

## Explanation of significant variances in the accounting statements – AGAR Section 2

Parish Council name: Spennymoor Town 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.

<b>Section 2</b>	<b>2022/23</b> £	<b>2023/24</b> £	<b>Variance</b> (+/-) £	<b>Detailed explanation of variance</b> <b>(for each reason noted please include</b> <b>monetary values (to nearest £100)</b>
Box 2 <i>Precept</i>	1,394,410	1,488,159	93,749	6.7% precept increase to balance 2023/24 budget
Box 3 <i>Other income</i>	499,274	507,238	7,964	1.6% increase
Box 4 <i>Staff costs</i>	763,600	772,847	9,247	1.2% increase
Box 5 <i>Loan interest/ capital</i>	43,932	43,932	Nil	n/a
Box 6 <i>Other payments</i>	941,801	853,732	(88,069)	9.4% reduction
Box 7 <i>Balances carried forward</i>	1,724,004	2,048,890	324,886	<b>If some of the year-end balances are earmarked for specific purposes rather than as a general reserve, please provide a breakdown. You do not need to explain the year-on-year variance for this box.</b>

Box 9 <i>Fixed assets &amp; long-term assets</i>	9,125,248	9,179,208	53,960	<b>Explain <u>all</u> movements in this category and not just those above 15%</b>  0.6% Increase, please see attached document 'fixed assets register at 31 <sup>st</sup> March 2024' for movements in fixed assets
Box 10 <i>Total borrowing</i>	168,743	127,697	(41,046)	24% reduction, loan repayment on outstanding PWLB as per payment plan.

**Box 7 – balances brought forward** detailed of earmarked reserves

**Earmarked Project funds**

Town Centre CCTV & other community safety	£52,500
Play areas x 6 (excluding Jubilee Park)	£80,000
Jubilee Park	£130,000
Cemeteries/Closed Churchyards	£15,000
Grounds vehicles and equipment	£151,000
Fixed open spaces structures (War memorials, benches, bus shelters, historic structures)	£75,000
Community Centres & Pre-school	£70,000
Town Hall (incl CCTV, shops, lift)	£40,000
Football club	£15,000
Town Band	£15,000
Additional floral displays	£15,000
	<b><u>£658,500</u></b>

**Revenue Reserves**

Allotments maintenance and waste removal	£20,000
	<b><u>£20,000</u></b>

**Total earmarked reserves** **£678,500**

For report outlining reserves position please see item 11 (page 40-42) here:

<https://drive.google.com/file/d/1JVWpf4zUmHj-vkL3gzS-jboBH3eEteg/view>

The Town Clerk will be preparing a further review of reserves for consideration by Council now that the year-end position is confirmed.