

Agenda item 6

For approval – Financial update April to August 2024

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Summary

This report provides an update on the finances of the Town Council for the period 1 April to 31 August 2024. It includes the Income and Expenditure and Balance Sheet reports to 31 August 2024, a list of spending on items over £100 (April – August 2024) 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 hwatts@frometowncouncil.gov.uk.

Enclosed:

[Appendix 6.1 Income & Expense – Actual v Budget to end August 2024](#)

[Appendix 6.2 Balance Sheet to end August 2024](#)

[Appendix 6.3 Publication of payments over £100 – April to August 2024](#)

[Appendix 6.4 Environmental, Social & Governance \(ESG\) policies of institutions \(Cllr Anne Hills\)](#)

Current year Actual v Budget spend

Spending is currently in line with budget and the previously agreed use of surplus General Reserves. Two notable increases in budget expenditure are listed below.

700-Christmas lights – Est overspend at year end is £8k due the cross street fixings requiring greater repair than previously known, plus an additional unbudgeted string across the road in the centre of town. It is still predicted that savings will be made in future years based on the outlay now.

201-7909 Town Hall Maintenance – extensive work to roof and dry rot repairs to the Chamber ceiling plus surveys and structural engineers report has taken place this year to date. A proposal for planned and new retrofit works to the Town Hall is being prepared for the next Oversight Committee meeting in November, bringing forward much of the planned works of next ten years. The current earmarked reserve for Town Hall Investment is £56k and the budget left for remainder of the year is £23k.

Salaries budget – we are awaiting the outcome of discussions between the National Joint Councils (NJC) and the unions before they agree what the increase to the salary spinal column points (SCPs) will be for 2024/25.

Devolution budget - currently underspent due to the slower than expected nature of discussions and negotiations with Somerset Council. The Market Yard toilets costs are higher than expected due to maintenance and vandalism costs being incurred on top of cleaning. We

have invoiced Somerset Council for the maintenance works as per the current agreement and this will help to rebalance the expected spend on the toilets.

Publishing all payments over £100 (previously over £500) – [Appendix 6.3](#)

Our new Internal Auditor Kevin Rose has advised that these reports should include all payments over £100 and that the previously used £500 lower limit relates to principal authorities. We are communicating with the Information Commissioner's Officers hoping to revert to the £500 limit given the size of FTC (a relatively large town/parish council) and are currently awaiting clarification. Meanwhile, the current report is 17 pages as it covers the first five months of the financial year instead of the first quarter.

Transition to new Xero accounting software – the fine tuning of financial reporting is ongoing, but the clear positive outcomes are the semi-automatic processing of transactions and accessibility of editing along with audit trails. Comments on the published reports are welcomed and adaptations will be made where possible.

New Internal Auditor – Kevin Rose is carrying out his first audit visit to FTC on Thursday 5 September and will be focusing on a full Payroll Audit. We will report further verbally on 11 September and his internal audit report will be tabled at the next Oversight Committee as usual.

Environmental, Social & Governance policies of the institutions FTC holds its reserves with – [Appendix 6.4, Cllr Anne Hills](#).

ESG is a term that is used to describe a group of risks – environmental, social and governance – that are explicitly acknowledged and integrated into the investment research and decision-making process. Cllr Anne Hills appendix gives further details. We regularly review the ESG (Environmental, Social & Governance) policies of the financial institutions where we hold money.

Whenever we are choosing where to lodge funds, we have to weigh several factors, such as fees charged against functionality of the account and customer service levels. Some functionality is essential, for example we need to have a current account that can accept batch processing of payments downloaded from accounting software. This essential function reduces duplication of manual input and the risk of data entry errors.

At the moment, our current account provider is Barclays. Although their ESG policies are probably the most questionable amongst the financial institutions we choose to use, we have a limited choice, due to the above factors. We are keeping this under review and regularly ask other banks. When we can find a current account that has the functionality we need, acceptable levels of customer service, affordable fees and a better ESG standing than Barclays, we will consider moving away from Barclays.

Recommendations

1. Approve the Income & Expenditure (2/9/24) report
2. Approve the Balance Sheet (2/9/34)
3. Approve the list of payments over £100 April to August 2024
4. Note report from Cllr Anne Hills on Environmental, Social & Governance policies of the institutions where FTC holds its reserves