

Explanation of variances – pro forma

Name of smaller authority: **Melton Parish Council**
 County area (local councils are): **Suffolk**

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 onwards:** 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).

	2020/21 £	2021/22 £	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	373,455	555,212					
2 Precept or Rates and Levies	86,948	93,706	6,758	7.77%	NO		
3 Total Other Receipts	237,399	141,970	-95,429	40.20%	YES		<p>Total Other Receipts</p> <p>There was a reduction of £95,429 in 2021/22 compared to 2020/21, mainly due to receiving lower Community Infrastructure Levy (CIL) payments and grants in 2021/22. CIL payments in 2021/22 totalled £106,600 compared to £183,667 in 2020/21. This was a reduction of £77,067. This is due to fewer developments happening in Melton in this financial year.</p> <p>Bank interest was £18 in 2021/22 compared to £37 in 2020/21. Building society interest was £253 in 2021/22 compared to £429 in 2020/21. This is due to a reduction in interest rates.</p> <p>Rent from tenants was slightly higher in 2021/22 than 2020/21 - £17,004 versus £15,587. This is because there were no rent breaks in 2021/22 but there was in 2020/21 due to the Covid pandemic. Service recharges to tenants was lower in 2021/22 than 2020/21 (£1,566 versus £2,346) due to supplier changes resulting in cost savings and tenants using less electricity.</p> <p>We received £11,736 in grants and other sundry income in 2021/22 compared to £21,117 in 2019/20 (for tennis court fencing replacement). We received £10,000 in Covid support grants in 2020/21 but only £729 in 2021/22.</p>
4 Staff Costs	51,412	54,049	2,637	5.13%	NO		
5 Loan Interest/Capital Repayment	19,639	19,639	0	0.00%	NO		
6 All Other Payments	71,539	137,270	65,731	91.88%	YES		<p>There was an increase in payments of £65,731 in 2021/22 compared to 2020/21. This is mainly due to CIL funded projects taking place in 2021/22 and taking on 21 parcels of land from the District Council which incurred new expenditure. Expenditure that was higher in 2021/22 than 2020/21:</p> <p>Road Safety Improvements (£6,360 versus £42) – purchase of SID and part payment of costs of two road crossings – scheduled to be completed in July 2022</p> <p>Pavilion Project (£21,141 versus £1,883) – construction of a new Pavilion started in 2020/21</p> <p>Car Park Improvements (£46,424 versus £0) – car park at Recreation Ground was increased and resurfaced in 2021/22. No work was carried out in 2020/21.</p> <p>Chair's Allowance (£121 versus £55) – more events taking place post Covid.</p> <p>Maintenance Officer equipment costs (£694 versus £412) – more equipment required to maintain land that was divested to the Parish Council in 2021/22.</p> <p>Staff Salaries (£48,398 versus £47,267) due to NAC pay rises and pay increments. Pension contributions increased in 2021/22 (£5,650 versus £4,145) as a new member of staff joined in 2021/22 and was enrolled in the pension scheme.</p> <p>Computer support and hardware (£1,146 versus £912) and computer hardware – due to new member of staff joining and requiring new equipment.</p> <p>Recruitment costs (£399 versus £0) – due to advertising costs associated with clerk recruitment.</p> <p>Staff expenses (£567 versus £275) – due to increased mileage for maintenance officer from taking on land from East Suffolk Council.</p> <p>Insurance (£3,838 versus £3,215) – increased cost to cover the land and equipment divested to the Parish Council from the District Council.</p> <p>Legal Costs (£6,080 versus £770) – these increased costs were due to the land transfer from the District Council and lease renewal with tenants.</p> <p>Hill Farm Road (£771 versus £0) – this is one of the parcels of land divested from the District Council in 2021/22. Payments were made for a bench and replacing fence panels. We did not own the land in 2020/21.</p> <p>Events (£194 versus £0) – no events took place in 2020/21. This cost is for a public consultation at Hill Farm Road.</p> <p>Signage (£7,293 versus £2,135) – purchased 2 noticeboards, new sign for Recreation Ground and new signage for newly acquired land from the District Council in 2021/22.</p> <p>Circular Walks leaflet (£248 versus £0) – The Parish Council commissioned a walks leaflet in 2021/22.</p> <p>Greenspace Management (£10,177 versus £4,799) – costs increased due to the acquisition and maintenance of land from the District Council.</p> <p>Woodland (£7,460 versus £0) – work identified by the risk assessment carried out in 2020/21 was done in 2021/22. It was high because it covered the land divested from the District Council.</p> <p>Outdoor Furniture (£2,836 versus £405) – the Council refurbished a bus shelter in 2021/22. They only purchased a bench in 2020/21.</p> <p>Expenditure that was lower in 2021/22 than 2020/21:</p> <p>Stationery, printing and postage (£828 versus £838) – due to reduction in printing and sending physical mail.</p> <p>Telephone/broadband (£348 versus £1,169) – due to reduction in days the office is open, and number of phone calls made.</p> <p>Office services/maintenance costs and Business Rates (£3,590 versus £15,715) – due to tenant now paying their own Business Rates (previously the Parish Council had to pay for the whole building) and sharing maintenance costs.</p> <p>Office utility costs (£884 versus £1,315) – due to supplier changes and tenants/Parish Council using less electricity.</p> <p>Audit (£920 versus £1,100) – lower cost of audit due to turnover reduction from previous year.</p> <p>Staff training (£160 versus £925) – due to staff undertaking less training in 2021/22 after the Clerk undertaking CILCA training in 2020/21.</p> <p>Grant Giving (£949 versus 1,059) – due to a reduction in grants awarded this year.</p> <p>Neighbourhood Plan (£62 versus £437) – due to no work taking place on the Neighbourhood Plan this year. Cost is for the website hosting.</p> <p>Security Infrastructure (£335 versus £5,860) – CCTV was installed in 2020/21 (3 cameras) and an extra camera was installed in 2021/22. The costs for 2021/22 include the annual maintenance and running costs.</p> <p>Tree Risk Assessment (£0 versus £4,869) – no risk assessment took place in 2021/22 (they happen every 18 months). Cost was high in 2020/21 as it included the land that was being divested from the District Council.</p>
7 Balances Carried Forward	555,212	579,930			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	Rounding error of £1
8 Total Cash and Short Term Investments	580,843	584,180				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	792,505	716,077	-76,428	9.64%	NO		
10 Total Borrowings	410,737	403,282	-7,455	1.82%	NO		

Rounding errors of up to £2 are tolerable
 Variances of £200 or less are tolerable