

Explanations of Variance 2024-2025 for PKF Auditors

Box 2– The increase of the Precept was 23%. The increase of £6,000.00 can be justified by the substantial increase in costs to the Parish Council. The Budget is reviewed regularly and the predictions of expenditure lead to a final Budget being set in December for the following financial year. The Council still need to build reserves, so a higher Budget means a higher Precept is required. A contingency amount of £4,000.00 (see below) was put into the Budget for unknowns.

Justification:

- The New Somerset Council was formed in April 2023 and some further services are expected to be devolved, £4,000.00 was set aside for this in the Budget to cover increased Grounds and Property Maintenance and waste bin collections.
- Grounds Maintenance increased last year by (£3686.00 to £5110.00). This was due to having to take on extra areas of responsibility and a further £1,000.00 was added to the Budget which needed funding through the Precept.
- Cyber Insurance was taken out as deemed to be a necessity (£238.00)
- The Salary costs increase was expected to be around £700.00 as the level of pay now meant Employer N.I. costs were incurred and there was a National Pay increase to factor in.

Totals -£4,000.00+ £1,000.00 +£287.00+£700.00 = Total of £5,987.00

These figures show why the Precept had to increase.

Box 6 – Total other payments were down by 15% or £4197.00. This is explained by less spending of CIL Money. (In 2023-2024, a Speed Indicator Device was purchased at £4950.00).

Box 7 and 8-The carry forward figure is 30% (£8098.96) more than last year. The Council received CIL money of £5477.00 and there were two grants totalling £1200,00 received for a Community Warm Spaces project. This has yet to be spent. This accounts for £6,677.00 of the carry over which brings the difference to an acceptable level.

In summary, the percentage variances on the AGAR submitted can be seen to be quantified clearly by the above explanations and figures.

Sally Ferguson –Clerk and RFO Lympsham Parish Council. April 2025