

Explanation of variances

Working out what variances need to be explained

Line in section 1	Last Year £	This Year £	Variance Increase (+) or decrease (-) (This Year minus Last Year) £	% (Variance divided by Last Year figure multiplied by 100)	Explanation required? Less than 15% - NO More than 15% - YES
Line 3 Total other receipts	20760	5797	-14963	-72%	yes
Line 4 Staff costs	33224	21414	-11810	-36%	yes
Line 5 Loan interest/ capital repayments	10040	9799	-241	-2%	no
Line 6 Total other payments	52048	45615	-6433	-12%	no
Line 8 Debtors and stock balances	0	0	0	0%	no
Line 10 Creditors	0	0	0	0%	no
Line 12 Total fixed assets and long term assets	1099122	1099122	0	0%	no
Line 13 Total borrowing	96000	90000	-6000	-6%	no

Suggested layout for explanations

One sheet to be prepared for **each variance** that requires explanation.

Line 3 – Other Receipts	£
Figure in This Year column	5797
Figure in Last Year column	20760
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	-14963

Reasons (as many as are applicable)	Amount
	£
Bank Interest Increase – interest rate increase	+359
Solar Panels FiT payment Decrease – lower amount received in 23-24	-1806
Play Grant from Principal Authority Decrease – no grant received in 23-24	-9000
Donations from Hall Committee Decrease – lower donations received in 23-24	-7398
Allotment Rents Increase – no rental received in 22-23/received in 23-24	+1264
Miscellaneous Increase – higher amount of refunds/misc receipts in 23-24	+905
SSP/Tax Refund Increase – SSP/Tax refund received in 23-24	+714
Unexplained	0
Confirm unexplained amount is less than 15% of Last Year figure	N/A

Line 4 – Staff Costs	£
Figure in This Year column	21414
Figure in Last Year column	33224
Variance (This Year figure less Last Year figure) A positive figure is an increase, a negative figure is a decrease	-11810

Reasons (as many as are applicable)	Amount £
Staff Costs Decrease – Period of no Clerk in early 23-24 Payment for period of temporary Clerk in 22-23 – (payment made in 23-24) Engagement of Locum Clerk via contract with agency from May 2023 – present (less hours than permanent Clerk in 22-23)	-10535
Staff Pension Scheme Decrease – previous permanent Clerk pension contributions	-1275
Unexplained	0
Confirm unexplained amount is less than 15% of Last Year figure	N/A

Please note that explanations should be quantified. An explanation that 'expenditure increased because the Council spent more' will not be accepted.