



RADFORD SEMELE PARISH COUNCIL

Annual Financial Report for Financial Year 2020/21

Reserves

The accounts for year end to 31st March 2021 show that the unrestricted reserves carried forward into the year 2021/22 amount to £44,200. This compares with an opening reserve of £44,568, a slight reduction of £369 in the unrestricted reserves.

The receipts from Warwick District Council due to Section 106 (S106) and Community Infrastructure Levies (CIL) of £48,298 increase the value of the reserves to £92,498. However, there are conditions attached to the receipt of those S106 and CIL payments on how they may be used, as such they are restricted reserves.

Income/Expenditure

The precept at £30,588 together with the VAT recovery of £1,876 and other minor contributions and bank interest was less than annual expenditure of £32,995.

For 2020/21 the Parish Council had passed a budget for the to reduce the unrestricted reserve by £12,000 on projects for the village, in the end, this reduction only amounted to £369.

Much of the opportunity to realise the planned reduction was impacted by the global pandemic and associated restrictions that prevented the Parish Council delivering the planned village improvements.

Planning/Precept

A meeting of Councillors and the Finance Committee met virtually to determine and recommend to Council a budget to set the level of Precept for 2021/22, to include a number of village improvement projects and essential repairs to the play equipment.

The budget and precept were passed in November to allow sufficient time for the Parish Council to meet agree the budget such the submission date in January 2020 to Warwick District Council could be met.

Unfortunately, the request for the precept submission in December by Warwick District Council (the collecting authority) highlighted that the tax base used to calculate the precept per household had been significantly reduced for a second time, hence the precept increase per household is higher than anticipated when the budget was set.



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Move to on-line banking

With many of the activities of daily life and the Parish Council curtailed or modified during the Pandemic, an opportunity was taken to move forward with online banking which went live in October 2020. This has significantly improved the ability to monitor and maintain the Parish Council bank accounts, moving away from cheques to on-line payments whilst at the same time maintaining the security of approval by three approved signatories of the Parish Council for transactions.

Financial Risks

Following the receipt of the S106 and CIL payments, it was recognised that the funds within one bank would be in excess of the guarantee afforded through the Financial Services Compensation Scheme (FSCS) of £85,000. A decision was therefore taken to open an additional, bank account to allow the risk to be spread across two banks ensuring all the Parish Council finances would be protected by the scheme.

Summary

The Council in a sound financial position with good and prudent management of finances and transactions.

Findings and feedback from the internal and external audits from 2019/20 are being developed or are in place.

The management of finances has improved to allow real-time management of accounts and transactions and speed up decision making on expenditure in support of the village.

The Unrestricted and Restricted Reserves carried forward should enable the planned village improvements to be realised in the coming financial year for the benefit of the residents of Radford Semele, although some make take longer to be realised.

Cllr Brian Friar
Finance Committee - Chair
April 2021