



Drighlington Parish Council

The Community Hub
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9.g Drighlington Parish Council

Financial Year 2025–2026 Explanation of Variances

Dear Council

Precept

- **Precept 2024/25:** £75,000.00
- **Precept 2025/26:** £86,250.00

Reason for Variance:

The increase in the Parish Council's precept for 2025/26 was necessary to ensure the Council could continue to meet its financial obligations and maintain services. The principal factors contributing to the increase were:

- Increases in the cost of goods and services.
- Inflation was approximately 3.5% at the time the budget was prepared.
- Staff salaries are subject to an automatic annual pay increase, and provision was made within the budget for an estimated increase of 3.2%.
- Continued replenishment of the PC's General Reserve to maintain financial resilience.
- An allocation of £7,750.00 towards the Play Area Phase 2 Extension Grant project.
- An increased contingency provision within the budget to address unforeseen expenditure if required.

It should be noted that actual contingency expenditure during 2025/26 was **£7,002.98**, compared with **£2,860.01** in 2024/25, demonstrating the need for a higher contingency allocation.

Total Other Receipts:

- **Total Other Receipts 2024/25:** £22,286.00
- **Total Other Receipts 2025/26:** £28,121.00

Reason for Variance

The increase in other receipts during 2025/26 arose from several factors.

HMRC VAT Reclaims:

- 2025/26: £6,155.15
- 2024/25: £5,092.54

This represents an increase of **£1,062.61** resulting from higher levels of reclaimable expenditure.

Bank Interest:

- 2025/26: £1,464.45
- 2024/25: £0.00

During 2025/26, the PC reviewed its banking arrangements and opened an Instant Access Savings Account, generating additional interest income of **£1,464.45**.

Community Infrastructure Levy (CIL) Receipts:

- 2025/26: £10,517.34
- 2024/25: £9,674.70

This represents an increase of **£842.64** in CIL funding received.

External Grant Funding:

- 2025/26: £680.00
- 2024/25: £225.00

Grant income increased by **£455.00** compared with the previous financial year.

Insurance Claim Proceeds:

- 2025/26: £1,013.00
- 2024/25: £0.00

The Council received an insurance settlement during 2025/26, resulting in additional income of **£1,013.00**.

Community Hub Receipts:

During 2025/26, a change of ownership occurred at the Community Hub, resulting in several one-off receipts, including:

- £500.00 – Duplicate payment of monthly rent.
- £82.56 – Interest accrued on the rent deposit.
- £78.85 – Insurance refund.

The total additional receipts for 2025/26 amounted to **£5,499.11**.

Overall, the increase in other receipts reflects higher VAT recoveries, additional interest earnings, increased external funding, an insurance settlement, higher CIL receipts, and additional income associated with the Community Hub.

Kind regards,

Jill Davis

Jill Davis

Proper Officer to Drighlington Parish Council

Explanation of variances – pro forma

Name of smaller authority: **Drighlington Parish Council**

County area (local councils and **Yorkshire**)

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	68,769	70,144				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	75,000	86,250	11,250	15.00%	YES	See the attached document	
3 Total Other Receipts	22,286	28,121	5,835	26.18%	YES	See the attached document	
4 Staff Costs	40,815	43,528	2,713	6.65%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	55,096	58,232	3,136	5.69%	NO		
7 Balances Carried Forward	70,144	82,755				VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	70,144	82,755				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and	79,042	80,655	1,613	2.04%	NO		
10 Total Borrowings			0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable