

Explanation of significant variances

Box No.	This year (£)	Last year (£)	Difference (£)	Difference (%)	Explanation
2	12694	12040	654	5	Small increase in precept agreed to reflect rising costs of goods and services and reduction on LCTSS grant from Durham County Council
3	203576	56007	147569	263	*Please refer to separate sheet
4	3606	3664	-58	-2	N/A
6	190986	34189	156797	459	*Please refer to separate sheet
7	90313	68635	21678	32	*Please refer to explanation of high level of reserves
9	51090	51090	0	0	No variation to report. For information, however, the former (now demolished) community centre was recorded on the asset register with a value of £1.00. The capital cost of the building currently under construction is c£537000 however a value of £1.00 has been recorded. This is because aside from being a community asset, the Lottery grant contains provision for clawback should the building cease to be used for its intended purpose or be sold.

An ongoing project to rebuild the Council's community centre has accounted for a substantial proportion of receipts and payments during the year 2015/2016. Similarly, during the year 2014/2015 this project, together with another to provide a youth shelter, accounted for a large proportion of receipts and payments.

To allow a comparison to be made of the Council's general receipts and payments excluding these projects, I have set out further detail below.

Box 3 - Other receipts		
Year 2014/2015		
General Receipts	Local Council Tax Support Scheme Grant	2429
	VAT reclaim	496
	Bank interest	115
		3040
Youth shelter project	Durham County Council	4146
	Hamsteels Youth Partnership	7000
		11146
Community building project	Durham County Council	30000
	Big Lottery Fund	4230
	VAT reclaim	7230
	Hamsteels Community Association	361
		41821
	TOTAL RECEIPTS as per Box 3	56007
	Receipts excluding projects	3040
Year 2015/2016		
General Receipts	Local Council Tax Support Scheme Grant	2177
	VAT reclaims	16541
	(Less VAT attributable to comm build)	-16168
	Bank interest	176
	Zurich Municipal (insurance claim)	1080
		3806
Community building project	Durham County Council	30000
	County Durham Community Foundation	30000
	Big Lottery Fund	123602
	VAT reclaims	16168
		199770
	TOTAL RECEIPTS as per Box 3	203576
	Receipts excluding projects	3806

Using the figures above, excluding projects gives the following variance.

Box No.	This year (£)	Last year (£)	Difference (£)	Difference (%)	Explanation
3	3806	3040	766	25	Increase due to payment of £1080 received in respect of insurance claim and additional interest due to increased balances on accounts, offset by reduction in LCTSS grant for 2015/2016 and slightly lower VAT reclaim.

Box 3 - All other payments

Year 2014/2015

All other payments as Box 6	34189
Youth shelter project	-13979
Community building development work	-16908
Other payments	3302

Year 2015/2016

All other payments as Box 6	190986
Community building project	-185105
	5881

Using the figures above, excluding projects, gives the following variance.

Box No.	This year (£)	Last year (£)	Difference (£)	Difference (%)	Explanation
6	5581	3302	2279	69	Additional payments in 2015/2016 are detailed below, with the remainder being variations on postage, stationery etc
					Youth shelter repairs
					1416
					New website
					194
					Increased insurance premium
					102
					Increased audit fees
					240
					Room hire for meetings
					50
					Annual play areas inspection done April 2015 but March 2016
					108
					Additional spend on parks
					225
					2335

Bank Accounts

Virgin Money current account	£	27,050.89	
Unity Trust current account	£	10,247.20	
Barclays current account	£	44,409.37	
Barclays savings account	£	12,222.42	
			£ 93,929.88
Less unpresented cheques			-£ 3,681.43
Add uncleared payments			£ -
Add petty cash			£ 64.40
Add investments			£ -
TOTAL			£ 90,312.85

Amount corresponds to that in Box 8 of Section 2 of the Annual Return

Explanation of high level of reserves

At the year end, the Council's reserves were in the sum of £90,312.85 which is accounted for as follows.

Play area opt-out monies

The Council previously opted out for the former Derwentside District Council's Play Strategy and as a result of doing so received the sum of £15,000 towards the cost of refurbishment and improvement to play/leisure equipment in the Parish. The Council divided the funds across the 3 villages in the Parish. Cornsey Village play area was refurbished in 2009, Cornsey Colliery in 2011 and a contribution was made towards the cost of a youth shelter in Hamsteels in 2014.

The amount of £6,500 continues to be held by the Council, this being the remaining proportion of funds allocated to Hamsteels. It is anticipated that this will be used in relation to the ongoing project to rebuild Hamsteels Community Hall.

Balance at year end **£6,500.00**

Contingency fund

The Council has previously resolved to maintain a small contingency fund to deal with any unexpected expenditure, for example repairs and maintenance.

Where this is unused during the year, the Council has agreed to carry it forward and ringfence the monies.

Balance at year end **£3,795.28**

Community Building

The Council is currently mid-way through a construction project to rebuild the existing Hamsteels Community Hall. The Council has been building reserves during previous years towards the cost of the project and has also been successful in applying for grant funding to deliver the project.

Grants from Durham County Council (DCC) and County Durham Community Foundation (CDCF) (£60,000 in total) have been received by the Council during the year while a successful application to the Big Lottery Fund has delivered the balance of the funding, together with the Council's reserves.

The contractor is being paid on a monthly basis, with Lottery funding being drawn down for the initial payments. The DCC and CDCF grants will be used to make final payments due under the contract and as such continue to be held by the Council at the year end.

The balance held in this respect is therefore formed of the DCC and CDCF grants, retention payments made by the Lottery to be held by the Council and the remainder of the Council's reserves towards the project.

Balance at year end **£78,135.19**

TOTAL at year end **£88,430.47**

The Council has agreed that the remainder of the funds held at the year-end will be allocated to the community building project for the year 2016/2017, while the difference between the cash at bank at 31 March and the balance carried forward is accounted for by a number of un-presented cheques at the year end.

Additional information required for review

Doc Ref:

- (5) Did the council receive a large grant, over £200k and which was also 5% or more than its income in 2015/16?

Yes

Please submit the following information with your annual return and supporting information:

- (a) Evidence to show confirmation of receipt of grant and details of the grant

Please see grant offer letter from the Big Lottery Fund

C1

- (b) Confirmation of how much spent during the year and if any remaining when it will be spent

Payments are made to the Council by the Big Lottery Fund on a monthly basis following submission of Valuation Certificates.

Excluding VAT, the following payments were made during the year:

January 2016	3,983.00
February 2016	43,879.32
March 2016	69,112.24

	116,974.56

Funds received from the Big Lottery during the year were:

February 2016	50,382.00
March 2016	72,750.00

	126,132.00

The difference amounts to the 5% retention on capital works payments which is retained by the Council. The cumulative retention monies will be used to make the final payment to the contractor which is anticipated to be in July 2016.

- (c) If accounts are prepared on income and expenditure and any element of the unapplied grant(s) will be spent in a future period, evidence that this is included in creditors.

N/A – accounts are prepared as Receipts and Payments

(8) Did the council undertake a capital build project in 2015/16?

Yes

Please only provide details if the project cost was over £100,000.

Please submit the following information with your annual return and supporting information:

(a) Copies of invoices/latest valuation of build project costs to date

Please see Interim Certificate No. 4

C2

(NB the variation between the Certificate value and payments made as itemised at (5)(b) above is due to preparatory work undertaken by the contractor in relation to disconnection of services prior to demolition. This was covered by the Lottery grant but predated the issue of Certificate No. 1 in relation to building works.

(b) Copy of minutes where capital build was agreed by council

Please see Minutes of the Meetings of the Council held on:

- 25 November 2015 at which it was agreed to sign contracts for works (Minute 83[b] refers) **C3**
- 12 December 2015 at which it was agreed to proceed with entering into a contract with WJM Quigley Ltd for building works (Minute 86[b] refers) **C4**

(c) Copy of tenders and minutes where tenders were discussed

Please see Forms of Tender

C5

Please see Minutes of the Meetings of the Council held on:

- 24 June 2015 at which the tenders were discussed (Minute 29 refers) **C6**
- 29 July 2015 at which the tenders were discussed (Minutes 40 & 43 refer) **C7**
- 28 October 2015 at which the tenders were discussed (Minute 65[f] refers) **C8**