

# MINUTES OF BUDGET WORKING GROUP MEETING

## HELD 16 JANUARY 2014

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

### **1 Apologies**

Cllrs: Elms, Hore and Rogerson

### **2 Minutes of meeting held on 26 November 2013**

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

2.2 The Director of Resources referred to minute 3.5 on Disabled Facility Grants and mentioned that the District Councils Network (DCN) were pushing on the Better Care Funding and Disabled Facility Grants to try to ensure that this funding is ringfenced for passporting to district councils.

### **3 LG Finance Settlement 2014/15 and indicative 2015/16**

3.1 The Director of Resources took members through details of the provisional LG Finance Settlement. The elements of the Local Government Departmental Expenditure Limit (LG DEL) were explained, as was its relationship to the Settlement Funding Assessment, being made up of the Revenue Support Grant (RSG) and the Local Share of Business Rates.

3.2 Comparisons were also given of the council's Spending Power between 2013/14 and 2014/15 (-2.25%), together with the alternative comparison of movements in cash terms in the council's Settlement Funding Assessment (-12.1%)

3.3 Details were also provided on the level of New Homes Bonus grant that the council was to receive.

3.4 The level of Efficiency Support Grant that was to be provided by the government was also discussed, particularly in comparison to the level of Efficiency Support for Services in Sparse Areas that had been provided.

3.5 The Council Tax Freeze Grant that had been announced by the Government, worth 1%, was also discussed.

### **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 major variations on the revised estimate were discussed and it was explained that the latest position was that it was now likely that we would be taking £68K from general balances rather than the original estimate of £176K.

4.3 Members were then taken through the latest position on the Original estimate for 2014/15 and the current largest variations. The known level of Government funding from the Settlement Funding Assessment was explained and also the planned movements in earmarked reserves.

4.4 Next members were taken through the potential level of council tax income based on a number of scenarios, business rates retention growth was also discussed, and particularly the lateness of the issue of the NNDR1 return by the Government. Potential income from the Section 31 grant relating to the extension of the Small Business Rate Relief was also discussed. The income stream from New Homes Bonus for 2014/15 and future years was also explained.

4.5 Other budget issues were highlighted to members, particularly around income from planning fees and recycling credits and also the actuarial review of the pension scheme.

4.6 Some key questions were then put before members. It was 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.

## **5 Capital Programme**

5.1 Members were provided with details of the latest position on the capital programme for 2014/17. Members were also asked to consider the financing of the existing capital programme for the period 2014/16 with regard to the use of earmarked reserves, and it was agreed to use the VAT shelter.

5.2 Two of the previously approved schemes in 2015/16 were also identified as needing to be amended to reflect the latest estimated cost. It was agreed that these be funded from the Capital Reserve.

5.3 It was agreed that Disabled Facility Grant schemes in each year should match whatever final level of grant income is actually received from the government.

5.4 The suggested maximum available resources for the additional year of the capital programme was agreed by members, and the new bids and the suggestions of CMT were then considered.

5.5 The action suggested by CMT was agreed by Budget Working Group and some further actions around borrowing and the reprogramming of some schemes were suggested and agreed.

5.6 The final recommendation was that CMT further consider the remaining schemes in the programme in order to ensure that the programme is affordable, with this to be reported to the next meeting of the Budget Working Group on 23 January 2014.

## **6 Any Other Business**

6.1 There were no other items of business to discuss

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

7.1 The next meeting would be on **Thursday 23 January 2014 in Committee Room 1 at 4.00pm**