

Agenda item 7

For approval - Financial update to 30 June 2022

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Summary

This report provides an update on the finances of the Town Council for the first quarter of 2022-23. It includes the Income and Expenditure and Balance Sheet reports to 30 June 2022, a list of spending on items over £500 (April 2022 to June 2022) 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 and hpaniccia@frometowncouncil.gov.uk.

Income and expenditure

[A summary of Income and Expenditure to 30 June 2022 can be viewed on the website here at Appendix 7.1.](#)

Income highlights – April 2022 to June 2022

Budget code	Payer	Description	Net Amount
900 - 1076	Mendip District Council	Half annual precept demand (1 st payment of 2 in year)	£935,314.00
100 (Trade Debtors)	Somerset County Council	Grant funding towards School Streets project in Frome (invoiced in 2021/22, funds received in 2022/23)	£87,869.50
100 (Trade Debtors)	Somerset County Council	Grant funding towards School Streets project in Frome (invoiced in 2021/22, funds received in 2022/23)	£28,000.00
105	HMRC	VAT refund for 1 January 2022 to 31 March 2022 (input/purchase VAT usually higher than output/sales VAT, so refunds common)	£16,953.36

Payments over £500

[A full list of payments over £500 for April to June 2022 can be viewed on the website here at Appendix 7.2.](#)

Expenditure highlights – April 2022 to June 2022

Budget code	Payee	Description	Net Amount
500 (Trade Creditors)	Sustrans	School Street scheme work; including local community engagement and design (note - we received SCC grant funding for this cost. Also invoiced in 2021/22 and funds received in 2022/23)	£87,869.50
800 - 4093	Rabka Twin Town	JustGiving donations transferred to Twin Town Rabka, Poland for Ukrainian refugees	£29,825.00
610 - 4504	Your Eco Construction Ltd	Town Hall solar PV design, supply, installation and commissioning – paid for by interest free loan from Salix	£15,105.00
700 - 4117	Inspired Metal	50% deposit pmt for planters and seating at Market Place Phase 3	£14,775.00

The Balance Sheet

[The Balance Sheet can be viewed on the website here at Appendix 7.3.](#) It is a breakdown of assets and liabilities as at 30 June 2022.

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 £1,802,010.

The cash balances at 30 June 2022 are shown on the Balance Sheet:

- £27,895 Barclays Current Account
- £20,475 Barclays Savings Account
- £403,371 CCLA Public Sector Deposit Account
- £332,940 Charity Bank Community Account (Easy access)
- £209,424 Charity Bank Saver Account (90-day access)
- £407,256 Triodos
- £200,837 Unity Trust Bank Savings
- £149,814 Unity Trust Bank Current Account
- £1,057 Mendip Credit Union
- £129 Office petty cash
- £64 Park petty cash

Other assets at 30 June 2022 were as follows:

- £28,506 Trade debtors
- £18,597 VAT control
- £1,349 Debtors C&G Trust loan (amount due to us from the Cheese & Grain)
- £59 Zettle control (card payment processor)
- £161 Cycle to Work Scheme
- £76 Ticket Control – National Express

Liabilities

Our liabilities are money that we owed at 30 June 2022.

- £13,592 Trade creditors
- £203 Known staff deductions
- £347 Mayor's Charity
- £35 Ticket Control – Hidden Gardens

Total net assets (assets minus liabilities) at 30 June 2022 are £1,787,833. Comprising £846,403 for budgeted expenditure, £180,000 for the prudent General Reserve and £761,430 in Earmarked Reserves (EMRs) for specific, previously planned projects and purposes. The list of current EMRs is the last half of the Balance Sheet.

Update on Current account with Unity Bank

Our trial current account with Unity Bank stalled due to poor customer service responses from Unity and eventually being informed that Unity had had to withdraw the facility we were hoping to test, bulk BACS payments. Unity Bank will let customers know when the facility is available to trial again. Meanwhile we have moved the majority of funds back to our current account at Barclays for immediate use.

Actual v Budget overview – first quarter ending 30 June 2022

There are some over and underspends showing in the ‘% spent’ column of the Income & Expenditure report but overall actual expenditure to date is 25% of budget which is appropriate for the end of the first quarter. Compared to previous (non-Covid) years, 1st quarter end expenditure is 2% ahead which reflects the greater than budgeted (5%) increase in inflation. There are some larger overspends already expected, such as the cost of legal fees relating to rough sleepers in the town's open spaces. We are reviewing where we might be able to make savings to keep the budget close to its ‘zero’ balanced forecast instead of needing to use general reserves. We will report again to Council half-way through the year or earlier if needed.

Actual income is also overall at 25% of budget but Town Hall bookings in particular are expected to improve on the budgeted income forecast by year end.

Conclusion

FTC remains financially sound with adequate funds and assets.

Recommendations

Approve the:

1. Income and expenditure sheet to 30 June 2022
2. Payments made over £500 for April 2022 to June 2022
3. Balance sheet including the breakdown of reserves at 30 June 2022
4. Ratify Cllrs decision to approve the expenditure on legal fees of approx. £8k per person to manage up to three rough sleepers in the town at July 2022.