

## **Budget 2010-11**

### **Background:**

Barrowford Parish Council is faced with harsh spending decisions this next financial year. The recession and loss of interest income has only been minor to the Council but will have affected residents harder. The loss of income through the collapse of interest rates equates to around £1400 whilst allotment rent incomes have increased. The biggest factor in this year's budget setting was the decision to employ another handyman and the realignment of the Clerks salary with the national payscales. This new commitments equate to the equivalent of £3.43 precept on a band D property to meet these extra incurred costs.

The additional handyman has been a success in the first three months and has enabled several larger projects to be completed quickly. The Clerk feels that the benefits of the additional handyman have been such that the position should be retained next year allowing expansion of the services provided. The Admin Review Committee looked at four options for next year's budget:

- 1. No Increase in the Precept:** This would need the council to reduce its budget by approximately £7,500. This could be achieved but would leave very little except the Councils reserve's to cover any unseen expenses and will involve cuts in most spending budgets.
- 2. The Status Quo** This would have the opposite affect of option 1 and incur a £3.43 on a band D property increase in the precept to enable the council to retain the additional handyman and keep all budget headings at 2009-10 levels.
- 3. Smaller Increase in Precept Levels / Smaller Cut in Budgets:** The model looked at assumed a 5% increase in precept whilst applying a £4,490 cut in budget totals.
- 4. Larger increase in Precept than the Status Quo:** In the current economic environment this would prove unpopular with the precept payers and the Clerk would advise not to consider this size of precept increase.

### **Recommendations:**

The Administration Review Committee having looked at all the options decided that the way forward for the council was to take option 2 to allow the Council to fulfil its existing work programme whilst retaining the additional staff and the extra flexibility this gives the council.