

## Explanation of variances – pro forma

Name of smaller authority: \_\_\_\_\_ **Preesall Town Council** \_\_\_\_\_

County area (local councils and parish meetings only): \_\_\_\_\_ **Lancashire** \_\_\_\_\_

**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);
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

<b>Section 2</b>	<b>2016/17</b>	<b>2017/18</b>	<b>Variance</b>	<b>Variance</b>	<b>Detailed explanation of variance (with amounts £)</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>%</b>	
<b>Box 2</b> <i>Precept or Rates and Levies</i>	74469	92588	18119	24.33	The council increased the budget to cover the known 1% increase in payroll costs and the expected increase in cost for the clerk becoming CILCA qualified a total of £2500. An additional £5,000 was included within the precept for possible election costs and an additional £10,000 to enable the council to contribute to the saving of local services (ferry). An extra £500 was included to cover additional insurance costs for equipment on the playing field and an extra £50 was added to the audit costs. The rest was a slight increase to service budget heads to cover inflation.
<b>Box 3</b> <i>Total other receipts</i>	24354	10575	-13779	-56.58	The council received three donations in the previous financial year, one towards a BMX track for £8450 and two for memorial benches totaling £989. It also received a grant of £3500 from the borough council towards play equipment. It received cash back of £30 on a new printer. None of these payments were received in the 17/18 financial year. It also received £620 less in donations to the In Bloom work, £74 less in recoverable VAT, £87 less in compensation from RBS and £14 less in recharges.
<b>Box 4</b> <i>Staff costs</i>	34729	40813	6084	17.52	There was a national pay increase of 1% on the salaries of the lengthsmen and the clerk with associated payroll costs to £35076. (In the previous tax year the previous clerk on a higher salary was in post for only the first two months at 22 hour per week. The new clerk was recruited on a lower salary and was recompensed for up to 20 hours per week by 16/17 year end, thus reducing the 16/17 salary costs.) In June 17 the current clerk became CILCA qualified and the salary was increased to £28485 pro rata per year. The result in real terms was an increase from £11496 per annum to £15397 per annum or £3901 plus associated payroll costs (ten months cost £3250). Employer NIC rose by £449 and employer pension costs increased by £754. In addition, the clerk was also paid an additional £1036 hours overtime plus associated payroll costs of £203.

<b>Box 5</b> <i>Loan interest/capital repayments</i>	NIL	NIL	NIL	NIL	NIL	n/a
<b>Box 6</b> <i>All other payments</i>	44771	27834	-16937	-37.83	Day to day running costs have increased to £14483 as a result of the grass cutting invoice of £1680 for 2016/17 not having been presented for payment until 2017/18. In addition, grant payments have reduced slightly to £5294. The biggest difference since last year has been the reduction in the amount of expenditure on community facilities and services which has reduced by £16810 to £8099, largely as a result of the 2016/17 figure including the installation of a BMX track (£14340), two benches (£989) and additional Christmas lights electrical work (£1500). The net effect of the changes is the overall reduction at box 6.	
<b>Box 9</b> <i>Total fixed assets &amp; long term investments &amp; assets</i>	123127	71021	52106	-42.31	The lease on the playing field expired and a decision was made by the council not to renew it. The playing field and the assets on it (purchased by Preesall council) were handed back to the borough council and therefore removed from the asset register. The MUGA was valued at £30626 the Youth shelter at £10256, the BMX track at £14340, and two benches at £465 each a total of £56152. Additional assets were purchased – Xmas trees and festoon lights £2000; Carved wreath holders £2000; PC keyboard £46.	
<b>Box 10</b> <i>Total borrowings</i>	NIL	NIL	NIL	NIL	n/a	
<b>Explanation for 'high' reserves</b>	Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end: Not applicable					