

Explanation of variances – pro forma

Name of smaller authority: Hallow Parish Council

County area (local councils and parish meetings only): 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).

	2019/2020 £	2020/2021 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	130,309	208,615					Explanation of % variance from PY opening balance not required - Balance brought forward agrees
2 Precept or Rates and Levies	54,500	39,500	-15,000	27.52%	YES		Minute ref: 610, Monday 14th January 2019. "Members resolved (PH/HK) to set a substantially increased Precept of £54,500.00 for 2019/2020. 8 votes in favour, 1 abstention. The precept was increased due to potential risks and obligations in relation to Parish Council assets and responsibilities. Should those risks disappear then it was the intention of the Members of Hallow Parish Council that the precept would be reduced accordingly in 2020/2021". N.B. The later resolution was duly carried out and the precept was reduced in 2020/21 accordingly, thereby explaining the variance.
3 Total Other Receipts	81,614	13,388	-68,226	83.60%	YES		17/04/2019 Parish Council received £32086.66 in Community Infrastructure Levy (CIL). 31/10/2019 Parish Council received an additional CIL of £15401.23. CIL is paid by housing developers to contribute to the funding of infrastructure and are placed in reserve held by the PC ready for use. These payments are a one of donation and not an annual occurrence. This therefore explains the 2019/20 spike in receipts and the variance in this report.
4 Staff Costs	9,406	7,956	-1,451	15.42%	YES		2018/2019 saw the resignation of the previous Clerk and appointment of new. 2020 saw the illness and subsequent death of the new parish clerk. All these factors have resulting in a reduction of Clerk operating hours and fluctuating Clerk employment costs, thereby explaining the variance.
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	48,402	35,634	-12,768	26.38%	YES		Circumstances described in item 4 above have also resulted in a reduction in the number of parish council projects undertaken over the past year, as Members focus on statutory requirements rather than the 'wish lists' and non essential projects. Spending and payments has therefore been reduced as a nature reflection of this and explains the variance. All 2020/2021 invoices have been inspected and paid within timeframes required by contractors and no payments are outstanding.
7 Balances Carried Forward	208,615	217,914			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	Reserve tab completed overleaf
8 Total Cash and Short Term Investments	208,615	217,914				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and Assets	173,935	173,935	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)