

**Melbourn Parish Council**  
**Responsible Financial Officer's Report – January 2026**

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**Date:** February 2026

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## 1. Introduction

This report provides an overview of the Parish Council's financial position as of the end of February 2026, based on the attached summary of income and expenditure. The figures presented reflect activity from 1st April to the 28<sup>th</sup> February 2026 and includes any future commitments recorded in March. These have been produced using the council finance system.

## 2. Income Overview

- |                                |                  |
|--------------------------------|------------------|
| • <b>Total income to date:</b> | £435,788         |
| Income                         | £464,973         |
| <u>Deferred Income</u>         | <u>(£29,185)</u> |
| Total Income                   | £435,788         |
- Key income item: The primary source of income remains the precept payment received in April to February. The amount reflects 11 months of the total amount received so we can closely monitor the expenditure with the correct monthly income. The £29,185 has been deferred to be released over the month in which the income relates.
  - Interest income has continued to perform well during the year. The Bank of England held the Base Rate in February, meaning returns on deposits and short-term investments remain relatively strong. However, ongoing global geopolitical tensions and conflicts have the potential to increase inflationary pressures through higher energy and supply costs. If inflation persists, the Bank of England may maintain higher interest rates for longer than previously anticipated.
  - The proposed reorganisation of local government does pose a potential longer-term risk to the Parish's financial position. At this stage there remains uncertainty regarding how responsibilities, funding arrangements and service delivery may change, and this will need to be monitored closely.
  - During the year the Parish has invested additional funds with the CCLA Investment Management Limited Public Sector Deposit Fund, which is expected to generate an improved return on the Council's reserves while maintaining an appropriate level of security and liquidity.
  - Burial, memorial and internment fees have exceeded budget for 2025/26.

- Other minor income has been recorded from allotments, cemetery fees, and room hire. These remain broadly in line with budget expectations. Details around pitch fees need to be agreed, we are raising the 2026 invoice in March which will exceed budget.
- £57,563 was received for the community benefit fund and was transferred to the Earmarked reserves.

### 3. Expenditure Overview

- **Total expenditure to date:** £401,788
- |              |                  |
|--------------|------------------|
| Expenditure  | £423,356         |
| Accruals     | £1,415           |
| Prepayments  | <u>(£22,983)</u> |
| Total Income | £401,788         |

Expenditure currently represents approximately 104.2% of the annual budget, however this figure is stated before movements to and from reserves are taken into account. Once reserve transfers are considered, the Council remains within its overall planned financial position.

- The timing of certain payments has also front-loaded expenditure earlier in the year, as items such as loan interest and refuse collection have not been prepaid and therefore appear earlier in the budget cycle.
- As the Council moves towards more detailed monthly budgeting and continues to account for normal annual variations, the position will become clearer. At this stage, the level of expenditure is considered reasonable for this point in the financial year.
- This aligns with the report showing total expenditure of £401,778 against a budget of £385,660 (104.2%) prior to reserve movements

#### Key expenditure areas include:

- **Salaries and staff-related costs** – Expenditure remains in line with the approved budget and no overspend is currently anticipated.
- **Audit Fees** – The budget appears overspent as the 2025/26 audit fee has been accrued within the current year. This is an accounting adjustment rather than additional cash expenditure.
- **Legal Fees** – There is currently an overspend within legal costs; however, this may be partially offset against Parish Planning, which remains underspent.
- **Grounds Maintenance and Village Maintenance Contract** – Expenditure reflects seasonal activity levels. Some services previously allocated to grounds maintenance have now been incorporated within the Village Maintenance Contract, which explains variations between the two headings.

- **Software licenses** – Overspend reflects the addition of a new user licence and the temporary continuation of Edge during the transition to the Rialtas accounting system.
- **Utilities and premises costs** – Costs relating to electricity, water and rates remain broadly in line with expected usage for this point in the financial year.
- **Grants and donations** – Several grants have been distributed to local organisations. £53,070 has been funded from the relevant earmarked reserves, meaning this does not place additional pressure on the general budget.
- **Maintenance & Repairs unplanned.** Expenditure includes works to the Little Hands oil boiler and doors. These costs have been met from the appropriate earmarked reserves.
- **Street Lighting** – Expenditure reflects issues encountered when transferring the street lighting account, resulting in higher than anticipated costs during the transition.
- **Van cost** – Repairs to the Council van have resulted in expenditure above the original budget. This is partly offset by underspends within Wardens’ Equipment, which is expected to remain below budget.
- **Mayd** – Current expenditure exceeds the initial budget allocation; however, this has been funded from earmarked reserves, therefore the overspend does not impact the general fund.
- **Tree and Hedge Work planned** – Planned works remain underspent pending the outcome of the tree survey, while unplanned works are currently higher than budget. These will likely balance across the two headings once the programme of works is finalised.

No significant overspends have been recorded, and all expenditure to date is supported by appropriate documentation.

#### 4. Bank and Reserves Position

- **Bank Balance** (February 2026): The Council’s total funds stood at £706,690. Of this, £34,505 is held in the current bank account for day-to-day operations, with the remaining balance held across a range of short-term deposits and investment accounts, including Unity Deposit, Nationwide, Public Sector Deposit Fund and other fixed-term savings accounts.
- **Investment Position:** A significant proportion of Council funds are held within investment and deposit accounts to maximise interest returns whilst maintaining appropriate liquidity for operational requirements.
- **Earmarked reserves:** Funds continue to be appropriately allocated across a number of earmarked reserves to support planned projects, future asset maintenance, community initiatives and other committed expenditure.
- **General Reserve** stands at £227,380, providing a healthy level of financial resilience and ensuring the Council is able to meet unexpected expenditure or

financial pressures should they arise, this is in excess of the 6 months stated in the reserves policy.

## **5. Treasury and Investments**

- The Council continues to actively manage its cash balances to maximise returns while maintaining appropriate liquidity and security. A significant proportion of funds are held in a range of short-term deposit and investment accounts, including the CCLA Public Sector Deposit Fund, Unity Trust Bank deposits and other fixed-term savings accounts.
- Additional funds have been allocated to the Public Sector Deposit Fund during the year, which has contributed to strong interest income performance, whilst still allowing access to funds when required for operational expenditure or projects.
- This diversified approach ensures that the Council's reserves continue to generate income while remaining readily available to support Council activities and commitments.

## **6. Summary and Recommendations**

The Council's financial position as at February 2026 remains strong and stable.

Whilst reported expenditure currently appears slightly higher than the annual budget, this position is before movements to and from earmarked reserves are taken into account. When reserve funding is considered, the Council remains broadly within its planned financial position.

Some variances are also explained by the timing of loan interest and capital repayments, which are not evenly apportioned throughout the year, together with accrual adjustments introduced following the implementation of the new financial management system. These accounting treatments ensure that costs are recognised in the correct financial period but can temporarily affect the comparison against the annual budget.

The Council continues to maintain healthy reserve levels, providing sufficient resources to meet planned commitments, manage unforeseen expenditure and support future projects and service delivery.

Overall the Council remains in a strong financial position with adequate reserve, stable income and investment returns supporting the delivery of planned services and projects.

## Income &amp; Expenditure by Budget 09/03/2026

Month No: 11

## Account Code Report

	Actual Year to Date	Current Annual Bud	Budget Variance	Committed Expenditure	Funds Available	% Spent
<b><u>Income</u></b>						
1000 Interest Received	8,470	6,000	(2,470)			141.2%
1076 Precept	321,032	350,217	29,185			91.7%
1200 Allotment Rent received	3,257	3,154	(103)			103.3%
1210 Grass Cutting Contribution	3,939	3,850	(89)			102.3%
1300 Burial Fees	5,970	2,000	(3,970)			298.5%
1305 Memorials Fees	2,162	525	(1,637)			411.7%
1310 Internment Fees	2,250	1,500	(750)			150.0%
1400 Match Fees	2,290	3,350	1,060			68.4%
1500 Hire of Recreation Grounds	765	840	75			91.1%
1550 Hire of Pavilion	30	100	70			30.0%
1600 Property Rental Income	24,750	27,000	2,250			91.7%
1610 Misc Income	60,873	0	(60,873)			0.0%
<b>Total Income</b>	<b>435,788</b>	<b>398,536</b>	<b>(37,252)</b>			<b>109.3%</b>
<b><u>Overhead Expenditure</u></b>						
4000 Salaries & Pensions	122,343	135,348	13,005		13,005	90.4%
4010 Other Staff Costs	0	600	600		600	0.0%
4055 Pension Scheme Costs	396	591	195		195	67.0%
4060 Staff & Councillor Expenses	167	0	(167)		(167)	0.0%
4065 Training	3,196	2,500	(696)		(696)	127.8%
4070 Timebank Expenses	1,433	587	(846)		(846)	244.1%
4100 Audit Fees	4,172	2,000	(2,172)		(2,172)	208.6%
4105 Legal & Professional Fees	1,000	0	(1,000)		(1,000)	0.0%
4110 Insurance	8,802	13,948	5,146		5,146	63.1%
4115 Memberships & Subscription	3,201	1,706	(1,495)		(1,495)	187.6%
4120 Parish Clock	261	447	186		186	58.4%
4125 Broadband & Telephone	174	177	3		3	98.1%
4130 Computer & IT	1,990	2,802	812		812	71.0%
4140 Software Licences	7,219	4,012	(3,207)		(3,207)	179.9%
4150 Printing Postage & Stationery	1,060	1,370	310		310	77.4%
4155 Office Costs	131	0	(131)		(131)	0.0%
4170 Office Rent	1,250	15,000	13,750		13,750	8.3%
4175 Subcontractors	5,650	9,846	4,196		4,196	57.4%
4190 Office Furniture & Equipment	0	2,000	2,000		2,000	0.0%
4195 Sundry Expenses	1,439	758	(681)		(681)	189.8%
4200 Bank Charges	344	226	(118)		(118)	152.1%
4205 Grants	57,648	8,550	(49,098)		(49,098)	674.2%
4206 Hub Fund redistribution - Heal	4,772	0	(4,772)		(4,772)	0.0%
4207 Youth Expenditure (Mayd)	7,123	6,500	(623)		(623)	109.6%
4208 S106 Expenditure	8,449	0	(8,449)		(8,449)	0.0%

## Income &amp; Expenditure by Budget 09/03/2026

Month No: 11

## Account Code Report

	Actual Year to Date	Current Annual Bud	Budget Variance	Committed Expenditure	Funds Available	% Spent
4225 Community Events	144	2,677	2,533		2,533	5.4%
4230 Van - Tax, MOT, Fuel, Repairs	1,556	647	(909)		(909)	240.4%
4235 Wardens Materials	496	0	(496)		(496)	0.0%
4240 Wardens Equipment	381	1,539	1,158		1,158	24.7%
4315 Maintenance & Reps - Planned	7,472	10,061	2,589		2,589	74.3%
4320 Maintenance & Reps- Unplanned	23,311	18,100	(5,211)		(5,211)	128.8%
4350 Christmas Tree/Plants	644	1,430	786		786	45.0%
4360 Tree & Hedge Work - Planned	1,487	6,618	5,131		5,131	22.5%
4365 Tree & Hedge Work - Unplanned	9,237	3,546	(5,691)		(5,691)	260.5%
4370 Project work	796	1,026	230		230	77.6%
4410 Nature Reserve management plan	561	513	(48)		(48)	109.4%
4420 Grounds Maintenance - Unplanned	1,527	3,058	1,531		1,531	49.9%
4430 Grounds Maintenance - Planned	860	8,091	7,231		7,231	10.6%
4500 Rates	15,357	17,616	2,259		2,259	87.2%
4505 Electricity	3,721	6,227	2,506		2,506	59.7%
4510 Water	1,668	1,145	(523)		(523)	145.7%
4605 Refuse & Dog Bin Collection	5,205	6,442	1,237		1,237	80.8%
4635 Village Maintenance Contract	33,600	34,177	577		577	98.3%
4640 Melbourn Dynamo's Power Pitch	0	1,970	1,970		1,970	0.0%
4700 PWLB Interest	31,447	32,326	879		879	97.3%
4705 PWLB Capital	18,394	17,457	(937)		(937)	105.4%
4850 Parish Planning	0	1,000	1,000		1,000	0.0%
4920 Street Lighting	1,695	1,026	(669)		(669)	165.2%
<b>Total Overhead</b>	<b>401,778</b>	<b>385,660</b>	<b>(16,118)</b>	<b>0</b>	<b>(16,118)</b>	<b>104.2%</b>
<b>Total Income</b>	<b>435,788</b>	<b>398,536</b>	<b>(37,252)</b>			<b>109.3%</b>
<b>Total Expenditure</b>	<b>401,778</b>	<b>385,660</b>	<b>(16,118)</b>	<b>0</b>	<b>(16,118)</b>	<b>104.2%</b>
<b>Net Income over Expenditure</b>	<b>34,010</b>	<b>12,876</b>	<b>(21,134)</b>			
plus Transfer from EMR	87,947	0	(87,947)			
less Transfer to EMR	58,564	0	(58,564)			
<b>Movement to/(from) Gen Reserve</b>	<b>63,393</b>	<b>12,876</b>	<b>(50,517)</b>			