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Budget 2018-19 Report of the Finance Working Group

The Finance Working Group has had to take into account the increased expenditure occasioned by the further reduction of £90,000 to Pendle's Parks Maintenance Budget and other factors such as wage increases, staffing levels and pension contributions.

Budget Considerations:

- 1. Barrowford Memorial Park Contributions:** To increase the contribution for Barrowford Memorial Park from 25% (£6872.50 +vat) to 50% (£13745.00 + vat).
- 2. Victoria Park:** Discussions have been held between Nelson Town Council, Pendle Borough Council and Barrowford Parish Council regarding responsibility for Victoria Park. The general consensus was that Victoria Park was originally a Nelson Borough Council created park. But Pendle maintains the premise that the area situated in the Parish of Barrowford (43% of the total) is the Parish's responsibility. Due to the greater precept base of Nelson Town Council the inequality in the precept requirements was very marked. If the full 43% of the Park's £26,200 total proposed maintenance requirement for 2018-19 had been enforced (i.e. £11,266) the increase to a Band D property in Barrowford would be £5.32 whilst the cost to a Band D house in Nelson based on a 57% contribution (£14934) would be £2.54, or less than half the cost to a Barrowford resident.

Barrowford Parish Council suggested that Barrowford should voluntarily contribute 25% of the total cost of maintenance for the park i.e. £6550 (£3.09 on a Band D Property) if Nelson Town Council agree to pay the remaining 75% (£19650 or £3.34 on a Band D Property). This could have been further balanced out to equalise the precept levels.

The matter went before Nelson Town Council on the 13th December where Nelson Town Council resolved: ***That the proposal for Nelson Town Council to part fund the maintenance of the Victoria Park land in Barrowford is rejected in its entirety.*** This response had not been communicated to Barrowford Parish Council by the time of the budget setting meeting but was found on Nelson Town Council's website. It has since been passed on via Pendle Council. In light of the valid request regarding parity between both parties in precept terms, and of the fact that most of the available park functions are located on the Barrowford side of the river and are used by both Nelson and Barrowford residents, the Finance Working Group maintain a voluntary non-binding contribution of £6550 should be made for 2018-19.

3. Wages & Staffing:

- Wages are possibly set to rise by 4% for staff earning above £19,430 and up to 16% for staff below this level over a 2 year deal. These increases are going

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through national negotiation and have been put to the unions. It is prudent to budget for this figure and the necessary increases have been budgeted

- £10,000 for additional staffing during the year this to be met from the £12,500 savings from payments on Holmefield House.
 - Pension contributions are set to increase from April, Staff contributions increasing from 1% to 3% and employers the Finance Working Group have allocated 3% as the Councils contribution to the scheme.
4. **Council Reserves:** The Council has historically held low reserves of £25,000 the Finance Working Group agrees that a small increase each year until a more suitable level is achieved. The Group recommends that no final total be set but that where appropriate any budget surpluses be allocated to the reserves. This will see a small increase in reserves year on year and in time will significantly increase the council's reserves.
 5. **Precept Increase Level:** Mindful of the pressure to increase precepts the Finance Working Group has costed a budget to keep the increase to the Band A properties to below £5.00 (£4.99 less than 10p per week) although the increase in percentage terms is approximately 11.46%.

Recommendations:

1. That a precept level of £154,200 be set for the financial year 2018-19.
2. That the proposed budget be adopted for the 2018-19 Financial Year.