



# MELTON PARISH COUNCIL

**IMC(20)26.02**

## **Budget revision proposals for 2020/21**

Please see attached *Alpha* budget report (IMC(20)26.02a) showing the draft revised budget for 2020/21 for IMC Members to consider. I have removed discretionary spending and proposed reductions where possible, but at the same time have had to increase some budget codes to take account of unavoidable spend e.g. as with business rates.

Prior to revisions post 2019/20 year end, the budget forecast for 2020/21 was for an excess of expenditure over income of £20,451. The changes now proposed would bring the excess of expenditure over income down to £15,390. *At least* £10k – and possibly more - of that budgeted expenditure, if incurred, is potentially chargeable to CIL. Therefore if the budget is carefully managed throughout the year, and utilising CIL in support of revenue budgets where it is legitimate to do so, then it should be possible to bring the Council's trading operation into balance by the end of the year. That assumes of course that (1) there are no major disasters and (2) Councillors continue to exercise extreme prudence during the fiscal year. It is fair to add that the difficulty this year is in no small measure due to the historic business rates bills for the Council's previous office that have arrived at an unfortunate time.

The table below sets out the changes made in the accompanying *Alpha* report with explanations.

Code	Description	Changes
1103	CIL	Reduction in income received / receivable in 2020/21 from £170,076 to £163,769 based on the income received in April. Further significant reduction expected in the October payment. Further review will be required.
1104	Bank interest	Reduced to £10
1108	Building Soc interest	Reduced to £250
4108	Salaries	This is a new code to merge payment of all salaries in line with current guidance to avoid the identification of payments to individuals. Overall provision can be reduced from £49,000 to £48,000 without affecting payment of increments in 2020 (subject to Council approval) and provision for pay increase of 2.75%

4110	Pension contributions	This provision (for the employer element) can be reduced from £3,750 to £3,210.
4112	Postage	Because of reduced mail usage provision can be reduced from £350 to £300.
4123	Office cleaning	This can be reduced from £3,500 to £2,000 as we no longer pay for the cleaning of the 1 <sup>st</sup> floor and recharge; tenants now make their own arrangements
4125	Business rates	Because of historic bills for former premises and current year costs the budget has been increased from £4,500 to £13,058.
4136	Staff expenses	This has been increased from £400 to £500. Expenditure is virtually all Maintenance Officer's mileage which will increase with additional land holdings being acquired.
4141	Hire meeting space	Reduced from £100 to £50. Retained in case there is a need to book a large room as max capacity at the office is 40.
4161	Insurance	Increased from £3,000 to £3,500 as a precaution in relation to cover for new assets.
4164	S137 grant giving	This budget which was £750, has been deleted.
4212	Signage (Transport)	This budget of £2,000 for the SID has been reinstated from 2019/20 when it was expected to be spent, but expenditure could not be made because of delays on the part of SCC Highways in providing the infrastructure (no cost to MPC). Of the £2k cost of the device, £1k represents a grant received from ESC in 2019/20, and the balance can be charged to CIL.
4309	Greenspace mgt contract	This is reduced from £6,000 to £4,000. Delays in asset transfer due to Covid-19 will mean less grass cutting by the contractor on the new assets.
4327	Play area checks	Budget increased from £100 to £200 because of additional play equipment checks which will need to be undertaken in 2020/21.
4361	Signage (Recreation)	Budget which was £500 has been deleted.
4364	Dog / grit / salt bins	Budget which was £500 has been deleted.

Members are requested to consider the revisions made in this draft budget and make a decision in terms of adoption for immediate implementation.

William Grosvenor

Clerk and Executive Officer to the Council

21 May 2020