

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 21 JANUARY 2016

Present: Cllrs: Bibby, Hill, Hirst (Chair), Hore, and Thompson, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

Cllrs: Knox and Rogerson

2 Minutes of meeting held on 26 November 2015

2.1 Members approved the minutes of the last meeting of the Budget Working Group. A discussion took place on the Lancashire County Council budget and the 'Have Your Say' consultation.

3 Local Government Grant Settlement 2016/17

3.1 The Director of Resources presented a series of documents that gave details of the Local Government Grant Settlement.

3.2 It was explained that the finance settlement also included the option of a guaranteed settlement for every council for the 4 years 2016/17 to 2019/20, where the council can demonstrate efficiency savings. However, it was unclear exactly what this would entail.

3.3 It was also explained that the documents that had been provided by the government as part of the grant settlement showed an assumption that the council would increase its council tax by £5 per annum.

3.4 The core funding offered for 2017/18, 2018/19 and 2019/20 showed that the council's grant reductions in future years would be more severe than anticipated. By 2019/20 not only would our Revenue Support Grant be eliminated but the Government was proposing to introduce a further reduction of £109,000 which would increase our tariff payable under the Business Rates Retention Scheme.

3.5 Based on the information provided in the finance settlement, the review of the three year forecast indicated increased requirements for reductions to the council's budget. The updated forecast showed reductions needed of £423K in 2016/17, £756K in 2017/18 and £1,161K in 2018/19 which were markedly worse than previously predicted.

3.6 Included in the circulated documents was the council's response to the grant settlement consultation. There was a discussion about the recent floods, reference having been made to them within the council's response to the grant settlement consultation, and the distribution of S31 funding in respect of flooding.

4 Revenue Budget 2016/17

4.1 The Director of Resources presented a report on the Revenue Budget 2016/17. The report included details of the budget timeline and the latest information on the budget gap.

4.2 A number of options for producing a balanced budget were provided to the Budget Working Group:

- **Reduce Expenditure** – it was explained that this had largely already been undertaken and was built in to the current position as shown in the report.
- **Increase the Council Tax** – Members agreed to the preparation of the budget on the basis of a £5 increase in Council Tax
- **Use more New Homes Bonus Funding** – it was agreed that this could be used as an option to balance the budget if needed

- **Use of Earmarked Reserves** – again, it was agreed that this could be used as an option to balance the budget if needed
- **Use more Business Rates Income** – once again, it was agreed that this could be used as an option to balance the budget if needed

5 Draft Three Year Capital Programme 2016/17 – 2018/19

- 5.1 Members were taken through the latest position on the forward capital programme.
- 5.2 It had not been possible for CMT to hold a further meeting to discuss the capital programme bids since before Christmas, due to the immense impact of the floods that had occurred over the Christmas period.
- 5.3 Members were asked if they had any further comments on how CMT should approach the review of the schemes. It was agreed that a further meeting would take place of CMT with a view to reporting back at the next meeting of BWG.

6 Any Other Business

- 6.1 There were no further other items of business.

7 Date and Time of Next Meeting

The next meeting was planned as:

- Monday 1 February at 9.00am – Committee Room 1 (*subsequently changed to 4.00pm*)