

Explanation of variances – pro forma

Name of smaller authority:

Potterhamworth Parish Council

County area (local councils and parish meetings only):

Lincolnshire

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	39,343	42,954				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	27,070	29,000	1,930	7.13%	NO		
3 Total Other Receipts	3,790	1,294	-2,496	65.86%	YES	Received in 2024/2025 and not in 2025/2026 £267 LALC refund (Apr-2024) - Inv paid twice in error £412 British Gas refund (Oct-2024) £686 Refund from Curry (Oct-2024) - Inv paid twice in error £1005 Money from Youth Club fund when TC closed (Mar-2025) = £2,370 Takes difference to 8.87%	
4 Staff Costs	9,201	13,491	4,290	46.63%	YES	During 2024/2025, Council were without a Clerk for approximately two months so Staff costs were lower than previous year by £1,600. With a new Clerk in place they worked additional hours for first 3-4 months to prepare Council for last year's audit and update policies etc going forward. Additional costs was approx. £1,600 (+£1,600 from previous year). Takes Variance down to 11.85%	
5 Loan Interest/Capital Repayment RESTATED	874	832	-42	4.81%	NO		PWLB now paid off in full.
6 All Other Payments	17,174	31,718	14,544	84.69%	YES	£450 new dog waste bin (May-2025) £1350 re-painting of play are equip and Memorial fence (Jul-2025) £570 benches and village sign re-painted (Oct-2025) £850 new garage door (Nov-2025) £10,212 contribuition towards MUGA Grant (Mar-2026) = £13,432 Takes difference down to 6.74%	
7 Balances Carried Forward	42,954	27,207				VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	42,954	27,207				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	311,549	311,549	0	0.00%	NO		
10 Total Borrowings	800	0	-800	100.00%	YES		PWLB now paid off in full.

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)