



MELTON PARISH COUNCIL

MPC(20)07.02

BUDGET REPORT

Accompanying this covering note is Paper MPC(20)07.02a which sets out:

- Actual expenditure for 2019/20 up to 31 December 2019
- The revised budget figures for 2019/20 as accepted by Full Council on 13 November 2019.
- The provisional budget for 2020/21 as adopted by Full Council on 13 November 2019, amended only slightly upwards (by £16.00) to accommodate increased SALC charges in terms of payroll costs as notified subsequently.

As usual a brief commentary is provided below in relation to the budgetary situation for both years.

2019/20

The year-end projection is for an in-year deficit of £20,451, which is a worst-case scenario, but if realised it can be met from general reserves. As predicted previously, 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, if Full Council wishes to consider this.

2020/21

The budget for next year which Full Council will be formally requested to adopt at this meeting (see below) reflects a proposed precept of £86,948. The basis for this and options are set out clearly in a separate report at MPC(20)07.03.

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

It is assumed for budgetary purposes that the current rental income for the 1st floor at 17 Riduna Park will continue until at least 31 March 2021.

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. At the time of writing it appears that no progress has been made in terms of settling the national pay award for 2020/21. There is also a modest buffer built in, in case changes to the living wage will mean additional increases, particularly in the lower grades. 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, all from 1 April, to reflect the inevitable increase in workload consequent on the transfer of additional assets to the Council (on which so far no decision has been made by the Cabinet of East Suffolk 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) in tranches from 1 April 2020 and 1 April 2021. Recreation Committee has agreed at its meeting on 8 January 2020 to seek fresh prices for the Council's greenspace management contract for the next 3 years from 1 April, with the option to include the new parcels of land as and when they may be divested.

Recommendations

Full Council is requested to:

1. Review and note the budgetary position and outturn forecast for 2019/20
2. Review the budget forecasts for both income and expenditure for 2020/21 carefully in the context of the proposed precept claim for 2020/21 and if satisfied as to sustainability, formally resolve to adopt the Council's budget for 2020/21.

William Grosvenor

Clerk and Executive Officer

9 January 2020