



# MELTON PARISH COUNCIL

---

**FRM(19)51.02**

## **BUDGET REPORT**

Attached to this covering report is a report on the budgetary position at the end of the 1<sup>st</sup> half year of 2019/20.

Before reporting on the position as at 30 September, I have amended the budget to reflect the position following the letting of the 1<sup>st</sup> floor, the payment of pension contributions for the Finance and Information Management Officer, and the urgent need to replace the PC used by that Officer, as well as the additional audit costs.

Changes are as follows:

- 1109 Rental income – revised from £10,000 to £9,156
- 1117 Service re/charges (new code) - income estimated at £1,820
- 4110 Pension contributions (previously unbudgeted) - £2,825
- 4120 Computer hardware (new code) - £600 for urgent replacement of office PC over 10 years old
- 4123 Office cleaning and sundries – revised from £1,600 to £3,000 (of which approx. £1k should come back via recharges)
- 4131 Audit charges – revised from £650 to £1,410
- 4170 Legal costs of Licence and Lease - increase to £3,500.

Members are asked to consider and agree these provisions.

I have not made any other changes; further changes can be considered by Budget and Projects Working Group.

The budget shows, on the basis of current projections, that there will be an in-year deficit of £26,192 at year end, compared with the earlier budgeted deficit of £19,083. That projection was understated in terms of expenditure (no pension provision for example as Members decided at that stage not to include it and expenses in relation to the let were not then foreseen) and income was overstated in terms of the anticipated securing of a tenant.

Because 64% of the Council's core income (precept) goes on employment costs – and if we add to that the cost of the PWLB repayment – the percentage is 87%, there is very little flexibility in terms of discretionary expenditure, and it goes without saying that grants and the use of CIL need to be optimised.

However a detailed look at the budgetary provision for the balance of 2019/20, suggests that there is scope to reduce expenditure by (a) eliminating surplus budgetary provision (b) use of grant funding where possible (c) optimising use of CIL and (d) deferring expenditure into 2020/21 where appropriate, to the extent that it should be possible to achieve a year end general reserve balance of *at least* £60k by 31 March 2020. The general reserve balance as at 31 March 2019 was £69.9k.

William Grosvenor

Clerk to the Council

3 October 2019