

Agenda item 5

For approval - Financial update to 30 June 2020

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Summary

This report provides an update on the finances of the Town Council. It includes the Income and Expenditure report to 30 June 2020, the current Balance Sheet, a list of spending on items over £500 (April, May and June), status of reserves, a year end forecast to March 2020 and any specific items to bring to Cllrs' attention.

We will endeavour to answer any questions at the meeting but if you require any specific information, please let us know beforehand at swilliams@frometowncouncil.gov.uk or hpaniccia@frometowncouncil.gov.uk.

Income and expenditure

[A summary of income and expenditure to 30 June 2020 can be viewed here.](#)

Income highlights – April, May and June

Budget code	Payer	Description	Net Amount
1076/900	Mendip District Council	First payment of 2020/21 precept	£816,554.00
	Somerset County Council	Grant funding for Frome Youth Project – Violence Reduction Unit (19/20 exps)	£10,507.00
1075/501	Oakley Machinery Ltd	Sale of tractor	£2,333.33
1081/700	Catherine Hill Traders Association	For safekeeping/Earmarking - Improvements to St Catherine's Trading Area	£975.38

Expenditure highlights – April, May and June

Budget code	Payee	Description	Net Amount
4119/700	Somerset County Council	Superintendence Fee to Somerset County Council for Market Place Phase 2	£21,281.22

Payments over £500

[A full list of payments over £500 in April, May and June can be viewed here.](#)

The Balance Sheet

[The Balance Sheet can be viewed here.](#) It is a breakdown of assets and liabilities as at 30 June 2020.

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 £1,594,616.

The cash balances at 30 June 2020 are shown on the Balance Sheet:

- £485,081 Barclays Current Account
- £60,344 Barclays Savings Account
- £202,798 CCLA Public Sector Deposit Account
- £7,053 Charity Bank Community Account (Easy access)
- £306,225 Charity Bank Saver Account (90-day access)
- £305,874 Triodos
- £200,599 Unity Trust Bank
- £1,046 Mendip Credit Union
- £78 Office petty cash
- £137 Park petty cash

Other assets at 30 June 2020 were as follows:

- £1,819 Trade debtors
- £5,835 VAT control
- £1,349 Debtors C&G Trust loan (amount due to us from the Cheese & Grain)
- £16,000 Debtors Community Loan
- £180 National Express tickets
- £199 iZettle control (card payment processor)

Liabilities

Our liabilities are money that we owed at 30 June 2020. We aim to pay invoices within a week where possible.

- £1,397 Trade creditors
- £242 Mayors Charity

Total net assets (assets minus liabilities) at 30 June 2020 were £1,592,976

Reserves

The final part of the Balance Sheet shows our reserves:

- General Reserves are £797,106
- Ear Marked Reserves (EMR's) are £795,870
- Total reserves £1,592,976

Year End forecast to March 2021

Usually, from September each year we begin to report on variances to the budgeted income and expenditure year to date and provide a forecast for the final year end outcome. This year we started revising the current financial year on a monthly basis in light of the Coronavirus pandemic. We currently estimate that we will require an additional £70k emergency funding to fully achieve the ambitions agreed by Council in January 2020 alongside supporting the emergency service offerings. [The Revised Budget sheet can be viewed here](#). It details the

funding needed and savings already made. MDC recently requested information to support our request for emergency funding and this is detailed in the [Notes to Revised Budget which can be viewed here](#).

The Income & Expenditure sheet to 30 June 2020 provides detail on expenditure to date. As mentioned above, the current forecast to year end predicts a greater than budgeted deficit of £112k, £70k of which is generated by the Coronavirus Pandemic. This is less than forecast at the end of April and reported in May (£155k), due to the successful application of grant funding for Community activities and our making additional overall savings.

Conclusion - FTC remains financially sound with adequate funds and assets so long as it is accepted that unless we receive Government support via the district council, we will have to reduce expenditure in the second half of the year and/or dip into the General Reserve to balance the account at year end. We need to be very careful with our spending.

EMR to be created on behalf of Catherine Hill Traders

Tony Gibson of Golden Goose closed the bank account related to Catherine Hill Traders Association and has asked FTC to hold the balance of funds (£975) originally provided by joint councils for the area, on behalf of the Catherine Hill and adjacent traders. Cllrs are asked to approve the creation of this EMR.

Recommendations

Approve the:

1. [Income and expenditure sheet to 30 June 2020](#)
2. [Balance sheet, including the breakdown of reserves at 30 June 2020](#)
3. [Payments made over £500 between 1 April 2020 to 30 June 2020](#)
4. The creation of an EMR (earmarked reserve) for the development of the St Catherine's trading area incl: Palmer St, Paul St, Stony St, Catherine Hill.
Expenditure from the EMR to be agreed jointly by FTC and a recognised association of the traders of the area.