

Agenda item 7

For decision - financial update to 31 January 2019

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Summary

This report provides an update on the finances of the Town Council. It includes Income and Expenditure to date and a current Balance Sheet, a list of spending on items over £500 (December 2018 & January 2019), status of reserves and any specific items to bring to Cllrs' attention. It also provides an updated year end forecast to 31st March 2019.

I will endeavour to answer any questions at the meeting but if you require any specific information, please let me know beforehand at williamss@frometowncouncil.gov.uk.

2019-20 Budget agreement and precept demand to Mendip District Council

The budget for 2019-20 was presented to Council on 23rd January and approved unanimously. The 2019-20 precept demand was submitted to MDC on 24th January and acknowledged. This was my first year of preparing FTC's budget and I would like to thank the previous RFO Jackie Wheeler for her invaluable support throughout the process.

Internal Auditors – October 2018 to January 2019

Fair Account, our regular Internal Auditors, visited the Town Hall on 7th February to inspect the financial records for the Oct-Dec 2018 quarter and Jan 2019. I am pleased to report they found no cause for concern and state that FTC have a “good standard of control”. Full credit for the auditors' approval is owed to Hannah Paniccia, FTC's Finance Assistant, for her exemplary bookkeeping. Congratulations also to Hannah as she successfully completed her three-year MAAT (Association of Accounting Technicians) training in January.

Fair Account's full report can be found in [Appendix 7.1](#).

Income and expenditure

A summary of income and expenditure to 31 January 2019 is shown in [Appendix 7.2](#)

December 2018 and January 2019 income highlights

Budget code	Who?	Description	Amount
	Mendip DC	Deposit payment received from Mendip in error!	£92k
	HMRC	VAT refund quarter end December 2018	£26k

December 2018 and January 2019 expenditure highlights

Budget code	Who?	Description	Amount
	Mendip DC	Part refund of payment received in error (£65k – incl VAT - retained against S106 payments due by agreement)	£27k

	Fair Hsg for Frome	2 nd round grant funding for cold weather shelter	£1.8k
	Astill Treecare	Tree survey and management plans for The Dippy, Tower View play area, New Road play area, Saxonvale, Zion Path, Packsaddle play area and Chapmans close	£2.3k
	Blachere Illuminations	Installation of Christmas lights in the town	£3.4k
	IMA Transport	Market Place Phase 2 works, safety audit and public presentation works	£27k
	Vitality	Contribution to start-up costs of Frome Parkrun	£2.5k

Payments over £500

A full list of payments over £500 in December 2018 & January 2019 is shown in [Appendix 7.3](#)

The Balance Sheet

The Balance Sheet at [Appendix 7.4](#) is a breakdown of assets and liabilities as at 31st January 2019.

Assets

Our assets are money in our bank accounts, money we have invested, and money owed to us. The first part of the Balance Sheet lists these assets including short term investments of cash on deposit, totalling £902k.

The cash balances at 31 January 2019 are:

- £203k Triodos
- £102k CCLA
- £408k Charity Bank Saver
- £172k Barclays

The new Charity Bank account was confirmed in December with six Councillors, Paul Wynne and Sarah Williams added as signatories.

Other assets are as follows:

- Trade debtors: £6k
- VAT Control: £5k (amount due to us from HMRC)
- Debtors C&G Trust Loan £4k (amount due to us from the Cheese & Grain)
- Mendip Credit Union £1k
- Petty cash £227

At an earlier meeting in the year we were asked if we could include a list and value of non-monetary assets (land, buildings etc). We are working on this and hope to be able to publish this shortly.

Liabilities

Our liabilities are money that we owe:

- Trade creditors: £33k
- There are a few minuses due to banking and invoicing differences.

- Total net assets (assets minus liabilities) are £869k

Reserves

The final part of the Balance Sheet shows our reserves:

- General Reserves are £547k
- Ear Marked Reserves (EMR's) are £322k
- Total reserves £869k

Year-end forecast to 31 March 2019

Following completion of the month-end to 31 January 2019 and discussions with budget holders, the year-end forecast to 31 March 2019 currently indicates a net underspend of £29k.

The underspends are primarily due to:

- A staff redundancy and related project funding cessation
- Estimated underspends in maintenance on Open Spaces and on utilities at the Town Hall

The overspends or under budgeted income are primarily:

- Lower than budgeted income from Chamber hire at the Town Hall
- Over budgeted expenditure on legal and professional fees (primarily due to legal fees incurred by the transfer of open spaces to the Theodora Ann le Gross Trust and by settling the £80k owed to us from the sale of Chantry House)

Based on the current year end forecast underspend, £29k will be added to General Reserves giving a total of £261k at 31 March 2019, which is £81k higher than required by FTC's Financial Regulations. Cllrs should note that last month Council agreed to transfer £63k of this to support next year's budget. There will be further amendments at year end to allow for the Chantry Hospital Uplift payment received in 2018-19. Cllrs should note that this payment is in part underwriting the cost of the new paths in Victoria Park in case Mendip decide that a s106 budget is not permitted and the remainder currently sits in the General Reserve.

School crossing patrols funding - a note of thanks to Sue Hughes for pointing out there was no patrol person at one of the schools where funding had been provided. The appropriate refund from SCC has now been received.

Conclusion - FTC remains financially sound with adequate funds and assets.

Recommendations

Cllrs are requested to approve the:

1. The Internal Auditors' report
2. Income and expenditure sheet
3. Balance sheet, including the breakdown of reserves
4. Payments made over £500
5. Year-end budget forecast