

# MINUTES OF BUDGET WORKING GROUP MEETING

HELD 19 DECEMBER 2011

Present: Cllrs: Ranson, T Hill, Hirst, Rogerson, Sherras, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

## **1 Apologies**

1.1 Cllrs: Knox and Thompson

## **2 Minutes of Budget Working Group 15 November 2011**

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

## **3 Local Government Grant Settlement 2012/13**

3.1 The Director of Resources presented a report to members on the provisional finance settlement for 2012/13. The settlement was in keeping with that proposed in February 2011, as the second year of the two year grant settlement.

3.2 The previously announced one-year-only council tax freeze grant for 2012/13 was discussed by members. This would equate to £78,910 if the council tax level was frozen in 2012/13.

3.3 It was highlighted that the council had no indication of formula grant funding for 2013/14 and beyond. The medium term financial strategy assumes a freeze in the level of formula grant in 2013/14 and onwards, which the Director of Resources suggested may already prove optimistic.

## **4 Council Tax Freeze Grant**

4.1 A copy letter from DCLG, which offered a one-off council tax freeze grant for 2012/13 was circulated to members. The current council tax proposals for the county, fire and police were discussed by members.

4.2 It was indicated that the council should take advantage of the council tax freeze grant for 2012/13. However, as the grant was for one year only, the planned amount to be taken from balances should be reduced by the equivalent amount. This would help ensure the sustainability of the council's base budget in future years.

## **5 Council Tax Referendums**

5.1 A copy letter from DCLG, which set the trigger limits for the holding of referendums on Council Tax levels was circulated to members.

5.2 The letter and the Localism Act were discussed by members.

## **6 Letter from Huntingdonshire: council tax increases – principles for capping or determining 'excessive' increases**

6.1 A letter drafted by Huntingdonshire District Council was circulated to members. The letter challenged the principles for capping or determining excessive council tax increases. Huntingdonshire District Council was encouraging those council's with low tax levels to write to Eric Pickles.

6.2 Members agreed that a letter should be drafted and sent by the Leader.

## **7 New Homes Bonus**

- 7.1 Information was circulated on the provisional settlement for the New Homes Bonus for Year 2. Indications were that the council would receive a year two payment of £105,188, which was in addition to the payment due in respect of year one of £62,046
- 7.2 It was explained that the council had a right to appeal where they were able to demonstrate that property rebandings had adversely affected their allocation for 2012/13. An appeal had been lodged and the council were currently awaiting a response. If approved the appeal had the potential to increase the 2012/13 allocation by a further £16,470.

## **8 Update from District Council Chief Executive Network Meeting 13 December 2012**

- 8.1 The Chief Executive gave a verbal update to members on the above meeting.
- 8.2 The main items from the meeting, which were then discussed by members, were pay award for 2012/13, pensions, the ability to set planning fees locally, the Local Government resource review, Council Tax benefits and Universal Credit.

## **9 Revenue Budget 2012/13**

- 9.1 The Director of Resources updated members on the latest position on the revenue budget for 2012/13. Good progress had been made with indications that the council would be able to set an affordable and achievable budget for 2012/13 having taken in to account the substantial savings proposals that had been approved by Policy and Finance Committee.
- 9.2 It was explained that the budget reports that would be taken to service committees in January incorporated the approved savings.
- 9.3 The Director of Resources highlighted that whilst the 2012/13 budget looked achievable, there was much financial uncertainty for future years. As such, members encouraged the continued review by CMT of vacant posts as they arise.
- 9.4 Cllr Ranson requested that details of car parking income, including fines, be reported to the next meeting of the Budget Working Group.

## **10 Local Government Resource Review**

- 10.1 The Director of Resources circulated an executive summary of the local government resource review (government response) which had been received that day.
- 10.2 The main points from the document were discussed by members. It was highlighted that many of the issues that the council had raised at the consultation stage had been taken in to consideration based on the contents of the executive summary.

## **11 Date and Time of Next Meeting**

- 11.1 Date and time of next meeting was agreed as **Monday 16 January 2012 at 4.30pm in Committee Room 1.**