

MINUTES OF BUDGET WORKING GROUP MEETING HELD 25 AUGUST 2010

1.1 Present: Cllrs: Ranson, Thompson, Sherras, T Hill, Knox, Rogerson, Hirst, Chief Executive, Director of Resources, Financial Services Manager

1 Apologies

1.2 No Apologies had been received

2 Minutes of previous meeting held on 21 July 2010

2.1 The minutes were accepted as a correct record of the meeting.

2.2 Cllr Ranson enquired about the security of future funding for PCSOs in the Ribble Valley. The CE confirmed that funding for this year was secured. Cllrs Rogerson and T Hill responded that should the police withdraw any future funding for PCSOs, then this council should also, as the service is a police responsibility.

3 Formula Grant Distribution – Consultation Paper

3.1 The DoR presented a report on a consultation paper that had been received in respect of options for grant distribution changes that could be introduced from the 2011/12 settlement onwards.

3.2 Background to the distribution of formula grant was explained by the DoR and the involvement of the Settlement Working Group and its various members, most relevantly SPARSE.

3.3 The various options that were being considered were briefly detailed to members and it was highlighted that the greatest impact for this council would be the transfer of Concessionary travel to County level.

3.4 Due to the numerous options that had been put forward for consideration and the size of the consultation document, the report was provided as a background paper for members with a view to the details being provided at the next meeting of the BWG together with some suggested responses.

3.5 The largest impact for all councils, which was not taken in to account in the consultation paper, would inevitably be the outturn of the Spending Review in October – reducing the overall available grant for distribution.

4 Local Referendums to Veto Excessive Council Tax

4.1 The DoR presented a report on another consultation paper that had been received. The consultation paper proposed to allow local referendums in order to veto excessive council tax increases as an alternative to capping by central government.

- 4.2 The aim of the proposal was to devolve powers and responsibilities, empowering local people so that they have a direct say in important decisions that affect their lives, in this case giving local people a stronger role in determining annual council tax increases.
- 4.3 The DoR provided members with the 11 questions that had been put forward to members as part of the consultation, together with suggested responses to each of the questions.
- 4.4 Members discussed the proposals and the responses that had been suggested. Members agreed the responses with an additional comment with regard to alternative methods of holding the referendum such as by all postal vote or internet based.

5 Restructuring

- 5.1 Members considered the Restructuring proposals put forward regarding a new structure and also some changes/clarifications to pay and conditions.
- 5.2 Members agreed to recommend the proposals to Personnel Committee on 1 September 2010.

6 Any Other Business

- 6.1 Details were provided to members of the proposal to advertise the council's expenditure over £500 on the internet. Members were happy with the proposed format.
- 6.2 The CE updated members on the latest position with the Audit Commission and the recent announcement that it was to be abolished. It was anticipated that there would be a return towards the style of the previous District Auditor service. We would be continuing to work with the Audit Commission until 2012.
- 6.3 The CE updated members on the latest position on the Roefield Loan, explaining that the lease agreement had now been signed (25 years) and at approximately £23,000 per annum.
- 6.4 Public sector pensions were referred to and the changes from the use of RPI to CPI. It was explained that this would likely lead to a reduction in the employer's rate of contribution to the scheme.

7 Date and Time of Next Meeting

- 7.1 Date and time of next meeting was agreed as 22 September 2010 4.00pm in Committee Room 1.

MINUTES OF BUDGET WORKING GROUP MEETING HELD 22 SEPTEMBER 2010

1.1 Present: Cllrs: Ranson, Thompson, Sherras, T Hill, Knox, Hirst, Chief Executive, Director of Resources, Financial Services Manager

1 Apologies

1.2 Cllr Rogerson

2 Minutes of previous meeting held on 25 August 2010

2.1 The minutes were accepted as a correct record of the meeting.

2.2 The DoR informed members that the consultation response had now been submitted in respect of referendums to veto excessive council tax rises.

2.3 The CE highlighted that all staff had now been made aware of the outcome of the first phase of the council's structure review, which had focused on senior management.

3 Revenue Budget Monitoring 2010/11

3.1 The DoR presented a report which provided budget monitoring details on the three main areas of budget impact for this council, namely employee expenditure, fees and charges and interest earned.

3.2 The DoR took members through the overall Original Estimate for the council and then highlighted the expected budget position for each of the above three areas as compared to the actual position that the council currently found itself.

3.3 Overall the council was in a favourable budget position, with underspends on employee costs mainly due to vacant posts in community services and lower costs of maternity cover for Strategic Housing. Fees and charges had seen an increase particularly from swimming lessons and courses at Ribblesdale Pool. Interest earned was below, but close to, the budget.

3.4 The DoR discussed the impending VAT increase in January 2011 and proposed that the council review its fees and charges for 2011/12 and implement them early at January 2011 in order to avoid two price increases which would otherwise be within months of each other.

3.5 Members were supportive of this proposal and asked that details of the proposed increases be brought to the next budget working group meeting.

4 Revenue Budget Forecast Updated 2010/11 to 2014/15

4.1 The DoR presented members with an update on the budget forecast for the current and next four years. It was highlighted that it was difficult to forecast due to the uncertainty surrounding the outcomes for the forthcoming Spending Review on 20 October.

4.2 Members indicated that the council should make a move towards finding savings once a clearer indication had been given of funding reductions following the Spending Review.

It was highlighted that there was also little guidance at this point as to how the Government would fund those councils that freeze council tax levels.

- 4.3 The DoR reported that the council may need to use balances to a greater extent with a view to making savings by Summer 2011. This would avoid reactive action and allow the council to conduct a more structured approach to the review of its services.

5 Formula Grant Distribution – Consultation Paper

- 5.1 Members were taken through the various proposals within the Formula Grant Distribution consultation paper and the DoR indicated the financial impact on the council if the individual proposals were to be actioned by the Government.
- 5.2 Members were supportive of a list of suggested responses which was circulated.
- 5.3 Also circulated were details of the exemplifications for the numerous options that had been put forward by the Government for the transfer of funding from district councils to the upper-tier for Concessionary Travel. A response from the District Councils Network to the consultation was also circulated.
- 5.4 The DoR suggested that the council should support the response by the District Councils Network. It was felt that the removal and transfer of costs by formulae did not offer the best solution, particularly when actual service costs to districts were readily available and offered the most accurate method of transfer to upper-tier authorities.
- 5.5 Members supported the comments made by the DoR and Cllr Ranson requested that a lobbying letter be drafted from him in response to the consultation in respect of Concessionary Travel.

6 Any Other Business

- 6.1 A further consultation paper was submitted to members on proposals to change the top-slicing of Revenue Support Grant. Members were supportive of the proposal to make the Local Government Association the sole recipient of the top slicing, which would also likely result in a reduction in the total level of top-slicing.

7 Date and Time of Next Meeting

- 7.1 Date and time of next meeting was agreed as 21 October 2010 4.00pm in the Members Room, Level D.