



MELTON PARISH COUNCIL

MPC(20)89.02

REPORT ON THE BUDGET POSITION AS AT 31 OCTOBER 2020 AND 1ST DRAFT BUDGET FOR 2021/22

The accompanying budget sheet (MPC(20)89.02a) sets out both a draft revised budget for the remaining 5 months of 2020/21 and an initial draft budget for 2021/22.

In terms of this year's projected outturn, the revised figures project an in-year deficit of £6,159. However this does represent a worst-case scenario. The likelihood is that on present performance and trends, break-even will be achieved or even a small surplus. To date £4,940 worth of expenditure has been charged to Community Infrastructure Levy (CIL).

The initial budget for next year shows an in-year deficit of £1,200. However at least £6k worth of expenditure (including all the tree safety work) can be charged to CIL, so overall there should be a clear surplus in terms of the revenue budget. Budget and Projects Working Group discussed next year's budget at their meeting on 10 November and the figures reflect the results of their deliberations.

In terms of the precept to be claimed for 2021/22, this will need to be finalised and set at the Full Council meeting on 13 January 2021. The initial figure of £93,455 has been arrived at by applying an uplift of 2% to this year's salary costs and the CPI rate of inflation as at September 2020 (0.7%) to other costs, and a lump sum of £4,000 added to reflect the additional costs of managing the divested land. The first tranche of sites are now expected to be transferred to Melton on 1 December and the second on 31 March 2021.

Observations in respect of individual budget heads are set out below for information:

Code	Budget head	Narrative
1101	Precept	For 2020/21 the whole annual precept of £86,948 has now been received. For 2021/22 it is proposed to retain the same tax charge for Band D as in the current year with the increased tax base which yields £88,229.15. To that has been added a 2% uplift for salary costs and 0.7 to other costs, together with £4k (reflecting additional costs in terms of managing the divested land). This results in £93,455.

1103	CIL	There is currently no indication whether there will be any CIL receipts next year.
1104	Bank interest	Interest rate on bank deposit account is now 0.01%
1106	Sundry grants	£1,050 comprises a grant of £500 for the restoration of the war memorial via Cllr Nicoll (spent), £50 from a member of the public and £500 towards restoration of the WW2 memorial (both held as EMR). It is agreed that on completion of the transfer of the parcels of land from East Suffolk they will give a grant of £5k towards legal costs
1109	Rent	This has been reduced by another month's worth of rent in case this is sought during the 2 nd lockdown by the tenants. This is again a worst-case scenario.
4108	Salaries	Provision for next year is based on the same structure, and allowing increments for Pip and Phil together with a 2% uplift for an annual increase
4110	Pension contributions	The Budget covers the employer's contributions of 24%. Additionally the employee pays (currently) 5.5%
4112	Postage	This has been reduced to reflect much lower usage
4117	Software licences	This includes zoom costs
4125	Business rates	These are being paid over 10 months from June 2020 to March 2021. Outturn will be to budget
4131	Audit	This budget includes provision of audits for year ending 31 March 2021
4132	Subscriptions	Currently MPC subscribes to both SALC and the Suffolk Preservation Society. The level of the SALC subscription is determined by population. The increase for 2021/22 will be 3%
4138	Staff training	This budget has been increased to allow for CiLCA training costs
4161	Insurance	Expenditure might further increase slightly when Melton PC takes over the divested lands and provision has been made
4169	Grant to MM	Initial figure for current year left in pending confirmation of changes and indicative figure of £1,200 inserted for 2021/22.
4170	Legal costs	The code has now been expanded (as can be seen) to encompass other professional costs and the £500 reflects the fee for advice on business rates
4212	Signage	The cost of the SID was £2,050, and £1k of that sum was provided by grant received in 2019/20. The balance was funded from CIL as will be any additional cost for a spare battery
1305	Tennis Court hire	Increased income has been reflected in a raised budget
1308	Sundry Grants	The £180 was a grant from ESC towards the beacon
4309/10	Greenspace mgt	As previously agreed no additional budgetary provision has been made for the maintenance of the newly divested land. The assumption is that any initial improvements / remediation will also mostly be funded from CIL. The budgets will need to be revised in due course but there will be no net cost to revenue
4326	Play area	The £50 relates to welding repairs
4327	Play area checks	The budget will need to be increased modestly to provide for the cost of inspections on new play equipment acquired via divestment
4328	Play equipment purchase	The £63 relates to purchase of spare parts
4329	Security infrastructure	The £3,890 was funded from CIL
4346	Tree risk assessment	The plan is to have the next inspection carried out in the early months of 2021. The work will be subject to competitive quotes
4355	Woodland – tree works	This budget will not be incurred this year as inspection scheduled for early months of 2021 so has been removed

4363	Memorials restoration	This was funded from grant
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William Grosvenor

Clerk and Executive Officer to the Council

12 November 2020