

Explanation of variances 2020/21 – pro forma

Name of smaller authority:

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

Now, 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 £500);
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2).

	2020 £	2021 £	Variance £	Variance %	Explanation Required?	DO NOT OVERWRITE THE BOXES HIGHLIGHTED IN RED/GREEN	Explanation (must include narrative and supporting figures)
1 Balances Brought Forward	9,582	10,099				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	4,479	4,675	196	4.38%	NO		
3 Total Other Receipts	855	1,336	482	56.33%	YES	Explanation not required, difference less than £500	
4 Staff Costs	1,263	1,285	23	1.81%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	3,554	4,754	1,201	33.79%	YES		Additional grass cutting (£1725 in 20/21 vs £1120), plus hedge trimming (£720)
7 Balances Carried Forward	10,099	10,071	-28	0.28%	NO		
8 Total Cash and Short Term Investments	10,099	10,071	-28	0.28%	NO		
9 Total Fixed Assets plus Other Long Term Investments and Assets	28,049	28,049	0	0.00%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Excessive Reserves Ratio 2.2548 2.1542

PLEASE PROVIDE AN EXPLANATION FOR THE LEVEL OF RESERVES ON THE FOLLOWING TAB

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:			
			0
General reserve	10071		10071
Total reserves (must agree to Box 7)			<u><u>10071</u></u>
Box 7 per Annual Return			10,071
Difference			<u><u>0</u></u>

Explanation:

The normal contingencies that the general reserve has to cover (insurance excesses, election costs, unplanned repairs etc.) are relatively large in comparison with the precept.

In this case a reserve ratio of just over 2 is considered to be not inappropriate