

Owslebury Parish Council
Annual Return for the year ended 31 March 2017
Explanation of variances on Section 2 of Annual Return.

Line 2 Annual Precept: no change.

The Council decided to keep the precept at the same level as in the previous year.

Line 3 Other receipts: increase of £3,366 (153.5%).

The increase is primarily due to the following:

- a) receipt of a grant from the Countryside department to part-fund improvements to a bridleway - £782 (none last year);
- b) an increase of £78 (58%) from £135 to £213 in income from an exercise class for use of the Play Area. The class started during the previous financial year, so this financial year represents a full year's income;
- c) increase in Lloyds bank interest of £229 from £10 to £239. This reflects interest on the maturity of a placing of £25,000 in a one year term account with Lloyds;
- d) donations of £1,740 (last year £nil) in support of the Council's efforts to protect the interests of the parish arising from development proposals under consideration by Eastleigh Borough Council as part of its local plan;
- e) an increase in VAT refunds of £561 (376%) from £149 to £710 reflecting a higher level of purchases generally, and more specifically the purchase of scalplings (£1,200) for improvements to a bridleway, traffic management advice (£850), tree felling (an extra £750 over last year) and repairs to the Play area (an extra £516 over last year);
- f) sale of a redundant self-propelled lawnmower for £175 (none last year);
- g) a reduction in the council tax grant from Winchester City Council of £137 (11%) from £1,212 to £1,075.

Line 4 Staff costs: increase of £199 (3.4%).

The increase is mainly due to a 3.2% increase in hourly pay rate arising from a progression from SCP23 to SCP24 and a small increase in travel costs.

Line 5 Loan interest/capital repayment: none in either year

Line 6 All other payments: increase of £6,305 (71.3%).

The main reasons for the increase in payments were as follows:

- a) increase in green keeping - £1,415 (116%) from £1,225 last year to £2,640 - the former contractor failed to undertake his role satisfactorily and did not cut the grass in accordance either with the work schedule or the instructions of the council. A tender was undertaken. 4 contractors tendered and a new contractor was appointed. In addition the number of cuts was increased slightly and hedge cutting was included in the contract;
- b) increase in general maintenance £329 (124%) from £265 to £594 - the main factors for the increase were: refurbishment of benches in the parish £140; refurbishment of a recently acquired telephone kiosk £177; purchase and installation of signs in the parish £228. Last year expenditure was mainly on refurbishing a notice board £197, signs £40 and a new padlock £21;
- c) Increase in play area maintenance £517 (392%) from £132 to £649 - the increase mainly reflects repairs to the edging of the matting in the play area £351, fence repairs £38 and high pressure cleaning £200. This compares with last year where the expenditure was in relation to playground inspections and the acquisition of bird prevention spikes £47;

- d) Increase in S137 grants £2,565 (233.2%) – grants made under section 137 amounted to £3,665 compared with £1,100 the previous financial year (limit for 2016/17: 704x £7.42 = £5,224). All grantees are non-political and not for profit local organisations providing benefit to some or all parishioners;
- e) increase in dog waste collections £165 (33%) from £495 to £660 - the increase is mainly due to a 'catch-up' by the district council in billing for collections in the previous year (one quarter)
- f) increase in community projects £675 (128.6%) from £525 to £1,200– the increase is attributable to the acquisition of scalping for the refurbishment of a bridleway financed in part by the council and by the county council;
- g) increase in tree pruning £750 (375%) from £200 to £950– the increase reflects a major pruning and reshaping of what is known locally as 'the bank tree'; which stands at the entrance to the village. Last year there was 'light' pruning of two other trees - £200;
- h) traffic management advice £850 (£nil last year)
- i) increase in VAT on purchases £325 (77%) from 421 to £746 - this mainly arises from the VAT on scalpings, tree pruning community projects and traffic management advice, less the fall in fees for advice on appeals.

The above additional expenditure amounts to £7,591 and was offset by a reduction in planning advice fees (in relation to an appeal in the previous year) of £1,238. This explains £6,353 of the total variance of £6,305 – the rest is a mixture of small increases and decreases over the previous year for the remaining overhead categories.

Line 8 Total cash and short term investments - increase of £6,223 (12.2%).

The increase reflects in part the deferral of projects, particularly in relation to traffic management, to 2017/18 and the need to make provision for the refurbishment or replacement of playground equipment over the next five years or so. In this regard it should be noted that of the £57,972 in cash and short term investments at 31st March 2017, £25,000 is held in a (newly placed) 12 month deposit account with Lloyds Bank. The Council has 'ring fenced reserves' of £881. The Council has a policy of building up reserves for the refurbishment and ultimate replacement of assets, most notably the play equipment (£23,500 ear-marked reserve – capital cost of equipment £71k), and for community projects in relation to an additional burial ground, flood mitigation and traffic calming (ear-marked reserves of £18,250). Other ear-marked reserves are for legal and planning consultancy costs (£2,500) and election expenses (£1,000).

Line 9 Total fixed assets – decrease £613 (0.1%)

The decrease reflects the disposal of a redundant self-propelled lawn mower.

MJ Cleary
Responsible Financial Officer
April 2017