

Explanation of variances – pro forma

Longdon Queenhill and Holdfast Parish Council
Worcestershire

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- **New from 2020/21:** variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2019/20 £	2020/21 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES
1 Balances Brought Forward	20,144	18,798				Explanation of % variance from PY opening balance not required - Balance brought forward agrees
2 Precept or Rates and Levies	10,961	11,671	710	6.48%	NO	
3 Total Other Receipts	9,032	5,456	-3,576	39.59%	YES	See below
4 Staff Costs	4,598	4,106	-492	10.70%	NO	
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO	
6 All Other Payments	16,741	7,228	-9,513	56.82%	YES	See below
7 Balances Carried Forward	18,798	24,591			YES	VARIANCE EXPLANATION NOT REQUIRED EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES
8 Total Cash and Short Term Investments	18,798	24,591				VARIANCE EXPLANATION NOT REQUIRED
9 Total Fixed Assets plus Other Long Term Investments and As	45,550	45,550	0	0.00%	NO	
10 Total Borrowings	0	0	0	0.00%	NO	

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)

Other Receipts analysis (box 3)

	2019/20	2020/21
Insurance receipt	6175	504
Loan Repayments	600	200
VAT reclaim	0	2826
Lengthsman repayment	2257	1427
MHDC grant		500
	<u>9032</u>	<u>5457</u>

Extraordinary item - insurance claim in 2019/20 with final payment in following year
Loan to village hall fully repaid during 2020/21
No VAT reclaim made in 2019/20: claim for year made and paid in following year
2020/21 repayment to be received in following year
One-off item

Other Payments (box 6)

	2019/20	2020/21
Bus Shelter rebuild	7290	
Defibrillator and Cabinet	1554	
Phone Box materials	205	
Revenue expenditure	7692	7228
	<u>16741</u>	<u>7228</u>

One-off repair item
One-off purchase
One-off purchase

Reserves (box 7)

Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

	£	£	£
Earmarked reserves:			
Transparency	###	1914	
Reserve 2			
Reserve 3			
Reserve 4			
Reserve 5			
Reserve 6			
Reserve 7			
		<u>1914</u>	
General reserve	###	22677	
Total reserves (must agree to Box 7)		<u><u>24591</u></u>	

Reserves are slightly over the threshold of twice the annual precept. This is anticipated to be a temporary issue, caused by lower than anticipated spending during the coronavirus pandemic.
The financial budget for 2021/22 anticipates the reserves will be reduced by approximately £1,200 by the end of the year.