Agenda Item 6

Budget 2022-23:

The budget for the year 2022-23 will again be challenging, as uncertainty regarding the future outcome of the constantly mutating Covid 19 virus can change Government lockdown rules at any time. At the initial meeting of the Finance Working Group the budgeting process was discussed and although there are several large expenditure items needed any increase should be kept below £5 on a Band D Precept.

Income:

1. **Precept Base Rate:** The reduction of the Council's Base Rate seems to be a recurring theme although this year's reduction is only minor with little of the recent housebuilding having an effect on the Council's income.
2. A winnowing out of the December Outturn would free up unspent budget and surplus income to bring forward some projects and allow Budget Headings to be created and partially funded from the existing 2021-22 Budget.
3. The proposed Virements in the December Outturn utilise the current excess of actual income over budgeted and when coupled with virements from underspent budget headings allow additional money to be transferred to existing or new budget headings the main highlighted virements include:

1) Creation of a Budget Heading to cover outside consultancy fees to help the Parish Council deal with Large Speculative Planning Applications. (£5,000)
2) Addition funding to Barrowford Memorial Park for water pipe works. (£2,000)
3) Additional funding to new play equipment at Barrowford Memorial Park. (£16,000)
4) River Wall repairs. (£10,000)
5) The proposed funding above can be met through the income surplus of £16,280.77 and a series of small virements from other budget headings. With the minus virements highlighted in Red and these additional virements highlighted in Green.

Expenditure for 2022-23:

1. **Park Maintenance Charges & Improvements:**
   1) As no figures for a proposed increase in fees for 2022-23 have been received for Barrowford Memorial Park the Parish Council should prudently budget an increase of 5% in line with inflation. Last year the sum budgeted was significantly less than the true Maintenance costs and utilised and existing surplus from the previous year and although this helped keep last years precept rise to around 5% this is a once only trick and leads to significant increase the following year.
   2) The Play Equipment renewal budget with the £4,000 from the Area Committee and the increase in the budget heading by virement gives a total current fun of £40,000 with an additional £5,000 budgeted in the 2022-23 Budget for contingencies. Work could be started on this project as soon as a design has been agreed.

3) Victoria Park voluntary contribution: Last year a donation of £11,000 was paid to Pendle BC in regards of maintenance at Victoria Park, this should be retained at this figure for 2022-23.

2. **Wages & salaries:** Inflation is currently running at 5% and the small pay increase awarded for 2021-22 will undoubtably lead to vigorous demands for a larger pay increase next year. It would be prudent to budget for a 5% increase and associated oncosts.
3. **Festive Decorations:** The additional lamp column sets funded jointly by the Town Centre Re-opening Fund and the Parish Council have improved coverage within the defined town centre but further additions over several years could improve the festive displays further. The existing contract with Lite will need to be reassessed due to the additional column lights but this should be partially offset by removal of the trees at Carr Hall and Dickie Nook and the Fountains.
4. **Planters:** Additional planters have been installed funded jointly by the Town Centre Re-opening Fund and the Parish Council, Future maintenance of these assets will fall on the Parish Council additional funds need to be added to the budget to offset these additional costs.
5. **River Wall:** The Clerk has budgeted a further £10,000 towards repairs and feels that a future budget pot needs to be set aside for these potential one-off large-scale repairs that need urgent attention.
6. **Works and Equipment:** The largest increases are the addition of £5,000 to the maintenance of transferred assets with an additional £2,000 for upgrading Dickie Nook in co-operation with the Higherford Residents Action Group.

Overview:

Following on from last year the Clerk has combed out the 2021-22 budget for savings and underspends to allow urgent capital projects to be partially funded from this year's budget reducing the pressure on the 2022-23 precept level. The virements necessary are highlighted in ***Appendix 1*** and will need approval at the January Meeting.

The less than £5 on a Band D parameter set by the Finance Working Group has been challenging due to unexpected additional funding requirements and will see a negative budget. A £7,000 increase in the precept will be around a £5 increase for Band D, the total budgeted income for 2022-23 is £199,350 whilst the budgeted expenditure is £214,970 a deficit of £15,620 which although possible for one year it is not sustainable every year. The proposed budget is attached as ***Appendix 2***