

Agenda item 3

For approval - Financial update to 31 August 2020

Authors: Sarah Williams, Business Manager and Hannah Paniccia, Finance Administrator

Summary

This report provides an update on the finances of the Town Council. It includes the Income and Expenditure and Balance Sheet reports to 31 August 2020, a list of spending on items over £500 (July and August), the status of reserves and any specific items to bring to Cllrs' attention.

The Responsible Finance Officer (RFO) Protocol is also due to be reviewed and this report proposes no amendments to the current protocol.

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 31 August 2020 is at [appendix 1](#).

Income highlights – July and August 2020

Budget code	Payer	Description	Net Amount
1111/601	Lotto Fund	C-19 Neighbourhood support grant	£11,923.00

Expenditure highlights – July and August 2020

Budget code	Payee	Description	Net Amount
4119/700	Alun Griffiths (Contractors) Ltd	Market Place works 30/06/2020 - 31/07/2020	£70,776.49
4119/700	Alun Griffiths (Contractors) Ltd	Market Place works 22/06/2020 - 30/06/2020	£8,819.09
4908/500	Bosky Trees	Risk assessments for trees on FTC land	£2,515.00

Payments over £500

A full list of payments over £500 in July and August is at [appendix 2](#).

The Balance Sheet

The Balance Sheet is at [appendix 3](#). It is a breakdown of assets and liabilities as at 31 August 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 £1,311,004.

The cash balances at 31 August 2020 are shown on the Balance Sheet:

- £187,756 Barclays Current Account
- £60,488 Barclays Savings Account
- £202,798 CCLA Public Sector Deposit Account
- £7,055 Charity Bank Community Account (Easy access)
- £306,836 Charity Bank Saver Account (90-day access)
- £305,874 Triodos
- £200,599 Unity Trust Bank
- £1,046 Mendip Credit Union
- £48 Office petty cash
- £95 Park petty cash

Other assets at 31 August 2020 were as follows:

- £1,434 Trade debtors
- £24,047 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 31 August 2020. We aim to pay invoices within a week where possible and this has not changed during the pandemic.

- £4,437 Trade creditors
- £362 Mayor's Charity

Total net assets (assets minus liabilities) at 31 August 2020 were £1,311,004

Reserves

The final part of the Balance Sheet shows our reserves:

- General Reserves are £509,787
- Ear Marked Reserves (EMR's) are £801,217
- Total reserves £1,311,004

Year End forecast to March 2021

At the July 2020 Council Matters matters, we reported that our year end forecast revisions had begun almost at the beginning of the financial year due to the Coronavirus pandemic. We initially identified £70k of emergency funding as being required and had submitted a request to Mendip District Council (MDC) who subsequently requested more detail. Additional costs have since been identified by the pandemic Recovery Panels during the summer and we have had to review our planned work programme for 2020-21 to try to incorporate both emergency and recovery tasks. At the time of writing, we continue to wait for an answer from MDC and are not in a position to accurately re-forecast the financial year end position to March 2020.

We will be reporting to Cllrs in closed session on Friday 25 September on suggestions for the work programme and budget revisions whilst also beginning to plan for a budget for 2021-22. Any resultant proposals for changes will be tabled at the Council meeting in November.

Conclusion

FTC remains financially sound with adequate funds and assets so long as it is accepted that unless we receive Government support via Mendip District Council (MDC), we will have to reduce expenditure in the second half of the year and/or dip into the General Reserve to balance the budget at year end. We need to be very careful with our spending in the coming months.

Responsible Finance Officer Protocol

We have reviewed the existing protocol ([Appendix 4](#)) for the Responsible Finance Officer (Sarah Williams) and recommend no amendments at this time.

Recommendations

Approve the:

1. Income and expenditure sheet to 31 August 2020
2. Balance sheet, including the breakdown of reserves at 31 August 2020
3. Payments made over £500 between 1 July 2020 to 31 August 2020
4. RFO Protocol document