

**Notes on Variances in Annual Return 2020-21 for Trefriw Community Council**

|   |                          | <b>Year Ending</b> |                   |                               |                               |  |
|---|--------------------------|--------------------|-------------------|-------------------------------|-------------------------------|--|
|   |                          | <b>31/03/2020</b>  | <b>31/03/2021</b> | <b>£ Increase or decrease</b> | <b>% Increase or decrease</b> | <b>Reason</b>  |
| 1 | Balances brought forward | <b>702</b>         | <b>7,666</b>      | <b>6,964</b>                  | <b>992.02%</b>                | <p>The variance between the two balances carried forward is mainly reflected in:</p> <ul style="list-style-type: none"> <li>(i) residue of monies taken from share liquidation to complete ongoing village hall refurbishment programme (+£2,410)</li> <li>(ii) increased VAT reclaim due to refurbishment works already undertaken by VAT registered contractors (+£1,476 on previous claim)</li> <li>(iii) refund from Conwy CBC re footpath maintenance not obtained in 2018/19 (£875)</li> <li>(iv) Higher cemetery fee income (+£1,268)</li> </ul>  |
| 2 | (+) Annual Precept       | <b>22,439</b>      | <b>26,441</b>     | <b>4,002</b>                  | <b>17.84%</b>                 | <p>Main variances to precept are the inclusion of the following additions within the 2020/21 budget:</p> <ul style="list-style-type: none"> <li>(i) Provision to commence a reserve fund pending projected contribution towards revenue costs of two playparks following consultation from unitary authority re risk to provision of non-statutory service - prior public consultation with residents conducted to ensure support for proposal (£3,500)</li> <li>(ii) Provision to commence a reserve fund pending projected contribution towards revenue costs of the public toilets within the Trefriw ward following consultation from unitary authority re risk to provision of non-statutory service - prior public consultation with residents conducted to ensure support for proposal (£2,000)</li> <li>(iii) Monies to meet mandatory requirements in respect of councillor annual and childcare allowances (£1,450)</li> <li>(iv) Monies to meet mandatory website requirements and/or upgrade (£700)</li> </ul> <p>The above totalling £7,650 was offset by an overall reduction on</p> |

|   |                                      |               |               |                |                |  |
|---|--------------------------------------|---------------|---------------|----------------|----------------|--|
|   |                                      |               |               |                |                | those previous year's budget headings where expenditure could be reduced to ensure that the increase in the requested precept was kept as low as possible for residents (-£4,210) that leaves a difference of £562 which is accounted for by small increases in the 2020/21 budget for salary costs, office allowance, audit/payroll costs and village hall operational costs  |
| 3 | (+) Total other receipts             | <b>31,724</b> | <b>3,935</b>  | <b>-27,789</b> | <b>-87.60%</b> | Year-end variance reflects:<br>(i) 2019/20 figure includes a £25,000 share liquidation from the Council's PSDF account to cover the full costs of the ongoing village hall refurbishment costs as agreed by Council at meeting held on 15th January 2019 (-£25,000)<br>(ii) a reduced VAT reclaim as based on normal levels of expenditure during the year - the previous year's claim took account of the increased expenditure with VAT registered contractors undertaking refurbishment works to the Village Hall (-£2,185)<br>(iv) Lower cemetery fee income on previous year (-£911)<br>(v) Higher Village Hall income on previous year (+£329) |
| 4 | (-) Staff costs                      | <b>8,320</b>  | <b>8,143</b>  | <b>-177</b>    | <b>-2.13%</b>  | Within acceptable level of variance  |
| 5 | (-) Loan interest/capital repayments | <b>693</b>    | <b>693</b>    | <b>0</b>       | <b>0.00%</b>   | N/A  |
| 6 | (-) Total other payments             | <b>38,186</b> | <b>18,320</b> | <b>-19,866</b> | <b>-52.02%</b> | Please refer to the 2020-21 Explanation for Variance of Total Other Payments document as provided  |
| 7 | (=) Balance carried forward          | <b>7,666</b>  | <b>10,886</b> | <b>3,220</b>   | <b>42.00%</b>  | Larger year-end balance mainly accounted for by an overall underspend against the 2020/21 budget figure of £3,269.24. Council reviewed the expenditure in January 2021 and agreed a fresh expenditure forecast based on the total of the expenditure to date and anticipated expenditure for the fourth quarter. Council agreed at that point to reduce the precept request for 2021/22 by   |

|   |                            |       |        |       |        |   |
|---|----------------------------|-------|--------|-------|--------|---|
|   |                            |       |        |       |        | <p>£899 from the underspend - this money is, of course, still held in the cashbook pending 2021/22 expenditure. The year-end budget statement still provided for a large underspend of £2,370.24 against the January 2021 re-forecast with substantive underspends against budget headings as follows:</p> <ul style="list-style-type: none"><li>- Subscriptions/membership - £155 - underspend due to the waiving of the annual subscription by CSVC for 2020/21 and late production of OVW annual subscription as authorised and paid in the 2021/22 financial year which may result in two payments being made in 2021/22</li><li>- Cemetery maintenance - £172.78 - due to the continued pandemic restrictions preventing routine works</li><li>- Village Hall general repair/maintenance - £1,277.70 - due to the closure of the Hall during the fourth quarter of 2020/21 to adhere to continued pandemic restrictions and the resultant uncompleted programme of maintenance and repair following serious water ingress in 2019 which it was hoped would be finally completed prior to the end of the 2020/21 financial year</li><li>- Village Hall operational costs - £141.69 - due to closure of the Hall with the resultant lower utility bills</li><li>- Community Skips - £440 - due to cancellation of monthly skips by the skip provider (unitary authority) due to continued pandemic restrictions</li></ul> <p>This leaves a further overall underspend of £183.07 which is made up of nominal amounts across a number of other budget headings. At the April 2021 meeting, Council approved the retention of the accumulative year-end underspend as general reserves which continues to be held within the cash book</p> |
| 8 | Debtors                    | 0     | 0      | 0     |        | N/A   |
| 9 | Total cash and investments | 7,666 | 10,886 | 3,220 | 42.00% | See 7 above   |

|    |                             |                                      |                |              |                |   |
|----|-----------------------------|--------------------------------------|----------------|--------------|----------------|---|
| 10 | Creditors                   | <b>0</b>                             | <b>0</b>       | <b>0</b>     | <b>0.00%</b>   | N/A   |
| 11 | Balances carried forward    | <b>7,666</b>                         | <b>10,866</b>  | <b>3,200</b> | <b>41.74%</b>  | See 7 above   |
| 12 | Total fixed assets          | <b>582,751</b>                       | <b>592,562</b> | <b>9,811</b> | <b>1.68%</b>   | Within acceptable level of variance   |
| 13 | Total borrowings            | <b>4,039</b>                         | <b>3,346</b>   | <b>-693</b>  | <b>-17.16%</b> | Secured loan of £10,000 and interest for purchase of land to enable a Cemetery Extension, less payments of £6,654. The loan decreases the balance by £693 per year and will always be greater than a 10% reduction/variance due to the yearly diminishing balance |
| 14 | Trust Funds disclosure note |                                      |                | N/A          |                | N/A   |
|    |                             |                                      |                |              |                |   |
|    | <b>Prepared by</b>          | <b>Victoria Teasdale - Clerk/RFO</b> |                |              |                |   |
|    |                             | <b>9th June 2021</b>                 |                |              |                |   |