



TODMORDEN TOWN COUNCIL

REPORT TO THE EMERGENCY COMMITTEE

REPORT AUTHOR	Colin Hill – Town Clerk and Responsible Financial
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Date	6th May 2020
SUBJECT	Start of year budgets

PURPOSE:

1. To present to Members the initial start of year summary forecast indicating that if spend and income matches budget predictions, General reserves as at 31st March 2020 are estimated to stand at £86,162.
2. To present to Members the start of financial year budgets at detail level reflecting the initial Precept setting budget amended by agreement to carry over specified budget underspends
3. To advise Members that in addition to these start of year budgets, budgets will established on an “Imprest” account basis for both the Mayors Charity ,The Cotton Growers fund (to be renamed Covid 19 fund) and a Flooding donation, reported separately to the Resources Committee as part of the regular detailed reporting process and not included within the monthly summary.
4. To advise Members that in closing down accounts for 2019/20 it was not possible to move £30 income received for the Mayors Charity and £100 for a flooding donation and they formed part of the year end General Reserve. Adjustment back from general reserve will be made to enable these funds to be distributed.
5. To advise Members that a proposal will be bought to Council to establish further earmarked Reserves as indicated within the initial budgets setting process

BACKGROUND:

6. The setting of start of year budgets provide the financial framework through which Members are able to monitor financial performance.
7. Members agreed a limited range of carry overs of underspend from the 2019/20 budget where projects committed to, were unable to be completed by the financial year end.
8. Two donations were received that were unable to be distributed by the Financial Year end and therefore need carrying over to enable distribution.

9. In addition to the Town Council operational accounts, there is also a historic fund entitled “Cotton Growers” that falls outside of the scope of operational funds for use by the Town Council and is not included on the Annual Return of financial statements – as confirmed by External Auditors.
10. The future purpose and treatment of this account is to be dealt with by way of separate report.

FINANCIAL IMPLICATIONS:

11. There are none directly arising from this report

RECOMMENDATION:

12. That Members of the Emergency Committee note the start of year budgets with an estimated General Reserves for 31st March 2021 of £86,162.
13. That the Town Clerk bring to the next meeting recommendations for movement from General Reserves into Earmarked Reserves together with amendment to in year budgets to reflect such proposals.

REASON FOR RECOMMENDATION:

14. It is good practice to provide Members with clarity on budgets at the earliest opportunity in the new financial year.
15. A review of Reserves is in line with the Council’s adopted Reserves and Treasury Management Policy

SUMMARY OF KEY POINTS:

16. Provision of start of year budgets before recording of accounting entries starts, at both summary and detail level provides a clear budget picture for Members to understand the financial affairs of the Town Council.

POLICY IMPLICATIONS:

17. Reserves and Treasury Management.

DETAILS OF CONSULTATION:

18. None

SUPPORTING PAPERS:

- Appendix 1 - Summary Forecast 2020-21
- Appendix 2 - Detail by Budget Code 2020-21
- Appendix 3 - Balance Sheet as at 31st March 2020

FURTHER INFORMATION, PLEASE CONTACT: Colin Hill