



# MELTON PARISH COUNCIL

**MPC(22)67.02**

## **BUDGET REPORT**

### **Background**

This paper should be read in conjunction with the following documents:

[MPC\(22\)67.02 Summary Report](#)

[MPC\(22\)67.02a General Reserve/Precept Budget Summary Report](#)

[MPC\(22\)67.02b EMR Budget Summary Report](#)

These reports have all been produced in Scribe, the new accounting software. The Summary Report shows income and expenditure, budgeted and actual, broken down by Cost Centre and then Cost Code. The following structure has been used for the Cost Centres, which it is hoped will give a clearer breakdown of the income and expenditure and allow for reports to be run on CIL and grant funded projects. It will enable the Council to clearly see Pavilion and Office running costs and staffing costs:

- CIL
- Full Council
- Office Administration
- Non-CIL EMR
- Pavilion (running costs)
- Planning and Transport
- Recreation
- Staff
- Year End Adjustments

In previous reports not all costs were included as they were expected to be paid out of an Earmarked Reserve (EMR). It was therefore difficult to see the General Reserve position until nearing year end. This structure allows those EMR funded projects to be split out. Therefore, it is clear what is being funded from the Precept/General Reserve/Income and what is being funded by an EMR and the resulting General Reserve position. It will also make completing the annual CIL report to ESC much simpler.

The budget agreed by Full Council on the 19<sup>th</sup> January 2022 showed a predicted income of £126,347 against expenditure of £139,672 resulting in a £13,325 deficit. Several amendments were made to FERM in April 2022 in paper <https://melton-suffolk-pc.gov.uk/documents/fmr2216-02-budget-review/>. Known costs against EMRs have been included and some minor adjustments were made. In summary they include:

### **Cost Increases**

- Staff Salaries increased to £51k from £50,243. This has now been split out into salary and HMRC cost codes (£43,764 and £7,236).
- Pensions increased from £8,217 to £8,503.
- Play Area has been allocated £100. Previously no budget had been allocated. Any significant payments for improvements will be funded through grants/CIL.

- Subscriptions increased from £1,110 to £1,150.
- Maintenance Officer Expenses have been allocated a budget of £500
- £500 has been allocated for Accounts software.
- £150 has been allocated for Tree Warden expenses

### Cost Reductions

- Computer support reduced from £750 to £250 as support setting up Asst Clerk was funded in 2021/22 and the cost code was used for the Accounts software costs.
- Audit costs reduced from £1,300 to £1,000.
- Staff expenses have been reduced from £500 to £60.
- Staff Training reduced to £500 from £750.
- General Maintenance Budget decreased from £1,200 to £1,100.

### EMR Projects

- Pavilion Project construction costs were given a budget of £271,976 funded through the CIL EMR. Previously no budget had been allocated in the budget spreadsheet.
- Insurance – received a refund of £221 so the budget is now £4,221. Insurance will need to be reviewed once the Pavilion is completed and the policy is due for renewal in October.
- Hall Farm Road Sports Ground now has an allocated budget of £10,028, funded through grants
- All fete income and expenditure is allocated to a Fete cost code which is listed as a Non-CIL EMR.
- Suffolk Wildlife Trust event expenditure is allocated to its own cost code which is funded through grants and so is a Non-CIL EMR.
- Recreation Signage/Noticeboards - £1,800 has been allocated to be funded from CIL.
- The £3,000 budgeted against Planning Signage has been transferred so it is a CIL funded cost.
- The £2,000 budgeted for dog bins/grit bins has been transferred so it is a CIL funded cost.

### Outcome

As a result of these amendments, the current expected expenditure is now £138,415 resulting in a deficit of £12,068. However, there are still items in the budget that could be paid for using CIL/grants or might be lower than predicted eg Woodland, Greenspace additional works and the Neighbourhood Plan. We also have no Pavilion income built into the budget. Letting charges will be discussed at the next Pavilion Working Group meeting which will then be approved by Recreation in July. The office is trying to make savings where possible (eg changing water and energy supplier) but costs are rising and in the latest NALC bulletin they announced that *The three National Joint Council unions – Unison, GMB and Unite – have tabled their pay claim for local government services ('Green Book') employees. The claim seeks, among other elements, "A substantial increase with a minimum of £2,000 or the current rate of Retail Price Index, whichever is greater, on all spinal column points"*. Our greenspace management company has just announced a 7.5% increase. This can probably be absorbed by the budget as they sometimes do fewer than the 22 cuts in the year that are budgeted for.

The budget will be monitored closely and reviewed by Full Council/FERM on a monthly basis but this financial year is set to be challenging.

### Recommendations

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

Pip Alder

Clerk, Melton Parish Council

June 2022