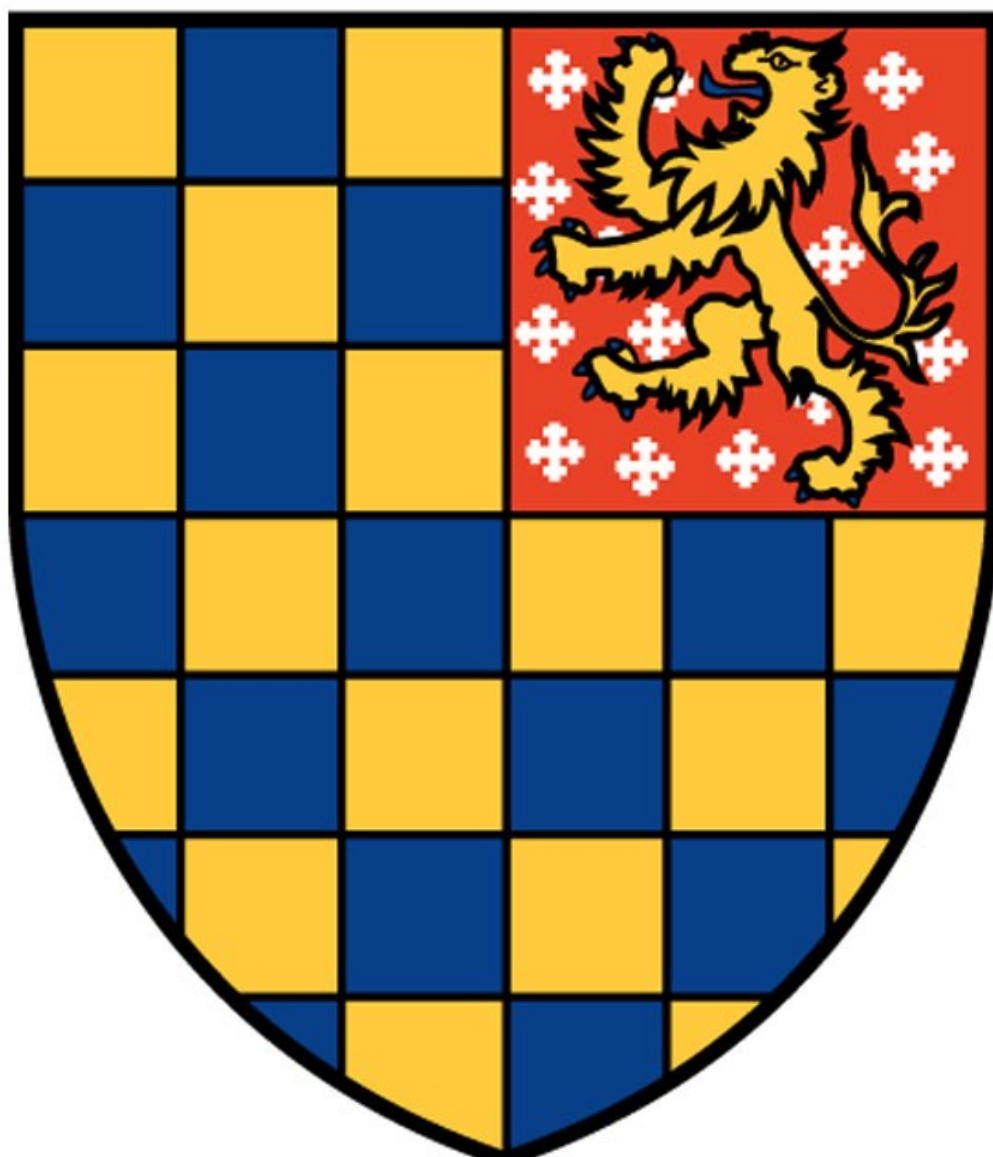


LEWES TOWN COUNCIL



FINANCIAL ACCOUNTS for the year 1st April 2015 to 31st March 2016

LEWES TOWN COUNCIL

Council Information

For the Year ended 31 March 2016

Councillors

Cllr Fraser ADDECOTT (*resigned 29th January 2016*)

Cllr Annabella ASHBY

Cllr Adam BARKER

Cllr Dr Amanda BOLT

Cllr Richard BURROWS

Cllr Michael CHARTIER

Cllr Daisy COOPER

Cllr Will ELLIOTT

Cllr John LAMB

Cllr Imogen MAKEPEACE

Cllr Dr Graham MAYHEW

Cllr Merlin MILNER

Cllr Roger MURRAY

Cllr Susan MURRAY

Cllr Ruth O'KEEFFE

Cllr Tony ROWELL

Cllr Esther WATTS

Cllr Stephen WISCHHUSEN (*known as CATLIN*)

Town Clerk and Responsible Finance Officer

Steve Brigden

Auditors (external)

Littlejohn LLP
Ref: SBA
2nd Floor 1 Westferry Circus
Canary Wharf
LONDON E14 4HD

Auditors (internal)

Mulberry & Co
Chartered Certified Accountants
and Registered Auditors
Lichfield House
60 Abbots Ride
Farnham
Surrey
GU9 8HZ

LEWES TOWN COUNCIL

Explanatory Foreword

For the Year ended 31 March 2016

The Council's statements of accounts for the year ended 31 March 2016 are set out on the following pages. They consist of the following statements:

The Income and Expenditure Account

The Council's revenue account, covering income and expenditure on all services.

The Balance Sheet

This sets out the financial position of the Council at 31 March 2016, i.e. its assets and liabilities at that date.

Statement of Total Movement in Reserves

This summarises the total gains and losses of the Council and their effect on the Council's reserves during the year.

Notes to the Accounts

These provide further information on the amounts included in the financial statements.

This foreword provides a brief explanation of the financial aspects of the Council's activities and draws attention to the main characteristics of the financial position.

Further Information

Further information about the accounts, and the financial administration of the Council, is available from the Town Hall, High Street, Lewes BN7 2QS. This is part of the Council's policy of providing full information about its affairs. Interested members of the public have a statutory right to inspect the accounts before the audit is completed. The availability of the accounts for inspection is advertised on the notice board outside the Council Offices, and on the Council's website (www.lewes-tc.gov.uk). Other aspects of the Council's financial operations are published during the year on the website, and may be obtained on request.

LEWES TOWN COUNCIL

Responsibilities for the Statement of Accounts

Year ended 31st March 2016

The Council's Responsibilities

The Council is required:

- to make arrangements for the proper administration of its financial affairs
- to secure that one of its officers has the responsibility for the administration of those affairs. At this Council, that officer is the Town Clerk
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.

The "Responsible Finance Officer" Responsibilities

The R.F.O. is responsible for the preparation of the Council's statement of accounts in accordance with the 'Code of Practice on Local Authority Accounting in Great Britain' (the code), so far as it is applicable to this Council, to present fairly the financial position of the Council at 31st March 2016 and its income and expenditure for the year then ended.

In preparing the statements of accounts, the R.F.O. has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent, and
- complied with the code.

The R.F.O. has also:

- kept proper accounting records which were up to date, and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

Responsible Finance Officer's Certificate

I hereby certify that the statements of accounts for the year ended 31st March 2016 required by the Accounts and Audit Regulations 2015 (SI2015/234) are set out in the following pages.

I further certify that the statements of accounts present fairly the financial position of Lewes Town Council at 31st March 2016, and its income & expenditure for the year ended 31st March 2016.

Signed:.....

Date:.....

Steven Brigden

Town Clerk and Responsible Finance Officer

LEWES TOWN COUNCIL

Statement of Internal Control

Year ended 31st March 2016

Scope and Responsibility

Lewes Town Council (hereafter called “the Council”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of the Council’s functions and which includes arrangements for the management of risk.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them effectively and economically.

The Internal Control Environment

The Council already has or is putting into place systems which:

- Establish and monitor the achievements of the Council’s objectives
- Facilitate policy and decision making
- Ensure compliance with established policies, procedures, laws and regulations
- Identify, assess and manage the risks to the Council, including how risk management is embedded in the activity of the Council, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their role
- Control the financial management of the Council and the reporting of financial information

LEWES TOWN COUNCIL

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control, and of its arrangements for internal audit.

The review of the effectiveness of the system of internal control is informed by the work of the internal auditor and the executive officers within the Council who have responsibility for the development and maintenance of the internal control environment, and also any comments made by the external auditor or other review agencies and inspectorates.

Our review of the effectiveness of the system of internal control is informed by:

- The work of officers within the Council
- Routine oversight by our Audit & Governance Panel
- The work of the internal auditor
- The external auditors in their annual audit report

We have been advised on the implications of the result of the review of the effectiveness of the system of internal control by the executive officers, and plan to address any weaknesses and strive for continuous improvement of the systems in place.

We have reviewed the effectiveness of our Internal Audit operations, and have taken account of the guidance issued in this regard by the Audit Commission. We are satisfied on all counts that our arrangements are effective and meet expected standards.

Signed
Cllr Dr Graham Mayhew
Mayor of Lewes 2016/17

Signed
Steve Brigden
Town Clerk & Responsible Financial Officer

Date

Date

Lewes Town Council
Income and Expenditure Account
for the Year ended 31st March 2016

2015 Nett Expenditure	Cost Centres	Notes	2016 Gross Expenditure	2016 Gross Income	2016 Nett Expenditure
86,996	Corporate Admin		109,192	455	108,737
117,219	Civic Admin		119,442	515	118,927
45,594	Mayoralty		45,968	(1,146)	47,114
149,354	Town Hall	17	465,873	94,746	371,127
79,103	All Saints		145,063	59,422	85,641
21,007	Malling Community Centre		24,845	17,707	7,138
41,973	Pells		41,646	244	41,402
81,645	Open Spaces		94,269	987	93,282
29,713	Allotments		29,881	3,358	26,523
0	Election Expenses		16,400		16,400
17,500	Section 137 Expenditure	5	19,810		19,810
(26,864)	Other Grants and Sponsorship	16	27,985	62,504	(34,519)
<hr/>			<hr/>	<hr/>	<hr/>
643,240	COST OF SERVICES		1,140,374	238,792	901,582
(750,466)	Precept Received			780,496	(780,496)
(112)	Interest and Investment Income	2		226	(226)
10,056	Loan Repayment	12	10,056		10,056
14,957	VAT Unclaimable	14	30,528		30,528
<hr/>			<hr/>	<hr/>	<hr/>
(82,325)			1,180,958	1,019,514	161,444
(904,231)	Balance Brought Forward				(986,556)
<hr/>					<hr/>
(986,556)	Balance Carried Forward				(825,112)
<hr/>					<hr/>
527,175	Earmarked Reserve Balance B/F	18		702,236	
236,430	Transferred from General Fund			180,130	
61,369	Transferred to General Fund			295,957	
702,236	Earmarked Reserve Balance C/F				586,409
377,056	General Fund Balance Brought Forward			284,320	
(92,736)	Surplus/(Deficit) for the Year			(45,617)	
284,320	General Fund Balance C/F				238,703
<hr/>					<hr/>
986,556	Balance Carried Forward				825,112
<hr/>					<hr/>

NOTE: Totals may be affected by "rounding" convention

**Lewes Town Council
Balance Sheet
as at 31st March 2016**

Year Ended 31 March 2015	Notes	Year Ended 31 March 2016
£		£
	CURRENT ASSETS	
5,685	Stock 8	4,563
23,946	Debtors 9	9,557
26,990	Payment in Advance	
26,713	VAT Recoverable 14	52,071
953,974	Cash in Hand	784,052
1,037,308	TOTAL ASSETS	850,243
	CURRENT LIABILITIES	
47,154	Creditors 10	23,309
3,598	Receipts in Advance	1,821
0	VAT Payable	
50,752	TOTAL LIABILITIES	25,130
	NET ASSETS	
986,556		825,112
	Represented by: 18	
284,320	General Fund	238,703
702,236	Earmarked funds	586,409
986,556		825,112

.....
Cllr Dr Graham Mayhew
Mayor 2016/17

Date:.....

.....
Steve Brigden
Responsible Finance Officer

Date:.....

Lewes Town Council**Notes to the Accounts****Year Ended 31 March 2016****1. Principal Accounting Policies****Accounting Convention**

The accounts have been prepared in accordance with The Code of Practice on Local Authority Accounting in Great Britain (the Code), which is recognised by statute as representing proper accounting practices.

Debtors and Creditors

The revenue accounts of the Council are maintained on an income and expenditure basis in accordance with the Code. That is, sums due to or from the Council during the year are included whether or not the cash has actually been received or paid in the year. Exceptions to this are payment of insurance premiums and regular quarterly accounts (e.g. telephones, electricity). This policy is applied consistently each year, and therefore, it will not have a material effect on the year's accounts or on the Council's annual budget.

Leases

The Council has no commitments under finance leases. Rentals payable under operating leases are charged to revenue on an accruals basis.

Earmarked Reserves

Earmarked Reserves are a means of building up funds to meet known or predicted liabilities in the coming years.

2. Interest and Investment Income	2015	2016
	£	£
Interest Income – General Funds	112	226

3. Agency Work

During the year the Council did not undertake any agency work on behalf of other authorities or commission any agency work to be performed by other authorities.

4. Publicity

Section 5 of the Local Government Act 1986 requires the Council to disclose expenditure on publicity. Details are shown under the following broad categories:

	2015	2016
	£	£
Recruitment Advertising	0	0
Marketing Advertising	952	447
Other Publicity (incl. newsletter)	3,238	1,945
Community Cinema operating advertisements	1,633	1,410
TOTAL	5,823	3,802

Lewes Town Council**Notes to the Accounts****Year Ended 31 March 2016****5. S.137 Expenditure**

Section 137 of the Local Government Act 1972 (as amended) enables the Council to spend up to £7.36 per head (2015:£7.20) on the electoral roll in this year for the benefit of people in its area on activities or projects *not specifically authorised by other powers*.

Expenditure was made under this power in 2015/16 for the following purposes:

	2015	2016
	£	£
Grants to		
Lewes Town Partnership	7,000	7,000
East Sussex Youthbank	4,000	4,000
The Oyster Project	1,500	0
CRUSE bereavement care	500	0
Furniture Now!	2,000	0
Circles Network	1,000	0
Landport Residents Association	500	0
Raystede Centre	250	0
RELATE counselling	750	0
Kingston Rd & Cranedown Residents Association	0	4,000
Chapel Café & foodbank	0	850
Sussex Community Development Association	0	1,000
PATINA	0	2,000
Youth Focus for Lewes	0	960
TOTAL	17,500	19,810

Grants to bodies such as the Citizens Advice Bureau are made under other specific legal powers and are not included in the above figures.

General Power of Competence

Minute extract: Council meeting of 21st May 2015

Ref **FC2015/14.1** “Lewes Town Council declares that it meets the conditions, prescribed in Article 2 paragraph 2 of The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012 (SI2012/965), and hereby resolves to adopt the General Power of Competence as provided in the Localism Act 2011 ss1-8.” This declaration has effect until the Council’s Annual Meeting 2019.

6. Employees and Members

The average weekly number of full-time equivalent employees during the year was ELEVEN. The establishment is 14 (8 full-time; 6 part-time).

The government’s Code of Recommended Practice for Local Authorities on Data Transparency promotes the following statement of senior employees’ remuneration:

	2015	2016
	£	£
Chief Executive Officer/Head of Paid Service (Town Clerk)		
Gross salary received	62,329	62,827
Employer’s contribution to LGPS	12,424	12,942
This represents a multiple of 2.89 compared with the median of all salaries		
Members’ Allowances paid in the year	2,979	4,060

Lewes Town Council**Notes to the Accounts****Year Ended 31 March 2016****7. Auditors remuneration**

Fees due to Littlejohn LLP, external auditors, were	£2,000	(2015: £1,920).
Fees paid to Mulberry & Co, internal auditors, were	£907	(2015: £1,014)

8. Stock

	2015	2016
	£	£
Resale & civic items; protective clothing; materials	3,486	2,441
Town Hall consumable stores	529	472
All Saints consumable stores	343	461
All saints resale stock	285	206
Stationery	*1,041	*983
TOTAL	5,685	4,563

* includes estimates for stock pre-printed items

9. Debtors

	2015	2016
	£	£
Trade debtors (No debts were more than 3 months old)	23,946	9,557
VAT (see Note 16)	26,713	52,071
TOTAL	50,659	61,628

10. Creditors and Accrued Expenses

	2015	2016
	£	£
Creditors	47,154	23,309
Receipts in Advance	3,597	1,821
TOTAL	50,751	25,130

11. Operating Lease Commitments

The Council had the following annual commitments under operating leases at 31 March.

	2015	2016
	£	£
Photocopier and doormats	2,229	2,271

12. Loans

	2015	2016
	£	£
Public Works Loan Board (1999 – 2023)	73,745	66,933
This loan was taken out on 18 th January 1999 for works to the Town Hall, in the sum of £150,000 at fixed interest rate of 4.5%pa, with instalments payable half-yearly over 25years (terms as PWLB Circular No116)		

Lewes Town Council

Notes to the Accounts

Year Ended 31 March 2016

13. Pensions

For the year ended 31 March 2016 the Council's contributions equalled 20.6% of employees' pensionable pay (2014/2015 20.1%). Local Government Pension Scheme administrators have notified employer contribution rates for the following year as: 2016/17: 21.1%

14. Value Added Tax (VAT)

Subject to certain conditions, local councils may treat as "non-business" for purposes of VAT some activities that would normally be "business", even when charges are made (*Value Added Tax Act 1994 s33*). It is possible to agree a "partial-exemption" formula, whereby a proportion of an activity can be defined as "non-business" eg a building containing both public halls and the council's own offices may be agreed to offer a percentage of its floor area as space available for exempt uses, and the rest defined as its business base. Expenditure and VAT paid on operation of the building can then be apportioned.

VAT paid (input tax) in relation to exempt activities can be reclaimed provided that the total amount does not exceed £7,500 for the year (average £625 per month), AND represents less than 5% of the total VAT paid on *all* goods/services in the year.

15. Contingent Liabilities

The Council is not aware of any contingent liabilities at the date of these accounts.

16. Council Tax Reduction Support Grant

Government changes have given Principal councils freedoms to remove/alter existing exemptions and discounts from council tax.

The Government has decided that Parish tax bases will be lowered to reflect new local council tax support scheme discounts.

The funding provided to Billing Authorities includes a specified amount attributable to parish areas. The Government has made it clear that this has been provided with the expectation that they will work with local parishes and use this to mitigate the inflationary effect of the tax base reduction on their notional Band'D' equivalent charge. Not all Billing Authorities in England have done this, but it is expected that the indicative funding that Lewes District Council will receive for passing-on to parishes will be transferred as a Council Tax Reduction Support Grant (CTRSG). Lewes District Council has indicated the following payments of this grant:

2013/14: £89,271 2014/15: £73,534 2015/16: £62,504 2016/17: £53,128

The programmed reduction in the amount of CTRSG will increase the calculated Band'D' equivalent value, regardless of any change in Lewes Town Council's budget requirement.

17. Town Hall

In 2015/16 the Council commissioned a major repair/conservation programme for the Town Hall; a heritage-listed building (Grade 2), commencing with the South elevation - the High Street façade. This entailed substantial repairs to ornamental brickwork and terracotta mouldings; stone work; window frames and other woodwork, and re-laying of roof coverings. This work continues as the roof coverings of both the assembly Room and Corn Exchange are to be replaced during 2016/17. Works are funded from accrued balances in Earmarked Reserves (*see note 18*) and the General Fund.

Lewes Town Council
Notes to the Accounts
31 March 2016

18. Movement in Reserves

	Opening Balance	Transfer from General Fund	Transfer to General Fund	Total
	£	£	£	£
Earmarked Reserves				
R1 Town Hall	147,510	58,000	205,510	0
R2 All Saints Centre	38,800	6,000	0	44,800
R3 Open Spaces	14,060	3,000	17,060	0
R4 Lewes Priory	3,060	280	148	3,192
R5 Pells Lake	11,929	0	0	11,929
R6 The Pells	90,639	10,000	0	100,639
R7 Commemorations Fund	12,005	2,000	0	14,005
R8 Environment Enhancement Fund	21,355	2,000	0	23,355
R9 Town Clocks	1,800	300	0	2,100
R10 Malling Community Centre	193,000	40,000	0	233,000
R11 Castle floodlights termination agreement	5,000	0	5,000	0
R12 Neighbourhood road-salt bin grants fund	2,583	0	0	2,583
R13 Election costs reserve	9,054	4,500	13,554	0
R14 Devolution process	78,000	16,000	6,545	87,455
R15 ICT Replacement	4,250	750	0	5,000
Projects committed or in progress				
P1 Placeholder for future projects	0	0	0	0
P2 Historic plaques programme (with FoL)	1,800	300	1,140	960
P3 Magic Circle (with FoL)	21,000	7,000	21,000	7,000
P4 Placeholder for future projects	0	0	0	0
P5 Neighbourhood Plan	18,891	20,000	26,000	12,891
P6 Town Hall access programme	0	0	0	0
P7 Placeholder for future projects	0	0	0	0
P8 Allotments improvements	0	10,000	0	10,000
P9 Pedestrian crossings (contribn to ESCC)	27,500	0	0	27,500
	<u>702,236</u>	<u>180,130</u>	<u>295,957</u>	<u>586,409</u>

Movements this year relate to:

Budgeted contributions from income to reserve funds, and use of those reserves for their defined purpose.

General Fund*

	Opening Balance	Surplus /Deficit	Closing Balance
	£	£	£
Brought Forward	284,320	(45,617)	238,703

* The "General Fund" is the amount not committed to projects or earmarked reserves, which permits day-to-day liquidity and prudent allowance for unforeseeable demands.

It is maintained at a target level roughly equal to 50% of gross annual expenditure, although may fluctuate.

** Accounts marked have no further purpose, and balances have been re-appropriated to the General Fund.

Lewes Town Council
Notes to the Accounts
31 March 2016

19. Information on Assets Held

	31/03/2015	Movement in the Year Acquisitions	31/03/2016	Method of Valuation
	£	£	£	
Operational Land and Buildings				
Lewes Town Hall	1,925,926	0	1,925,926	*
All Saints Centre	362,727	0	362,727	*
Pells Swimming Pool	131,250	0	131,250	*
Non-Operational Land and Buildings				
Malling Community Centre	85,000	0	85,000	**
Equipment				
Computer Equipment	10,948	0	10,948	*
Franking Machine	472	0	472	*
Infrastructure Assets				
Bus Shelters	42,193	0	42,193	*
Town Seats and Benches	21,707	0	21,707	*
Waste Bins	3,027	0	3,027	*
Town Signs	5,877	0	5,877	*
Community Assets				
Lewes Priory site	24,000	0	24,000	**
The Pells Land	15,000	0	15,000	**
Allotments	26,500	0	26,500	**
The Town Plate	237,790	0	237,790	**
Works of Art	252,500	0	252,500	**
St. Michael's Town Clock	21,000	0	21,000	**
Civic Robes	35,670	0	35,670	**
Antique House Clock	2,370	0	2,370	**
Antique Books	2,100	0	2,100	**
War Memorial	1	0	1	***
Land at Landport Bottom (50% share with Lewes District Council)	1	0	1	***
Love Lane Tree Belt	1	0	1	***
Tom Paine Statue, Library terrace [private gift to town]	30,000	0	30,000	****
	3,236,060	0	3,236,060	

* Valued at open market value less depreciation prior to 31/3/05 (depreciation not charged subsequently, due to change in local councils' statutory accounting regime)

** Valued at open market value at 1/4/2004

*** Nominal value/community asset

**** Valuation for insurance purposes

Assets are insured at replacement cost values, except the Priory and War Memorial, which are insured on a first-loss basis.