

Explanation of significant variances in the accounting statements - Section 2

Parish Council name: COLTON PARISH COUNCIL

Please explain any variances of more than 15% 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	2020/21 £	2021/22 £	Variance (+/-) £	Detailed explanation of variance (for each reason noted please include monetary values (to nearest £10))
Box 2 <i>Precept</i>	12,279	11,739	-540 (-4.4%)	Precept reduced, primarily because of reduced budget set for Open Burial Ground (as Burial Ground Committee account held a good balance due to burial fees received).
Box 3 <i>Other income</i>	603	545	-58 (-9.6%)	2020/21 financial year included additional grazing licence instalments due to delay in getting renewed licence set up.
Box 4 <i>Staff costs</i>	3,534	4,003	+469 (+13.3%)	Clerk given salary increase from October 2021. Also payments to HMRC were brought forward by 1 month to avoid risk of missing HMRC deadline. So 2021/22 financial year included 5 quarterly payments.
Box 5 <i>Loan interest/capital</i>	0	0	-	-
Box 6 <i>Other payments</i>	9,607	10,643	+1,036 (+10.8%)	Village signs purchased in 2021/22 (2,651). Partly offsetting this increase, funds given for maintenance of the Open Burial Ground were lower (as Burial Ground Committee account held good balance due to burial fees received) and contribution to Parish News was not needed, due to reduced printing costs as it was made available electronically due to Covid.
Box 7 <i>Balances carried forward</i>	41,260	38,897	-2,363 (-5.7%)	If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. SEE LIST OF EARMARKED RESERVES ATTACHED. Budget was not set for purchase of village signs (2,651), with reserves being used.

Box 9 <i>Fixed assets & long term assets</i>	RESTATED 1,156	3,834	+2,678 (231.7%)	<p>Explain all movements in this category and not just those above 15%</p> <p>Council was advised by its internal auditor to verify and revise its asset register to align with actual proven assets. This resulted in a step reduction of 1,894 and 2020/21 figure has been restated accordingly.</p> <p>For 2021/22, there was an addition of 2,678, consisting of purchase of 3 'Welcome to Colton, Historic village' gateway signs for entrances to village (2,651) and signs to locate defibrillator (27).</p>
Box 10 <i>Total borrowing</i>	0	0	-	-

COLTON PARISH COUNCIL - EARMARKED RESERVES			Position at 31/3/22 Version date: 13/5/22		
Item	Source/purpose	Dates of earmarking transactions approved by PC	Balance at 31/3/21 (£)	Approved changes at 31/3/22	Balance at 31/3/22 (£)
1	Play area maintenance and refurbishment	Noted in Annual Return 15/16 (existing earmarked reserves); March 2016 (add unspent 15/16 maintenance budget); December 17 and May 18 (add unspent 17/18 maintenance budget £417 with £200 deducted for additional site survey carried out March 2018 as minuted December 2017, item 8 b) but not presented and approved for payment until February 19); March 2019 (add unspent balance £586 of 18/19 playground budget); March 2020 (add unspent balance of £571 of 19/20 budget); March 2021 (deduct overspend of £118 in 20/21)	3,056	Add underspend of 21/22 budget of £564	3,620
2	Share of cost of implementing parking restrictions in Martin Lane/ Bellmour Way, payable to SCC	Minuted by PC, March 2016 (£2,000 into earmarked reserve); March 2021 (Earmarked reserve of £2,000 released, as not billed by SCC after 5 years)	0		
3	Legal fees e.g. for land registration work (Land off Heathway, Open Burial Ground) and any unforeseen legal costs	Minuted by PC, March 2017 (£500 into earmarked reserve); March 2021 (Earmarked reserve of £500 released, as legal work for land registration completed some time ago)	0		
4	Tree inspection report and any necessary follow up work by tree surgeons	Minuted by PC, March 2017 (£750 into earmarked reserve); March 2021 (Earmarked reserve of £750 released, as previous tree inspection and follow up work had been completed within budget)	0	21/22 budget for tree maintenance was overspent so nothing added here	
5	Expenses of an election, should one be required	Approved by PC, July 2017 (using higher estimate provided by LDC based on size of electorate)	2,000	No budget set for 21/22	2,000
6	Cost of hiring a locum clerk, should one be required	Approved by PC, July 2017 (based on locum engaged for typical period of 6 mths at pay rate 50% above Clerk's rate)	2,750		2,750
7	Sufficient funds to cover 3 months of normal expenses, in the event of failure/delay in receiving precept or some other extraordinary event.	Approved by PC, July 2017	3,500		3,500
8	Earmarked donation to Playground Group for new playground by V Hall	£10,000 earmarked by PC, September 2017 (and to be retained for 5 years from date of approval); March 2018 (£5,962 third party funding paid to Biffa for new playground)	4,038	Note that 5 year period will expire in September 2022	4,038
9	NALC Transparency Grant - to be spent as per application	Original grant of £1,894 approved by PC, April 2018; March 2019 (£1,174 spent during 18-19 on new laptop, software and IT support and website development); March 2020 (£175 in 19-20 spend on website support (£125) and website training (£50); also 20-21 spend on website accessibility statement and any further work required to be taken out in due course); March 2021 (Deduct net website spend of £320 in 20/21)	225	NALC grant used to cover website spend in 21/22, which was £125	100
10	HS2 money for early access for surveys agreement - to be spent to benefit of Stockwell Heath and parish generally	£3,700 earmarked by PC, April 2018; March 2019 (Further £170 added); March 2021 (Deduct net spend of £240 on Stockwell Heath grass cutting in 20/21, as deliberately no provision made in budget)	3,630	As previously, this reserve used to cover cost of Stockwell Heath grass cutting in 21/22, which was £210	3,420
11	CIL money received May 2018 (earmarked for items allowed by CIL criteria)	£2,071 earmarked by PC, June 2018; £650 spent in 19-20 on repair of Closed BG gatepost; £196 spent in 19-20 on repair of Martin Lane bench	1,225	Current balance put towards cost of new village signs, which was £2,651 (as CIL money has to be spent within 5 years or potentially returned to LDC)	0
12	Parish News contribution			£1,124 unspent from 21/22 budget and earmarked for 22/23 as that year's budget deliberately set low due to expected underspend in 21/22	1,124
Total earmarked reserves at 31/3/21			20,424	Total earmarked reserves at 31/3/22	20,552
Total PC funds as at 31/3/21			41,260	Total PC funds as at 31/3/22	38,897
General Fund (reserves not earmarked)			20,836	General Fund (reserves not earmarked)	18,345