

Explanation of variances

HORSMONDEN PARISH COUNCIL

The 'Practitioners' Guide' provides guidance on explaining significant variances. **Please provide full explanations, including numerical values**, for the following:

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

Section 2	2015/16 £	2016/17 £	Variance £	Variance %	Detailed explanation of variance (with amounts £)																																				
Box 2 <i>Precept or Rates and Levies</i>	67915	70480	2565	3.78	N/A																																				
Box 3 <i>Total other receipts</i>	28531	13916	14615	51.22	<table border="1"> <thead> <tr> <th>ITEM</th> <th>2015/16</th> <th>2016/17</th> <th>VARIANCE</th> </tr> </thead> <tbody> <tr> <td>VAT</td> <td>8004</td> <td>9315</td> <td>1311</td> </tr> <tr> <td>GRANTS</td> <td>4000</td> <td>650</td> <td>(3350)</td> </tr> <tr> <td>INTEREST</td> <td>601</td> <td>735</td> <td>134</td> </tr> <tr> <td>DONATIONS</td> <td>5520</td> <td>889</td> <td>(4631)</td> </tr> <tr> <td>REFUNDS/</td> <td>1079</td> <td>2327</td> <td>1248</td> </tr> <tr> <td>CONTRIBS</td> <td></td> <td></td> <td></td> </tr> <tr> <td>VC FUND</td> <td>9327</td> <td>0</td> <td>(9327)</td> </tr> <tr> <td>TOTAL</td> <td>28531</td> <td>13916</td> <td>(14615)</td> </tr> </tbody> </table> <p>There is a variance of £14615 representing a reduction of over 51% between receipts in 2016/17 and 2015/16. This is mainly due to the reduced income to the Village Celebration (VC) Fund during 2016/17. The Village Celebration fund was a fund set up to pay for and receive income from village wide celebrations such as the Queens Golden Jubilee and Birthday celebrations which included annual music festival and fete days organised by the parish council with volunteers. These were non profit making events and income from one year covered the expenditure of the event the following year. Due to the increasing size and complexity of these annual celebrations the council decided in 2016 that these could be better run by a separate charitable organisation and a charity called HoVEC (Horsmonden Village Events Charity) was set up by volunteers to organise and run these village wide events. The remaining funds were signed over to the charity HoVEC in May 2016 and this meant that the income from the event in 2016/17 no longer came to the parish council.</p> <p>Donations were also down by over £4000 in 2016/17 compared to the previous year and this was mainly due to the fact that in 2015/16 a one off donation of £2000 was received from a parishioner to put towards our shelter on the Green and a donation</p>	ITEM	2015/16	2016/17	VARIANCE	VAT	8004	9315	1311	GRANTS	4000	650	(3350)	INTEREST	601	735	134	DONATIONS	5520	889	(4631)	REFUNDS/	1079	2327	1248	CONTRIBS				VC FUND	9327	0	(9327)	TOTAL	28531	13916	(14615)
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					<p>of £3520 was received from the Social club to pay for works to the front of the Institute Building. Donations were much more limited in 2016/17 with only a small amount coming from the disbanded village youth club.</p> <p>Grants were also significantly less in 2016/17. In 2015/16 £4000 was received from KCC for the village shelter, but in 2016/17 only £650 was received (£400 from TWBC and £250 from KCC both for the Queens Birthday celebrations).</p> <p>These were counter balanced slightly by a larger VAT reclaim in 2016/17 owing to increased expenditure.</p>																								
Box 4 <i>Staff costs</i>	13770	15429	1659	12.04	N/A																								
Box 5 <i>Loan interest/ capital repayments</i>	0	0	0	0	N/A																								
Box 6 <i>All other payments</i>	59114	122368	63254	107	<table border="1"> <thead> <tr> <th>EXP ITEM</th> <th>2015/16</th> <th>2016/17</th> <th>VARIANCE</th> </tr> </thead> <tbody> <tr> <td>Reserves</td> <td>13602</td> <td>82267</td> <td>68665</td> </tr> <tr> <td>VAT</td> <td>7126</td> <td>4935</td> <td>(2191)</td> </tr> <tr> <td>Precept</td> <td>27564</td> <td>34166</td> <td>6602</td> </tr> <tr> <td>Income</td> <td>10822</td> <td>1000</td> <td>(9822)</td> </tr> <tr> <td>Total</td> <td>59114</td> <td>122368</td> <td>63254</td> </tr> </tbody> </table> <p>There is a variance of £63254 between the expenditure in 2016/17 and 2015/16 representing 107% increase in 2016/17. This is mainly attributable to the amount of £70,000 which was invested into a 2 year bond with HSBC , thus representing a long term investment and showing as expenditure from our reserves account. It is off set slightly by the greater VAT expenditure in 2015/16 and the greater expenditure from income in 2015/16 - most of which was the expenditure of £9520 which was for our new shelter on the Village Green, coming from donation income and grant income. The council also spent slightly more from their precept in 2016/17 compared to 2015/16. Over £3000 of this was for extra grounds maintenance and tree works on the village green, but much of it was down to small additional items and price increases in general.</p>	EXP ITEM	2015/16	2016/17	VARIANCE	Reserves	13602	82267	68665	VAT	7126	4935	(2191)	Precept	27564	34166	6602	Income	10822	1000	(9822)	Total	59114	122368	63254
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Box 9 <i>Total fixed assets & long term investments & assets</i>	94584	164601	70017	74.03	<p>There is a variation of over 74% in the assets and long term investments representing an increase of £70017 from £94584 to £164601 in 2016/17. This is mainly due to the Council's long term investment of £70,000 in a two year investment with HSBC.</p> <p>There was an additional purchase of litter bins which added a further £77 in 2016/17 and a reduction of £60 representing a printer which was written off after it ceased working (amounting to the net increase of £17)</p>
Box 10 <i>Total borrowings</i>	0	0	0	0	N/A
Explanation for 'high' reserves	N/A				