

## **Agenda Item 6**

### **Recommendations of the Admin & Finance Group:**

#### **Wages & Salaries:**

Clerks Assistant: Currently the Assistant is contracted for six hours with additional hours being applied ad hoc. The internal Auditor was keen to see a rationalisation of this situation and after looking at the demands on the Assistant over the past year it was decided to recommend that this be increased to 21 hrs per week as this is the average hours worked over the last few years.

Toilet Cleaning: The Clerk expects the toilets to be open to the public towards the end of January, and a figure of £4,500 has been included in the recommended budget for 2016-17. The consensus of the Admin & Finance Group was at first to offer the duties to existing staff and if this was unsuccessful that the position be advertised in due course.

Wage increases: The current government thinking is that parish and town council wages will rise by 1% for 2016-17 and the budget has been amended to reflect that level of increase.

#### **Budget 2016 – 17:**

##### **Loss of Historic Grant Revenue:**

Pendle Borough Council will introduce the phasing out of grants to Parish & town Councils in April. This will reduce the Parish Council's income by £11,043 on last year's receipts.

That's the negatives out of the way so now to the brighter side in December the Executive at Pendle approved the Tax base's for 2016-17 and Barrowford's is set to rise from 1871.5 to 2109.1 an increase of 237.6 on last year. This may mean little but in reality it gives the Parish Council around £10,700 on last year's precept level. The removal of grants of £11,043 will swallow this windfall and will leave the Council with a shortfall of around £350 in income over last year. Although this gives the Council a reasonably level start there are still a lot of other factors to include in this year's budget. These include toilets, garage sites, acquired land maintenance, bus shelters, benches, staffing and wage rises. Although most of these factors have a resource implication, garages and toilets will also bring in some revenue.

##### **Additional Income:**

The garage sites will probably generate somewhere between £1800 and £2200 as vat is currently applied and the Council will need to look at the situation when tenancy details are forwarded, Pendle is also applying a 10% increase to their garages as of 1<sup>st</sup> April 2016 so presumably existing tenants will have been notified. The income from toilets is difficult to quantify and realistically a nominal figure should be included in the 2016-17 budget, which can then be amended for 2017-18 when the toilets have been open for a year.

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### Additional Expenditure:

All the new acquisitions will have a maintenance cost with some being more significant than others.

**Toilets:** Cleaning at least four times per week plus materials and requisites, utilities and some expense for repairs and general maintenance.

**Bus Shelters:** Periodic cleaning, painting and general maintenance in the case of extreme damage/vandalism possible removal.

**Roadside Benches:** Repair and maintenance to bring all benches up to a standard, possibly including a future planned replacement policy.

**Garage Sites:** Routine maintenance, strimming, weed killing and repair, this will possibly be more onerous at Lowerclough during the first year.

**Public Open Spaces:** These will need regular strimming, mowing, management.

The Council can only estimate the potential costs for these provisions during the first year and there are several ways to budget for this. Given that the bulk of the repairs and maintenance will be carried out in house by our own staff. The allocation of an individual budget for each additional operation to cover materials and other overheads would be the preferred method to gauge the exact cost of each function. The only exceptions should be toilet's where cleaner's wages would have a defined amount within the wages and salaries area of the budget. The clerk recommendations that the utility bills are drawn from the general utility budget for the first year seemed sensible. The Group recommend this course of action as it will allow Councillors to gauge the level of expenditure against each function with the use of virements to spread cost overruns between the functions.

### Expenditure Proposals:

The Group recommends that the following figures be included in the 2016-17 budget to cover the estimated first year costs.

|   |                  |
|---|------------------|
| Toilet Cleaning<br>Repair & Maintenance | 5,000.00         |
| Bus Shelters                            | 500.00           |
| Roadside Benches                        | 200.00           |
| Garage Sites                            | 500.00           |
| Public Open Spaces                      | 500.00           |
| <b>Total:</b>                           | <b>£6,700.00</b> |

In addition to these new sums the Group recommends that any remaining toilet/bench budgets in the 2015-16 budgets be carried forward to the respective budget headings. The Clerk has also looked at both cost centres and income projections and where prudent adjusted to be more reflective of the actual income and expenditure.

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### **Budget Forecast:**

Working on last year's income amended to reflect both the tax base change and a more reflective forecast of other income the growth in income would be around £2250 whilst the necessary increases caused by new responsibilities and the highlighted reductions to existing cost centres leave the council with a proposed increase of around £9100 giving a shortfall of around £6905

### **Budget Recommendation:**

There were four budget proposals submitted by the Clerk and after careful consideration the Admin & Finance Review Group felt that the best option was to raise the precept by 7.23% which would increase the precept by £6820 and add £3.26 to a Band D property and remove the deficit allowing the council to retain its reserve level at £25,000.

### **Other Considerations:**

Although Councillors do not like to increase the precept we are faced with many difficult decisions in the forthcoming months and years Barrowford has consistently only increased its precept by the minimum it needs to function whilst taking on ever greater responsibilities from higher tiers of local government. Colne dramatically increased its precept last year and is likely to raise it again by 100% this year; Nelson is set to apply an increase of well over a 100% so the 7.23% which is being recommended is insignificant in amount by comparison.

### **Recommendations to be Approved:**

1. Regularise the Office Assistants hours to 21 hrs per week.
2. Assess if the additional cleaning duties can be covered by existing staff for increased remuneration and if not feasible advertise the additional cleaning work.
3. Approve the recommended budget with an increase of £3.26 per annum on a Band D property.
4. Set a precept level of £102,015.00 for the year 2016-17