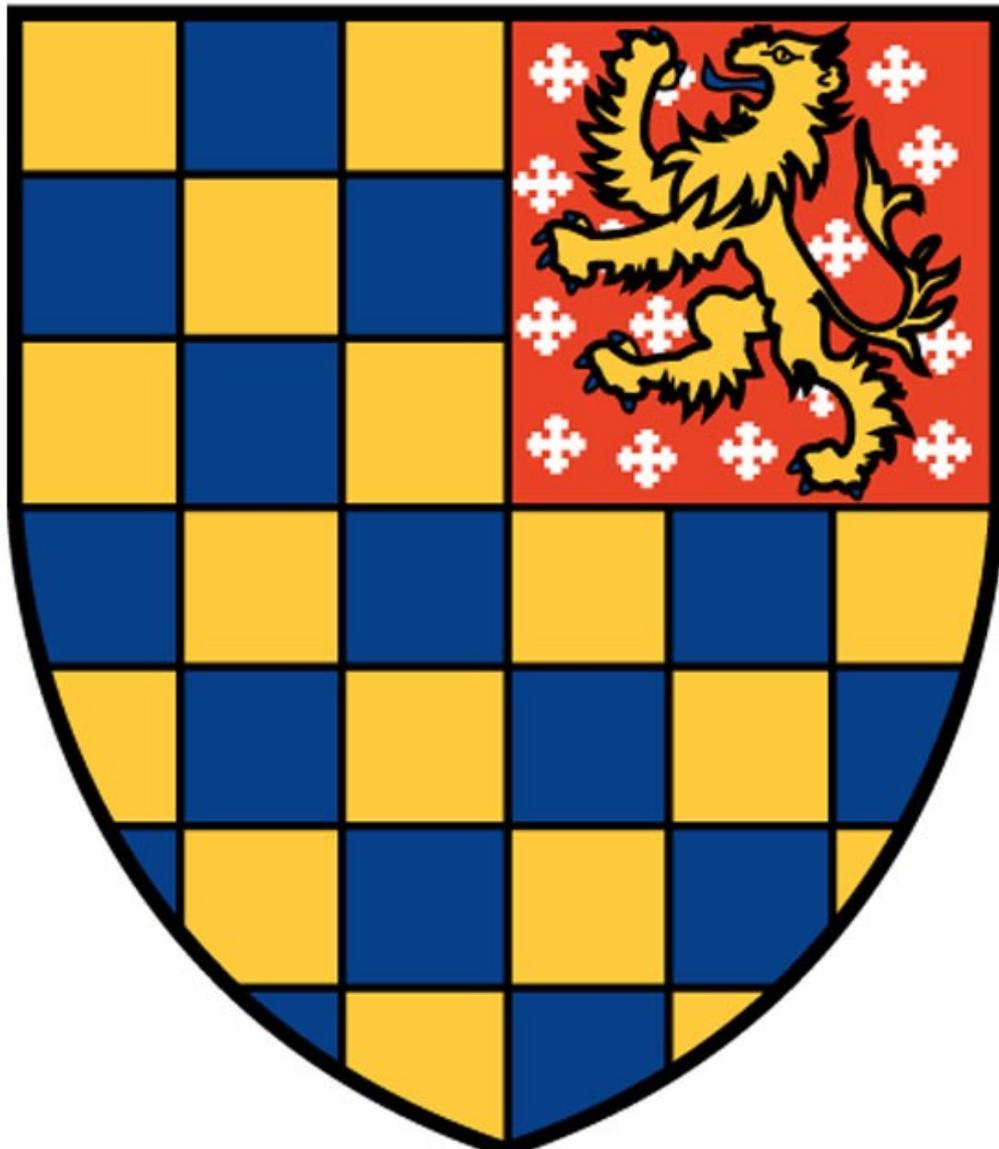


LEWES TOWN COUNCIL



FINANCIAL ACCOUNTS
for the year
1st April 2018 to 31st March 2019
Subject to audit

LEWES TOWN COUNCIL

Council Information

For the Year ended 31 March 2019

Councillors

Cllr Annabella ASHBY

Cllr Janet BAAH

Cllr Adam BARKER

Cllr Richard BURROWS

Cllr Michael CHARTIER

Cllr Will ELLIOTT

Cllr Huw JONES

Cllr John LAMB

Cllr Imogen MAKEPEACE

Cllr Dr Graham MAYHEW

Cllr Merlin MILNER

Cllr Roger MURRAY

Cllr Susan MURRAY

Cllr Ruth O'KEEFFE

Cllr Chelsea RENTON

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,
Registered Auditors & Chartered
Tax Advisers
9 Pound Lane
GODALMING
Surrey GU7 1BX

LEWES TOWN COUNCIL

Explanatory Foreword

For the Year ended 31 March 2019

The Council's statements of accounts for the year ended 31 March 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, *ie* 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 2019

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 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 2019 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 2019, and its income & expenditure for the year ended 31st March 2019.

Signed:.....

Date:.....

Steven Brigden
Town Clerk and Responsible Finance Officer

LEWES TOWN COUNCIL

Statement of Internal Control

Year ended 31st March 2019

Scope and Responsibility

Lewes Town Council (“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’s systems:

- 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 completed 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 result of the review of the effectiveness of the system of internal control by our 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 guidance issued in this regard by the Joint Panel on Accounting Guidance (JPAG). JPAG is responsible for issuing guidance on proper practices in relation to the accounts of “smaller authorities” as defined in the Accounts and Audit Regulations. Membership consists of sector representatives from the Society of Local Council Clerks, the National Association of Local Councils and the Association of Drainage Authorities, together with stakeholder partners representing the Department of Communities and Local Government, the Department of Environment, Food and Rural Affairs, the Chartered Institute of Public Finance and Accountancy, the National Audit Office, and a representative of the external audit firms appointed to smaller authorities.

We are satisfied on all counts that our arrangements are effective and meet expected standards.

Signed
Clr John Lamb
Mayor of Lewes 2019/20

Signed
Steve Brigden
Town Clerk & Responsible Financial Officer

Date

Date

Lewes Town Council
Income and Expenditure Account
for the Year ended 31st March 2019

2018 Nett Expenditure	Cost Centres	Notes	2019 Gross Expenditure	2019 Gross Income	2019 Nett Expenditure
109,614	Corporate Admin		126,842	100	126,742
88,354	Civic Admin		127,052	2,423	124,629
55,762	Mayoralty		52,461	4,170	48,290
299,918	Town Hall		263,898	103,757	160,141
128,022	All Saints		148,318	57,279	91,039
21,038	Malling Community Centre		38,510	11,739	26,771
14,022	Pells		54,746	335	54,411
94,484	Open Spaces		117,155	521	116,634
29,119	Allotments		29,936	5,128	24,808
6,795	Election Expenses				0
38,931	Section 137 Expenditure	5	26,480		26,480
-21,065	Other Grants and Sponsorship	16	56,659	72,178	(15,519)
<hr/>			<hr/>	<hr/>	<hr/>
864,995	COST OF SERVICES		1,042,057	257,630	784,427
(944,758)	Precept Received			1,036,301	(1,036,301)
(943)	Interest and Investment Income			2,323	(2,323)
10,056	Loan Repayment		10,056		10,056
42,006	VAT Unclaimable	14	11,055		11,055
<hr/>			<hr/>	<hr/>	<hr/>
-28,644			1,063,168	1,296,254	(233,086)
(732,776)	Balance Brought Forward				(761,420)
<hr/>					<hr/>
(761,420)	Balance Carried Forward				(994,506)
<hr/>					<hr/>
598,712	Earmarked Reserve Balance B/F	20		638,439	
243,130	Transferred from General Fund			348,035	
203,403	Transferred to General Fund			127,821	
638,439	Earmarked Reserve Balance C/F				858,653
134,064	General Fund Balance Brought Forward			122,981	
(11,083)	Surplus/(Deficit) for the Year			12,872	
122,981	General Fund Balance C/F				135,853
<hr/>					<hr/>
761,420	Balance Carried Forward				994,506
<hr/>					<hr/>

NOTE: Totals may be affected by "rounding" convention

Lewes Town Council
Balance Sheet
as at 31st March 2019

Year Ended 31 March 2018	Notes	Year Ended 31 March 2019
£		£
	CURRENT ASSETS	
5,629	Stock 8	4,378
10,360	Debtors 9	13,910
	Payment in Advance	30,713
34,493	VAT Recoverable 9&14	35,983
751,633	Cash in Hand	938,081
802,116	TOTAL ASSETS	1,023,065
	CURRENT LIABILITIES	
20,223	Creditors 10	24,861
1,556	Receipts in Advance 10	3,698
18,916	Accruals	0
0	VAT Payable	
40,695	TOTAL LIABILITIES	28,559
	NET ASSETS	
761,420		994,506
	Represented by:	
122,981	General Fund 20	135,853
638,439	Earmarked funds	858,653
761,420		994,506

.....
Cllr John Lamb
Mayor 2019/20

.....
Steve Brigden
Responsible Finance Officer

Date:.....

Date:.....

Lewes Town Council**Notes to the Accounts****Year Ended 31 March 2019****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 in accordance with the Code. 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	2018	2019
	£	£
Interest Income – General Funds	943	2,323

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:

	2018	2019
	£	£
Recruitment Advertising	0	656
Marketing Advertising	435	266
Other Publicity	892	1,145
Community Cinema operating advertisements	1,110	160
TOTAL	2,442	2,227

Lewes Town Council**Notes to the Accounts****Year Ended 31 March 2019****5. S.137 Expenditure**

Section 137 of the Local Government Act 1972 (as amended) enabled the Council to spend up to £7.86 per head (2018:£7.57) 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 2018/19 for the following purposes:

Grants to	£
RELATE	750
FitzJohn's Road Foodbank	1,750
Windrush 70 creative writing competition	300
Sussex Community Rail Partnership	80
North; West, and Market Streets Residents Assoc'n	500
Nevill Residents Association	200
Malling Tenants & Residents Association	1,000
PATINA	1,500
St Peter & St James Hospice	1,000
Railway Land Wildlife Trust	1,400
Lewes Community Screen	1,000
Compass Travel (buses)	10,000
Community Transport Lewes Area (CTLA)	7,000
TOTAL	26,480

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 12.13. 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:

	2018	2019
	£	£
Chief Executive Officer/Head of Paid Service (Town Clerk)		
Gross salary received	64,617	65,933
Employer's contribution to LGPS	11,152	11,375
This represents a multiple of 2.81 compared with the <i>median</i> of all salaries		
Members' Allowances paid in the year	3,982	4,252

Lewes Town Council**Notes to the Accounts****Year Ended 31 March 2019****7. Auditors remuneration**

Fees due to Littlejohn LLP, external auditors, were	£2,000	(2018: £2,000).
Fees paid to Mulberry & Co, internal auditors, were	£645	(2018: £425)

8. Stock

	2018	2019
	£	£
Resale & civic items; protective clothing; materials	2,464	1,940
Town Hall consumable stores	526	474
All Saints consumable stores	840	671
Stationery	*1,799	*1,293
TOTAL	5,629	4,378

* includes stock pre-printed items, at valuation

9. Debtors

	2018	2019
	£	£
Trade debtors (No debts were more than 3 months old)	10,360	13,910
VAT (see Note 16)	34,493	35,983
TOTAL	44,853	49,893

10. Creditors and Accrued Expenses

	2018	2019
	£	£
Creditors	20,223	24,861
Receipts in Advance	1,556	3,698
Accruals	18,916	0
TOTAL	40,695	28,559

11. Operating Lease Commitments

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

	2018	2019
	£	£
Photocopier and doormats	2,274	2,450

12. Loans

	2017	2019
	£	£
Public Works Loan Board (1999 – 2023)	52,363	44,577
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 2019

13. Pensions

For the year ended 31 March 2019 the Council's contributions were 17.4% of employees' pensionable pay plus a fixed sum of £16,000 following a revised valuation principle by Local Government Pension Scheme fund actuaries. Scheme administrators have notified employer contribution rates for the following year as: 2019/20: 17.4%+ £19,000.

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. These values are unchanged since 1992.

15. Contingent Liabilities

The Council is not aware of any contingent liabilities at the date of these accounts. It has accounted-for accrued commitments (*see note 10*).

16. Other grants and sponsorship

These include items such as Council Tax Reduction Support Grant (CTRSG). Government changes have given Principal councils freedoms to remove/alter existing exemptions and discounts from council tax. The Government decided that Parish tax bases would 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 continue to be transferred as a CTRSG.

Lewes District Council has made/committed the following payments of this grant:

2013/14: £89,271 2014/15: £73,534 2015/16: £62,504 2016/17: £53,128 2017/18 £45,159
2018/19: £37,190 ; 2019/20 £32,624

The programmed reduction in the amount of CTRSG increases 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 initiated 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 continued as the roof coverings of both the assembly Room and Corn Exchange were replaced. Works were funded from accrued balances in Earmarked Reserves (*see note 20*) and the General Fund.

Lewes Town Council

Notes to the Accounts

Year Ended 31 March 2019

18. Mallings Community Centre

Lewes Town Council intends to regenerate the Mallings (Bridgeview) Community Centre and create a new mixed use community space. This will involve major alteration and refurbishment works. The newly renovated building will offer a vibrant community space, with links to outdoor facilities, spaces for public hire, sports changing rooms, and social area/café. Architects have prepared designs, taking account of the many comments and responses to earlier consultations from current and prospective users. When these designs were presented, many of those stakeholders were able to assist Councillors in making their choice.

A design has been selected planning consent obtained, and we are now assessing what grants may be available to assist in enhancing particular elements of the scheme and planning the final stages of the programme during 2019/20. We have received tenders from building contractors and the actual timing of the works now depends upon the successful bidder (who will set a programme taking account of other commitments), and other external factors.

Works will be funded from accrued balances in Earmarked Reserves (*see note 19*) and will be supplemented by appropriate grant applications and/or approved borrowing.

Lewes Town Council
Notes to the Accounts
31 March 2019

19 Information on Assets Held

	31/03/2018	Movement in the Year Acquisition s	31/03/2019	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	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.

Lewes Town Council
Notes to the Accounts
31 March 2019

20 Movement in Reserves

	Opening Balance	Transfer from General Fund	Transfer to General Fund	Total
	£	£	£	£
Earmarked Reserves				
R1 Town Hall	0	60,000	8,000	52,000
R2 All Saints Centre	18,800	10,000	1,000	27,800
R3 Open Spaces	6,000	1,000	0	7,000
R4 Lewes Priory	0	280	0	280
R5 Pells Lake	11,929	0	0	11,929
R6 The Pells	100,639	37,000	14,400	123,239
R7 Commemorations Fund	8,028	2,000	7,936	2,092
R8 Environment Enhancement Fund	19,370	1,000	2,643	17,727
R9 Town Clocks	0	300	0	300
R10 Malling Community Centre	299,800	60,000	7,300	352,500
R11 Placeholder for future projects	0	0	0	0
R12 Neighbourhood road-salt bin grants fund	2,583	0	0	2,583
R13 Election costs reserve	0	11,805	0	11,805
R14 Devolution process	0	0	0	0
R14A Devolution process (tranche 2 Prov'n)	66,600	0	0	66,600
R15 ICT Replacement	6,500	750	0	7,250
R16 Renewable Energy	20,000	10,000	0	30,000
Projects committed or in progress				
P1 Our Pictures Project	0	31,600	31,600	0
P2 Historic plaques programme (with FoL)	450	300	722	28
P3 Magic Circle (with FoL)	21,000	15,000	0	36,000
P4 New Website	4,240	2,000	420	5,820
P5 Neighbourhood Plan	0	5,000	3,800	1,200
P6 Placeholder for future projects	0	0	0	0
P7 Bus service Support	0	25,000	25,000	0
P8 Allotments improvements	0	0	0	0
P9 Pedestrian crossings (contribn to ESCC)	52,500	25,000	25,000	52,500
P10 General Fund Reinstatement	0	50,000	0	50,000
	<u>638,439</u>	<u>348,035</u>	<u>127,821</u>	<u>858,653</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	122,981	12,872	135,853

* 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.