

# MELTON PARK MANAGEMENT COMPANY LIMITED

## 2019 - 20 Budget Rationale

Shareholders will readily understand that the bulk of our spending is on-going and unavoidable. It comprises the upkeep and maintenance of the landscaped grounds, the woods, unadopted road surfaces, street lighting, gutter sweeping, insurance, legal and accountancy fees and administrative costs.

**Road maintenance:** £2,600. A small increase is proposed in this year's budget which covers road sweeping and drain clearance by Suffolk Norse contractors, plus minor road surface repairs to our unadopted jointly owned roads. Any significant road works such as major resurfacing would be a call on our reserve fund.

**Street Lighting:** £1,201. 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 continues to be lower than previous expectations.

**Estate maintenance:** £7,750. This includes sundry maintenance and repairs to walls, fences, signs etc. For example, it includes a sum to replace rotting wooden bollards used in various places on the estate. This year it also includes a small amount for a possible additional dog bin and most significantly, the evolving repair to the listed Fortune Green wall, the plans for which are currently under consideration by the local Conservation Officer.

**Play areas:** £1,300. This is for the annual safety inspection of all three current play areas and maintenance. This year the figure includes a sum of £1,000 for possible changes to the Calder Road play area to be outlined and discussed at the forthcoming annual General Meeting.

**Gardening and grounds maintenance:** £26,585. This figure is approximately the same as last year but includes a 3% inflation uplift and £1,000 for ad hoc expenditure not covered by the contract.

**Tree surveys** £2,400. Each year one third of our woodland and trees are surveyed and there is a new contractor for this with Elite Tree Services. The report determines the work programme of our woodsman, Jason Roberts. The figure also includes the monthly whole woodland estate safety check for damage and disease.

**Woods Management** £20,000. This is one of the least predictable costs and depends upon the actual needs identified by the annual formal survey, the monthly inspection and events imposed by weather or disease. The budget is therefore broadly similar to spending in previous years, although our proactive regime is beginning to pay dividends with less than expected expenditure over the last year or two. Coppicing and planting programmes continue in order to generally increase and maintain the health of the woodland.

**Legal Fees:** £550. To cover any fees incurred for legal advice on any matter which affects the Company, including recovery of unpaid Service Charges and fees for Companies House filing.

**Insurance:** £1,805. 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:** £3,030. This covers the collection of the service charge by Hamilton Smith. This task requires the preparation and mailing of 200 individual invoices, processing payments in multiple formats, reminders and liaising with MPMC regarding those who have moved or are late to pay, as well as banking and accounting for the funds.

**Accounts and administrative fees:** £510. This includes the Auditor's fee paid annually to check our income & expenditure and prepare the formal accounts. Last year there was an additional £5,000 contingency included as there had been no volunteers to take on the Secretarial work of MPMC and the alternative of sub-contracting this to an external agency would have been costly. In the event, a new Company Secretary was appointed from among the shareholders.

**Bank Charges** £350. A minor but unavoidable cost.

**Printing, Postage & Stationery:** £300. This includes the photocopying, postage and stationery for Board Meetings, 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, website costs and Directors' out of pocket expenses for travel.

**Forecast surplus income over expenditure: £ 9,319**

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 had an agreed policy of achieving a year's budget in our reserve fund, a target of about £70,000 at today's prices.