the process of being transferred from Shropshire Council.

Grounds Maintenance

This area is one of the largest costs to Shrewsbury Town Council. The work is carried out by an in-house team of grounds maintenance staff across all the assets and amenity areas as well as Shropshire Council premises within the Town which are operated via a Service Level Agreement (SLA).

Christmas lights

The Town Council is responsible for the Christmas lights displayed in the town. These are now all LED to reduce energy consumption and increase brightness. A new display was introduced in 2014 as the first year of the new three year scheme.

Bus shelters

The cleaning and repairing of all the bus shelters in the town with the exception of the Raven Meadows Bus Station is undertaken by the Town Council.

Street lights

The Town Council is responsible for all aspects of repairing and running over 450 footway lights around the town.

Public Conveniences

There are 7 public conveniences located around the town which are maintained by the Town Council. There is a constant battle with anti social behaviour, which the Town Council is taking into consideration for any planned improvements, deep cleansing has been incorporated into the maintenance routines. The redeveloped Butcher Row Toilets and Changing Places are now open, there are now longer opening hours for some key sites during the summer and some events.

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Civic Pride

Shrewsbury Town Council has taken over the civic responsibilities from the former Borough Council and the Mayor continues to be a focal point and figurehead to promote Shrewsbury and the Town Council.

The Mayor, Councillors and officers contribute to the Annual Town Meeting, Mayor Making Ceremony as well as Remembrance Sunday and other Civic events throughout the year.

The Mayoral Awards were introduced to recognise enterprise, endeavours and contribution across various awards ranging from business, environmental, community youth and tourism.

Members Allowances

The seventeen councillors are all entitled to receive a small allowance for their work as Town Councillors. The Town Council adopted the recommendation of the Independent Remuneration Panel in allocating £1,000 per annum to all Councillors under the Local Authorities (Members Allowances) (England) Regulations 2003.

In addition the Mayor and Deputy Mayor receive a combined total of £6,500 per annum, to contribute towards the expenses of running the office of Mayor, in accordance with s15(5) Local Government Act 1972.

Britain in Bloom

Shrewsbury is often referred to as the Town of Flowers due to its success in Britain in Bloom and Entente Florale. The Town Council strives to continue this tradition to ensure that Shrewsbury is a welcoming town improving the quality of life for both residents and visitors alike through floral enhancement.

The Council encourages local business to participate by selling hanging baskets and maintains and waters them at competitive rates.

All floral beds and roundabouts form part of the Shrewsbury in Bloom sponsorship package, the proceeds from which funds community enhancements.

Other Services and events

The Town Council works alongside other bodies or provides grants to put on events in the town during the year including the ever popular Summer Season, Christmas Lights switch-on, Carols in the square and the Cycle Grand Prix.

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FINANCIAL SUMMARY

Shrewsbury Town Council currently receives no money from Central Government. It is self funding except for a small precept levied on the ratepayers of Shrewsbury, which constitutes a very small portion of the overall Council Tax bill; Only residential dwelling council tax is included in the precept to the Town Council, business rates being excluded.

The Town Council has in the past benefitted from Council Tax Support Grant from Government via Shropshire Council (the Council Tax Billing Authority). In February 2015, Shropshire Council resolved to withdraw the grant in its entirety from every Parish Town Council.

Each year, the council calculates the amount of money that it needs in order to deliver its services, and this amount is collected by Shropshire Council from the council tax paid by Shrewsbury residents. Since 2009 the Town Council has been in receipt of a 10 year diminishing grant from Shropshire Council which has decreased annually by £41,500 per year (see note 4 of the accounts). This grant prevented a large increase in the precept when the Town Council was formed and anticipated a year on year increase in precept to offset the reduction. There have been no increases for the last few years. This year the Town Council offered to waive its allocation to support budget reductions imposed on Shropshire Council by Central Government.

Shrewsbury Town Council has a significant Service Level Agreement for 10 years to provide Grounds Maintenance for Shropshire Council until 2018/19.

The budget for the year 1st April 2014 to 31st March 2015 was approved by the Full Council in January 2014. The precept was set at £858,902 which equates to £39.89 at band D. The following budget comparison shows the actual spend against budget, with corresponding variances.

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Budget Comparison for the year ended 31 March 2015

	Actual £	Budget £	Variance £
Income			
Grants	347,830	312,336	35,494
Markets	439,826	423,685	16,141
Residential and commercial rents	26,548	32,212	(5,664)
Interest	26,169	43,000	(16,831)
Community centres and sports facilities	41,363	35,740	5,623
Grounds maintenance, countryside & allotments	1,653,597	1,656,757	(3,160)
Other including sale of assets and S106 cont.	65,672	9,475	56,197
	<hr/> 2,601,005	<hr/> 2,513,205	<hr/> 87,800
Expenses and capital costs			
Management and support costs	(400,779)	(420,591)	19,812
Democratic	(123,750)	(137,966)	14,216
Markets	(106,314)	(117,980)	11,666
Residential and commercial rents	(10,281)	(9,513)	(768)
Community centres and sports facilities	(192,802)	(169,520)	(23,282)
Grounds maintenance and allotments	(1,772,576)	(1,804,572)	31,996
Public conveniences	(96,692)	(113,310)	16,618
Bus shelters	(27,224)	(47,094)	19,870
Street lighting	(53,172)	(54,148)	976
Christmas lights	(52,916)	(50,270)	(2,646)
Capital	(104,844)	(55,000)	(49,844)
Earmarked and other specific reserves	(519,879)	(447,906)	(71,973)
	<hr/> (3,461,229)	<hr/> (3,427,870)	<hr/> (33,359)
Transfer to / (from) general reserves	(1,322)	(55,763)	54,441
Precept	<hr/> 858,902	<hr/> 858,902	<hr/> -

Variances

Overall the position is £54,441 better than budgeted, the deficit to general reserves is less than expected.

On the income side there was an overall positive variance of £87,800 which is the difference between actual and budgeted figures.

The positive variance of £35,494 on grants received was mainly due to the Portas fund, the Big Tree plant along with some Shropshire Council LJC projects.

The interest received variance occurred due to the continued low Bank of England base rate coupled with quantitative easing, banks are not offering higher interest rates as they have alternatives to borrowing on the open market. This is not expected to change in the foreseeable future.

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The positive variance on the grounds maintenance, countryside and allotments income was due to the council winning more external grounds maintenance contracts in Shrewsbury.

The other positive income variances arose from the sale of assets as part of the upgrading of key grounds maintenance machines and the use of S106 monies in the year.

The expenditure variance overall was a negative £33,359 which was due to the spending of additional income from grants and S106 and the movement on earmarked reserves following capital works and capital purchases, the majority of the other cost centres were positive.

A number of cost savings have also been identified by officers from better discounts, changing suppliers and scrutinising contracts.

There is a negative variance on movement to general reserves of £71,973 from the budget as the overall position at the end of year was better allowing more funds to be allocated for earmarked

The total income and expenditure variances of £1,322 were carried forward to the General Fund per the Statement of Reserves on page 25.

Fixed Asset additions

During the year, a number of grounds maintenance machines were upgraded as part of the fleet management process with the replaced machines being sold at a public auction.

Accounting policies

The Town Council has not made any changes to the accounting policies in the year.

Borrowing facilities

Shrewsbury Town Council does not currently owe the Public Works Loans Board any money. The Council does not have a fixed borrowing facility and finances are raised, if required on a project by project basis.

Funding

The Town Council's current capital expenditure plans will be funded through underspend on the revenue budget and earmarked reserves. The surplus for the year is initially transferred to the general reserves before being earmarked for specific projects.

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Shrewsbury Town Council Annual Report For the Year Ended 31st March 2015

Financial statements

The Town Council's Statement of Accounts for the Year Ended 31st March 2013 are set out in pages 10 - 35 of this document. They consist of the following statements:

- The Statement of Accounting Policies
This statement details the legislation and the accounting principles on which the financial statements are prepared.
- The Annual Governance Statement
This statement by the Town Council confirms there is a sound system of internal control in place and that all regulations and proper practices have been adhered to in the preparation of the end of year accounts.
- The Statement of Responsibilities
This statement identifies the Town Council's responsibilities and identifies the officer who is responsible for the Town Council's financial affairs.
- The Income and Expenditure Account
This document shows the Income generated and the total Expenditure incurred on the services provided by the Town Council for the year.
- The Statement of Movements of Reserves
This statement shows the effect on the Town Council's surplus or deficit after allowing for movements in reserves.
- The Balance Sheet
This sets out the financial position of the Town Council on 31st March. It shows the value of its assets, the value of its cash and bank values, how much it is owed and how much it owes together with the balance of reserves at its disposal.
- Notes to the Accounts
These provide further information on the amounts included in the financial statements.

Future Developments

The Town Council has earmarked funds to improve the quarry play park and is intending to takeover the paddling pool from Shropshire Council with a view to converting it to a splashpark to substantially increase the opening hours and availability to the public.

The capital expenditure for the vehicle and equipment replacement plans will continue. Other capital programmes are only in their infancy but funds have been earmarked to finance them.

Shrewsbury Town Council will update its Medium Term Financial Plan during 2015/16, which puts in place a financial strategy for the next 3 - 5 years, to incorporate the council's new visions.

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Shrewsbury Town Council Statement of Accounting Policies 31 March 2015

Accounting Convention

The accounts have been prepared in accordance with the Governance and Accountability for Local Councils – A Practitioners Guide (England).

These accounts have been prepared having regard to the fundamental accounting concepts of:

- Going Concern
- Prudence
- Accruals
- Relevance
- Consistency
- Reliability
- Comparability
- Understandability
- Materiality

The accounts have been prepared under the historical cost convention.

Prior to 1st April 2010, the Town Council's accounts were prepared in line with the Financial Reporting Standard for Smaller Entities (FRSSE 2008). In accordance with the Account & Audit Regulations 2011, the Town Council is considered a "smaller body" and subject to "Limited Assurances" Audit. The change from the FRSSE has resulted in a review of accounting policies, with changes in respect of the treatment of Fixed Assets and Grants or Contributions from Government or related bodies.

Fixed Assets

All expenditure on the acquisition, creation or enhancement of fixed assets above the Town Council de-minimis (currently £5,000) is capitalised on an accruals basis in the accounts. Expenditure on fixed assets is capitalised, provided that the fixed asset yields benefits to the Town Council and the services it provides, for a period of more than one year. Expenditure on fixed assets is then included in the Balance Sheet with a corresponding transaction shown in the Capital Financing Account.

Depreciation is provided on all operational buildings (but not land), as well as other assets. Depreciation is not shown in the Council's Income and Expenditure account but is transferred directly to the Capital Financing Account.

Fixed Assets are included in the Balance Sheet at valuations current on 31st March 2010. These assets together with subsequent acquisitions and enhancements and will not be subject to revaluations.

Commercial and residential properties are classed as investment properties and revalued on a 5 yearly basis. The changes in the Market Value are taken to the Capital Financing Account.

Depreciation Policy

Depreciation is calculated on the following basis:

- Buildings and leasehold land are depreciated over the shorter of 50 years or the anticipated remaining useful lives on a straight line basis.
- Freehold land is not depreciated.

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Shrewsbury Town Council Statement of Accounting Policies 31 March 2015

- Non Operational Assets (including Investment Properties) are not depreciated.
- Vehicles, plant and equipment and furniture over 3 to 10 years on a straight line basis.
- Play equipment over 5 to 10 years on a straight line basis.
- Community Assets are not depreciated.

Only fixed assets purchased in the first half of the year are depreciated in the year of acquisition.

Disposals

Where an asset is disposed of at a value above the de-minimus limit (currently £5,000), the proceeds of which are a capital receipt under the Local Authorities (Capital Financing and Accounting) (England) Regulations 2003, the resultant gain or loss is reported in the Income and Expenditure Account and the proceeds are carried to the Useable Capital Receipts Reserve.

Grants or Contributions from Government or Related Bodies

Any grants or contributions are taken to the Income and Expenditure report where the conditions have been met.

Where a fixed asset has been acquired or improved with the financing either wholly or in part by a grant or contribution from government or a related body, e.g. Sports Council, the full amount of the grant has been included in the Income and Expenditure Account to offset the cost of purchasing the relevant asset.

Investments

Investments are included in the Balance Sheet at historic cost and realised gains or losses are taken into the Income and Expenditure account as realised.

Stocks

Stocks where relevant are being constantly replaced and their value is not material to assessing the Town Council's state of affairs as a result stock is written off directly to revenue expenditure.

Debtors and Creditors

The revenue accounts of the Town Council are maintained on an accruals basis in accordance with the Accounting and Audit Regulations. That is sums due to or from the Town Council during the year are included whether or not the cash has actually been received or paid in the year. Exceptions to this are payment of regular quarterly and other accounts (e.g. telephones, electricity) if the amount is not material. This policy is applied consistently each year. Therefore, it will not have a material effect on the year's accounts or on the Town Council's annual budget.

The Town Council reviews the level of its commercial debtors on a regular basis and provisions are made, as required, where the likelihood of amounts proving ultimately collectable is in doubt.

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Shrewsbury Town Council Statement of Accounting Policies 31 March 2015

Value Added Tax

Income and Expenditure excludes any amounts related to VAT, as all VAT suffered/collected is recoverable from or payable to HM Revenue and Customs. Any amounts not so recoverable are treated as a separate expense.

External Loan Repayments

Details of the Town Council's external borrowings if relevant are shown in the notes.

The Town Council is required by the Guide to incorporate external borrowings in its Balance Sheet.

Leases

The Town Council has no finance leases. Rentals payable under operating leases are charged to revenue on a straight line basis over the term of the lease.

Reserves

The Town Council maintains certain earmarked reserves to meet general and specific future expenditure. The purpose of the Town Council's reserves is explained in the notes.

The Capital Financing Account is maintained to manage the accounting processes for tangible fixed assets and investment properties, and does not represent usable resources for the Town Council.

Capital receipts arising from the disposal of fixed assets are taken to the Useable Capital Receipts Reserve until such time as they are used to finance new capital expenditure.

Interest Income

All interest receipts are credited initially to general funds.

Pensions

The pension costs that are charged against precept in the Town Council's accounts, in respect of its employees, are equal to the contributions paid to the funded pension scheme for those employees.

These contributions are determined by the fund's actuary on a triennial basis and are set to meet 100% of the liabilities of the pension fund, in accordance with relevant government regulations.

The next actuarial valuation is due 2017. And any changes will take effect from 1 April 2017.

The Local Government Pension Scheme is accounted for as a defined benefit scheme.

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Shrewsbury Town Council Statement of Accounting Policies 31 March 2015

Acquired and Discontinued Operations

Income and expenditure relating to an acquired or discontinued operation would be shown separately on the Income and Expenditure Account. Any liabilities in respect of discontinued operations would be disclosed separately as a note to the Balance Sheet.

Exceptional, Extraordinary Items and Prior Period Adjustments

Any Exceptional or Extraordinary Items will be disclosed on the face of the Income and Expenditure accounts and explained in the notes to the accounts.

Prior Period Adjustments are material adjustments applicable to prior years for changes in accounting policies or the correction of fundamental errors. Any adjustments referring to earlier accounting years are made by adjusting the comparative figures for the preceding year and adjusting the opening balances of reserves accordingly and explained in the notes to the accounts.

Post Balance Sheet Events

Where a material post Balance Sheet event occurs which provides additional evidence relating to conditions existing at the Balance Sheet date or indicates the going concern concept to a material part of the Town Council is not appropriate, changes are made in the amounts included in the statement of accounts.

Any occurrence of a material post Balance Sheet event which concerns conditions which did not exist at the balance sheet date are disclosed in the notes to the accounts detailing the nature of the event and where possible an estimate of the financial effect.

Contingent Assets and Contingent Liabilities

Contingent assets and liabilities are not disclosed in the accounting statements, if any such assets or liabilities exist then these are disclosed as notes to the accounts.

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Shrewsbury Town Council Annual Governance Statement 31st March 2015

Scope of Responsibility

Shrewsbury Town Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Town Council follows the general principles of Best Value in making arrangements to secure the continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Having said that, the Town Council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

The Accounts & Audit Regulations 2011 established Shrewsbury Town Council as a "Smaller Body" and as such is subject to the "Limited Assurances" audit. The Town Council has however made a conscious decision to prepare a wider ranging Governance Statement.

The Town Council approved and adopted on 7 September 2009 a Code of Corporate Governance in accordance with CIPFA/SOLACE guidance.

This statement explains how the Town Council has complied with the code.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Town Council is directed and controlled and its activities through which it accounts to and engages with the community. It enables the Town Council to monitor the achievement of its overarching objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Town Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

A system of internal control has been developed over the last 5 years to comply with the requirements of the Accounts & Audit Regulations 2003 as amended by the Accounts & Audit Regulations (Amendment) (England) Regulations 2006 to ensure the Town Council established proper practices for the annual publication of a Governance Statement.

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Shrewsbury Town Council Annual Governance Statement 31st March 2015

The Governance Framework

Shrewsbury Town Council's governance framework derives from six core principles identified in the 2004 publication entitled The Good Governance Standard for Public Services. This was produced by the Independent Commission on Good Governance in Public Services – a commission set up by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Office for Public Management. The Commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA/SOLACE (2001). These principles were adapted for application to local authorities and published by CIPFA in 2007.

The six core principles are:

- 1 Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;*
- 2 Members and officers working together to achieve a common purpose with clearly defined functions and roles;*
- 3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;*
- 4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;*
- 5 Developing the capacity and capability of members and officers to be effective; and*
- 6 Engaging with local people and other stakeholders to ensure robust public accountability.*

The key elements of each of these core principles at Shrewsbury Town Council are as follows:

- 1 Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area*

The Finance & General Purposes Committee receives regular reports on the work of Internal and External Audit. Where specific problems are found the Town Clerk & Responsible Financial Officer will explain the situation and present plans for improvement. This will be followed up in a subsequent report by Internal Audit.

Once a year there is an Annual Town Meeting where all residents of Shrewsbury are encouraged to come and air their views to the Town Council. This meeting contains the annual meeting and the Shrewsbury wide LJC.

The Town Council has been present at the Shrewsbury Flower Show to promote the Town Council and speak to residents of Shrewsbury, informing them of services they provide and asking the residents what their aspirations are and any problems.

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Shrewsbury Town Council Annual Governance Statement 31st March 2015

Following a review of the LJC structure it was decided to focus LJC activity on the Shrewsbury - wide LJC at which all 17 Town Councillors are members. This allows a strategic overview and influence on decision making, the 6 former LJC's meet on a need to meet basis as issues arise.

The Town Council works closely with the Shropshire Horticultural Society to ensure the continued success of the Shrewsbury Flower Show as a way of promoting Shrewsbury as a tourist destination nationwide. The Town Council is also a member of Destination Shrewsbury, the local tourism management partnership established to promote tourism within the town and surrounding areas.

Members and Officers work with the Shop in the Loop, Shrewsbury Business Chamber, and Shrewsbury Town Centre Residents Association together with colleagues from Shropshire Council to ensure the common goals of making Shrewsbury socially, economically and culturally sustainable and promote Shrewsbury as a good place to live work and raise as family.

The Shrewsbury Business Improvement District has completed its first year of trading. The Town Council is a bid levy payer and the Town Clerk is a BID Board Member.

The members are very active within their own wards and engage with the local community to meet their needs. This year we installed community notice boards in each of the 17 wards to better inform the community of Town Council activities.

Officers attend allotment association and community centre association meetings to ensure the effective running of these community assets and provide assistance where needed.

The Finance & General Purposes Committee is charged with overseeing the Town Council's Medium Term Financial Plan and its long term vision for the organisation and the town. These plans are updated annually as part of the comprehensive preparatory work in readiness for the budget and precept setting.

A formal complaints procedure is in place which is managed by the Town Clerk. Informal complaints are investigated and dealt with by the Managers of the relevant service. Complaints are also filtered through via Shropshire Council computerised system and responded to.

Town Councillors and Unitary Councillors meet regularly to discuss matters of common interest relating to the town.

The Town Council has made use of social media including the continued development of a new website (www.shrewsburytowncouncil.gov.uk), Facebook (www.facebook.com/shrewsburytowncouncil) and Twitter (@ShrewsburyTC). The number of visits to our website, Likes on Facebook and Followers on Twitter has increased considerably this year.

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Shrewsbury Town Council Annual Governance Statement 31st March 2015

2 Members and officers working together to achieve a common purpose with clearly defined functions and roles

Shrewsbury Town Council has adopted both Standing Orders and Financial Regulations which set out how the Town Council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people. Standing Orders and Financial Regulations are reviewed on an annual basis to reflect any changes in structure and procedures and legislation but is subject to continual review during the year as changes to its constituent parts arise.

Policy and decision making are facilitated by a clear framework of delegation set out in the Town Council's Scheme of Delegation, with clear details of delegated authorities to officers.

All reports are reviewed for legal, equalities, crime and disorder, financial and risk considerations prior to being presented to Members of the Town Council for formal decision-making.

Meetings are open to the public except where personal or confidential matters are being discussed.

There is also a robust budget and policy framework and detailed financial procedure rules, which are monitored by the Responsible Financial Officer.

Remuneration for Members is regulated by the Independent Remuneration Panel and the allowances payable are set in accordance with the IRP recommendations.

Remuneration for officers is governed by nationally negotiated pay awards. A system of annual appraisal interviews for all officers is being established.

Excellent working relationships have been established with a range of partners on both formal and informal arrangements.

The Town Council has achieved the criteria to enable the use of the General Power of Competence and has adopted a Statement of Community Involvement. The Town Council has been a Quality Town Council since 2012 and is considered nationally as a council representing best practice.

The Town Council is conscious of the differing roles to be played by members and officers to ensure effective service delivery. Members and Officers have over the last three years developed an excellent working relationship, the product of which has resulted in a strong council, with a good service delivery record and a trust amongst its residents.

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Shrewsbury Town Council Annual Governance Statement 31st March 2015

3 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

The behaviour of Officers and Members is regulated through separate Codes of Conduct which have been formally approved and adopted.

The Town Council has adopted the same Code of Conduct adopted by Shropshire Council, this following changes to the Ethical Framework following the Localism Act 2011.

These Codes are supported by the Councillor/Employee Relations Protocol and all are an integral part of the Town Council's governance as are the Financial Regulations, Contract Procedures and policies on Fraud and Corruption, Money Laundering, Whistleblowing and Internet/email Usage.

All Councillors have signed declarations of acceptance of office and undertaking to abide by the Code of Conduct. Members are also encouraged to review their Register of Members Interests and disclosure of Related Party Transactions on an annual basis.

We have approved the accounting statements, which have been prepared in accordance with the requirements of the Accounting and Audit Regulations proper practices.

4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

The Town Council has an established Committee system with clear delegated powers; this generally allows the Full Council to act as the Overviewer and Scrutineer of Committee decisions.

All reports to Members and all decisions follow a regularly reviewed standard format to ensure that the evidence for decisions is documented and that due consideration is given to all material factors.

All reports are reviewed for legal, equalities, crime and disorder, sustainability, health and wellbeing, financial and risk considerations prior to being presented to Members for formal decision-making.

A schedule of meetings is prepared on an annual basis and details are available on the Town Council's website, where agendas, reports and minutes of all meetings are uploaded in a timely manner.

All meetings of the Town Council are open to the public and provision is made for members of the public to raise any matter of interest or concern with the Town Council.

The behaviour of Officers and Members is regulated through separate Codes of Conduct which have been formally approved and adopted.

We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations, codes of practice which could have a significant financial effect on the ability of the Town Council to conduct its business or on its finances.

We have carried out an assessment of the risks facing the Town Council and taken appropriate steps to manage these risks with the introduction of internal controls and / or external insurance cover where required.

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Shrewsbury Town Council Annual Governance Statement 31st March 2015

A Risk Management Policy, Strategy and Plan are in place and are reviewed annually. Reports on strategic risk are presented to the Finance & General Purposes Committee. Operational risks are included in service plans and the high level risks are also reported to the Finance & General Purposes Committee.

The Town Council operates a Whistleblowing Policy open to both staff and members.

The Town Council has a formal complaints procedure which allows the public or other stakeholders to make a complaint regarding the service received from the Town Council.

The Town Council operates a comprehensive budgeting process supported by effective budgetary control information systems.

The Town Council has established well controlled systems covering the Town Council's financial activities and these are to be reviewed in light of the legislative reform orders in council signatories coming into existence from 1st April 2014.

During the year, the Town Council's Health and Safety process has been expanded, addressing operational risks and ensuring the necessary procedures are in place.

We have maintained throughout the year an adequate and effective system of internal audit of the Town Council's accounting records and control systems and carried out a review of its effectiveness. Over the last year we have continued our excellent working relationship with our internal auditor. The lighter touch audit has meant that contact with our external auditor has been minimal.

The Town Council has developed a capital programme designed to maximise quality project delivery in accordance with the strategic visions of the Town Council. Much of this is included within its Medium Term Financial Plan, which was updated to reflect the outcome of a joint meeting of Town and Unitary councillors to discuss their medium - long term aspiration.

As part of the capital programme, the Town Council has set aside funds for the purchase of both administrative and operational bases given the current lease arrangements with Shropshire Council. The Town Council finished the development of its own operational base which was completed on time and to budget.

We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year end, have a financial impact on the Town Council and where appropriate have included them in the accounting statement.

5 Developing the capacity and capability of members and officers to be effective

An officer induction programme is in place to provide a programme of training appropriate to the officer post.

UNAUDITED ACCOUNTS

Shrewsbury Town Council Annual Governance Statement 31st March 2015

All councillors elected after the May 2013 election were supplied with a new members pack, have received training sessions on annual accounts and budget preparations and offered the councillor training programme run by the Shropshire Association of Local Councils. In addition to this specific training and support is given to the Mayor and Deputy Mayor to enable them to effectively discharge their respective roles both as Civic Heads and Chairman of Council.

Job Descriptions and Person Specifications were reviewed for all posts in light of local government reorganisation and in the event of new posts, an interview panel including both members and officers ensures that the best candidates are appointed into each position.

An annual appraisal process has been developed for operational staff. Further work is ongoing on the development of an appraisal system for admin and management.

Work is currently underway to develop a brief for a review of the Councils management & administration and Grounds Maintenance function.

Significant budget provision is set aside annually to ensure that both member and officer training needs are met.

A significant commitment has also been made towards retaining good staff, by offering benefits such as career grades for professional officers, flexible working arrangements, bespoke training and where relevant membership to professional bodies. This helps to ensure that valuable skills and experience are retained and passed on, rather than being lost. In addition the Town Council has established a fund to support workers learning to drive.

The Town Council benefits from a workforce of many years standing with minimal staff turnover. The Town Council acknowledges staff commitment through its long standing awards scheme.

The Town Council currently has two apprentices on its books, both employed in the Grounds Maintenance Team. They attend Pershore College in Cheshire for their accredited training.

The Town Council has embraced various forms of social media, designed to engage with those who would not necessarily wish to engage with Council activity.

6 Engaging with local people and other stakeholders to ensure robust public accountability

Shrewsbury Town Council recognises that communication with all stakeholders plays a fundamental role in the successful delivery of high quality, cost effective services.

We have provided proper opportunity during the year for the exercise of elector's rights in accordance with the requirements of the Accounting and Audit Regulations.

The Town Council is constantly striving to improve its communications performance, to build on its track record of continuous improvement and to ensure that the authority as a whole is open and accessible to the community, service users and staff. The Town Council employs a Marketing & Promotions Officer, whose remit is to extend the Town Council further into the communities it serves. Their engagement with the local media ensures the public are well informed about Town Council activities.

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Shrewsbury Town Council Annual Governance Statement 31st March 2015

All Town Council meetings are open to the public except where personal or confidential matters are discussed. All public agendas and minutes are placed on the Town Council's website, along with the Town Council's policies and strategies. These items are also available for inspection by directly contacting the Town Council, should anyone be unable to access them electronically.

The Town Council has a formal complaints procedure which allows anyone to make a complaint regarding the standard of service received from the Town Council.

Review of Effectiveness

Shrewsbury Town Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

The review of effectiveness is informed by the work of the Strategic Management Team (comprising the Town Clerk, Operations Manager and Responsible Financial Officer) within the Town Council who have responsibility for the development and maintenance of the governance environment, the Internal Auditor's Reports and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the system of governance includes the following elements:-

- The Town Council has adopted Standing Orders which set out how the Town Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by law; others are based on choices made by the Town Council. The Town Clerk is responsible for reviewing the Standing Orders on a regular basis in order to ensure that it continues to operate effectively. All amendments are subject to approval by the Town Council.
- The Finance & General Purposes Committee has delegated responsibility for monitoring the effectiveness of systems of internal control and plays an important role in the Town Council's risk management processes.
- The Town Council has an external contract with an internal auditor which undertakes 3-4 visits per annum. The internal auditor reports biannually. The reports and actions are reported to the Town Council's Finance & General Purposes Committee which makes recommendations to Full Council. In addition the role and functioning of the Internal Auditor is the subject to an additional effectiveness review.
- The Town Council retains membership of NALC & SLCC which allows for peer review amongst other large Town Councils and through the Town Clerk, Responsible Financial Officer the Council benefits from sharing best practice.

Significant Governance Issues

The following governance issues have been identified as a result of the review of arrangements and by the work of internal and external audit:

- The Town Council needs to extend its appraisal programme to administrative as well as operational

UNAUDITED ACCOUNTS

Shrewsbury Town Council Annual Governance Statement 31st March 2015

staff.

- Due to the establishment of the University Centre Shrewsbury, the Town Council will need to relocate from the Guildhall. Discussions and a feasibility study are ongoing.
- Local Government austerity has meant there are challenges of doing more for less but also the opportunity of taking on other services, and discussions between the Town Council and Shropshire Council are ongoing about service delivery in Shrewsbury.
- The legislative Reform Order on payments together with the Accounts & Audit Bill will require further work on Internal Controls, reporting of decision making and process for keeping members up to speed particularly around their financial duties. This is likely to be the format for further discussions post sign-off of the 2014/15 accounts.

We are working in those arrears that have not yet been fully addressed.

Approval of Statement

This statement was approved by the Full Council on Monday 29th June 2015 when authority was granted for the Mayor of Shrewsbury and Town Clerk to sign.

Mayor of Shrewsbury Town Council (Miles Kenny).....

Town Clerk (Helen Ball)

On behalf of Shrewsbury Town Council

UNAUDITED ACCOUNTS

Shrewsbury Town Council Statement of Responsibilities for the Accounts 31st March 2015

The Town Council's Responsibilities

The Town Council is required:

- To make arrangements for the proper administration of its financial affairs, including the appointment of an Internal Auditor.
- To secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Responsible Financial Officer (RFO).
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the accounts and annual return.
- To set a budget and determine a precept levy on the local rating authority.

The Responsible Financial Officer's Responsibilities

The RFO is responsible for the preparation of the Council's Statement of Accounts as contained in *Governance and Accountability for Local Councils (Part 3) - A Practitioners Guide (England) "The Guide"*, to present a true and fair view of the financial position of the Council at 31 March 2015 and its income and expenditure for the year then ended.

In preparing the statements of accounts, the RFO has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent, and complied with the guide.

The RFO has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Responsible Financial Officer's Certificate

I hereby certify that the statement of accounts presents a true and fair view of the position of Shrewsbury Town Council at 31 March 2015, and its income and expenditure for the year ended 31 March 2015.

Signed:
Responsible Financial Officer

Date:

UNAUDITED ACCOUNTS

Shrewsbury Town Council Income and Expenditure Account 31st March 2015

	Notes	2015		2014	
		£	£	£	£
Income					
Precept	3	858,902		848,398	
Grants received	4	347,363		435,787	
Rental Income, Interest and Investment Income		493,793		500,284	
Charges made for services		1,694,177		1,680,493	
Other Income or Contributions		<u>65,672</u>	3,459,907	<u>87,180</u>	3,552,142
Expenditure					
Direct Service Costs:					
Salaries and Wages		(1,434,967)		(1,407,977)	
Other Costs	23	(981,134)		(2,016,707)	
Grant-aid Expenditure		(19,468)		(30,307)	
Democratic, Management and Civic Cost:					
Salaries and wages		(246,986)		(244,046)	
Other Costs	23	<u>(258,795)</u>	(2,941,350)	<u>(203,812)</u>	(3,902,849)
Exceptional Items			-		-
Net Surplus / (Deficit) for the Year			<u>518,557</u>		<u>(350,707)</u>

UNAUDITED ACCOUNTS

Shrewsbury Town Council Statement of Movement of Reserves 31st March 2015

	Note	Balance 1 April 2014	Net Movement In Year	Balance 31 March 2015	Purpose of reserve
Reserves available for council use to fund future expenditure					
General Fund		417,951	(1,322)	416,629	Resources available to meet shortfall in running costs
Earmarked Reserves	18	2,731,960	519,879	3,251,839	Resources available for specific purposes
Usable Capital Receipts	19	87,377	-	87,377	Proceeds of fixed asset sales for future capital investment
		<u>3,237,288</u>	<u>518,557</u>	<u>3,755,845</u>	
Reserves not available to fund future expenditure					
Capital Financing Account	17	5,037,349	(104,142)	4,933,207	Fixed asset transactions transferred to the Balance Sheet.
Reserves C/F to Balance Sheet		<u>8,274,637</u>	<u>414,415</u>	<u>8,689,052</u>	

UNAUDITED ACCOUNTS

Shrewsbury Town Council Balance Sheet 31st March 2015

	Notes	2015		2014	
		£	£	£	£
Fixed Assets					
Tangible fixed assets:					
Land and Buildings	9	3,902,443		4,043,710	
Vehicles and Plant	9	299,639		319,937	
Non - operational	9	5,625		5,625	
Investment Properties	9	<u>725,500</u>	4,933,207	<u>668,077</u>	5,037,349
Current Assets					
Debtors	12	198,439		199,213	
Short term investments		3,000,000		3,000,000	
Cash at Bank and In-hand		<u>1,785,633</u>		<u>1,268,808</u>	
		4,984,072		4,468,021	
Current Liabilities					
Creditors and accrued expenses	13	845,698		814,066	
Neighbourhood Fund (CIL)	16	1,204		-	
Committed Sums Received in Advance (S106)	15	<u>381,325</u>		<u>416,667</u>	
		1,228,227		1,230,733	
Net Current Assets			3,755,845		3,237,288
			<u>8,689,052</u>		<u>8,274,637</u>
Financed by:					
Reserves available to the council					
Usable Capital Receipts	19		87,377		87,377
Earmarked Reserves	18		3,251,839		2,731,960
General Reserve			<u>416,629</u>		<u>417,951</u>
			3,755,845		3,237,288
Reserves not available to the council and represent the net investment in fixed assets					
Capital Financing Account	17		4,933,207		5,037,349
			<u>8,689,052</u>		<u>8,274,637</u>

These accounts have been approved by the Town Council.

.....
Mayor of Shrewsbury Town Council

.....
Responsible Financial Officer

Date:

Date:

UNAUDITED ACCOUNTS

Shrewsbury Town Council Notes to the Accounts 31st March 2015

1 Interest and Investment Income	2015 £	2014 £
Interest Income - General Funds	<u>26,169</u>	<u>37,803</u>

2 Audit Fees

Fees payable for the limited assurance audit carried out by the Town Council's auditors, Mazars LLP, in the year are £2,800, (prior year £2,800). These fees are set by the Audit Commission.

3 Precept	2015 £	2014 £
Precept received from Council Taxpayers of Shrewsbury	<u>858,902</u>	<u>848,398</u>

4 Grants Received	2015 £	2014 £
Shropshire Council - 10 year diminishing contribution	207,500	249,000
Shropshire Council - Local Joint Committee projects	18,100	20,500
Shropshire Council - Localising Council Tax Support	89,336	103,721
Shropshire Council - Shrewsbury visitor project	10,000	-
Big Tree Fund - Planting in the year	9,157	8,503
Sport England - Springfield pitch improvements	-	50,105
UMACC - Neighbourhood Plan	3,270	3,958
Portas funding	10,000	-
	<u>347,363</u>	<u>435,787</u>

5 Employees

The average weekly number of employees during the year was as follows:

	2015 Number	2014 Number
Full-time and part-time permanent staff including apprentices and cover for maternity and long term sick	<u>69</u>	<u>73</u>
Number of staff employed at year end	<u>67</u>	<u>71</u>

All staff are paid within nationally agreed pay scales

UNAUDITED ACCOUNTS

Shrewsbury Town Council Notes to the Accounts 31st March 2015

Number of employees whose remuneration excluding employers pension contributions was over £50,000 in bands of £10,000 was:

Band	2015 Number	2014 Number
£50,000 to £59,999	1	1

The pay multiple between the Head of Service and Median salary of the council is:

Ratio	2015 Number	2014 Number
Pay multiple between Head of Service and Median Salary	2.65 to 1	2.65 to 1

6 Members Allowances

Summary of Members allowances paid during the year

	2015		2014	
	Basic Allowance £	Special Responsibility & Travel and Subsistence £	Basic Allowance £	Special Responsibility & Travel and Subsistence £
Peter M Adams	1,000	57	1,000	81
Beverley Baker (From May 2013)	1,000	5,005	901	1,536
Andrew Bannerman (From May 2013)	1,000	-	901	-
Jacqueline M Brennand (Until May 2013)	-	-	102	11
Dean Carroll (Until May 2013)	-	-	102	-
Anne M Chebsey	1,000	-	1,000	-
John A Durnell (Until May 2013)	-	-	102	-
David S Farmer (Until May 2013)	-	-	102	-
Hannah Fraser	1,000	-	1,000	-
Ioan G Jones	1,000	-	1,000	-
Jonathon M W Kenny	1,000	1,500	1,000	-
Jane Mackenzie (From May 2013)	1,000	-	901	-
Pam A Moseley (From May 2013)	1,000	-	901	-
Alan M Mosley	1,000	-	903	-
Peter A Nutting	1,000	31	1,000	35
Kathleen M Owen	1,000	-	1,000	-
Kevin J Pardy	1,000	-	901	-
Malcolm T Price	1,000	44	1,000	95
Keith R Roberts	1,000	49	1,000	46
Jon Tandy	1,000	23	1,000	5,133
Alan R H Townsend	1,000	-	1,000	-
Andrew J Wagner (Until May 2013)	-	-	102	-

UNAUDITED ACCOUNTS

Shrewsbury Town Council

Notes to the Accounts

31st March 2015

7 Related Party Transactions

The Town Council is required to disclose material transactions with related parties - bodies or individuals that have potential to control or influence the Town Council or to be controlled or influenced by the Town Council. Disclosure of these transactions allow readers to assess the extent to which the Town Council might have been constrained in its ability to operate independently or might have secured the ability to limit another parties ability to bargain freely with the Town Council.

The Town Council has a SLA with Shropshire Council for a 10 year period for various grounds maintenance work in and around Shrewsbury, entered into from 1st April 2009. There are a number of Town Councillors which sit on both Shrewsbury Town Council and Shropshire Council. On the 12th November 2012 the Town Council granted dispensation to all twin-hatted members in respect or pecuniary and non pecuniary interests arising out of their membership of Shropshire Council when matters relating to Shropshire Council are discussed by the Town Council. This resolution was taken following changes to the Code of Conduct as a result of The Localism Act 2011.

8 Participation in Pension Scheme

As part of the terms and conditions of employment of its officers and other employees, the Town Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Town Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Town Council participates in the Local Government Pension Scheme for civilian employees, administered locally by Shropshire County Pension Fund. This is a defined benefit final salary scheme, meaning that the Town Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The cost to the Town Council for the year ended 31st March 2015 was £176,087, (prior year £154,284). There were no outstanding contributions at the Balance sheet date.

The most recent actuarial valuation set the Town Council's employer's contributions rate at 14.8% of employee's pensionable pay, this will be reviewed again on 1st of April 2017.

UNAUDITED ACCOUNTS

Shrewsbury Town Council Notes to the Accounts 31st March 2015

9 Fixed Assets

	Tangible fixed assets				
	Land and buildings £	Vehicles and plant £	Non - operational £	Investment Properties £	Total £
Cost					
Brought forward	4,838,203	781,696	5,625	668,077	6,293,601
Additions	9,023	64,495	-	-	73,518
Disposals	-	-	-	-	-
Impairment	-	-	-	57,423	57,423
	<u>4,847,226</u>	<u>846,191</u>	<u>5,625</u>	<u>725,500</u>	<u>6,424,542</u>
Depreciation					
Brought forward	794,493	461,759	-	-	1,256,252
Charged for the year	150,290	84,793	-	-	235,083
Disposals	-	-	-	-	-
	<u>944,783</u>	<u>546,552</u>	<u>-</u>	<u>0</u>	<u>1,491,335</u>
Net Book Value					
At 31 March 2014	<u>4,043,710</u>	<u>319,937</u>	<u>5,625</u>	<u>668,077</u>	<u>5,037,349</u>
At 31 March 2015	<u>3,902,443</u>	<u>299,639</u>	<u>5,625</u>	<u>725,500</u>	<u>4,933,207</u>

Costs of additions to land and buildings during the year were, STC - Weeping Cross Centre £9,023. Vehicles and plant additions were upgrading and replacing the current fleet £64,995.

Although classified as capital expenditure, certain minor equipment purchases are not included above as they are not material in overall value.

The asset values are not updated. The value of the assets transferred from SABC were the Net Book Value (NBV) as at 31st March 2009.

Investment properties have been revalued at their market values subject to current lease and service occupancy at the 31st March 2015 by Julian Spencer (MRICS), resulting in a £57,423 uplift and will be done again in five years time.

UNAUDITED ACCOUNTS

Shrewsbury Town Council Notes to the Accounts 31st March 2015

10 Financing of Capital Expenditure

2015	2014
£	£

The following capital expenditure during the year:

Vehicles and plant purchased (net)	64,495	122,250
Land and buildings purchased (net)	9,023	934,570
	<u>73,518</u>	<u>1,056,820</u>

Financing:

Precept, Revenue Income and Capital sales	73,518	1,056,820
Commuted Sums received	-	-
	<u>73,518</u>	<u>1,056,820</u>

11 Information on Assets Held

Fixed assets owned by the Town Council include the following:

Land and Buildings

	2015 Number	2014 Number
Glasshouse	1	1
STC - Weeping Cross Centre	1	1
Public conveniences	5	5
The Quarry and Dingle	1	1
Sports pavilions	2	2
Tennis courts	3	3
Bowling greens	3	3
Rec grounds and play areas	various	various
Gardens and grounds	various	various
Open spaces	various	various
Allotments	12	12
Community centres	2	2
Footway lights	400+	400+

Vehicles and Plant

Mayoral car	1	1
Vehicles and mowers	various	various
Trailers	various	various
Equipment	various	various
Christmas lights	various	various
Office equipment	various	various

Non - operational

Civic Regalia and silver	various	various
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Investment Properties

Commercial premises	3	3
Residential premises	2	2

UNAUDITED ACCOUNTS

Shrewsbury Town Council Notes to the Accounts 31st March 2015

12 Debtors	2015	2014
	£	£
Trade Debtors	41,586	14,383
Prepayments and accrued income	156,853	166,285
VAT	-	18,545
	<u>198,439</u>	<u>199,213</u>

13 Creditors and accrued expenses	2015	2014
	£	£
Trade Creditors	190,227	201,754
Other Creditors	20,319	13,459
Payroll Taxes and Social Security	27,135	25,742
VAT	45,998	-
Accruals	465,773	439,218
Income in Advance	96,246	133,893
	<u>845,698</u>	<u>814,066</u>

14 Financial Commitments under operating leases

Vehicles, Plant and Equipment

The Town Council uses photocopying equipment financed under the terms of an operating lease, the amount paid under this arrangement in 2014/15 was £1,427, prior year £1,149. These amounts have been charged to the relevant service heading in the Income and Expenditure Account.

	2015	2014
	£	£
Annual obligations expiring within one year	675	1,149
Annual obligations expiring between two and five years	752	-
Annual obligations expiring after five years	-	-
	<u>1,427</u>	<u>1,149</u>

Land and Buildings

The Town Council leases land and buildings for the provision of public conveniences under the terms of an operating lease. The amount paid under this arrangement in 2014/15 was £2,750, prior year £2,750. This amount has been charged to the relevant service heading in the Income and Expenditure Account.

	2015	2014
	£	£
Annual obligations expiring within one year	-	-
Annual obligations expiring between two and five years	2,750	2,750
Annual obligations expiring after five years	-	-
	<u>2,750</u>	<u>2,750</u>

UNAUDITED ACCOUNTS

Shrewsbury Town Council Notes to the Accounts 31st March 2015

15 Commuted Sums Received in Advance	2015	2014
	£	£
Balance brought forward	416,667	333,162
Received in the year	18,452	153,188
Applied in the year	(53,794)	(69,683)
Balance carried forward	<u>381,325</u>	<u>416,667</u>

Commutated Sums are agreements with developers to cover capital and maintenance of an asset over a period of time adopted by the Town Council.

16 Neighbourhood Fund	2015	2014
	£	£
Balance brought forward	-	-
Received in the year	1,204	-
Applied in the year	-	-
Balance carried forward	<u>1,204</u>	<u>-</u>

Amounts received in the year represent 15% of Community Infrastructure Levy (CIL) received by Shropshire Council on any new developments in the Parish due to the Town Council.

17 Capital Financing Account	2015	2014
	£	£
Balance brought forward	5,037,349	4,191,092
Financing capital expenditure in the year using reserve balances	73,518	1,056,820
Financing capital expenditure in the year using commuted sums	-	-
Depreciation	(235,083)	(210,563)
Impairment of Investment Properties	57,423	-
Balance carried forward	<u>4,933,207</u>	<u>5,037,349</u>

The Capital Financing Account represents revenue and capital resources applied to finance capital expenditure and for the repayment of external loans. It also includes the reversal of depreciation and any impairments to ensure it does not impact on the amount to be met from precept. It does not represent a reserve which the Town Council can use to support future expenditure.

Certain assets were transferred from SABC at no cost. To fairly state the value of the assets and comply with the council's accounting policy these have been included in the accounts at their NBV at 31st March 2009.

UNAUDITED ACCOUNTS

Shrewsbury Town Council Notes to the Accounts 31st March 2015

18 Earmarked Reserves	Balance at 01/04/14 £	Transfers to / (from) reserves £	Use of reserves in year £	Balance at 31/03/15 £
Election cost reserve	17,323	5,000	17,323	5,000
Equipment and vehicle replacement	502,099	310,655	-	812,754
Contingency reserve	50,000	(50,000)	-	-
Children's play areas	475,579	42,716	-	518,295
Quarry greenhouse	250,000	-	-	250,000
Allotments (security)	45,000	(20,000)	-	25,000
Future Town Council projects	990,790	-	-	990,790
Hydro Electric Project	20,000	(3,076)	16,924	-
Recreation (astro turf)	66,666	33,334	-	100,000
Recreation (paths)	39,503	-	39,503	-
Improve Efficiency	150,000	(150,000)	-	-
River banks	80,000	40,000	-	120,000
Quarry junior play surface	45,000	-	-	45,000
Footway lighting extension	-	20,000	-	20,000
Quarry play extension	-	182,500	-	182,500
Quarry paddling pool project	-	182,500	-	182,500
	<u>2,731,960</u>	<u>593,629</u>	<u>73,750</u>	<u>3,251,839</u>

Earmarked reserves represent sums set aside to fund future expenditure and projects.

19 Usable Capital Receipts	2015 £	2014 £
Balance brought forward	87,377	87,377
Sale of land in the year	-	-
Sale of Vehicles and plant in the year	-	-
Balance carried forward	<u>87,377</u>	<u>87,377</u>

Usable capital receipts represent proceeds of fixed asset sales for future capital investment.

20 Contingent Liabilities

The Town Council is not aware of any such liabilities at 31st March 2015.

21 Capital Commitments

The Town Council has no capital commitments at 31st March 2015.

UNAUDITED ACCOUNTS

Shrewsbury Town Council Notes to the Accounts 31st March 2015

22 Post Balance Sheet Events

The Town Council is not aware of any material events that arise after the Balance Sheet date and which did not exist at the time that need to be declared to ensure a fair presentation of the financial statements.

23 Summary of Expenditure

The summary of expenditure is based on the subjective analysis contained in the Best Value Accounting Code of Practice. Although the Town Council is no longer subject to these provisions, it is felt they give a view of the figures in a format acceptable in the production of local authority accounts.

	2015 £	2014 £
Direct Service Cost		
Other expenditure	981,134	2,016,707

Analysis of costs broken into principal components:

Premises and Related Costs	149,476	126,576
Transport Costs	106,298	110,714
Supplies and Services	579,524	624,718
Support Services	40,992	20,842
Capital	104,844	1,133,857
	981,134	2,016,707

	2015 £	2014 £
Democratic, Management and Civic Costs		
Other expenditure	258,795	203,812

Analysis of costs broken into principal components:

Premises and Related Costs	17,306	31,278
Transport Costs	14,746	14,050
Supplies and Services	16,781	15,549
Support Services	209,962	142,935
Capital	-	-
	258,795	203,812