

MINUTES OF BUDGET WORKING GROUP MEETING (Special Meeting of Capital Working Group)

HELD 9 AUGUST 2011

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

1 Apologies

1.1 Cllrs: Hirst, Thompson.

2 Minutes of Last Meeting Held on 21 July 2011

2.1 The Director of Resources referred to the consultation paper entitled 'Local Government Resource Review: Proposals for Business Rates Retention'. This was raised under any other business at the previous meeting. Members were reminded that the closing date for the consultation was 24 October.

2.2 The Director of Resources also highlighted to members that she was due to have a meeting with the Lancashire CFOs Group on 16 September to discuss a joint response. She encouraged members to pass on to her any comments that they may have on the proposals in the consultation paper, in order that they may be included in the joint response.

3 Capital Programme

3.1 A report was presented by the Director of Resources which asked a number of questions around the capital programme, namely:

- Type of capital programme for the future
- How we should finance the capital programme

3.2 Reference was made to the New Homes Bonus as a method of finance for the capital programme in future years. Cllr Rogerson suggested that this may be best used to finance the development of Industrial Units through the capital programme.

3.3 Cllr Sherras raised issues around development control. He also raised member's awareness to a new Community Infrastructure Levy which may be a mechanism that the council could take advantage of in future years. Cllr Sherras suggested that he could prepare a briefing note for circulation.

3.4 Cllr T Hill suggested that the council should improve the assets that it already has in place before looking to further developments. He made reference to improving car parking, which is an issue for businesses and would better support them. He felt that it was only then that the council should look at larger development schemes to support business growth.

3.5 The Chief Executive suggested that members should look to categorising a capital programme, which could then help focus where the funding should be sourced. The suggestion below was made:

Category of Capital Spend	Method of Financing
Housing Services	VAT Shelter
Service Support and Delivery	Borrowing and Revenue
Economic Growth and Prosperity	New Homes Bonus

- 3.6 Members queried under which category Community Assets would fall. Cllr Ranson suggested that the Council should be encouraging other bodies in the provision of Community Assets.
- 3.7 Cllr Sherras suggested that a further category could be added for Community Assets, for schemes which would only go ahead if there was available Community Infrastructure Levy (CIL) attached to the scheme to fund it.
- 3.8 The Director of Resources suggested that members may wish to consider adding a ceiling of resources for each year of the capital programme, for each of the categories previously suggested.
- 3.9 Cllr Ranson stated that the future capital programme should be a four year rolling programme. This being the current financial year as year one, plus a further three years forward plan.
- 3.10 All future capital programme projects were to be set aside. Heads of Service were to be asked to make fresh bids for capital resources based on the most minimal of requirements to keep the council's services running for the next three years, with a focus on services that the council **must** carry out. A full list of these bids was to be brought to the next meeting of the Budget Working Group.
- 3.11 Cllr Ranson suggested that members may in the future consider further schemes outside the above remit, should funding be available. The next stage of consideration would focus on what can be done to improve the council's services.
- 3.12 Cllr Ranson made reference to the Asset Management Group (AMG), and the potential for resources from the sale of surplus assets. The Chief Executive suggested that the AMG could prepare a list of council assets for the Budget Working Group for a future meeting.

4 Any Other Business

- 4.1 There were no items for discussion under any other business.

5 Date and Time of Next Meeting

- 5.1 Date and time of next meeting was agreed as **19 September 2011 at 4.00pm in Committee Room 1.**

- 5.2 Other future planned meeting dates are:

Monday 17 October 2011 at 4.30 in CR1

Thursday 17 November 2011 at 4.30 in CR1

Monday 19 December 2011 at 4.00 in CR1

Monday 16 January 2012 at 4.30 in CR1

MINUTES OF CAPITAL WORKING GROUP AND BUDGET WORKING GROUP MEETING

HELD 19 SEPTEMBER 2011

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

1 Apologies

1.1 Cllr Rogerson

2 Minutes of Budget Working Group (Special Meeting of Capital Working Group) 9 August 2011

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

2.2 Cllr Sherras made reference to the Community Infrastructure Levy (CIL) which was mentioned at the last meeting as a potential funding source for Community capital schemes. He informed members that the council's Head of Regeneration and Housing and the Head of Planning Services had recently attended a seminar on the subject.

CAPITAL WORKING GROUP

3 Progress on Capital Programme 2012-15

3.1 The Director of Resources presented a report to members on the progress that had been made to date on the Capital Programme 2012-15. A summary of the bids received was provided within the report, together with full details of each individual scheme within a separate booklet.

3.2 Members recommended that the report be referred to the Corporate Management Team (CMT) for them to review the schemes that had been put forward, with a view to CMT reporting back to the next meeting of the Capital Working Group.

BUDGET WORKING GROUP

4 Revenue Budget Forecast 2011/12 to 2014/15

4.1 Members were taken through the report on the Revenue Budget Forecast for 2011/12 to 2014/15. The Director of Resources highlighted the assumptions that had been made.

4.2 The forecast highlighted that savings were needed for 2012/13 of £600K. Should the total savings found for 2012/13 be **non-recurring**, then further savings would be needed in 2013/14 of £690K, and £670K in 2014/15.

4.3 This point was emphasised, in that if the service review savings that are currently being reviewed for 2012/13 are recurring – which is expected, this will substantially alleviate the level of savings needed in future years, based on the assumptions used in the forecast.

5 Revenue Budget Monitoring 2011/12

- 5.1 A revenue monitoring report was presented to members. The report focused on the areas of Employee Costs, Income from Fees and Charges and Interest Income.
- 5.2 The report showed that up to the end of August there were savings of £116K on employee costs, additional income of £28K and a shortfall on investment income of £3K.
- 5.3 It was highlighted to members that the level of savings shown on employee costs was as anticipated and was at a level previously forecast to members. This was due to the strict review that was being undertaken by CMT whenever a vacancy arose within the council. There were now a large number of post vacancies with the council, which accounted for the savings shown.
- 5.4 The additional income was largely due to Planning Fees.
- 5.5 The DoR stressed that as a result of the measures being taken, significant underspends were anticipated in the current financial year.

6 Consultation Paper on Localising Support for Council Tax

- 6.1 The DoR reported to members on the consultation paper on localising support for council tax. The last day for responses to the consultation paper was 14 October 2011. A full version of the consultation paper had been left in the Members' Room.
- 6.2 The proposals in the consultation paper were outlined to members, who discussed the proposals for responding to the consultation.
- 6.3 It was agreed that draft responses should be provided to members of the Budget Working Group by email, with an invitation for comments from BWG prior to the 14 October 2011 deadline.
- 6.4 Cllr Ranson asked that the final response be copied to himself and also to Nigel Evans MP.

7 Consultation Paper on Retention of Business Rates

- 7.1 The DoR reported to members on the consultation paper on retention of business rates. The last day for responses to the consultation paper was 24 October 2011. A full version of the consultation paper had been left in the Members' Room.
- 7.2 The DoR updated members on discussions that had been held at the Lancashire Chief Financial Officer's meeting on Friday 16 September.
- 7.3 It was agreed that draft responses should be provided to members of the Budget Working Group, with an invitation for comments from BWG prior to the 24 October 2011 deadline. Once again Cllr Ranson asked that the final response be copied to himself and also to Nigel Evans MP.

8 Any Other Business

- 8.1 There were no items for discussion under any other business.

9 Date and Time of Next Meeting

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