



WELLINGTON TOWN COUNCIL

INCOME AND EXPENDITURE ACCOUNT 2022 - 2023

SUMMARY OF FUNDS AS AT 31 MARCH 2023

INTRODUCTION

This report relates to the Council's financial accounts for the year ended 31 March 2023 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 published are 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 presented in draft form to the Finance Committee in May and are expected to be approved by resolution at the Full Council meeting to be held on 5 June.

Statements and figures prepared by
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Deputy Clerk/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 2023

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 acquired a number of new assets during the year which were added to the Asset Register which was approved by Council. Some assets were also dissolved due to end of life replacements. 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	£61,648
Buildings	£10,002
Land	£55,001
Play	£102,646
Regalia	£3
Office Equipment & Furniture	£12,404
	£241,704

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 £993,335.86 as of 31 March 2023. This operational reserve was considered when setting the 2023-24 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 10% 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
WTC/Audits/2022-23
9 May 2023

5. Leases

The Town Council has a rolling lease with Somerset Council to occupy several rooms at 28 Fore Street Wellington at a yearly combined rent of £4,000. The Town Council sub-lets two rooms to Wellington Museum and Local History Society.

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.

In January 2023 the Town Council entered in to a 150 year lease on a peppercorn rent with Somerset West and Taunton Council (now Somerset Council) for 64 acres of land linking Tonedale Mill to The Basins and then over to Rockwell Green and Hilly Head. This will contribute significantly to the delivery of the Council's Climate Change Strategy.

6. Income and Expenditure summary

Income

As of 31 March 2023, total income for the year (adjusted for debtors) amounted to £831,804, made up as follows:-

2022-23 Precept received	£413,677	AGAR Box 2
All other income	£418,127	AGAR Box 3
TOTAL INCOME	£831,804	

Expenditure

Expenditure for the 2022-23 financial year (adjusted for creditors) totalled £609,354. Staffing costs are split out on the AGAR form, and overall costs were made up as follows:-

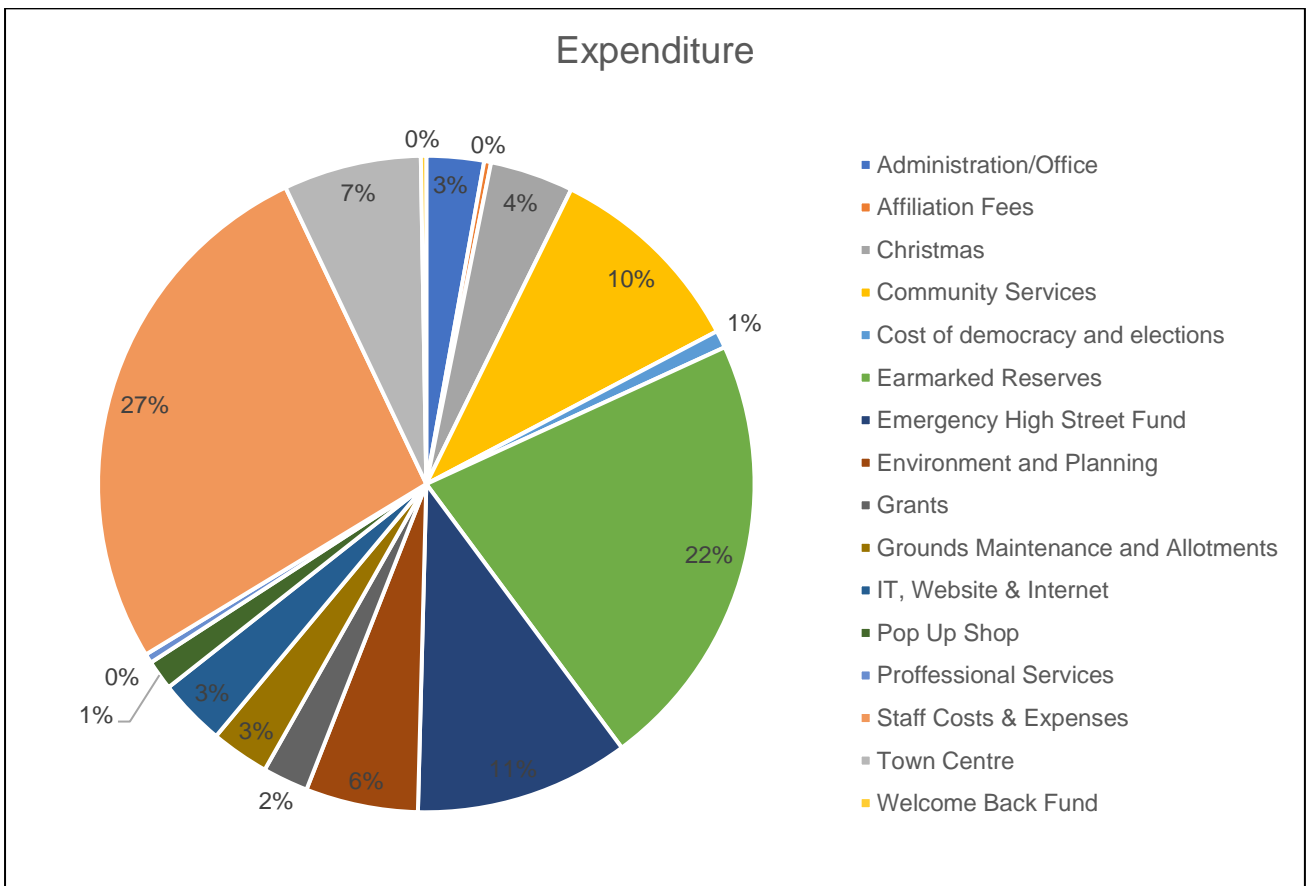
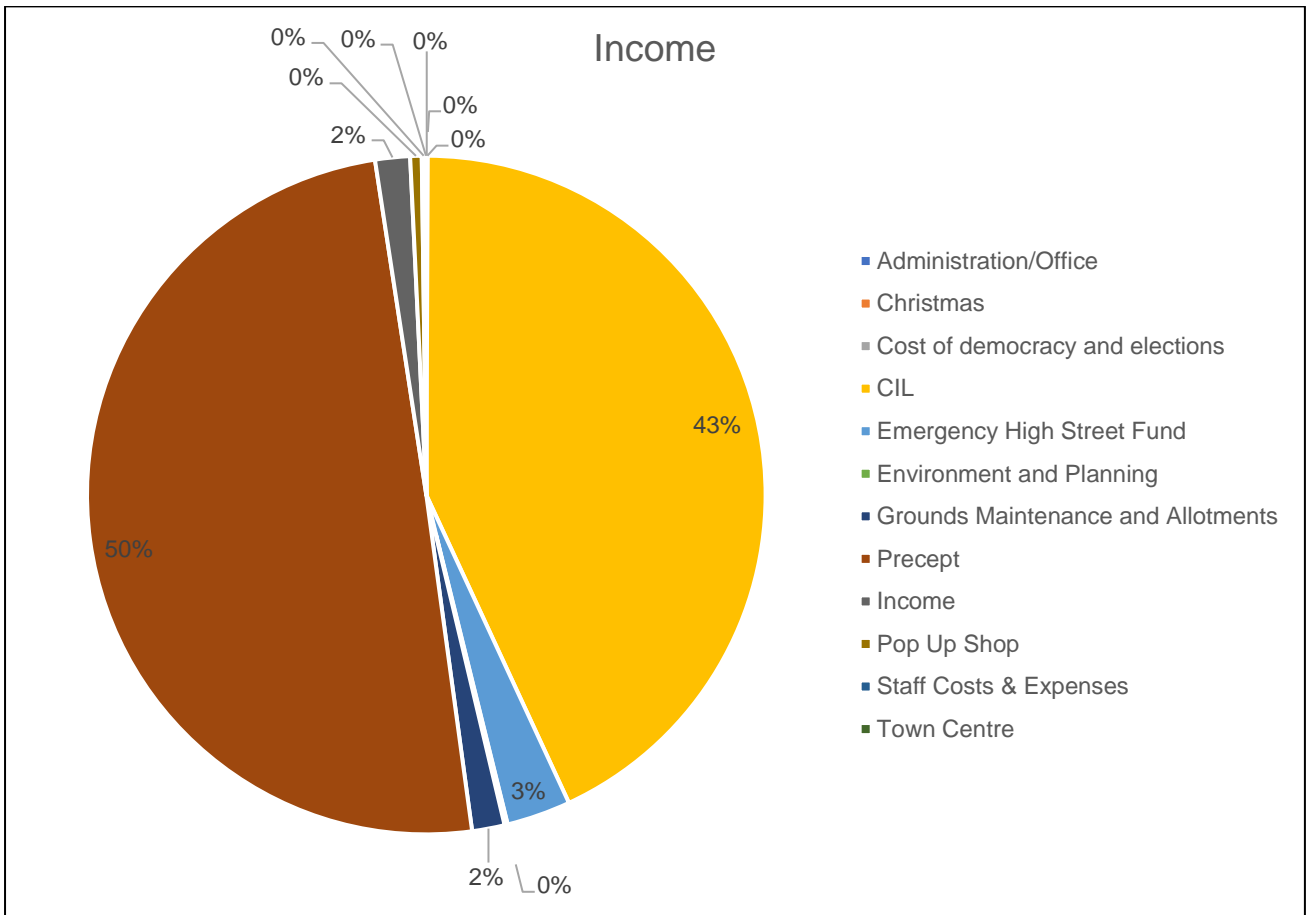
Staffing Costs	£161,185	AGAR Box 4
All Other Payments	£448,169	AGAR Box 6
TOTAL EXPENDITURE	£609,354	

The Income and Expenditure account is attached as Appendix C.

7. Adjustments

Although the financial year ended on 31 March 2023, there were some payments due for services or activities within the 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. The charts below detail the spread of income and expenditure within the budget cost centres.



8. Petty Cash

Petty cash is no longer used in the office. The Clerk, Deputy Clerk and Assets & Events Officer 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

A 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	591,830	779,740			No
2. (+) Precept or Rates and Levies	353,354	413,677	60,323	17	Yes
3. (+) Total other receipts	232,064	418,127	186,063	80	Yes
4. (-) Staff costs	122,787	161,185	38,398	31	Yes
5. (-) Loan interest/capital repayments	NIL	NIL	NIL	NIL	No
6. (-) All other payments	274,722	448,169	173,447	63	Yes
7. (=) Balances carried forward	779,740	1,002,190			N/A
8. Total value of cash and short term investments	768,430	993,336			N/A
9. Total fixed assets plus long term investments and assets	122,468	241,704	119,236	97	Yes
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 2 Precept

In 22/23, The Council proposed a much more ambitious budget for spending and projects with an overall increase of £151,083 on the previous year. The Council calculated an increase of the precept figure based on a set percentage increase of 15% on the 'Band D' figure. This allowed for a balance between increasing the Precept in line with inflation and also drawing from the Council existing general reserve.

There was also an increase of 95 points on the Tax Base as provided by the billing authority (Somerset West & Taunton). This is largely due to increased development within the Town.

21/22 Band D Amount = £66.91
 +15% Increase = £76.95 (New Band D Amount)

21/22 Tax Base = 5,281.03
 22/23 Tax Base = 5,376.16

Increase before tax base change = £53,003 (i.e. 15%)

Increase as a result of tax base change = £7,319

TOTAL increase = £60,323

Box 3 Total Other receipts

Description	Amount
Community Infrastructure Levy Payment (compared to last year)	£185,862

Box 4 Staff Costs

Description	Amount
Back Pay (updated NALC scales)	£3,367.00
Change In Roles	£8,816.00
Overtime	£3,743.00
New Staff Member	£2,079.00
Related increase Pension	£4,936.00
Related increase HMRC	£8,768.00
	£31,709.00

Box 6 All other payments

Description	Amount
CIL (Heritage)	£50,000.00
CIL (Tone Play)	£74,145.00
EHSF (compared to last year)	£19,334.00
New St Lights	£7,748.00
Jubilee & Coronation (compared to previous year)	£17,854.00
Carnival Contribution	£3,536.00
Total	£172,617.00

Box 9 Assets

Description	Amount
St Furniture	£41,106
Play Equipment	£84,145
IT Equipment	£4,377
St Furniture	-£2
Play	-£10,000
IT Equipment	-£390
Total	£119,236