

Explanation of variances – proforma

Name of Council: Oakengates Town Council.

The NALC/SLCC "Practitioners' Guide 2008" provides guidance on explaining significant variances. This is not just a matter for the audit, as it is good practice for the RFO to provide the council with explanations for differences between one year's actual expenditure/income and the next, and between budgeted and actual expenditure/income in a year, as part of the normal budgetary control arrangements and when setting the precept.

Please explain any variances of more than 15% between the totals for individual boxes. We do not require an explanation 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 - for example, where there was a major one-off project in 2008/09 (e.g. contribution to village hall extension of £30,000), but a totally different expense of a similar size in 2009/10 (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 would also ask you to explain any change where there is a movement to or from zero.

Section 1	2008/09 £	2009/10 £	Variance (+/-) £	Detailed explanation of variance (with amounts £)
Box 2 Precept	125325	141865	+ 16540	Precept increased to allow for inflation and move to new offices.
Box 3 Other income	28792	29404	+ 612	Includes a regeneration grant of £25,500
Box 4 Staff costs	17560	25644	+ 8084	Hand over to new Town Clerk and additional work on moving to new offices.
Box 5 Loan interest/ capital	0	0	-	
Box 6 Other payments	82730	99042	+ 16312	Purchase of Christmas lights (replacement) £17700
Box 7 Balances carried forward	300605	347188	+ 46583	(If part of the year-end balances are earmarked for specific purposes rather than being a general reserve, please provide a breakdown) Community Centre in order of £250,000
Box 9 Fixed assets & long term assets	65741	77280	+ 11539	Re assessment of assets to include additional purchases and to include bus shelters.
Box 10 Total borrowings	0	0	-	