

Agenda item 3

For decision – Finance report to 31 July 2025 for Operations & Assets Committee

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Summary

This report provides an update on the finances of Frome Town Council for the year to date at 31 July 2025. It includes the Income and Expenditure and Balance Sheet reports to 31 July 2025 and a list of spending on items over £500 (July 2025) 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

Enclosed: Financial statements to 31 July 2025

[Appendix 3.1 – Summary Income & Expenditure to 31 July 2025](#)

[Appendix 3.2 – Balance Sheet and Earmarked Reserves to 31 July 2025](#)

[Appendix 3.3 – Payments over £500 for July 2025](#)

[\(All payments over £100 are published on the Finance page of our website which can be found here\)](#)

[Appendix 3.4 – List of disposals from asset register](#)

The Income & Expenditure report and Balance Sheet to 31 July 2025 are attached to this report. All indications are that the work programmes are proceeding to plan. A review of potential over or underspends in Income & Expenditure currently points towards an underspend of approximately £35k by year end March 2026. The table on the next page details where the estimated changes are currently.

A further £65k underspend is estimated in the salary budget due to later than budgeted recruitment to posts. This would total a year end surplus of approximately £100k.

It should be noted however that we are only one third of the way through the 2025/26 accounting year (April – July 2025) and we will report further at future Operations & Assets Committee meetings.

EMR 396 Database/CRM development

We originally kept this EMR for IT developments which have in part been superseded by the GoVocal trial commencing shortly. We still need to do the Cyber Security and SharePoint aspects of the IT development works and will be carrying out those projects with our existing IT company in the coming months using these EMR funds.

Table showing how estimated over or under spends to budget may affect the year end outcome.

Nominal Ledger	Impact to year end budget: Surplus or Deficit	Note at 9 Sept 2025
201-2106 - INCOME Meeting Rms	£3,000	Strong hires from year start
201-2107 - INCOME Tenants	£9,000	FLP continuing as tenants in 25/26
201-7910 - TH utilities & waste	£6,000	Better waste services contracts
400-2111 - INCOME Key Centre	-£8,000	Room hires not ready
400-7936 - Market Yard Toilets	£7,000	After allowing £20k for repairs & C&G pmt
400-7949 - New Open Spaces costs	£50,000	Grillo purchased in 24/25 year, not needed this year
400-7963 - Markets Frome	£20,000	After paying The Frome Independent
400-7987 - Town Centre CCTV	£5,000	Annual bill expected to be £22k instead of £27k
600-7932 - Christmas Event	-£1,500	Estimated small overspend
700-2116 - INCOME Tree Donations	£4,800	Environment Agency £4.8k - environmental mitigation paid to FTC for boat platform at Welshmill
700-7959 - Yard maintenance	-£10,000	Likely to be £10k overspend due to security enhancements following yard break-in & theft
700-7981 - Water Meadow	-£2,000	Likely £2k overspend in year
700-7997 - Community Woodland	-£4,000	Likely £4k overspend due to higher bailiff costs
800-7961 - Mktg & comms work	-£5,500	£5.5k for GoVocal agreed by Council
900-7010 - Legal & professional fees	-£12,000	Additional CPFA accountant costs
900-7971 - Cllr Allowances	-£15,000	New Leader allowance agreed to come from GenRes - Council 21May25
900-7972 - 2027 Elections	-£10,000	GenRes - Market Ward Bye-election
900-7976 - Insurance & bank charges	-£2,000	Annual premium 25% increase due to global increase in insurance premiums plus Key Centre and new Grillo additions. Our broker tells us that FTC's increase would likely have been 50% had claim payouts not decreased in recent years. plus Key Centre and new Grillo additions.
Salary budget – Facilities Mgr	£19,000	Mid-year recruitment
Salary budget – HR assistant	£27,000	Later year recruitment (2026?)
Salary budget – Rangers	£19,000	No recruitment in 25/26 & after tractor cost
	£99,800	Est surplus at year end 3/26

Finance Error – Duplicate Payment

An error has occurred within the Finance Team processes resulting in a duplicate payment of £60,600 (including VAT) to a supplier for equipment. The issue was identified during a councillor review of the financial reports. £30,000 has already been repaid by the supplier, and the remaining balance is promised by mid-September. Legal advice is also in place.

Immediate action was taken to strengthen financial controls, including an additional check on all BACS payment batches before submission to the bank. An external CIPFA-qualified accountant was engaged to review processes and provide recommendations.

The Council Leader, Town Clerk and RFO are reviewing the report and its recommendations whilst also conducting a wider review of the Council's financial procedures and updated Financial Regulations will be brought forward to reflect the improvements. They are also reviewing staff capacity and will return to the committee with recommendations.

Disposal of Assets

We seek councillors' approval to dispose of items from our asset register. The list enclosed is a list of items stolen in the theft from the Rangers yard in March. Necessary items have since been replaced and added to the asset register but we request retrospective approval for removals from the register.

Conclusion

The Council's finances are in a stable, healthy position. With appropriate reserves in place we remain confident that the Council is suitably resilient to both support the aims of the current work programmes and to retain some resources to respond to future opportunities if needed.

Recommendations

1. Approve Appendix 3.1 the Income & Expenditure report at 31 July 2025
2. Approve Appendix 3.2 the Balance Sheet including Earmarked Reserves at 31 July 2025
3. Approve Appendix 3.3 General Ledger - payments over £500
4. Approve Appendix 3.4 the list of disposals
5. Note the duplicate payment error of £60,600, the corrective actions taken to strengthen financial controls, and the ongoing recovery of the outstanding balance.