

Explanation of variances 2019/2020

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KIDDERMINSTER FOREIGN PARISH COUNCIL - Worcestershire

Full explanations, including numerical values, for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

Section 2	2018/19 £	2019/20 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)
Box 2 <i>Precept</i>	9787	9787	N/A	0	No explanation, but as a step to reduce reserves there has been no increase in the precept amount for 4 years.
Box 3 <i>Total other receipts</i>	7231	11245	4014	55%	*£5000 Safer Roads Fund Grant (unexpected) £500 Localism Grant for Bus Shelter provision in the parish (to be provided in 2020/21) - Grant aid cannot be predicted or budgeted for, as it is always incidental.
Box 4 <i>Staff costs</i>	4050	4188	138	3.4%	No incremental point increase; NALC negotiated agreed percentage increase to salary scale only.
Box 5 <i>Loans</i>	0	0	N/A		
Box 6 <i>All other payments</i>	8879	14702	5823	65%	Trying to reduce reserves a little, ** but was fortunately successful to offset reserve funding with grants as above.* £7260 – 2 x VA Road Signs £315 – Renovation work on benches and noticeboards £200 – grant given to Arley School.
Box 7 Reserves	37795	39937	2142	5.7%	See explanation below for High Reserves.***
Box 9 <i>Assets</i>	10650	17650	7000	66%	Assets increased by £7000 due to purchase of VA Road signs.
Box 10 <i>Borrowings</i>	0	0	N/A		
Explanation for 'high' reserves ***	<p>Box 7 (£39937) is more than twice Box 2 (Precept) (£9787), but has increased by just 5%.</p> <ul style="list-style-type: none"> - Expenditure during 2019/20 of £7000 on two VA Signs. Although not now an earmarked reserve, this is an example of a large purchase for this parish, whereby on its own, practically equates to almost the whole year's precept. Without grant aid being sought and received, the figures would have been reversed in expenditure. - Grant aid to the value of £500 has also been received this year towards the cost of Bus Shelter provision in the parish, but not yet spent, although this will probably only cover 25% of the cost of one shelter – priced at around £2000ea. – the remaining £1500 will no doubt need to be found from reserves. Councillors are currently considering providing more than one shelter. - Probable need to top up Lengthsman and ROW funding since there has been no increase in the contract grant given by Worcs. County Council for 10 years+, whilst the cost to the parish / contractors rates are continually increasing – even though we have managed to keep this below inflation. . Dependent upon weather, Lengthsman work on highways may need additional funding above the amount of the grant received – and hence with such a small precept we need to keep healthy reserves to maintain basic local services to cover such eventualities. Indeed in the last two years, the County Council grant towards upkeep of RsOW in the parish has in fact decreased, and has had to be bolstered by funding from the parish. - Any extra expenditure incurred (e.g. professional reports) in connection with a large planning application expected in the parish concerning a proposed adventure trail. - Any possible legal costs for the Parish in the event of illegal traveller encampments, which, although happened in the past, cannot be predicted. - Any possible costs related to the prevention or removal of illegal fly-tipping, prevalent in the parish at the current time. <p>We are a small parish with only a modest precept. Any, or a combination of these eventualities, could result in most of our precept being totally spent in a one-off unexpected cost. We cannot give a monetary value to the majority of these unexpected eventualities, and need to hold a realistic reserve for modern-day costs, in a parish of small means – as this year's Covid 19 pandemic has caught out many authorities without such healthy reserves, including the Government! Also, we pride ourselves in searching and applying for grant aid wherever available. This we believe makes sound business sense, and is in the interests of our small electorate, but can never be predicted or relied upon. As can be seen in Box 6** above, efforts are consciously being made to make large purchases to improve the quality of life in our parish, to help with safety and security of our electorate, and indeed, we will continue to make similar purchases in the future, (Bus Shelters), tracking down any available grant funding for such projects, to assist our parishioners so that large precept increases to cover these are not necessary. Also, to counteract the high reserves held, we have not increased our precept now for 4 years. So you can see we are taking steps to reduce our reserves, whilst also working towards a better life for our parishioners but keeping their Parish Rate (i.e.the Precept) at the same level.</p>				