

Explanation of variances – pro forma

Name of smaller authority:

Necton Parish Council

County area (local councils and parish meetings only):

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);
- variances of £100,000 or more require explanation regardless of the % variation year on year;
- **New from 2025/26 onwards:** variances of £500,000 or more in Box 3 require explanation regardless of the % variation year on year for smaller authorities with income and/or expenditure exceeding £6,500,000

	2024/25 £	2025/26 £	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	69,022	55,622				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	82,160	85,500	3,340	4.07%	NO		
3 Total Other Receipts	10,777	20,024	9,247	85.80%	YES		The discrepancy is £9,247.00. In the financial year 2025/2026, a street light was involved in a car accident leading to an insurance claim that amounted to £4,842.00. This brings the discrepancy down to £4,405.00. Furthermore, the Trust for the Queen Elizabeth Memorial Woods dissolved leading to the transfer of any remaining funds back to the Parish Council. This amounted to £7,091.85. This takes the discrepancy to a negative -£2,686.85 which can be explained by a difference in VAT Refunds. In 24/25 the VAT refund amounted to £6,994.41 whereas in 25/26 it was £4,329.52. The difference between those two is £2,664.89 which closely matches the remaining discrepancy. This is due to the fact that fewer large purchases were made in the 25-26 financial year than the year prior leading to lower VAT numbers as well as the last financial quarter VAT funds not having been processed for return.
4 Staff Costs	46,251	40,811	-5,440	11.76%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	60,086	48,178	-11,908	19.82%	YES		The discrepancy is £11,978. In 24/25, Community Spend equalled £43,159.69. In 25/26, Community Spend equalled £26,292.77 which is a difference of £16,866.92. In 24/25, the Parish Council spent £20,854 on a new fence for the play area and Parish Partnership for Village Gates. The largest purchase in 25/26 was £10,789 for Village Gates and a trod. The difference is £10,065.00 bringing the discrepancy down to £1,913. In 24/25 the Parish Council spent £5,572 in grants to various organisations some for emergency work and general grants. In 25/26, the Parish Council only spent £2,276 in grants. The difference in those two figures is £3,296. When this is subtracted from the remaining discrepancy, this leaves a negative discrepancy of only -£1,383 which brings the two figures within a tolerable difference.
7 Balances Carried Forward	55,622	72,157				VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	55,622	72,157				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	94,918	94,917	-1	0.00%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable