



WELLINGTON TOWN COUNCIL

INCOME AND EXPENDITURE ACCOUNT 2021 - 2022

SUMMARY OF FUNDS AS AT 31 MARCH 2022

INTRODUCTION

This report relates to the Council's financial accounts for the year ended 31 March 2022 and includes various explanatory notes.

The Council's accounts are prepared under Regulations 7 and 9 of the Audit and Accounts Regulations 2011.

The accounts are published subject to audit by the accountancy firm of PKF Littlejohn LLP, 1 Westferry Circus, Canary Wharf, London E14 4HD. The audit is expected to be completed by the end of August.

These accounts are expected to be approved by resolution of the Town Council at the Full Council meeting to be held on 6 June 2022.

Statements and figures prepared by
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Deputy RFO

Reviewed and authorised by
David Farrow
Town Clerk and Responsible Financial Officer

Wellington Town Council,
28 Fore Street,
Wellington,
Somerset TA21 8AQ

Notes to the Income and Expenditure Account for the year ended 31 March 2022

1. Basis of Preparation

The Council's accounts are prepared using the Income and Expenditure format which takes the year-end position then adjustments are recorded annually so that income and costs include any amounts owed to or by the Council (known as Debtors and Creditors). The final (adjusted) accounting statements therefore reflect the financial situation if all sums payable and receivable for the financial year had been processed at year end. These figures are exclusive of VAT as the Council reclaims any VAT paid. Figures provided are rounded to whole numbers as required by the External Auditor.

2. Fixed Assets

The Council undertook a large-scale review of its assets in September 2021 which was reviewed again in March 2022. Below is a summary of the totals for each category. A detailed copy of the register can be found on the Council's website.

Outdoor Property / Street Furniture	£20,544
Buildings	£10,002
Land	£55,001
Play	£28,501
Regalia	£3
Office Equipment & Furniture	£8,417
	£122,468

This figure is reported in box 9 of the AGAR¹.

3. Section 137 Expenditure

Section 137 of the Local Government Act 1972 (as amended) grants local councils power to spend up to a maximum of an annual allowance per head of electorate on the register as of 1st April. Known as the 'power of last resort' S137 expenditure is permitted only where no other legal power exists. Proposed expenditure must be balanced against the benefits, which must be solely for parish residents, and agreement to fund costs via S137 must be by formal resolution. Expenditure must be expressly reported. The need to report this expenditure is superseded by the General Power of Competence, which the Council currently holds.

4. Overall Financial Reserves

The Council has an overall cash balance of £768,430 as of 31 March 2022. This operational reserve was considered when setting the 2022-23 budget, and subsequently the Precept. Given the level of reserve and the proposed spending for the forthcoming year, a decision was taken to issue a Precept that resulted in a 15% change on Council Tax demands. This was calculated using the Band D equivalent from the Tax Base Table provided by Somerset West & Taunton Council. The Precept does not cover all the proposed spending for the year which will result in a drawdown from general reserves.

Bank reconciliation as at 31 March 2022 is reported at Appendix A.

The unrepresented payments are reported at Appendix B.

¹ Annual Governance and Accountability Return

5. Leases

The Town Council has a rolling lease with Somerset West and Taunton Council to occupy two rooms at 28 Fore Street Wellington at a yearly rent of £1,000. The Town Council sub-lets these two rooms to Wellington Museum and Local History Society.

An additional room at the Council offices is now also leased by the Council with an annual rent of £1,260. The lease term is 3 years from 4 December 2019.

The lease for the premises at 31 Fore Street, which is the Council's Pop-Up Shop, was renewed in October 2021 for 5 years with a break clause at 2 years. The annual rent is £6,000.

6. Income and Expenditure summary

Income

As of 31 March 2022, total income for the year (adjusted for debtors) amounted to £585,418, made up as follows:-

2021-22 Precept received	£353,354	AGAR Box 2
Income generated by Council activities and services	£232,064	AGAR Box 3
TOTAL INCOME	£585,418	

Expenditure

Expenditure for the 2021-22 financial year (adjusted for creditors) totalled £397,409. Staffing costs are split out on the AGAR form, and overall costs were made up as follows:-

Staffing Costs	£122,787	AGAR Box 4
All Other Payments	£274,722	AGAR Box 6
TOTAL EXPENDITURE	£397,409	

The Income and Expenditure account is attached as Appendix C.

7. Adjustments

Although the financial year ended on 31 March 2022, there were some payments due for services or activities within the 2021-22 financial year which were unpaid at the year end. Likewise, there was income generated during the year which was received after the year end. There were also a number of payments received in advance for activities relating to the 2022-23 year. These transactions are detailed in Appendix D as the Reconciliation Between Box 7 and 8 of the AGAR. Appendix E details the breakdown of these adjustments.

The yearend summary of expenditure against the budget net of these adjustments is attached at Appendix F.

8. Petty Cash

Following a review, petty cash is no longer used in the office. The Clerk, Deputy Clerk and Deputy RFO have debit cards for purchases where required. These are linked to a specific account which holds a balance of £500.

9. Risk Assessment and Management 2021-22

A new risk management scheme was introduced in May 2020, its principles were followed throughout the year. The scheme document is re-presented to Council each year along with this report and year-end financial statements.

10. Explanation of variances

When comparing the previous and current year figures of Boxes 2-6 of the AGAR accounting statements, variances of 15% (+ or -) must be given an explanation. See below;

	Year Ending		Variance £	Variance %	Explanation Required?
	31 March 2021 £	31 March 2022 £			
1. Balances brought forward	355,564	591,830			No
2. (+) Precept or Rates and Levies	352,939	353,354	415	0	No
3. (+) Total other receipts	109,236	232,064	122,828	112	Yes
4. (-) Staff costs	99,680	122,787	23,107	23	Yes
5. (-) Loan interest/capital repayments	NIL	NIL	NIL	NIL	No
6. (-) All other payments	126,228	274,722	148,494	118	Yes
7. (=) Balances carried forward	591,830	779,739	187,909	32	No
8. Total value of cash and short term investments	605,816	768,430	205,697	27	No
9. Total fixed assets plus long term investments and assets	51,440	122,468	71,028	138	No
10. Total borrowings	NIL	NIL	NIL	NIL	No

It should be noted that the External Auditor requires explanations within a reasonable tolerance of the variance figure (£). Anything too detailed or not detailed enough results in queries being raised which can result in fees being issued.

Box 3 Total Other receipts

Date	Description	Amount
October 2021	Community Infrastructure Levey Payment	£123,256.24

Box 4 Staff Costs

Date	Description	Amount
July 21 – March 22	Additional staff member	£14,049
April 21 – March 22	General staff Overtime	£3,625
March 22	Backpay for 21-22 Pay Award	£1,297
Dec 21 & March 22	Two staff increase in weekly hours	£1,404
April 21 – March 22	Related NI and Pension contributions to overtime, increase in hours and backpay	£1,525
April 21 – March 22	Extra work for Emergency High Street Fund (inc. NI and pension contributions)	£1,949
	Total	£23,849

Box 6 All other payments

It should be noted that box 6 for the previous (20-21) year was diminished due to many projects not taking place due to the Coronavirus pandemic. In this report last year, explanations had to be given as to why there was a negative variance of 32%. As restrictions gradually lifted, the Council, and other organisations returned to their normal projects and expenditure levels did the same.

Costs below that are marked as compared to previous year, are the additional spend figures (i.e. this year minus last year) not the total spend.

Description	Amount
Emergency High Street Fund	£45,029
Costs relating to Welcome Back Fund	£3,363
Additional Service Level Agreements (compared to previous year)	£6,500
Additional Grants (compared to previous year)	£7,955
Purchase of Land	£55,000
Associated fees for land purchase	£5,008
New telephone system, IT upgrades	£4,873
Community Services & Priorities (compared to previous year)	£5,895
Community Warden increased hours	£8,124
Total additional spend against Environment and Planning	£6,855
Total	£148,602