

**SHREWSBURY TOWN COUNCIL
FINANCE & GENERAL PURPOSES COMMITTEE
Monday 15th July 2024**

Officer: Andy Watkin – Head of Resources (RFO)

Q1 Management Account 2024/25

Purpose of Report

- To appraise members of the financial position of the Council for the first quarter of the 2024/25 financial year, and the year to date position.

Accounts preparation

- The accounts have been prepared using the same procedures and techniques as previous years
- No provision is made for depreciation and earmarked reserves which are included in the final published accounts, which are non-cash items.

Income and Expenditure account for the 1st quarter ended 30th June 2024 compared to budget (column A)

- Per the attached detailed and consolidated Income & Expenditure account report, there is an overall positive variance of £298,273 compared to the budget.
- Expenditure is a positive variance of £64,082. The majority of the variance is due to the cumulative underspend on salary costs of £80,735, which if discounted leaves a negative variance of (£16,653).
- There are positive variance's on staff costs due to budgeted pay increase not yet awarded by the National Joint Council (NJC) and vacant posts yet to be filled. Other variances are as follows:
 - £6,985 – Electricity, lower demand in summer months
 - (£31,093) – Early spend of some budgets including quarry memorial repairs
 - £7,388 – Ride on maintenance – timing of expenditure, start of season
- There is a positive variance on the income received of £234,191. This is however misleading due to unbudgeted income of £246,813 in respect of neighbourhood fund and grants and sale of assets. Adjusting for this would result in a negative variance of (£12,622)

- On the income variances, some are temporary due to the timing such as investment income from maturing bonds (£7,066) and other works (£12,329) but the SLA reduction (£23,230) is due to collaborative working with Shropshire Council for savings and extension post 2025. Commercial gains are from estimate included in accounts at year end.

Income and Expenditure account for the 1st Quarter ended 30th June 2024 compared to prior year (Column B)

- When comparing the first quarter to the same period in the prior year there is an overall negative variance of (£5,058).
- 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.
- Expenditure is a positive variance of £27,797 which is down to capital expenditure variance of £94,250 due to the purchase of machinery last year. Other variances are adverse totalling (£66,453) which is attributable to small increases across the board due to inflation but noticeable in wages due to pay award prior year.
- There is a negative variance on income compared to previous year of (£32,855) this is due to a lower sum received from grants and commuted sums (£128,516). The precept increased by £99,852.

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

- Same figures and explanations as 1st quarter

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

- Same figures and explanations as 1st quarter

Recommendations

- (i) **Report be noted, Income and expenditure broadly in line with budget once allowances made for unbudgeted income and delayed/advanced expenditure.**