

## Explanation of variances

### KIDDERMINSTER FOREIGN PARISH COUNCIL - Worcestershire

**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	2016/17 £	2017/18 £	2018/19 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)
<b>Box 2</b> <i>Precept or Rates and Levies</i>				N/A		
<b>Box 3</b> <i>Total other receipts</i>				N/A		
<b>Box 4</b> <i>Staff costs</i>				N/A		
<b>Box 5</b> <i>Loan interest/</i>				N/A		
<b>Box 6</b> <i>All other payments</i>	8914	11183	8879	2304	25.9%	In 17/18 year equipment purchased – eg Smartwater Kits for parish households, and grants given towards defibrillator provision in the parish – totalling £3431. These projects were not encountered in 18/19. <i>*These are examples of one-off projects undertaken to reduce capital reserves</i>
<b>Box 9</b> <i>Total fixed assets &amp; long term investments &amp; assets</i>			8350	10650	27.5%	RFO made aware that certain benches and memorials in the parish had not been previously accounted for in the Fixed Assets. Additional 5 benches, and 2 memorials now included.
<b>Box 10</b> <i>Borrowings</i>				N/A		
<b>Explanation for 'high' reserves</b>						<p><b>Box 7 (£37795) is more than three times Box 2 (£9787) explained as below:</b></p> <ul style="list-style-type: none"> <li>- Grants requested from the County Councillor (some towards defibrillator provision and requested in 17/18) were not received until 2018, and so were evident in the receipts for 2018/19.</li> <li>- Possible need to top up Lengthsman 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, work on highways may need additional funding above the amount of the grant received – and hence we need to keep higher reserves to maintain basic local services.</li> <li>- County funding in the coming year for work on footpaths has been reduced.</li> <li>- On-going IT requirement expenditure re Transparency Code and Website</li> <li>- Possible expenditure particularly IT related in connection with bringing Council in to line with legal requirements of the GDPR – including storage and protection of data</li> <li>- Any extra expenditure in connection with a large planning application expected in the parish concerning a proposed adventure trail.</li> <li>- Any possible legal costs for the Parish in the event of illegal traveller encampments.</li> <li>- Any possible costs related to the prevention or removal of illegal fly-tipping, prevalent in the parish</li> <li>- Possible purchase of VA Signs for highways in 2019/20, and also CCTV Cameras to combat flytipping.</li> </ul> <p>We are a small parish with only a modest precept. Any, or a combination of these eventualities, could possibly 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.</p> <p>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. As can be seen in <b>Box 6</b> * 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. However, through our efforts, we will also track 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 for the past 3 years. So you can see we are taking steps to reduce our reserves, whilst working towards a better life for our parishioners/electorate.</p>