



# MELTON PARISH COUNCIL

**MPC(19)97.02**

## **BUDGET REPORT**

Accompanying this covering report is Paper MPC(19)97.02a which sets out:

- Actual expenditure for 2019/20 up to 31 October 2019
- Revised budget figures for 2019/20 reworked following the Budget & Projects Working Group (BPWG) meeting on 11 November 2019
- An initial budget for 2020/21.

A brief commentary is provided below in relation to the budgetary situation for both years.

### **2019/20**

The budget now reflects all the CIL monies which will be received in the current year and updates for the letting of the 1<sup>st</sup> floor of the MPC accommodation at 17 Riduna Park in terms of income, expenditure and recharges. The year end projection is now for an in-year deficit of £20,451, which is a worst-case scenario, but if realised can be met from general reserves. Because Melton's budgets are constructed to allow for a degree of flexibility, it is likely, unless there is some unforeseen eventuality, that the year end position will be somewhat better than projected – probably with a smaller deficit of between £12-15,000. Additionally there is the flexibility to charge some expenditure to CIL monies, although this has not yet been considered.

### **2020/21**

The initial budget for next year reflects a proposed precept of £86,948. This comprises:

- The same tax charge for 2019/20 (£44.71 per Band D property) which because of the enlarged tax base will produce a figure of £81,488.45.
- An increase of 5% on that figure to reflect the additional costs of managing the assets to be divested from East Suffolk Council.
- A further increase on that figure of 1.7% to reflect inflation at the current CPI rate.

The anticipated CIL receipts next year will be £170,076.

It is assumed that the current rental income for the 1<sup>st</sup> floor at 17 Riduna Park will continue until at least 31 March 2020.

The Council's main fixed outgoings are salaries and the loan repayments for its premises.

The salary costs provision reflects both incremental progress where appropriate and a 2% allowance for a pay increase. There is also a buffer built in in case changes to the living wage will mean additional increases. Additionally the budgets are changed to reflect the hours of the Clerk and Executive Officer being reduced from 30 to 25 a week; the hours of the Assistant Clerk being increased from 15 to 20 a week, and those of the Handyperson being increased from 12 to 18 a week to reflect the inevitable increase in workload consequent on the transfer of additional assets to the Council.

The loan repayments are fixed until concluded (in 2053) so the budgeted figure is firm.

The other key area for expenditure is the Council's greenspace and woodland. Generous indicative budgets have been allocated to take account of the transfer of assets (which are mostly greenspaces and woodland) from 1 April 2020. Further work will need to be done on these, possibly with seeking fresh prices for the Council's greenspace management contract for the next 3 years. Funding provision could be by way of a sinking fund (from CIL monies) to fund the Council's increased land management costs for the next 5 years until the tax base and precept income rise to reflect the new responsibilities.

William Grosvenor

Clerk and Executive Officer

12 November 2019