

Worldham Parish Council Significant Variances for the year ending 31st March 2019

Introduction

Worldham Parish Council undertakes each year one off projects which are outside the normal yearly day to day expenditure. In order to compare like for like from one year to another In the Summary of Income and Expenditure Account the Parish Council has separately accounted for the income and expenditure of the projects.

Line 2 Precept

The Parish Council voted for a precept total of £10,586 for 2018/19, compared to the precept element of £10,312 for 2017-18.

Line 3 Total Other Receipts

Total Other receipts increased from £6,653 to £13,061. To compare like for like, I have broken the Total Other receipts under 2 headings;

- Line 3 Total Other Receipts - projects
- Line 3 Total Other Receipts – excluding projects

Line 3 Total Other Receipts - projects

Total receipts increased from £4,558 to £5,060

A grant for £3,745 was received from the South Downs National Park Authority to purchase a SID (Speed Indicator Device) and 2 grants from our District Councillor (£615 and £700 respectively) to buy 3 heaters for the East Worldham village hall and to assist in traffic mitigation measures. This compares to 2017-18 when the Parish Council received 5 grants of £4,558 the largest being £2,840 from Awards for All for a Defibrillator and £1,000 from our District Councillor.

The VAT of £885 was reclaimed compared to £148 in 2017-18

Line 3 Total Other Receipts – excluding projects

Total receipts excluding income from projects increased from £12,259 to £17,702, an increase of £5,443

The majority of the increase relates to the income of £4,285 received from the solar farm In 2018/19. This is an annual payment due around the end of March. In 2017-18 the payment was made at the end of March 2017 and was included in the 2016-17 accounts. The 2018-19 payment was paid in September 2018. The 2018-19 was paid after the year end.

A solar farm has been built within the parish boundaries and started producing electricity In 2016/17. The solar farm was commissioned by Lightsource Renewable Energy Holdings Ltd and subsequently sold to Canadian Solar UK Projects Ltd. The Parish Council had signed an agreement with Lightsource that they would pay the Parish Council £1,000 per Megawatt of electricity produced for 20 years. The fee to be increased by the RPI each year.

The agreement states *“The Parish Council agrees to apply the Payment towards projects that will benefit the communities of the Parish Council and which have been approved by a meeting of the Parish Councillors prior to the allocation of any Payment”*. In order to keep an audit trail of these payments a separate bank account has been opened called *“The Worldham Community Benefit Fund*.

All payments received are transferred from the Parish Councils TSB Treasurers Account to the Worldham Community Benefit Fund Treasurers Account.

The bank increased the interest rate on the Parish Council’s deposit account during 2018-19 which resulted in an increase in bank interest received from £5.38 to £49.35

In 2018-19 no grants were received compared to 2017-18 when Grants received totalled £670

Sundries for 2018-19 the Parish Council claimed on their insurance policy for damage to the village hall as a result of theft of some lead flashing which amounted to £1,498. In 2017-18 sundries amounted to £135 (Donation to purchase 3 village hall chairs).

Summary of line 3

Total Other receipts increased from £6,653 to £13,061 an increase of £6,408.

	Increase	Decrease
Grants for one of projects	£502	
Vat repaid on Projects	£737	
Bank interest	£44	
Grants		£670
Village hall income	£67	
Sundries	£1,363	
Income from solar farm	£4,285	
Vat repaid	£80	
Total	£7,078	£670

Total increase £6,408

Line 4 Staff costs

Staff costs remained the same at £6,080.

Line 6 All Other Payments

Total expenditure (excluding staff costs) increased from £7,464 to £14,508, an increase of £7,044. To compare like for like, I have broken the Total All Other Payments under 2 headings;

- Line 6 Total All Other Payments - projects
- Line 6 Total All Other Payments – excluding projects

Line 6 Total All Other Payments – projects

Total expenditure increased from £881 to £5,901 including VAT, an increase of £5,879.

Projects for 2018-19 included a purchase of a defibrillator for £2,510, £874 for purchase and installation of heaters at East Worldham village hall, £2,020 for repairs to the village hall steps, £325 for traffic mitigation and £172 for printing of the updated Parish Plan.

In 2017-18 2 projects were paid for - £742 for repairs to the footpath at Clay's Lane, and £139 for the Parish Plan.

The increase in expenditure consequently meant that there was a corresponding rise in the VAT paid from £148 to £1,007, an increase of £859

Line 6 Total All Other Payments – excluding projects

Total expenditure increased from £5,205 to £7,599 an increase of £2,394. The significant variations (of over £50) which mainly accounts for the increase are:

a) Increase in repairs to the village hall	£2,385
b) Increase in Audit fee	£100
c) Increase in Playground expenses	£190
d) Increase in Grants to Churchyards	£300
e) Increase in VAT paid out	£401
Total increase	£3,376

This was offset by a decrease in the following costs:

f) Decrease in the Electricity for the village hall	£286
g) Decrease in Other expenses	£442
h) Decrease in Inspections	£219
Total decrease	£947

Explanations of increases

Worldham Parish Council

- a) Increase in repairs to the village hall – this was due to necessary repairs amounting to £2,582 being undertaken as a result of theft of lead flashing on the roof.
- b) The audit fee was doubled from £100 to £200
- c) Playground expenses – additional work was undertaken in cutting back overhanging branches
- d) Grants to Churchyards – an additional grant was given to the East Worldham church for £300 payable from the Worldham Community Benefit Fund
- e) VAT paid out - This reflects the increase in costs to the Parish Council which incurs VAT and can be reclaimed.

Explanations of decreases

- f) Decrease in the Electricity for the village hall – In 2017-18 5 quarters of electricity bills were paid compared to 3 bills in 2018-19. This is dependent on the timing of receiving the bills.
- g) Decrease in Other expenses – in 2017-18 this included a one off cost of £240 for materials for repairs to the footpath leading up from Old School House.
- h) Inspections for the village hall – The 2017-18 figures included the cost of the 5 yearly electrical inspection of the village hall.

Line 9 Total Fixed Assets

This has increased due to the purchase of the defibrillator.

Section 4 Annual internal audit

- F. The Parish Council does not have any petty cash or operate a petty cash system.
- K. The Parish Council does not operate any trusts or have any trust funds.

11th June 2019