

Attachment 1.2

Explanation of significant variances in the accounting statements – AGAR Section 2

Parish Council name: Dunkirk Parish Council

Please explain any variances of more than 15% between the totals for individual boxes in Section 2. We do not require explanations for variances of less than £200; however, in some cases there may be 'compensating' variances which leave the overall total for a box relatively unchanged – e.g. where there was a major one-off project in one year (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in the next (e.g. purchase of playground equipment of £28,000). In such cases, it would be helpful to provide an explanation of movements within each box. We also ask you to explain any change where there is a movement to or from zero. Please either use the proforma below, or complete a separate schedule if more space is required.

Section 2	2022/23 £	2023/24 £	Variance (+/-) £	Detailed explanation of variance (for each reason noted please include monetary values (to nearest £100))
Box 2 <i>Precept</i>	£17,105	£27,418	+£10,313	Increase in precept required due to 50% reduction in Swale Borough Council lighting grant from £3080 to £1540. Also precept raised to a sustainable level to cover predicted expenditure. Elections costs of £1000 added in case of need in an election year. End of fixed term contract streetlight electricity costs require estimated an increase of circa £5300 as a change to variable rate. Also a one-off project to combat speeding requiring a Transport Regulatory Order (TRO) of £2500.
Box 3 <i>Other income</i>	£22,782	£5,813	-£ 16,969	In 2022/2023, the council received an Exceptional one-off income of £14,236 from South East Water from their Community Fund. This was in reflection of water supply issues to Dunkirk in the summer of 2022. In addition, the Council received in 2022/23, grants totalling £1530 from local authorities for specific projects which had reduced to £100 in 2023/24 as projects had matured. Donations received which cannot be predicted were lower in 2023/2024 at £140 instead of £962 in 2022/23. There was the reduction in the streetlighting grant from Swale Borough Council from £3080 in

				2022/2023 to £1540 in 2023/24. Counteracting this general reduction was in 2023/243 a full year VAT Claim of £3881 which is higher than previous year due a large one off expenditure for the purchased of bus shelters and there was an increase in bank interest earned of £152 in 2023/24 compared to £31 in 2022/23.
Box 4 <i>Staff costs</i>	£9,679	£9,345	-£ 334	Less overtime needed in the present financial year. Also previous year included additional funds for outgoing clerks in the form of holiday pay and a handover period.
Box 5 <i>Loan interest/ capital</i>	0	0	£ 0.00	
Box 6 <i>Other payments</i>	£12,629	£33,671	+£ 21,042	The primary reason for the increase in expenditure is due to a one off project purchase for 2 new bus shelters totalling £17,814. Other increase in costs relate to the increase in streetlight electricity following the end of a favourable fixed rate contract converting to a new fixed rate contract at a higher cost due to market variables from £1037 in 2022/23 to £2107 in 2023-24. Other expenditure related to the one-off installation costs of road signs associated with the TRO being £3,257.
Box 7 <i>Balances carried forward</i>	£30,945	£21,160	£ 0.00	
Box 9 <i>Fixed assets & long-term assets</i>	£30,863	£36,609	+£5,745	Changes for the year include the 2 new bus shelters totalling £14,845 and well as a third bus shelter paid for by Kent County Council and included at a nominal amount of £1. These bus shelters replaced earlier structures which were removed from the asset register having previously been included at values of £8100 and £1000.
Box 10 <i>Total borrowing</i>	0	0	£ 0.00	