

## Agenda item 4

### For information - Financial update at 30 September 2016

Author: Jackie Wheeler, Responsible Finance Officer

#### Summary

This report provides an update of finances for the Town Council – income, expenditure, spend items over £500, reserves and any specific items to bring to your attention. Finance Sponsors, Cllrs Jean Boulton and Shelia Gore regularly inspect these statements in more detail and I am pleased to report they have raised no concerns.

I am very happy to answer any questions at the meeting but if you require any specific information please let me know beforehand.

### 1. Report from the External Auditors

The External Auditors, Grant Thornton (GT) completed their review of the Council's Annual Return. On the basis of this, they confirmed that the Annual Return is in accordance with proper practices and no matters have come to their attention giving cause for concern. The Notice of Conclusion of Audit has been published on the Council's website.

### 2. Income and expenditure

A breakdown of budgeted Income and Expenditure from 1 April to 30 September 2016 is shown at [Appendix 1](#).

#### a. *Income Highlights*

The final 2016/17 Precept payment £569,583 (1076/900) was received.

MDC Pocket Park funding £4k (1047/500) enabled planting and enhancement of the Otherside area of Welshmill.

£2466 (1025/802) was received from Npower for electricity sold back to the grid in the second quarter, generated from the Council's PV panels on the Cheese and Grain roof.

#### b. *Expenditure Highlights*

Grant funding totalling £16.7k (4720/600) for community groups including Frome College, Memorial Theatre, Museum, Gateway Club, the Scouts, YMCA and Shared Earth.

Showfield gym equipment £19.6k and footpath improvements £31.7k (4054/4059/500) funded by S106 money.

The Community Toilet Scheme £2.5k (4440/600) funding café toilets available for public use, Paccamora, Crocker and Woods, Sagebury Cheese, La Strada and the Riverhouse.

*Town Hall*

The first payment to the building contractors Hammonds £28.9k (4499/610) the quantity surveyor HMW Consultants £16.6k (4499/610). As at 30 September the renovation contract £518k with Hammonds remains within budget.

### **3. Payments over £500**

The Financial Regulations state payments can be signed off retrospectively. As part of our commitment to be open and transparent, all payments over £500 are noted at these meetings and posted on our website. Payments over £500 are shown at [Appendix 2](#).

### **4. Budget *Early indicators of overspend***

At the midpoint of the financial year there are no significant underspends or anything of concern to report. As previously mentioned, the predicted overspend of £10k (4001/501/802) in the salaries budgets is a direct result of the increase in employer's national insurance contributions and 1% nationally agreed salary award. There is also likely to be an overspend of £7.5k (4505/610) on business rates and utilities for the Town Hall. Both of these amounts are relatively small and are likely to be covered by underspends in other budgets.

### **5. The Balance Sheet**

The Balance Sheet at [Appendix 3](#) shows a breakdown of assets and liabilities.

#### *Investments*

New short term investments totalling £600k have been deposited, £200k Charity Bank Saver, £200k Co Op Community Account and £200k in a Barclays Savings account. One long term investment for 12 months, representing the General Reserves, has been deposited in the Charity Bank Community Account. These savings accounts are in line with the Council's ethical investment policy and attract interest rates ranging from 1.25% to 0.34%.

#### *Reserves*

The second part of the Balance Sheet shows how the net amount £1,905,549 is allocated to the reserves. The reserves are a combination of General Reserve (GR) which fluctuates depending on income and expenditure, and Earmarked Reserves (EMR's), £177k has been spent from EMRs to date as shown on [Appendix 4](#).

### **5. Bank Account**

The Barclays current and savings accounts were opened 02/09/16, the transfer of DDs and the closure of the Lloyds account should be completed by the end of the year. Currently we are progressing with installation of the online banking facilities, changing over the credit card facilities including merchant terminal in the Information Centre.

### **6. Any other items**

A response was sent on the Department for Communities and Local Government Consultation Paper urging them not to extend the council tax referendum principals to local parish and town

councils. What this means in practice is that Parish and Town Councils would no longer be able to increase their precept demand by more than 2% without triggering a referendum. A referendum will cost FTC £47k if in future it felt it important to increase it for a popular project or new area of work. In effect, the Government is proposing to cap parish councils which goes against a fundamental principle in the parish sector where we raise budgets from local people for the sole benefit of those local people. A copy has been sent to MP David Warburton urging him to not to support the Government's proposal. We have also sent a copy sent to surrounding parish councils asking them to support this council's objections and respond to Government accordingly.

**Recommendations**

1. Note the Council's financial position as at 30 September 2016
2. Note the payments over £500
3. Note the External Auditor's Conclusion of Audit for the year ended 31 March 2016