

Explanation of variances

Name of smaller authority: **Ladith Town Council**

County name (used normally as a check): **Ladith**

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:

- 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)

	2018/19 £	2019/20 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures Use! DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	284,876	285,872				Explanation of % variance from PY opening balance not required - Balance brought forward does not agree, query this	
2 Precept or Rates and Levies	285,286	318,823	49,239	18.29%	YES		Precept raised as follows: The Council raised the salaries budget by £5,500 to facilitate the revaluation of two office roles (extra hours and responsibilities were added). The budget for amenity grass cutting was increased by £7,216. Ladith Town Council were forced to accept responsibility for amenity grass cutting in the town in 2017/18 for 2018/19 at very little notice (after the precept had been set) and did not have enough money to be able to do more than 5 cuts a year with a trial mower in 2018/19. This yielded very poor results aesthetically. Therefore, in 2019/20 the Council precepted for enough to be able to increase both the quantity and quality of cuts (10 cuts with a cylinder mower). Funds for Street Furniture were increased by £5,000 following an inventory of the town's benches which revealed that a significant amount of remedial/repair work was required. The Christmas Lights sinking fund was increased by £4,000 following depletion of previous funds accumulated for this purpose in 2018/19, due to the need for unforeseen Health and Safety work on overhead wires. Following receipt of a structural report relating to one of its assets, the Council were faced with selling the asset or having to undertake extensive building work. The Council did not know if a buyer could be found. Therefore, at budget setting the Council decided that a contingency fund should be created consisting of £21,000 from which the Council planned to either draw costs for development if the building could not be sold or draw costs for the sale etc. As elections were forthcoming in 2019 and the District Council had let it be known that it would no longer fund them the Council asked the District Council how much it might need to cover the costs. It was told that in the worst case in excess of £20,000 could be required. Therefore, the Council increased its funds for elections by £7,000. Total variance explained = £49,716. Total unexplained variance = £0.99%
3 Total Other Receipts	46,887	137,289	90,702	194.69%	YES		In 2019/20 the Council received £97,201.80 for the sale of one of its assets. Total variance explained = £97,201.80. Total unexplained variance = 6.9%
4 Staff Costs	81,203	101,822	10,519	11.52%	NO		
5 Loan Interest/Capital Repayment	20,813	20,813	0	0.00%	NO		
6 All Other Payments	172,262	185,139	13,068	7.59%	NO		
7 Balances Carried Forward	368,920	535,269			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	284,213	318,228			NO	VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	1,303,238	1,320,546	19,328	1.49%	NO		
10 Total Borrowings	38,518	18,865	-19,233	-49.68%	YES		In 2019/20 the value of total borrowings has decreased because £20,513 (see box 5) has been made in repayments. This loan is in effect a mortgage where scheduled payments of capital and interest on PWB have been made. Of the £20,513 repaid in 2019/20 £19,232.85 were capital repayments and £1,280.57 were interest payments. The loan will be repaid in 2021.

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)