

MELTON PARK MANAGEMENT COMPANY LIMITED

2018 - 19 Budget Rationale

The bulk of our spending is on-going and unavoidable. It comprises the upkeep and maintenance of the woods, landscaped grounds, street lights, un-adopted road surfaces, gutter sweeping, insurance, administrative costs and legal and accountancy fees.

Road maintenance: £2,450. No change is proposed in this year's budget which covers road sweeping and drain clearance by Suffolk Norse contractors, plus minor road surface repairs. Any significant road works would be a call on our reserve fund.

Street Lighting: £1,722. This covers our contract with Pearce and Kemp who make a monthly safety inspection of street lights and change light bulbs where necessary. Whilst the contract is likely to increase by 2 or 3% the budget figure has been reduced, as spending on broken glass and damaged posts has been lower in recent years.

Estate maintenance: £2,000. This includes sundry maintenance and repairs to walls, fences, signs etc. For example, it includes a sum to replace rotting wooden bollards on the grass triangle between Garrod Approach and Scott Lane.

Play areas: £300. This is for the annual safety inspection of all three play areas and minor maintenance. The figure is lower than previously, as the Scott Lane renovation has been completed and any changes to the two smaller areas will not take place until later in 2019.

Gardening and grounds maintenance: £26,864. This figure is unchanged, as our contract with RSC has been renewed at the same price as for the last 6 years.

Tree surveys £1,833. Each year one third of our woodland and trees are surveyed by Arboricultural experts, Haydens. Their report determines the work programme of our woodsman, Jason Roberts. The figure also includes Jason's monthly safety check of the whole woodland for damage and disease.

Woods Management £20,000. This is one of the least predictable costs, and depends on the actual needs identified by Haydens, and of course events imposed by weather or disease. The budget is therefore broadly similar to spending in previous years.

Legal Fees: £1,500. To cover any fees incurred for legal advice on any matter which affects the Company.

Insurance: £2,000. We hold two insurance policies, for public liability and to cover the liabilities of Directors and Officers in carrying out their functions for the Company.

Service charge collection: £3,000. This covers the collection of the service charge by Hamilton Smith. Whilst this may seem a minor task, it requires preparing and sending 200 individual invoices, processing payments in multiple formats, chasing those who have moved or are late to pay, banking and accounting for the funds.

Accounts and administrative fees: £5,535. This includes the Auditor's fee paid annually to check our income & expenditure and prepare the formal accounts. It also includes a £5,000 contingency as there have been no volunteers to take on the Secretarial work, the alternative of sub-contracting this to an external agency will be costly. Please help us avoid this charge by volunteering if you have some administrative experience and a little time to spare. Training and support can be provided.

Bank Charges £350. A minor unavoidable cost.

Printing, Postage & Stationery: £275. This includes the photocopying, postage and stationery for AGM documentation and newsletters, as well as other letters and information such as responses to buyers' solicitors during the year.

Miscellaneous expenditure: £350. This includes room hire for the AGM, Companies House reporting fees, website costs, Directors' out of pocket expenses for travel.

Forecast surplus income over expenditure: £9,800

Previous AGMs have discussed the prospect that as the development matures and ages, we face the possibility of running through our cash reserves if we need to do emergency repairs on drains, roads and walls etc. Consequently, we have an agreed policy of achieving a year's budget as our reserve fund, a target of about £70,000 at today's prices.

As at 31 January 2017 our reserve stood at £61,342. We anticipate very little surplus in the current year ending 31 January 2018.

In order to maintain progress toward the reserve fund goal, we believe that we must increase the annual service charge to £375 per household. This is a modest increase of £25 per household – less than 50p per week - after holding the charge level for 2 years.