

Pelton Parish Council

Report to: Full Council Committee
 Date: 28th June 2017
 Report Author: Mrs Maxine Robinson, Act. Parish Clerk
 Subject: 2016/17 Variance Statement

The Variance Statement for the Council finances between 2015/16 and 2016/17 are detailed below.

	31st March 2016	31st March 2017	Reason(s)
Income			
Box 2 Precept	146,691	155,640	(£8944) – The increase was made during budget setting to allow for precept. It was made up of the following <ul style="list-style-type: none"> a. To take into account an increase, as advised by external contractors over which we had no control. b. To allow for the changes in the law in relation to pest control and additional related costs. c. To allow for a 2 – 3% increase on those contracts where no indication had been made as to proposed rises in service provision. d. To allow for an increase in community support being made available to groups and organisations.
Box 3 Other receipts	21,262	27,008	(£5746) – Part Allotment rent from 2015/16 was banked within the period representing 2 years allotment within 1 year.
Expenditure			
Box 4 Staff Costs	15,150	18,831	(£3681) – <ul style="list-style-type: none"> a. The Clerk increase in pay spine point b. Dual staff coverage during hand over to the acting clerk part way through the year. c. Increase in Litter Pickers pay and hours.
Box 6 Other payments	158,870	139,139	(-£19,731) – The previous year had incurred £19,000 for replacement fencing to the allotments. No such payments in current year.

<p>Box 7 + 8 Balances c/f</p>	<p>37372</p>	<p>62052</p>	<p>(£24,680) – The Council only had enough reserves earmarked in the account at the end of 2016 to cover for an election and a bye-election and £5,000 emergency funds available. During the course of 2016/17 it had seen several councillors resign. Should more than 1 election be called there would be no funds to cover this. Likewise, there weren't any reserves to call on. The council received £14,000 VAT (from 3 previous disputed years) and this was earmarked to improve the reserves. £10,000 from 2016/16 had been agreed to be transferred into the deposit account to start to build up the reserves, but this was not actioned until 2016/17</p>
<p>Box 9 Fixed Assets</p>	<p>23,877</p>	<p>35,211</p>	<p>(£11334) – The Asset Register was fully reviewed and items not included in the 2015/16 were updated. Additionally, the council opened an office in the community Centre using donated / second hand furniture etc. The Insurance Company wanted the office equipment to represent a replacement value, so all was costed to be included in the assets.</p>

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Subject: Annual Account Support Statement 31st March 2017

1. Overall View

The Council remained within the overall budget and was able to assist the local communities in a variety of ways.

- a. The Pelton Community Centre, which provides a wide array of services and a good community facility for lots of groups and individuals to use, was assisted again this year. It did however lose its youth grant from DCC of £30,000+ and managed to still continue to provide excellent services to the community.
- b. The Council established an office in the Community Centre after seeking an office nearby, without success.
- c. Grange Villa Enterprise Centre also received grant funding to help with much needed community work and a meal service both in the building and delivered to nearby residents. Help with CCTV and security was provided too. This facility's grant is to be increased in 2017/18.
- d. The Allotments required some maintenance and the culvert clearance was a major job for the year.
- e. Primary schools, local groups and organisations had smaller donations awarded.

2. Fixed Assets

As at the 31st March, the reviewed asset list shows a marked increase in value. In reality, the Council opened an office and this required furniture. The furniture was received from excess requirements from Durham County Council, at no cost. However, the insurance company required a replacement value to be recorded, hence the marked increase. A lap top computer was also decommissioned.

3. Current Assets

Current Account stands at	£ 8531.39
Deposit Account stands at	£53,518.33
Combined Total is	£62,049.62

4. Leases

4.1 The Council has a lease for the Grange Villa 2 Allotments. This is due for renewal in March 2019. The final two years of the lease have a larger lease payment than in the previous years and 2016/17 saw the first of the increases by £250

5. Borrowings – Nil

6. **Outstanding Loans** – Nil

7. **Tenancies** – The Council has three allotment sites, owned by Durham County Council, on a peppercorn rent of £1 annually (if collected) and to date no request has been received.

8. **Reserve Policy** –
 - 8.1 The Council holds earmarked reserves to enable it to pay for an election, or by-election, should the need arise.
 - 8.2 It also holds reserves allocated to the allotments in order that fencing and access roads can be repaired and the culvert cleared as required.
 - 8.3 The Council has little more in reserves and decided to increase this so that it can continue business if other unexpected pressures on the budget arise. The VAT reclaimed covering the last three years (£14,029.25) was part transferred to assist in this.

9. **Section 137 Payments**
 - 9.1 The payments this year were £ 1565.00 This reflected in an over budget payment of £318. Members considered that the community should benefit from the three years VAT reclaim being received and allocated it to this budget payment.
 - 9.2 Other payments – Supporting Community Centres Grants £106,952 – LGA 1972, s133 (Community Centres); Local Government (Miscellaneous Provisions) Act 1976, s 19 (Recreation); Local Government & Rating Act 1997,s 31 (crime prevention)

10. **Agency Work** – nil

11. **Advertising / Publicity** – The Council newsletter was to be re-established after the election. An editor and committee was to be decided at the new Council AGM.

12. **Pension** – There were no staff wishing, or eligible to be part of the NEST Scheme.

13. **VAT Reclaim** – There had not been a reclaim paid to the Council in either 2015/16, 2015/14 nor 2013/14. A full investigation had been undertaken and the HMRC had also investigated and discovered two errors. Firstly that they had not paid out a sum in 2013/14 which they had declared as paid and secondly that the Council had 2 identification numbers which had caused confusion. Once this was resolved the three years payments were made in excess of £14,029.25

Maxine Robinson
Acting Clerk
15th June 2017