

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 12 OCTOBER 2016

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

1 Apologies

Cllr Bibby, Elms, Hirst, Rogerson

2 Minutes of meeting held on 14 September 2016

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

3 RVBC Efficiency Plan 2016/17 to 2019/20

3.1 The Director of Resources refreshed members with details of the four year settlement and the requirements to produce an Efficiency Plan by no later than 14 October 2016 to secure the same.

3.2 Members had been provided with copies of the proposed Efficiency Plan for this council for consideration along with copies of the latest Medium Term Financial Strategy.

3.3 There were discussions on the level of funding that the Efficiency Plan would secure. Alongside this there was a discussion on the more sizeable level of funding from Business Rates Retention and New Homes Bonus and the level of uncertainty that the council faced with regard to this funding stream.

3.4 Most notably reference was made to the length of delay in the announcement of government plans around New Homes Bonus since the closure of the consultation and how this impacted on the ability to produce a coherent Efficiency Plan.

3.5 The Budget Working Group approved the Efficiency Plan for submission to the government by the deadline of 14 October 2016 and the Director of Resources informed members that the Efficiency Plan, and the decision of Budget Working Group, would be reported to the next meeting of Policy and Finance Committee on 25 October 2016.

4 Business Rates Revaluation 2017 and consultation on the transitional arrangements

4.1 The Head of Revenues and Benefits took members through a report on the 2017 business rates revaluation and the consultation on the proposed transitional arrangements.

4.2 A comparison was provided between the current 2010 rateable values and the 2017 rateable values by category of property and class of property for the whole of the Ribble Valley area. This highlighted an overall increase in the rateable values of 3% from £38.8m to £40m.

4.3 It was highlighted that the multiplier that will be used was yet to be announced by the Government, but that the intention was for any revaluation to be fiscally neutral across the country as a whole.

4.4 The Head of Revenues and Benefits explained the transitional arrangements following the revaluation and the two options proposed by the government. The impact of Small Business Rates Relief and the increase in the threshold from April 2017 was also referred to.

4.5 It was agreed that a response would be sent to the consultation indicating support for option 2 for transitional arrangements on the grounds that more medium sized businesses would benefit from reductions in rates payable sooner than in option 1.

5 Local Government Finance Settlement 2017/18 – Technical Consultation Paper

5.1 The Director of Resources took members through a report on the above technical consultation paper which was open for six weeks, closing on 28 October 2016. The attached consultation paper invited views on a variety of proposals:

- Multi-year Settlement.
- Improved Better Care Fund.
- Council Tax Referendum Principles.
- Business Rates Revaluation Adjustment.
- Adjustment to Business Rates in Areas Piloting 100% Business Rates Retention.
- Voluntary Transfers of Funding to Mayoral Combined Authorities

5.2 Members agreed that officers prepare a response to the government based on their assessment of the various options and report the council's response retrospectively to the next Budget Working Group meeting (*since circulated on 28 October 2016*).

6 Any Other Business

6.1 There were no other items of business

7 Date and Time of Next Meeting

Future meetings were agreed as:

- Wednesday 23 November 2016 at 4pm (*apologies given in advance by Cllr Thompson*)

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 23 NOVEMBER 2016

Present: Cllrs: Hirst (Chair), Bibby, Elms, Knox, and Rogerson, Chief Executive, Director of Resources, Head of Financial Services.

1 **Apologies**

Cllrs: T Hill, Thompson

2 **Minutes of meeting held on 12 October 2016**

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

3 **Verbal Update – Autumn Statement 2016**

3.1 The Director of Resources took members through some of the items that had been mentioned as part of the Chancellor of the Exchequer's Autumn Statement to Parliament earlier that day.

3.2 There was disappointment that there had been no further clarification around the outcome of the consultation on New Homes Bonus.

3.3 The Director of Resources made comment that an anomaly on business rates that had previously been highlighted to DCLG by the Head of Revenues and Benefits had been rectified in the Autumn Statement. This related to an inconsistency between rural rate relief and small business rate relief, which has now resulted in the doubling of rural rate relief to 100% from 1 April 2017.

3.4 A number of other items were referred to including the Housing Infrastructure Fund of £2.3bn, but there was no further information on the details of the fund other than that it would be allocated to local authorities "on a competitive basis".

4 **Multi-Year Settlement**

4.1 Members were taken through a report confirming that the Government had accepted the council's efficiency plan and consequently confirmed our 4-year settlement to 2019/20, details of which were provided.

4.2 Whilst the 4-year settlement was disappointing, the Government had indicated that signing up to the 4-year settlement through the submission of an efficiency plan would be the best financial scenario. Only a handful of authorities across the county had not signed up to the 4-year settlement, one of which was Lancashire County Council.

5 **Business Rates Pooling**

5.1 An update was provided to members on the operation of the Lancashire Business Rates Pool, of which this council act as lead authority.

5.2 The operation of the pool had gone well to date, which was a simple format of business rates pool compared to some other pools that operate, in that each authority bears their own risk or reward.

5.3 For this authority, current indications were that we would see an increase in the level of retained levy, from £348K to £403K, although this was only an early indication as at the half year position.

5.4 It was explained that overall monitoring information had been collated from all pool members and likewise then distributed around the pool members. There would also be an update to the Lancashire Leaders meeting in line with the protocol of the pool

- 5.5 It was explained that whilst there were substantial levels of monthly transactions passing through this council as part of the pooling arrangements, these transactions all take place simultaneously on a single day each month.
- 5.6 The Director of Resources then took members through some changes to the pool for 2017/18, which would see Burnley Borough Council leaving the Lancashire Business Rates Pool, but with Fylde Borough Council joining – therefore maintaining a membership of 10 councils. Whilst this proposal for 2017/18 had been submitted to DCLG we were still awaiting confirmation of acceptance by the Government.

6 Council Taxbase

- 6.1 Members were taken through a report informing them of the Council Taxbase for 2017/18. The background to the setting of the Council Taxbase was explained, together with its role in the overall setting of the budget.
- 6.2 The various adjustments that are required to be built in to the calculation of the taxbase were also referred to and it was also highlighted that there were no proposals to change the council's current discounts for 2017/18.
- 6.3 Reference was made to Local Council Tax Support and also to the tapered grant that had previously been passed to parishes, but which had now come to an end in 2016/17.
- 6.4 A table was provided within the report breaking down the overall taxbase of 22,481 for 2017/18 (22,024 in 2016/17) across each of the parishes.

7 Any Other Business

- 7.1 There were no other items of business

8 Date and Time of Next Meeting

It was agreed that there would be future meetings arranged for January 2017 as in previous years, and that consideration would be given to holding a meeting in December should one be needed following the Local Government Finance Settlement Announcement.