

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 16 JANUARY 2013

Present: Cllrs: Ranson, T Hill, Hirst, Sherras, Thompson, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

1 Cllrs: Rogerson and Knox

2 Minutes of Budget Working Group 20 November 2012

2.1 Members approved the minutes of the last meeting of the Budget Working Group.

3 Financial Implications of Council Tax Support and Taxbase

3.1 The Director of Resources gave members an update on the financial implications of the approved Council Tax Support Scheme.

3.2 It was outlined that the scheme would be based on a reduction of 8.5% to council tax support paid to working age claimants, which would in future be awarded as a discount. As with other discounts, this would impact on the taxbase for the year. Members were taken through the calculation, which resulted in a reduction to the council's taxbase of 1,486 Band D equivalent properties.

3.3 The impact of this reduction on parishes was also discussed, together with the grant that was being passed on to parish council's to help mitigate the impact on their taxbase. The distribution methodology for this grant was shown to members as part of the report.

3.4 Members recognised that the grant would not fully compensate parishes. A discussion then took place on the requests that had been sent out to parish clerks for precept information, of which to date 60% had been received.

3.5 With regard to the operation and cost of the Council Tax Support scheme, it was explained that this would be closely monitored with updates to be provided to the BWG.

4 Provisional Grant settlement 2013/14 and 2014/15

4.1 The Director of Resources provided members with an update on the finance settlement. It was explained that this was the first settlement year that would incorporate the retention of business rates.

4.2 The various ways of comparing the settlement to that of previous years was discussed, together with the Governments use of Spending Power as a comparator. It was also explained that the new terminology of Start Up Funding Assessment (SUFA) was broadly the equivalent of the former Formula Grant, and its calculation was explained.

4.3 An essential element in the calculation of the formula funding is the population figure for the borough, and the Director of Resources mentioned that this had an impact on the resulting funding due to a fall from previous estimates of 61,378 in 2010/11, to 57,735 for 2013/14 from the census projections.

- 4.4 In cash terms the council were to see a reduction of 8.86% (£287,814) from 2012/13 to 2013/14. This was contrasted with the Government's calculation of a reduction in 'Spending Power' of only 1.26%. Looking forward to 2014/15, in cash terms the council was to see a further reduction of 12.72% (£376,587).
- 4.5 The Director of Resources took members through the New Homes Bonus monies, the indicative amount that the council would receive in 2013/14 (£350,368) and its current usage. The level of 'Efficiency Support Grant' that a number of the council's neighbours had received was also discussed.
- 4.6 The disappointment of members was expressed over the level of reduction made to the grant funding of rural authorities. The on-going work of SPARSE and Rural Services Network was discussed.
- 4.7 Cllr Ranson stated that over the coming 12 months the council needed to undertake an exercise to compare it's areas of spend to that of other local authorities.

5 Business Rates Retention Scheme

- 5.1 The Director of Resources took members through a report on the mechanics of the new Business Rates Retention scheme. The Government have agreed to maintain a system of centrally determined business rates but with an incentive to reward councils for growth in their area.
- 5.2 Members were taken through the various stages of the calculation of the councils retained business rates for 2013/14. The calculation of growth for the borough was discussed in detail and a modelling spreadsheet was used to demonstrate the impact of different levels of growth on the council's funding.
- 5.3 The Director of Resources explained that the business rates income in 2013/14 would be very closely monitored and compared to the council's baseline. Budget Working Group would be kept up to date with this information.

6 Revenue Budget 2013/14 and 2014/15 - Latest Position

- 6.1 The Director of Resources took members through the latest revenue budget position.
- 6.2 The revised estimate for the current year forecasts that £226K would be added to balances rather than the original estimate of taking £21K. Members were taken through the main movements in the budgets and it was highlighted that more detailed information was being taken to committees in the current meeting cycle.
- 6.3 It was suggested to members that a new 'business rate volatility' earmarked reserve be created at the revised estimate, to set aside an element of the £226k previously mentioned. Members were in agreement with this approach.
- 6.4 Members were taken through the latest position on the 2013/14 budget and the main movements from the original estimate for 2012/13.
- 6.5 A number of scenarios were then given to members on council tax increases and freezes. It was also highlighted that due to our Band D Council Tax being in the bottom quartile for the country, it would be permissible to increase our council tax Band D by £5 (3.6%) in 2013/14 without the need for a referendum.
- 6.6 A number of growth areas were discussed and members were asked for guidance on their inclusion and funding. Members suggested the use of earmarked reserves.
- 6.7 The forecast for the 2014/15 budget was also discussed, with a forecast need for a reduction in expenditure required of £650,000, before use of balances
- 6.8 Commenting on the budget forecast for 2014/15, Cllr Ranson stated that work would need to be completed on balancing the budget by September 2013.

7 Planning Resource Review

- 7.1 The Chief Executive took members through a report on the planning resource review. This included information about the previous restructuring of the service, and the current status of the service.
- 7.2 A discussion took place on the action that was currently being taken to resolve some of the issues. It was agreed that a report be taken to Policy and Finance Committee for approval of the actions contained in the report, with an information report then to be taken to Planning and Development Committee. This was due to the timing of the meetings and the need for early approval.

8 LCC Consultation on their Budget 2013/14

- 8.1 A consultation document had been received from Lancashire County Council on their 2013/14 budget. It was agreed that members would take away the document and feedback any comments to the Director of Resources.

9 Any Other Business

- 9.1 The Director of Resources highlighted that the Council Tax Leaflet was no longer a necessary document and that the Government was encouraging councils away from producing them, instead having the information provided on the website. However, it was understood that a precepting body was proposing to produce a leaflet for distribution with the borough's council tax bills. Members were asked if they wished to produce anything similar for this council. It was agreed that this would be discussed at the next meeting.

10 Date and Time of Next Meeting

- 10.1 It was agreed that the next meeting would be held on **Thursday 24 January at 3.00pm** in the Resources Meeting Room on level B of the council offices (across from the toilets).
- 10.2 Apologies were received in advance of the meeting from Cllrs Thompson and Rogerson.

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 24 JANUARY 2013

Present: Cllrs: Ranson, T Hill, Hirst, Knox, Rogerson, Sherras, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

1 Cllr Thompson

2 Minutes of Budget Working Group 16 January 2013

2.1 Members approved the minutes of the last meeting of the Budget Working Group.

3 Three Year Forward Capital Programme 2013-2016

3.1 The Head of Financial Services took members through a report on all of the capital scheme bids that had been received from Heads of Service for the 2013-16 period. The recommended financing mechanisms for the various schemes based on previously agreed categories was also explained.

3.2 As the bids that had been received were not all affordable, recommendations of CMT were presented to members, which included the exclusion of a number of schemes and the reduction in the value of a number of others.

3.3 Members were in agreement with the recommendations of CMT and it was agreed that such recommendations form the basis of the report to the forthcoming Special Policy and Finance Committee meeting.

4 Revenue Budget

4.1 The Director of Resources took members through the latest revenue budget position, and presented two scenarios of freezing the council tax level and taking advantage of the council tax freeze grant, or increasing the council tax level by £5.

4.2 Members agreed that a recommendation be made to the Special Policy and Finance Committee that there be a freeze in the level of council tax for 2013/14, taking £146K from general fund balances.

4.3 Due to the uncertainty that was surrounding jobs at other local authorities, Cllr Ranson would email all staff to reassure them on the council's budget position for the 2013/14 financial year.

5 Any Other Business

5.1 The Director of Resources highlighted to members that benefit recipients were to be written to with regard to the new Council Tax Support arrangements, at which time we were to include details (following past LCC requests) of free school meals.

5.2 The Director of Resources also mentioned to members the forthcoming meeting to review Voluntary Sector Grants and sought members' confirmation on the level of publicity of the scheme. It was agreed that all ward councillors be emailed and that it should be advertised on the council's website.

6 Date and Time of Next Meeting

6.1 The next meeting would be the meeting with Representatives of Business Ratepayers, on **25 February 2013 in Committee Room 1 at 4.00pm**