

MINUTES OF BUDGET WORKING GROUP MEETING HELD 21 JULY 2011

Present: Cllrs: Ranson, Sherras, T Hill, Berryman (*as substitute for Cllr Knox*) Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

1.1 Cllrs: Rogerson, Knox, Hirst, Thompson.

2 Revenue Outturn 2010/11

2.1 The Director of Resources took Members through the outturn for the 2010/11 financial year. Members were informed that the Statement of Accounts had been approved in their draft format and that the external auditors were currently carrying out their audit.

2.2 It was explained that while the Statement of Accounts represented our statutory reporting requirements, its contents did not follow our own committee structure and was therefore difficult to follow when trying to identify committee performance.

2.3 Members were taken through the variances by committee and how this impacted on the net amount that was added to balances at 31 March 2011.

2.4 The Director of Resources also detailed the additions to, and uses of, the Earmarked Reserves and explained that some of these were specific to individual services, whilst others were strategic decisions to set aside reserves for the future.

2.5 Cllr Ranson commented that the council had lost much grant funding in the past and that it was important that the council's earmarked reserves were carefully used in the future. He also commented that it was unlikely that the council was going to be able to attract much external support going forward, and that this was particularly evident in the lack of resources that were available to fund the capital programme.

3 Revenue Budget monitoring 2011/12

3.1 Members were taken through the three main areas that impacted on the council's budget from a corporate perspective, these being employees, fees and charges, and interest.

3.2 The Director of Resources explained that the variance on the employee cost was due to the stringent reviews that were currently taking place on each vacancy that arose, by management team. As a large number of posts remained vacant there was a substantial saving in the current financial year of £56,000.

3.3 Income from fees and charges was ahead of budget projections. However, this was particularly due to planning fees as a result of two large planning applications that had been received.

3.4 Income from interest on invested balances remained poor due to low interest rates.

3.5 It was explained that service reviews were currently taking place, and as a consequence some of the savings in the first quarter may not be reflective of what will be achieved in the remainder of the year.

4 New Homes Bonus scheme

- 4.1 The Director of Resources provided Members with an update on the New Homes Bonus Scheme and explained how the current year's budget had anticipated £60,000 of grant for 2011/12, and how £62,046 had actually been received. It was also explained that LCC received an amount equivalent to 25% of this amount.
- 4.2 It was explained to members how the grant was calculated and the implications of what was reported as property numbers in the borough in October.
- 4.3 Currently the New Homes Bonus grant is included in the base budget for the council, as agreed in February 2011. This treatment would be reviewed annually at the time of setting the council's budget.

5 Formation of Capital Working Group

- 5.1 Members recalled the difficulties that were experienced in setting the current financial year's capital programme – with no capital programme for 2012/16 currently approved. It was agreed in February that a Capital Programme Working Group be set up to review the proposed schemes for 2012/16
- 5.2 Members agreed to the formation of the group and suggested that the first meeting be held on **9 August 2011 at 3.00pm in Committee Room 1**
- 5.3 It was agreed that the group would initially consist of all members of the Budget Working Group and that the Terms of Reference would be agreed at the first meeting of the group.

6 Any Other Business

- 6.1 The Director of Resource circulated a consultation paper entitled 'Local Government Resource Review: Proposals for Business Rates Retention'. She outlined the proposals and asked that Members take the document away with them to read and feed any comments back, in order for them to be included in the Council's response to the consultation. It was also explained that a coordinated Lancashire Councils response was also being put together. The closing date for the consultation was 24 October 2011

7 Date and Time of Next Meeting

- 7.1 Date and time of next meeting was agreed as **19 September 2011 at 4.30pm in Committee Room 1.**