



MELTON PARISH COUNCIL

MPC(21)08.02

REPORT ON THE 2020/21 BUDGET POSITION AS AT 31 DECEMBER 2020 AND DRAFT BUDGET FOR 2021/22 FOR APPROVAL

The accompanying budget sheet (MPC(21)08.02a) sets out both the detailed budgetary position at the end of the 3rd quarter of 2020/21 and a draft budget for approval for 2021/22.

A brief commentary is provided below in relation to the budgetary situation for both years.

2020/21

In terms of this year's projected budget outturn, the revised figures project an in-year deficit of £3,408. Notwithstanding that, because of the generous construction of budgets, the likelihood up to now has been that on present performance and trends, break-even will be achieved or even a small surplus. However the latest lockdown which could last until March, may well adversely affect income, although on the positive side, the Council received a grant of £10k for the spring lockdown and should receive another smaller grant for the November one, which is incorporated in the budget. To date this year £5,430 worth of expenditure has been charged to Community Infrastructure Levy (CIL).

Delays in the legal process have meant that the transfer of the first tranche of sites from East Suffolk Council did not take place as planned. Further delay has been caused through the omission of a Land Registry Title – it was assumed by the parties that the East Suffolk Asset Numbers corresponded to the Land Registry Titles, but that proved not to be the case with the land at Hall Farm, where there was one Asset number but two parcels of land as far as the Land Registry are concerned. That has now been rectified and exchange of contracts is promised within the next two weeks. I have discussed with both the relevant officer at East Suffolk and our solicitor, the idea that given where we are with these transfers, we might as well now complete on both tranches at the same time. East Suffolk are in agreement with that proposal. If Melton Councillors are in agreement on that as well, we should expect to complete on all transfers next month.

2021/22

The budget for next year which Full Council will be formally requested to adopt at this meeting reflects a proposed precept of £93,706.34 The basis for the precept claim is clearly set out in a separate report at MPC(21)08.03.

The draft budget for next year which is now presented to Full Council for approval, projects a year end surplus of £780.00. However as qualifying expenditure (including for example all the tree safety work) can be charged to CIL, there is the potential to ensure a larger in-year surplus on the revenue account.

At the time of writing there is no information so far on CIL receipts next year.

Built into the construction of the budget is the assumption that the current rental income for the 1st floor at 17 Riduna Park will continue until at least 31 March 2022.

The Council's main fixed outgoings are salaries and pension costs, together with the loan repayments on its premises. The salary cost provision in the budget reflects incremental progress and allows a small margin for restructuring / changes in employment arrangements which are likely to occur within 2021/22. It also allows scope for a small amount of overtime on the part of the Maintenance Officer. The Government has imposed a salary freeze for the year so there will be no changes to the national scales.

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. Here adequate indicative budgets have been allocated for management and maintenance costs from revenue, which can be supported as necessary (in relation to improvements required to the divested parcels of land in particular) from CIL already earmarked for the purpose. Capital improvements and projects, like the new pavilion, are funded exclusively from either specific grant or CIL, and are not a cost on the precept funded revenue budget.

Recommendations

Full Council is requested to:

1. Review and note the budgetary position and outturn forecast for 2020/21.
2. Consider the budget forecasts for both income and expenditure for 2021/22 in the context of the proposed precept claim, and if satisfied as to sustainability, formally resolve to adopt the Council's budget for 2021/22.
3. Agree to now complete on the transfers of both tranches of land parcels from East Suffolk Council as soon as possible, and not defer the second tranche until 31 March 2021, as originally agreed.

William Grosvenor

Clerk and Executive Officer to the Council

7 January 2021