

# MINUTES OF BUDGET WORKING GROUP HELD 13 JANUARY 2010

Present: Cllrs: Ranson, Sherras, Knox, T Hill, Thompson Chief Executive, Director of Resources, Director of Community Services, Director of Development, Financial Services Manager

## **1 Apologies**

1.1 Cllr Hirst

## **2 Minutes of previous meeting held on 9 December 2009**

2.1 The minutes of the previous meeting were agreed as a correct record.

2.2 Cllr Ranson enquired on progress with regard to concessionary travel. The DOR stated that in the pre budget report it was confirmed that it was moving to the upper tier, but no details were given on movements in funding.

2.3 An update was provided on the progress made on appointing a new operator for the Castle Café. Some responses to the advertisement for expressions of interest had been received to date.

## **3 Revised Revenue Budget 2009/10 and Original Budget 2010/11**

3.1 The DOR updated Budget Working Group on the latest position for the revenue budget for the current year.

3.2 The key points of the revised estimate were:

- ❖ Overall increase for Committees of £178,000
- ❖ Minimum Revenue Provision (MRP) recalculation to reflect full impact of housing stock transfer. Charge reduced by £129,000.
- ❖ Dramatic fall in interest earned. Reduced by £110,000
- ❖ Reduction in LABGI grant by £6,300
- ❖ Increase in the amount needed to be taken from balances from £246,000 to £412,000. However, this was slightly better than the amount expected when the September forecast was prepared.

3.3 Cllr Ranson questioned the increase in costs for public conveniences. The DOR explained the oncosted wages charge from works administration and the impact of overheads such as the Salthill depot and the cost of Vehicles.

3.4 Cllr Ranson then went on to question the viability of the stores operation at the Depot. The DOCS informed Cllr Ranson that following the loss of issue of plastic sacks and HRA stores the viability of stores had already been questioned and alternative ways of operating were already being examined.

3.5 The CE highlighted that the overall issue around overheads were being examined as part of the structure review.

- 3.6 The DOR took members through the latest position with regard to the Original Estimate for 2010/11
- ❖ Committee Expenditure totalled £8.5m
  - ❖ Savings had already been separately identified of £207K
  - ❖ Using the £207K savings already identified and assuming a 0% council tax increase, £316K would need to be found from balances or further savings would need to be identified.
- 3.7 The DOR queried how much should be taken from general fund balances, and therefore what further savings would need to be achieved to balance the budget.
- 3.8 Cllr Ranson stated that the maximum amount to take from balances should be £200K which would mean further savings need to be found totalling £116K. However, ideally work should continue to find savings of a further £100K (*total £216K*) which would mean the amount to take from balances would be £100K. This would place the council in a stronger financial position for future years.

#### 4 **Revised Capital Programme 2009/10**

- 4.1 The DOR took members through the revised capital programme and the various movements that had been experienced with regard to resources and scheme additions.
- ❖ Resources brought forward from 2008/09 were £875K
  - ❖ Overall expenditure had increased by £1.4m but this was in the main due to slippage
  - ❖ 63% of the revised estimate has been spent to the end of December.
  - ❖ Removal of the joint Roefield scheme. This had been replaced with the abortive costs for the joint scheme and also the Council's scheme for Edisford Changing Rooms

#### 5 **Forward Capital Programme 2010/15**

- 5.1 The DOR updated members on the latest position on the draft five-year capital programme now all bids had been collated. At this early stage the programme totalled £5.311m with resources of £3.717m. This meant the shortfall was £1.595m. However, after allowing for the minimum level of capital reserves of £300K the real deficit was £1.895m
- 5.2 The DOR took members through the proposed resources to fund the programme but asked for a steer from members on how much of the VAT shelter monies they wanted to use to fund the capital scheme proposals. Members stated that they were happy with the £100K per annum as shown.
- 5.3 With regard to borrowing, Cllr Ranson stated that unsupported borrowing should only be used to fund schemes if it was in relation to such items as land purchase. The DOR referred member to the implications of borrowing on the Minimum Revenue Provision (MRP) and its ultimate impact on the council tax and highlighted that it should only be used for assets with a particularly long life, such as land.

**6 Restructuring – Verbal Update**

- 6.1 The CE gave members a brief verbal update on the progress that had been made to date on the restructuring. Members were happy with the progress that had been made to date
- 6.2 Cllr Ranson informed CMT that the definitive details of how the council was going to move forward following the review needed to be ready by September/October 2010.

**7 Any Other Business**

- 7.1 The statutory meeting with Business Rate Payers needed to be arranged and it was anticipated that this would be sometime at the end of February.

**8 Date and Time of Next Meeting**

- 8.1 Next meeting arranged for 27 January 2010 and it was agreed to tentatively arrange a meeting for the 3 February 2010.