

Explanation of variances – pro forma

Name of smaller authority:

COVENHAM 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 | 5,959 | 5,074 | | | | Explanation of % variance from PY opening balance not required - Balance brought forward agrees | |
| 2 Precept or Rates and Levies | 9,206 | 9,206 | 0 | 0.00% | NO | | |
| 3 Total Other Receipts | 2,534 | 40,555 | 38,021 | 1500.43% | YES | | Grants received for the purchase of outbuilding next to the Parish Rooms (National Lottery Fund £19,959 and half of East Lindsey Investment Fund Grant £12,499.50) = £32,459. There was also a donation of £5,000 received to pay for the release of the restrictive covenant paid to the Methodist Church Trustees who used to own the building. The VAT reclaim was £545 compared to £203 the previous year. Total of grants + donation £37,459 + difference in VAT reclaim of £342 = £37,801. Without these receipts, the difference would only be £220 which is only 8% variance. |
| 4 Staff Costs | 6,293 | 7,879 | 1,586 | 25.20% | YES | | Clerk's increment of 1 SCP Level as per contract = £735, Employer's National Insurance Contribution which was not applicable previously = £571. Total £1,306.27. Difference results in an 8% variance. |
| 5 Loan Interest/Capital Repayment | 0 | 0 | 0 | 0.00% | NO | | |
| 6 All Other Payments | 6,332 | 12,775 | 6,443 | 101.75% | YES | | Payment to Methodist Trustees £5,000, Purchase of outbuilding £1,500 |
| 7 Balances Carried Forward | 5,074 | 34,181 | | | | VARIANCE EXPLANATION NOT REQUIRED | |
| 8 Total Cash and Short Term Investments | 5,074 | 34,181 | | | | VARIANCE EXPLANATION NOT REQUIRED | |
| 9 Total Fixed Assets plus Other Long Term Investments and | 285,026 | 286,617 | 1,591 | 0.56% | 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