RADFORD SEMELE PARISH COUNCIL

Budget and Precept to be considered by the Parish Council at the ordinary meeting on 30th November 2026.

Further to the initial outline proposals put forward to Council on 26th October 2026, this report details the proposed budget and precept for the Council to consider for submission to Warwick District Council to collect from residents of Radford Semele during the financial year 2027/2028.

As previously outlined, as these figures are produced on data available at half year, in many cases they are "best estimations" of potential incurred costs for the council, in some cases there is more accurate information available for the likes of salaries, or subscriptions, or membership fees, but there remains an element of uncertainty in these figures and ultimately this affects the accuracy of the end of year figures and the estimated carry forward balances at financial year end.

In setting expenditure figures the Finance Committee considered those lines of expenditure that are key to the day-to-day running of the Parish Council and the maintenance of the assets it holds and is responsible for, such as the Playing Field and other village assets.

It also considered any potential areas of expenditure that it may be called on to support the views of the residents of Radford Semele that the Parish Council represents – for example the establishment and bolstering of Consultancy reserves which may or may not be called upon in a financial year but should be held should the need arise. These are shown in Earmarked Reserves in the budget detail.

As outlined in October the desire was also to limit the impact of any increase in the current financial climate, but also recognising that to function effectively, there would need to be some margin of increase to allow for the potential expanding needs of the near future.

The objective was to cap any increase to no more than 4% and so was a factor in working through those potential lines of expenditure with some above and some below 4%, but overall, the budget has been set within those parameters.

Tax Base

It should be noted that a single variable that can have a very significant impact on the impact of the budget on residents of Radford Semele is the tax base figure which is set by Warwick District Council just after the last meeting of the year for the Parish Council, but before the next one in January, and in which period we do need to submit the precept figures.

Should the tax base figure have a significant adverse impact on the precept levied on Radford Semele residents then we will instigate an interim Parish Council meeting to re-determine the Parish Council's wishes before submitting the precept.

I also outlined the need to develop a reserving policy as part of the good practice expected of Parish Council's to align with some redesignation of funds held by the Parish Council, a draft Reserves Policy accompanies this Budget/Precept submission for you to consider, preferably before the next meeting such that at that meeting, we are able to ratify the policy.

The following documents accompany this report for you to consider ahead of the November meeting and should you like any clarification of budget and precept I would be happy to respond in an open forum back to the whole council and also address the points for the whole council at the November meeting.

- Last year's precept submission for this financial year 2026/27
- A reforecast for 2026/27 leading to the 2027/28 figures.
- The precept budget for 2027/28
- A full year reconciliation estimates for 31/03/2027.

Reforecast Table

The reforecast table details the current year's budget but is re-aligned against the newer practice of some more general "earmarked reserves" that allow some flexibility for the deployment of those funds within the scope of areas they are earmarked for.

The re-forecast figures are the best estimates for where those budgetary lines identified, may finish at financial year end on 31st March 2027.

The under/over expenditure estimates simply indicate if those lines are witing the budget set in the previous year using the re-forecast values to determine this.

The proposed budget for 2027/28 are figures based either estimates of cost of living/inflationary rises or where the finance committee determined further financial provision was needed, either on specific lines or for an ear marked reserve. In some cases, like the bursaries and dispersements these have been uplifted the give the council scope to apply some increase, but it is not a foregone conclusion that these would be applied.

For the Playing Field and Wider village, it may be the case that by 31st March 2027, the budget may not be expended, however, the planned budget for 2027/28 is held at that level to ensure sufficient funds to deal with any unforeseen costs tat may arise over and above the day-to-day maintenance that is more predictable. We are fortunate to hold a residual S106 fund that can only be used in support of the playing field, but this does give us some added flexible financial resource should it be needed. Over time we can look to build an equivalent earmarked reserve to give the same support should it be needed.

There is also a separate figure for the Equipment replacement figure where S106 Reserves were used to fund this. The net result is that this expenditure did not directly impact on the Playing Field Budget.

Capital Project Reserve

For 2027/28 we have removed the Capital Project Reserve. Previously we have assigned this reserve with the intention of apply it to specific projects, however, more often than not, it was never used as the projects that it was assigned to either stalled or never happened, or the funds were redirected elsewhere. This is now included with the General Fund where the council has the flexibility to deploy such funds as needed in a more flexible way rather than through a more defined and potentially restricted earmarked reserves.

Earmarked Reserves

The establishment and use of specific Earmarked Reserves is on a “needs” basis, usually to prepare for a specific provision (e.g. an Election Reserve). Once established these reserves should only be used for the purpose for which they have been established, and their deployment must be with the authority of the Parish Council. In this budget we have established the Consultancy and Election Reserves.

Section 137

The Section 137 reserve is for the use under the category of S137 which allows for an expenditure which is viewed to bring a benefit to some or all of the inhabitants of the Parish. Its use is not as restrictive or as defined as other identified funds and normally a predefined budget is not required, but the Council needs to ensure that it does have the funding to support it, hence the establishment of this modest fund. Currently for 2026/27 this is set at £11.60 per elector.

General Reserve

The establishment of a general operational reserve is something that is recommended in the Practitioner's Guide and has also been referred to in the proposed Reserving Policy and was also highlighted in the end of year external audit undertaken by Moore's. The guidance on a General Reserve is to hold sufficient funds to allow for the day-to-day irregularities in cash flow along with preparedness for any emergencies. This can also be used to ease the pressure on short term significant expenditure, and any surplus can be used to support capital expenditure.

In determining the size of General Reserve, the guidance is that this should be held at a minimum of 6 months operational costs of the nett revenue expenditure of the Parish Council. This may vary depending on the size of the Parish Council and subject to an annual risk assessment undertaken by the Parish Council.

Precept/Budget Document

The Precept Budget document is the basis of the submission to WDC, this outlines the predicted expenditure and ear marked reserves, along with the calculation for the precept figure.

The precept is derived from the shortfall of available funds to support the planned expenditure. This begins with an estimate of the bank balances carried forward from the previous (this) financial year, other predicted lines of income such as Bank Interest and reclaimed VAT, we have also included some element of the S106 fund to be deployed in support of this budget. The S106 can only be used for expenditure on the Playing Field, but as a reserved amount it does not appear on any balance sheet until called upon.

We also include a summary of the increases with illustrations of the impact of the increases on a band "D" property.

Band D is the most used reference property when talking about Council Tax and the Precept, although we can also access tables for all property bands once the figures are submitted and accepted by WDC.

Bank Reconciliation Estimate

Lastly, I have included an estimated bank reconciliation for the year end. This is a best guess as to how the bank balances will end, experience over the years has resulted in the actual year end not being too far adrift from this figure, but unexpected expenditures can also have a significant impact on this figure.

Ends

Brian Friar

Chair of the Finance Committee