



MELTON PARISH COUNCIL

MPC(20)28.01

MANAGEMENT ACCOUNTS – FINANCIAL REPORT FOR THE PERIOD 1 APRIL 2019 TO 29 FEBRUARY 2020

Contained within papers MPC(20)28.01(a-i), Councillors will receive the following reports:

- Cashbook 1 (Barclays Mixed Payments (Current) Account), Cashbook 2 (Barclays Deposit Account), Cashbook 3 (Ipswich Building Society) and Cashbook 4 (Lloyds Bank Treasurer's Account). These show income and expenditure at a detailed level and Members are asked to note the income and the payments made.
- Income and expenditure by budget heading, which shows cumulative income and expenditure against budget heads for the period 1 April 2019 to 29 February 2020 and the position remaining. Members are asked to review and note any potential over / underspends.
- Bank reconciliation reports for all four accounts to note and review.

These financial reports, in particular the detailed income and expenditure report, give a clear picture of the financial position at the end of the eleventh month of 2019/20. For simplicity all figures are rounded.

Income received was £369,411 which includes CIL transferred to an earmarked reserve of £245,651. Without CIL the overall income was £123,760 which includes a recent grant (received in February 2020) of £4,475 towards the cost of the Melton Neighbourhood Plan refresh, which has to be fully spent by 31 March this year.

Overall expenditure for the period to 29 February at £130,864 is running at 99.3% of the annual revised budget of £131,769. However as previously explained in these reports, the expenditure figure is distorted by unbudgeted payments during the year totalling £15,920 which have mostly been charged to Earmarked Reserves funded by either grant or CIL, or where the Council has received a direct cash payment to cover the expenditure. A fairer assessment of expenditure running against budgeted expenditure as at 29 February would be about 88%.

In terms of cash resources as at 31 January, cash at the Council's bank accounts totalled £397,670 made up as follows:

- | | |
|--|-----------|
| • Barclays Bank Mixed Payments Account | £ 219,565 |
| • Barclays Bank Deposit Account | £ 56,794 |

- Ipswich Building Society Deposit Account £ 100,687
- Lloyds Bank Treasurer's Account £ 23,160

Together with the VAT outstanding of £649 the total liquid assets amounted to £400,855. Of that sum however, £319,967 relates to the balance of CIL monies held as a restricted reserve, and £943 as earmarked reserves (WWI Heritage Event, Behind the Names and Melton Heritage Group), thus giving a balance of £79,945. Included in that balance is the sum of £5,120 which represents the amount of a rental deposit made under the terms of the lease for 1st floor at the Council's offices, together with a sum equivalent to the VAT thereon, which is being held as a deferred liability against default and is shown on the balance sheet. Deducting the £5,120 gives a general reserve figure of £74,825, a reduction from £76,416 at the end of January 2020.

I have up to now predicted that the general reserves as at 31 March 2020 could be approximately £65k. As at 31 March 2019 they stood at £69.9k. My concerns to date around our solicitor's bill for negotiating the lease and the Highway's initial feasibility study have happily proved unfounded. We received a discounted bill for the legal work (possibly influenced by the prospect of all the conveyancing work in connection with the land transfers from East Suffolk) and the initial work on the Melton Road crossings has not attracted any fee.

However we have in the last few days received bills for Business Rates for 2018/19, 2019/20 and 2020/21, assessed on the basis of one whole unit of two floors. This will be appealed but whilst that process is under way, the amount for the period to 31 March 2020 (£16,605) is payable immediately. This will obviously impact on the year-end general reserves which are now more likely to be in the region of £50k. That level would be within the guidelines – reserves should be maintained at between 3 and 12 months of net revenue expenditure – but lower than ideal. Once the Business Rates situation is resolved, there should be separate bills for the ground floor and 1st floor which should also attract an element of small Business Rate relief.

In terms of future liability for business rates, at the time of writing this report the impact of the Chancellor's statement on 11 March is not clear, but I will update on this at the meeting.

Recommendations

That members of Full Council **NOTE AND COMMENT** on this report.

William Grosvenor

Clerk and Executive Officer to the Council

11 March 2020