

**Explanation of variances – pro forma**

Name of smaller authority: [REDACTED]

County area (local councils and parish meetings only): [REDACTED]

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 £5,500,000

	2024/25 £	2025/26 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. <b>DO NOT OVERWRITE THESE BOXES</b>	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	17,625	35,434				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	20,773	21,821	1,048	5.05%	NO		
3 Total Other Receipts	18,563	12,495	-6,068	32.69%	YES		In 2023/24, two significant VAT reclaims were received, totalling £12,833.78 and £3,370.74 respectively. In comparison, the 2025/26 financial year included a single VAT reclaim of £1,274.71, reflecting the absence of similarly large one-off claims in the current year. VAT reclaims vary between years depending on eligible expenditure and the timing of submissions and are therefore not consistent annually.  Additionally, during 2025/26 the Council received Locality Funding of £8,682.00 towards the installation of Adult Gym Equipment and £700.00 for a new bench at Harolds Fair Play Ground. These are one-off grants linked to specific projects and are not recurring income.
4 Staff Costs	6,926	10,084	3,158	45.60%	YES		A new Parish Clerk commenced employment with Great Tey Parish Council on 01/02/2026. During the transition period, there was an overlap of employment costs, which included one month's salary and accrued holiday pay due to the outgoing Clerk.  In addition, between 01/03/2026 and 30/04/2026, the new Clerk worked additional hours to ensure the Council was fully prepared and compliant for the 2025/2026 audit process.  These costs are transitional and non-recurring in nature and account for the variance of £3,158, comprising both the overlap payments and additional hours worked during the handover and audit preparation period.
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	14,601	37,870	23,269	159.37%	YES		During the 2025/2026 financial year, expenditure included the installation of a new adult gym at Harold Fairs Play Area totalling £11,880, and funding of £9,315.65 towards a new boiler for the Village Hall.  The boiler contribution was initially processed on the understanding, based on email correspondence from the previous Clerk, that the funds would be released from the Village Hall account rather than the Parish Council account. The funds were subsequently reimbursed to the Parish Council in May 2026. It was also identified that these transactions had not been appropriately minuted at the time; however, this matter was formally reviewed and resolved at the April 2026 Council meeting to ensure correct accounting treatment and proper authorisation.  Additional expenditure during the year included the purchase of a bench for Harold Fairs Recreation Ground (£858), a metal plaque (£154), and a replacement window for the Village Hall (£401). Maintenance costs across the parish also increased by £660 compared with the previous year.  These items collectively account for the variance in expenditure for the period and comprise both capital improvements and routine maintenance costs.  All transactions have now been correctly recorded within the Council's financial records, with adjustments made where necessary to ensure funds are held and reported in the appropriate accounts. The Council has also strengthened its procedures in relation to authorisation, minute-taking, and financial recording to ensure that all future expenditure is properly approved and documented at the time of decision.
7 Balances Carried Forward	35,434	21,796				VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	35,434	21,796				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	122,925	122,925	0	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