



# RADFORD SEMELE PARISH COUNCIL

## Annual Financial Report for Financial Year 2021/22

### **Reserves**

The accounts for year end to 31<sup>st</sup> March 2022 show that the unrestricted reserves carried forward into the year 2022/23 amount to £24,127. This compares with an opening reserve of £44,200.

The Parish Council had passed a budget for 2021/22 to reduce the unrestricted reserves by £22,073, whereas this reduction amounted to £24,127, although £11,513 of that was VAT which will be recovered in 2022/23 so the real reduction was only £12,614.

No further receipts were received from Warwick District Council from Section 106 (S106) and Community Infrastructure Levies (CIL). The current restricted reserves of £48,298 and are still held, yet to be deployed in those areas for which they are allocated.

The total value of all the reserves at year end was £68,372.

### **Income/Expenditure**

The in addition to the precept of £33,604, a VAT recovery of £981 and bank interest of £8, the Parish Council also received a grant of £29,998 from HS2 for the gym equipment in the park. This resulted in a total income of £64,593 which was less than annual expenditure of £88,719. Although as stated in the reserves; £11,513 of expenditure was recoverable VAT, a significant proportion of this arose from the various projects to improve the facilities on the playing field.

This overspend was planned as part of the budget to reduce the unrestricted reserves.

### **Planning/Precept**

The budget and precept were passed in November 2020 to allow sufficient time for the Parish Council to meet agree the budget such the submission date in January 2021 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 reduced for a third time, hence the precept increase per household is higher than anticipated when the budget was set.



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## Financial Risks

Following the receipt of the S106 and CIL payments in the Financial Year 2020/21, it was recognised that the funds within one bank would be above 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. At this time, the action to open a second bank account is still outstanding, although the current bank balances are below the FSCS limit.

## Summary

The Council has kept sound financial position with good and prudent management of finances and transactions.

There were no issues raised from the internal and external audits from 2020/21.

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.

Cllr Brian Friar  
Finance Committee - Chair  
April 2022