

Agenda item 3

For approval - Financial update to 31 December 2021

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Summary

This report provides an update on the finances of the Town Council. It includes the Internal Audit for April to October, disposal of an asset, creation of an EMR, Income and Expenditure and Balance Sheet reports to December 2021, a list of spending on items over £500 (October, November and December), and the status of reserves 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.

Internal Audit – April to October 2021

[You can see the Internal Auditors report relating to the period 1 April 2021 to 31 October 2021 on the website at Appendix 1.](#) Please note that the three new E bikes purchased in June (all for the Green & Healthy Futures project) and the Stihl hedge trimmer have been added to the Asset Register.

Disposal of an asset

Asset ID	Description	Cost	Date Purchased
BIKE002	Giant E Bike Medium Unisex Prime E+ 3	£1,458.33	04/05/2017

An E bike has broken, Emma Parker looked into getting the E bike fixed but was advised the main issue was that the motor was beyond repair and no longer works. There was also significant other mechanical work on the bike that needed to be carried out which made the whole project not viable financially. It is suggested to dispose of this E bike donating it to the next Bike Jumble. Also please note that we now have two new E bikes for hire to replace this one and another older one. The other older hire E bike is not being hired out and we plan to use it as a pool bike at the Town Hall once we have covered cycle parking in which to store it.

The reasons for the bike not being hired out:

- It was purchased at the same time as the now broken one so there is a risk that it will also breakdown sooner rather than later. The old one broke down while someone was cycling through Great Elm. The person and E bike were rescued but there is a higher risk of this happening again with the older E bike.
- One of the actions in FTCs Climate Emergency Matrix is to buy an E bike for council staff use.
- Pronto Bike shop are short of storage so cannot take on an extra E bike at this time.

Creation of an Earmarked Reserve

Terri Pitts the Community Fridge Co-Ordinator has raised £3,468 in donations for shutters for the Community Fridge. This money has been transferred to FTC on 24 January and put into an Earmarked Reserve (EMR 322 CommFridge Maintenance). The funds will be used to pay for

the shutters and any balance will be left in the Earmarked Reserve to be used for future Community Fridge maintenance.

Income and expenditure

[A summary of Income and Expenditure to 31 December 2021 can be viewed on the website at Appendix 2](#)

Income highlights – October, November & December 2021

Budget code	Payer	Description	Net Amount
1025/710	E.ON	Cheese and Grain PV Panel Income 25/03/2021 – 21/12/2021	£6,822.00
1008/610	Salix	Salix interest free loan for LED bulbs installation throughout Town Hall	£6,296.00

Expenditure highlights – October, November & December 2021

Budget code	Payee	Description	Net Amount
4531/610	Positive Services	Replacing Frome Town Hall Lighting to LEDs	£6,296.00

Payments over £500

[A full list of payments over £500 in October, November & December 2021 can be viewed on the website at Appendix 3](#)

The Balance Sheet

[The Balance Sheet can be viewed on the website at Appendix 4](#). It is a breakdown of assets and liabilities as at 31 December 2021.

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 £1,774,097. This figure includes the 2nd half of the 2021/22 Precept income from Mendip District Council to cover revenue expenditure.

The cash balances at 31 December 2021 are shown on the Balance Sheet:

- £175,891 Barclays Current Account
- £11,489 Barclays Savings Account
- £403,124 CCLA Public Sector Deposit Account
- £232,469 Charity Bank Community Account (Easy access)
- £308,393 Charity Bank Saver Account (90-day access)
- £407,046 Triodos
- £200,555 Unity Trust Bank
- £1,055 Mendip Credit Union
- £136 Office petty cash
- £44 Park petty cash

Other assets at 31 December 2021 were as follows:

- £7,651 Trade debtors
- £20,896 VAT control
- £1,349 Debtors C&G Trust loan (amount due to us from the Cheese & Grain)

- £1,125 Cycle to Work Scheme
- £202 National Express tickets
- £74 iZettle control (card payment processor)

Liabilities

Our liabilities are money that we owed at 31 December 2021. We aim to pay invoices within a week where possible.

- £19,958 Trade creditors
- £239 Mayor's Charity

Total net assets (assets minus liabilities) at 31 December 2021 were £1,753,900

Reserves

The final part of the Balance Sheet shows our reserves:

- General Reserves are £1,005,693
- Ear Marked Reserves (EMR's) are £748,207

Total reserves £1,753,900

Prepayment

We recently purchased two gooseneck microphones for testing in the Chamber to see how we can improve the sound broadcast during hybrid meetings. This expense is budgeted to come from the 2022/23 budget, and we are therefore posting them as a prepayment for 2022/23.

Banking arrangements

We have had confirmation of that Frome Town Council's application for a current account with Unity Bank has been successful. Our next step is to trial Unity's accessibility especially with batch BACS payments once we receive all the details to be able to log in online. If successful we will explore further and consider moving our current account activities to Unity Bank. We will bring any recommendations back to Council.

Year End forecast to March 2022

We are three quarters of the way through the financial year and there are no major variations to report other than that, so far, we have used little of the Covid-19 emergency budget for the year. We have forecast that our general reserves will be £209k at 1st April 2022 and will provide a year end report at the May 2022 Council meeting.

Conclusion

FTC remains financially sound with adequate funds and assets.

Recommendations

Approve the:

1. Internal Auditors report for the period 1 April to 31 October 2021
2. Disposal of an asset (E Bike)
3. Creation of Community Fridge maintenance Earmarked Reserve
4. Income and expenditure sheet to 31 December 2021
5. Payments made over £500 during October, November and December 2021
6. Balance sheet including the breakdown of reserves at 31 December 2021