



MELTON PARISH COUNCIL

FRM(18)05.02b

Note on Budget issues

The accompanying spreadsheet (Paper FRM(18)05.02a) updates the budget for 2018/19 to reflect the CIL income which Melton PC has been advised by Suffolk Coastal DC it will receive within that year. Including the contribution of CIL the level of reserves required to support the level of spending predicted will be £18k, without CIL we are back to the original projection of £20.5.

MPC for 2018/19 has set a balanced budget (as it must do) utilising reserves (in line with Government expectations).

At the end of 2018/19, assuming spend is to budget, reserves will still be within the level required for safety and prudence. In 2015/16 and 2016/17 there was a combined trading surplus of £13k. As for 2017/18, performance to date indicates a result around break even, assuming no disasters during the next eight weeks. Although the budget for 2018/19 assumes income of £77.3k *net of CIL receipts* or £80k *gross* and expenditure of £97.8k, i.e. a trading deficit of £20.5k / £18k, at least £10k of that can be met via CIL and the Council's reserves will be adequate to meet any balance.

For the information of FERM Committee, in terms of the reserves, at the end of 2017/18 the position is likely to be roughly as follows:

Current assets less liabilities = c£85K

Less restricted reserves (winding up minimum reserves / earmarked reserves / allocation in 2018/19 to give a balanced budget = c£59.5k

So after factoring in every possible contingency for 2018/19, including supporting the budget without any use of CIL, there will be approximately £25.5k in terms of unrestricted reserves remaining, PLUS £79.8k in CIL receipts.

Therefore the message has to be that the Council's finances are in a sound state and MPC is managing its budgets sensibly in difficult circumstances.

William Grosvenor

Clerk to the Council

1 February 2018