

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 24 SEPTEMBER 2013

Present: Cllrs: T Hill, Hirst, Hore, Knox, Rogerson and Thompson, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

Cllr Elms

2 Minutes of meeting held on 14 August 2013

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

3 Report of External Auditors Grant Thornton – Financial Resilience of RVBC

3.1 The Director of Resources took members through a report from the council's external auditors Grant Thornton, which gave an overview of the council over four key risk areas, being:

- Key Indicators of Performance
- Strategic Financial Planning
- Financial Governance
- Financial Control

3.2 The council had scored 'green' (arrangements that meet or exceed adequate standards) in all areas of the assessment.

3.3 Members were extremely pleased with the findings of the report and felt it important that some publicity was undertaken. A suggestion was made of publicising the findings in the Ribble Valley News alongside the findings of the Perception Survey, subject to publication timings.

4 Earmarked Reserves

4.1 The Head of Financial Services presented a report on the council's Earmarked Reserves, as requested at a previous meeting of the Budget Working Group.

4.2 The council's Earmarked Reserves as at the 31 March 2013 were £4.6m. It was explained that a large proportion of this was made up of the VAT Shelter receipts and New Homes Bonus.

4.3 The Earmarked Reserves were shown over six categories and it was explained that recent pressures around planning, core strategy, business rates volatility and housing benefits had seen sizeable earmarked reserves created to safeguard the council in future years.

4.4 Members discussed the various earmarked reserves, particularly New Homes Bonus, VAT Shelter and Performance Reward Grant. Members asked that a report on the latest position on Performance Reward Grants be submitted to the next Policy and Finance Committee (12 November 2013).

5 Revenue Budget

5.1 The Director of Resources presented a report to members which sought a steer from members on setting the budget for 2014/15.

- 5.2 The assumptions used in the latest budget forecast were outlined to members and some suggestions were provided to members as to how the shortfall contained within the forecast could be addressed.
- 5.3 Options considered were:
- Increase in the council tax for 2014/15.
 - Detailed examination of 2012/13 underspends to identify potential future savings.
 - Increase the amount of New Homes Bonus used to finance the revenue budget.
 - Level of Business Rate Growth that can be realistically relied upon.
- 5.4 A pay award of 1% had been allowed in the budget forecast for 2014/15 and a general increase of 2.75% on all other items. A steer was sought from Budget Working Group on the level of increase to be applied across all of the council's fees and charges, which was agreed at 2.75%, however further consideration was needed as to whether there should be any increase applied to parking charges.
- 5.5 Members discussed the possibility of a council tax increase, they agreed that a savings target of 1% of the council's net budget should be sought from Heads of Service, it was agreed that there should be greater use of the New Homes Bonus to support the revenue budget and a further report was requested on the Business Rates Growth position for the current financial year.
- 5.6 It was agreed that detailed interactive budget modelling would be carried out at the next Budget Working Group meeting in order to better assess the impact of the various options discussed.

6 SPARSE update on Fair Funding Campaign and other Settlement Matters

- 6.1 A briefing paper from SPARSE was circulated to members in order to keep them up-to-date on the valuable work currently being undertaken by them on behalf of the council.

7 Draft Response to Local Government Finance Settlement Consultation Paper

- 7.1 A draft response to the technical consultation on the Local Government Finance Settlement was circulated to all members. The Director of Resources requested that members review the response over the coming week, with a view to submitting any further comments to her prior to the submission date of 2 October 2013.

8 PSN Compliance

- 8.1 A brief update was provided to members on the latest position with regard to the council's PSN Compliance. Details of the recommendations from Policy and Finance Committee were discussed and an overview of the 'next steps' was provided. It was agreed that this would now be dealt with by the working group that had been set up for this purpose by Policy and Finance Committee.

9 Any Other Business

- 9.1 There were no additional items of business

10 Date and Time of Next Meeting

- 10.1 The next meeting would be on **Tuesday 22 October 2013 in Committee Room 1 at 4.00pm**
- 10.2 Further meeting dates were also approved for:
- **Tuesday 26 November 2013 in Committee Room 1 at 4.00pm**
 - **Tuesday 17 December 2013 in Committee Room 1 at 4.00pm**