

Explanation of significant variances in the accounting statements - Section 2

Parish Council name: **BURNTWOOD TOWN COUNCIL**

Please explain any variances of more than 15% or anything over £100k for 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	2019/20 £	2020/21 £	Variance (+/-) £	Detailed explanation of variance (for each reason noted please include monetary values (to nearest £10))
Box 2 <i>Precept</i>	318,690	349,016	+30,326 (+9.5%)	-
Box 3 <i>Other income</i>	108,715	105,378	-3,337 (-3.1%)	Large falls in income from business units (17,970), room hire (12,430) and other sources for the Old Mining College (810), from event pitch fees or event grants (2,200), interest (1,340), traffic island sponsorship (730) and charity fundraising (300). However, these were largely offset by increases in cemetery income (12,850), Community Infrastructure Levy receipts (11,010), external grants received, primarily in response to the Covid situation (5,500) and an insurance claim for a bus shelter (3,100).
Box 4 <i>Staff costs</i>	153,087 Restated	143,363	-9,724 (-6.4%)	(2019-20 figure restated due to JPAG change in definition for car mileage expenses) -
Box 5 <i>Loan interest/capital</i>	0	0	0	-
Box 6 <i>Other payments</i>	237,276 Restated	159,719	-77,557 (-32.7%)	Although refurbishment of the Old Mining College continued, works carried out in 20/21 were far less substantial than the previous year and were also delayed by Covid (reduction of 55,890). There was a large fall in expenditure in many budget areas due to Covid, in particular the cancellation of annual events (24,480), reduced or more cost effective cemetery grounds maintenance and other services (5,420) and reduced energy costs due to lockdown and also installation of more efficient boiler the previous financial year (4,360). However, election costs were 23,030, having been zero the previous year and there were also increases in IT costs (2,770) due to purchase of new equipment and increased technical support.

Box 7 <i>Balances carried forward</i>	444,835	596,147	+151,312 (+34.0%)	If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. List of Earmarked Reserves attached. Large underspend on budget, as explained for box 6, with substantial addition of 109,630 to earmarked reserves for ongoing projects like Burntwood Town Strategy (25,750) and Neighbourhood Plan (2,500), community support (16,600), delay in taking on additional responsibility e.g. for public conveniences (15,290), further refurbishment works at Old Mining College (25,860), additional Community Infrastructure Levy money (14,690) and events (4,390).
Box 9 <i>Fixed assets & long term assets</i>	285,609	284,232	-1,377 (-0.5%)	Explain all movements in this category and not just those above 15% See attached 'Explanation of change in box 9'
Box 10 <i>Total borrowing</i>	0	0	0	-

Earmarked Reserves

Account	Opening Balance	Net Transfers	Closing Balance
311 EM Reserve - Capital	77,412.00		77,412.00
312 EM Reserve - Revenue	0.00		0.00
313 EM Reserve - Elections	27,706.00		27,706.00
314 EM Reserve - Town Strategy	54,002.00	25,750.00	79,752.00
315 EMR - Comm Projs/Better Bwood	47,000.00	15,320.00	62,320.00
316 EM Reserve - Neighbourhd Plan	12,750.00	2,500.00	15,250.00
317 EM Reserve - Old Mining Colleg	46,390.00	25,862.00	72,252.00
318 EM Reserve - Defibrillators	1,232.00		1,232.00
319 EM Reserve - Civic Expenses	0.00	45.00	45.00
320 EM Reserve - SCAMP maintenance	500.00		500.00
321 EM Reserve - Events	16,700.00	4,393.00	21,093.00
322 EM Reserve - CIL money	14,917.48	14,694.00	29,611.48
323 EM Reserve - Bus shelters	6,300.00	2,994.00	9,294.00
324 EM Reserve - S Sutton Bursary	1,000.00	2,000.00	3,000.00
325 EM Reserve - Grant Aid	719.00	-719.00	0.00
326 EM Reserve - Street Lighting	0.00	1,500.00	1,500.00
327 EM Reserve - Public Convenienc	0.00	15,291.00	15,291.00
	306,628.48	109,630.00	416,258.48

Explanation of change in box 9

Values as at 31st March 2020:

Asset register	203,385
Local Authority Property Fund	82,224
Total fixed assets plus long term investments and assets (AGAR Box 9)	<u><u>285,609</u></u>

Values as at 31st March 2021:

Asset register	202,008
Local Authority Property Fund	82,224
Total fixed assets plus long term investments and assets (AGAR Box 9)	<u><u>284,232</u></u>

Explanation of change in asset register value:

Value as at 31st March 2020	203,385
Add blue bench (not on last year's asset register)	572
Add extra value of Bus Shelter replaced in early 2021	695
Deduct disposals of various surplus/defunct IT & other equipment	<u>2,645</u>
Value as at 31st March 2021	<u><u>202,008</u></u>