

**GRANTLEY, SAWLEY, SKELDING AND EAVESTONE PARISH COUNCIL**

**ACCOUNTS 2014/15**

**EXPLANATION OF VARIANCES**

	2013/14 £	2014/15 £	Variance (+/-) £	Variance %	Detailed Explanation of Variance (with amounts £)
<b>General</b> In 2008 the Parish Council sold a disused community building known as Sawley Parish Room for £162,500. After fees the Parish Council received £157,993.97. The Parish Council has agreed a 'memorandum of understanding' which sets out the broad principles for how it will manage the sale proceeds and this is provided as Appendix 1 overleaf. The investments associated with the sale proceeds are the reason for the majority of the significant variances experienced by this Council, however detailed explanations are given below.					
<b>Box 3</b> Total Other Receipts	8625	40423	+31798	+368	On 30 <sup>th</sup> January 2015 a 3 year Fixed Rate Retention Bond with Skipton Building Society matured. The value of the initial investment (£32,750) was held on the Council's asset register. This was then transferred back on to the Council's balance sheet and shows as a receipt in this financial year. If it were not for this transaction then the figures in these boxes would not reach the 15% threshold.
<b>Box 6</b> All Other Payments	22646	46024	+23378	+103	The majority of the Council's 'normal' expenditure e.g. insurance premiums, grasscutting contracts etc remained within the 15% tolerance levels. The reasons for this significant variation are as follows: <ul style="list-style-type: none"> <li>• In 2013/14 the Council spent £16,447.05 on new playground equipment.</li> <li>• In 2014/15 the Council invested £38,462.93 in long term investments which necessitated this amount being transferred from the Council's balance sheet to its asset register.</li> <li>• In 2014/15 the Council took legal advice costing £600 in respect of an access issue over Sawley Village Green.</li> </ul>
<b>Explanation for high reserves.</b> In 2008 the Parish Council sold a disused community building known as Sawley Parish Room for £162,500. After fees the Parish Council received £157,993.97. The Parish Council has agreed a 'memorandum of understanding' which sets out the broad principles for how it will manage the sale proceeds and this is provided as Appendix 1 overleaf. It should be noted that there are restrictions on how the Council can use the proceeds. £71,212.93 of the proceeds are currently shown on the Council's asset register and are included in Box 9 of the annual return. The remainder (£67,841.05) is included in box 7 as it is held in short term-investments or bank accounts.					

**APPENDIX 1**

**MEMORANDUM OF UNDERSTANDING**

**USE OF PROCEEDS FROM SALE OF SAWLEY PARISH ROOM**

- The use of the proceeds to be restricted so as to only be used in / to benefit the Sawley Ward of the Parish as intended in original conveyance from John Smith's Tadcaster Brewery prior to amalgamation of wards (Parish Council Meeting – 23.10.08).
- Significant proportion of the proceeds to be saved and invested and the income generated used for appropriate projects / purposes (Parish Council Meeting – 23.10.08).
- There may be some projects / purposes which would warrant spending some of the capital (Parish Council Meeting – 23.10.08).
- Proceeds to be used in accordance with the terms of the conveyance from John Smith's Tadcaster Brewery:
  - \* To purchase or improve other premises which are used for the original purposes of the Parish Room (classroom, meeting room, lecture room, meeting place for clubs or lending library).
  - \* For any other objects, ends or purposes having in view the spiritual, intellectual, moral or social wants of Sawley residents.

**Points arising from the 2009 Annual Parish Meeting, agreed at the Parish Council meeting on 21<sup>st</sup> May 2009.**

- A maximum of £40,000 of the proceeds to be used for projects or purposes in the short term.
- Remainder to be invested for the long term good of Sawley.
- Interest earned to be distributed through a small grants scheme to be set up and administered by the Parish Council.