



MELTON PARISH COUNCIL

FRM(20)05.02

BUDGET REPORT

Accompanying this covering note is Paper FRM(20)05.02a which sets out:

- Actual expenditure for 2019/20 up to 31 January 2020
- The revised budget figures for 2019/20 as confirmed by Full Council on 13 November 2019.
- The budget for 2020/21 as set by Full Council on 15 January 2020. This incorporates a precept requirement for 2020/21 of £86,948.17.

2019/20

The current year-end projection is for an in-year deficit of £20,451, which if realised, can be met from general reserves. However given some £16k worth of the £123,448 expenditure to date has been unbudgeted and met fully from either grant funding, CIL reserves or third party payments, the likely outcome may be more positive. As set out in the accompanying paper FRM(20)05.01, it is anticipated on present performance that the general reserves as at 31 March 2020 could be approximately £65k. If it is required to improve the year end position, then there is scope to charge an additional £2,469 to CIL (in respect of assessment / works to trees). On the negative side however there will be a large bill from the solicitor for the work in respect of the lease for the 1st floor office which *might* exceed the balance in the budget of £1,618, and also the cost of the Highways feasibility study, which on its own cannot be met by CIL. This could be up to £5k.

2020/21

The revenue budget predicts an in-year deficit of £14,616, but that should, given a satisfactory outturn in 2019/20, be able to be absorbed by balances carried forward and / or by appropriate use of CIL as required,

For ease of reference I replicate below the assumptions on which the budget was set.

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. The Handyperson's hours reflect the inevitable increase in workload consequent on the transfer of additional property assets to the Council. The Cabinet of East Suffolk Council (ESC) has now ratified the transfer proposals as agreed by Melton Full Council on 13 November, and the first batch of transfers will take place from 1 April 2020, assuming the conveyancing work can be completed in time. The legal budget includes a generous provision for this work of £7k, and given the Transfer Agreement provides that ESC will fund Melton's legal costs up to £5k, this full sum is unlikely to be required.

Generous indicative budgets have been allocated to take account of the transfer of the greenspace assets. 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 and currently the specification is with contractors to price.

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

Recommendations

Full Council is requested to:

1. Review and note the budgetary position and anticipated outturn for 2019/20
2. Note the council's set budget for 2020/21.

William Grosvenor

Clerk and Executive Officer

4 February 2020