

MINUTES OF BUDGET WORKING GROUP MEETING**HELD 23 JANUARY 2014**

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

1 Apologies

None

2 Minutes of meeting held on 16 January 2014

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

3 Capital Programme 2014/17 latest position

3.1 A briefing paper was circulated to members on the latest position in setting the capital programme for the 2014/17 financial years.

3.2 The briefing paper gave details of the reviews of the bids that had already taken place and which had been reported to budget working group at their last meeting, together with further reviews that had been undertaken, reviewing the bids and financing available.

3.3 New proposals from CMT gave an affordable capital programme for the 2014/17 financial years.

3.4 Members considered the proposals and the suggested three year capital programme and agreed that the proposals be reported to Special Policy and Finance Committee for consideration.

4 Revenue Budget 2013/14 and 2014/15 latest position

4.1 The Director of Resources took members through a report on the latest position in setting the revised estimate for 2013/14 and the original estimate for 2014/15.

4.2 The report provided members with details of the impact on the budget of the decision they had made at their last meeting. The decision previously made related to a number of key questions that had been put to members. It had previously been agreed that:

- for 2014/15 there was no need to carry out any further reviews for savings,. However it was agreed that work needed to start early in the new financial year on the identification of savings for the 2015/16 financial year.
- further examination of the likely level of business rates growth that can be expected should be undertaken. It was agreed that the level of business rates growth brought into the budget for 2014/15 should be maximised.
- with regard to New Homes Bonus, members agreed that at least half of the allocation for 2014/15 should be used to support the revenue budget.
- with regard to the council tax for 2014/15, members agreed that the budget should be completed on the basis of a freeze. Consideration was also given to the use of New Homes Bonus to compensate for any increase foregone.

4.3 A further update was given to members on business rates and the anticipated extra business rates income in 2014/15 following the completion of the NNDR1 return for 2014/15.

- 4.4 Members agreed with the recommendation of the Director of Resources that £262,926 of additional business rates income be allowed for in the budget for 2014/15, even though the NNDR1 return indicated a higher potential income. This was due to the uncertainty around business rates.

5 Any Other Business

- 5.1 There were no other items of business to discuss

6 Date and Time of Next Meeting

- 6.1 The next meeting would be the meeting with business rate representatives on the 24 February 2014.

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 17 JUNE 2014

Present: Cllrs: Elms, T Hill (Chair), Knox, Rogerson and Thompson, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

Cllrs: Hore, Hirst

2 Minutes of meeting held on 23 January 2014

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

3 Revenue Outturn 2013/14

3.1 A report on the outturn for the revenue budget for 2013/14 was circulated to members. The Director of Resources took members through the details of the report, explaining the impact on the council's general balances and earmarked reserves. The major variances were also discussed, whilst it was explained that full details of these would be reported to service committees in the September cycle of meetings.

3.2 The final outturn position was that rather than taking £146,000 from general balances as forecast in the original estimate, and rather than the revised forecast of adding £101,000 to general balances, the council was actually adding £359,000 to general fund balances. This resulted in general fund balances at 31 March 2014 being £2.058m.

3.3 A discussion took place on the collection fund and the volatilities around business rates. The outturn position on the collection fund was also discussed, with an overall deficit of £21,000 on Council Tax and £192,000 on Business Rates. It was explained that all precepting bodies take a share of this deficit and reimburse the Collection Fund in future years.

3.4 Further discussions took place on the pension liability, being the largest movement on the balance sheet. It was explained that statutory arrangements for funding the deficit meant that the financial position of the council remained healthy, with the pension liability 'skewing' our net worth at the 'snapshot' balance sheet date of 31 March 2014.

4 Budget Forecast Update

4.1 The Director of Resources took members through a report on the latest budget forecast. The different elements that made up the forecast and the various assumptions made were explained. A recap was also given of the process that was taken for the setting of the current year's (2014/15) budget.

4.2 The fall in the council's funding over recent years and the continued uncertainty over longer term funding was discussed in detail, as was the council's receipts through the New Homes Bonus Scheme.

4.3 The council's other specific cost pressures were also discussed, notably:

- Waste Management
- Planning Appeal Costs and Income
- Staff Pay Award

4.4 The latest forecast showed a potential need for substantial savings in the coming years, the position for 2015/16 being more certain with the provisional settlement known:

- £576,000 in 2015/16
- £959,000 in 2016/17
- £1,145,000 in 2017/18 Agenda Item 2

- 4.5 A timetable and work-plan for the future meetings of the Budget Working Group was agreed upon:

When	Task
Budget Working Group Meetings	
- July 2014	Consider 2013/14 Revenue Outturn and Assess Accuracy of Budget
- August 2014	Consider Business Rates Retention Scheme and New Homes Bonus
- September 2014	Consider Cost Pressures
- October 2014	Assess Overall Position and Council Tax Base
- November 2014	Guidance to Service Committees on their Budgets
- December 2014	Consider Local Government Finance Settlement
- January/February 2015	Consider Overall Budget Position

5 Capital Outturn

- 5.1 A report on the capital outturn for the 2013/14 financial year was discussed. The programme had largely been completed, with a few items of slippage. The available resources at the end of the financial year were also discussed, together with the commitment of certain funding for the slippage.
- 5.2 It was explained that the balance of resources at the end of the financial year was just over £457,000, however a minimum balance of capital resources was set at £350,000 meaning that not all of this was necessarily available for funding projects.

6 Performance Reward Grant

- 6.1 Following a report to Policy and Finance Committee, Budget Working Group were tasked with looking at proposals to implement a further grant scheme, utilising the balance of available resources on Performance Reward Grants.
- 6.2 A number of options were discussed with members, including how to ensure an even distribution of grant availability across the borough on an equitable basis.
- 6.3 It was agreed that a scheme be devised on a similar basis to past village grant schemes that had been in place and that an outline scheme be brought to the next meeting. It was also agreed that a clear deadline for spending and claiming the grant should be imposed.

7 PWLB Certainty Rate

- 7.1 Members were informed of the beneficial rate that the council has secured with the PWLB based on a return that had been submitted earlier in the year, which outlined the council's potential borrowing plans for future years. This was currently secured until October 2014, around which time a new list of qualifying councils would be published, which Ribble Valley should be included on based on our submitted return.

8 Any Other Business

- 8.1 A matter of on street parking problems in Whalley was raised and a request was made for the council's off street parking staff to have a presence in Whalley. It was explained that the council have no powers to monitor and issue fines for on-street parking, as this was a county function.
- 8.2 A discussion took place on the reduction of county provided services in rural areas and members expressed their concerns, agreeing that the matter should be taken up with the borough's MP.

9 Date and Time of Next Meeting

9.1 Future meetings in **Committee Room 1** were:

- 4.30pm Tuesday 15 July 2014 Prior to Full Council (Apologies given by Cllr Elms)
- 4pm Tuesday 19 August 2014
- Proposed 4pm 16 or 23 September 2014 (TBC)