

Melbourn Parish Council

Responsible Financial Officer's Report – March 2026

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Date: April 2026

1. Introduction

This report provides an overview of the Parish Council's financial position as of the end of March 2026, based on the attached summary of income and expenditure. The figures presented reflect activity from 1st April to the 31st March 2026 and includes any future commitments recorded in March. These have been produced using the council finance system.

2. Income Overview

- **Total income to date:** £480,513

Income	£480,513
<u>Deferred Income</u>	<u>(£0)</u>
Total Income	£480,513
- Key income item: The primary source of income remains the precept payment received in April to February. The amount reflects a full year of the total amount received all deferred income has been released in the months in which the income relates.
- Interest income has continued to perform well during the year. The Bank of England held the Base Rate in March, 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 have raised the 2026 invoice in March which has exceeded the budget.
- £57,563 was received for the community benefit fund and was transferred to the Earmarked reserves.

3. Expenditure Overview

- **Total expenditure to date:** £447,319
- | | |
|--------------|-----------|
| Expenditure | £479,415 |
| Accruals | £1,415 |
| Prepayments | (£33,511) |
| Total Income | £447,319 |

Expenditure currently represents approximately 116% 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.

Key expenditure areas include:

- **Salaries and staff-related costs** – Expenditure remains in line with the approved budget and no overspend has occurred.
- **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.
- **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. Included in the grants is insurance for the BMX track which was not budgeted for in 2025/26.

- **Maintenance & Repairs unplanned.** Expenditure includes works to the Little Hands oil boiler and doors approx. 12k. These costs have been met from the appropriate earmarked reserves. An additional £5k relates to the Hub chairs which is taken from the maintenance grant retained for such expenditure.
- **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.
- **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.
- **PWLB Interest and Capital repayments** – Although this currently appears as an overspend, it is in fact due to these amounts now being recognised in the correct financial year to which they relate. The new finance system has improved the treatment of accruals and prepayments, which has impacted the reported spend in-year, but this should realign during the 2026/27 financial year.

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

4. Bank and Reserves Position

- **Bank Balance (March 2026):** The Council's total funds stood at £655,056. Of this, £44,600 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 £227,387, 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 March 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 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 & Expenditure by Budget 31/03/2026

Month No: 12

Account Code Report

	Actual Year to Date	Current Annual Bud	Budget Variance	Committed Expenditure	Funds Available	% Spent
Income						
1000 Interest Received	16,871	6,000	(10,871)			281.2%
1076 Precept	350,217	350,217	0			100.0%
1200 Allotment Rent received	3,285	3,154	(131)			104.2%
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	2,362	525	(1,837)			449.8%
1310 Internment Fees	2,325	1,500	(825)			155.0%
1400 Match Fees	4,490	3,350	(1,140)			134.0%
1500 Hire of Recreation Grounds	765	840	75			91.1%
1550 Hire of Pavilion	30	100	70			30.0%
1600 Property Rental Income	27,000	27,000	0			100.0%
1610 Misc Income	63,260	0	(63,260)			0.0%
Total Income	480,513	398,536	(81,977)			120.6%
Overhead Expenditure						
4000 Salaries & Pensions	133,635	135,348	1,713		1,713	98.7%
4010 Other Staff Costs	0	600	600		600	0.0%
4055 Pension Scheme Costs	432	591	159		159	73.1%
4060 Staff & Councillor Expenses	167	0	(167)		(167)	0.0%
4065 Training	3,231	2,500	(731)		(731)	129.2%
4070 Timebank Expenses	1,887	587	(1,300)		(1,300)	321.5%
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	9,907	13,948	4,041		4,041	71.0%
4115 Memberships & Subscription	3,652	1,706	(1,946)		(1,946)	214.0%
4120 Parish Clock	261	447	186		186	58.4%
4125 Broadband & Telephone	188	177	(11)		(11)	106.1%
4130 Computer & IT	1,990	2,802	812		812	71.0%
4140 Software Licences	8,413	4,012	(4,401)		(4,401)	209.7%
4150 Printing Postage & Stationery	1,874	1,370	(504)		(504)	136.8%
4155 Office Costs	(959)	0	959		959	0.0%
4170 Office Rent	3,750	15,000	11,250		11,250	25.0%
4175 Subcontractors	6,174	9,846	3,672		3,672	62.7%
4190 Office Furniture & Equipment	0	2,000	2,000		2,000	0.0%
4195 Sundry Expenses	1,619	758	(861)		(861)	213.6%
4200 Bank Charges	381	226	(155)		(155)	168.5%
4205 Grants	58,778	8,550	(50,228)		(50,228)	687.5%
4206 Hub Fund redistribution - Heal	4,772	0	(4,772)		(4,772)	0.0%
4207 Youth Expenditure (Mayd)	8,728	6,500	(2,228)		(2,228)	134.3%
4208 S106 Expenditure	8,555	0	(8,555)		(8,555)	0.0%

Income & Expenditure by Budget 31/03/2026

Month No: 12

Account Code Report

	Actual Year to Date	Current Annual Bud	Budget Variance	Committed Expenditure	Funds Available	% Spent
4225 Community Events	251	2,677	2,426		2,426	9.4%
4230 Van - Tax, MOT, Fuel, Repairs	1,601	647	(954)		(954)	247.5%
4235 Wardens Materials	645	0	(645)		(645)	0.0%
4240 Wardens Equipment	529	1,539	1,010		1,010	34.4%
4315 Maintenance & Reps - Planned	8,654	10,061	1,407		1,407	86.0%
4320 Maintenance & Reps- Unplanned	23,311	18,100	(5,211)		(5,211)	128.8%
4350 Christmas Tree/Plants	727	1,430	703		703	50.9%
4360 Tree & Hedge Work - Planned	3,437	6,618	3,181		3,181	51.9%
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	3,437	3,058	(379)		(379)	112.4%
4430 Grounds Maintenance - Planned	860	8,091	7,231		7,231	10.6%
4500 Rates	16,787	17,616	829		829	95.3%
4505 Electricity	4,514	6,227	1,713		1,713	72.5%
4510 Water	2,443	1,145	(1,298)		(1,298)	213.4%
4605 Refuse & Dog Bin Collection	5,243	6,442	1,199		1,199	81.4%
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	44,921	32,326	(12,595)		(12,595)	139.0%
4705 PWLB Capital	21,398	17,457	(3,941)		(3,941)	122.6%
4850 Parish Planning	0	1,000	1,000		1,000	0.0%
4920 Street Lighting	1,758	1,026	(732)		(732)	171.4%
Total Overhead	447,319	385,660	(61,659)	0	(61,659)	116.0%
Total Income	480,513	398,536	(81,977)			120.6%
Total Expenditure	447,319	385,660	(61,659)	0	(61,659)	116.0%
Net Income over Expenditure	33,194	12,876	(20,318)			
plus Transfer from EMR	89,657	0	(89,657)			
less Transfer to EMR	60,414	0	(60,414)			
Movement to/(from) Gen Reserve	62,438	12,876	(49,562)			