

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 20 APRIL 2017

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

1 Apologies

Cllrs: Bibby, Elms, Hirst

2 Minutes of meeting held on 25 January 2017

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

3 Local Government Pension Scheme 2016 Triennial Review – Employer Contributions Update

3.1 The Director of Resources took members through an information report on the actuary's triennial review of the Lancashire Pension Fund.

3.2 The results of the review were provided to members as part of the report. In summary the employer's contribution rate was to change from 14% to 16.5% and deficit recovery sums (£260,000 in 2016/17) had been set at:

- £177,200 (2017/18)
- £183,800 (2018/19)
- £190,600 (2019/20)

3.3 As a larger employer we had been given a number of options regarding the pre-payment of pension contributions (Future Service and Deficit Recovery) being:

- Monthly Payments (as current)
- Annual Prepayments
- 3 Year Prepayment

3.4 It was explained that the Pension Fund had been informed that we wished to exercise the option to pre-pay the new future service rate (actuarially assessed at 16.5%) annually each April within the valuation period and also to pre-pay our deficit recovery payments annually each April.

3.5 For 2016/17 there would be a payment of £933,700 made (£760,200 future service and £173,500 deficit recovery). Over the full three year period this prepayment method would generate a saving of £61,900.

4 Consultation Outcome – Transitional Arrangements for the 2017 Business Rates Revaluation

4.1 Members were taken through a report on the outcome of the consultation regarding the transitional arrangements for the 2017 business rates revaluation.

4.2 The draft 2017 list (following revaluation) was published by the Valuation Office Agency in September 2016. Overall for Ribble Valley there was an increase of 3%, which was above the North West overall increase of 0.2%

4.3 The report outlined the transitional arrangements following the consultation. The outcome had been that the government had decided to provide the greatest support to the small and medium businesses that were seeing increases.

- 5 Consultation on Proposals on the Design and Implementation of the Locally Administered Business Rates Relief Scheme**
- 5.1 The Director of Resources took members through a report which detailed the council's response to the recent consultation paper regarding the new locally administered business rates relief scheme.
- 5.2 Policy and Finance committee had delegated to the director of Resources to devise and implement the new schemes to prevent any delay in its introduction.
- 5.3 The Governments response to the consultation paper was now awaited before this could be progressed further.
- 6 Consultation Outcome – Self-Sufficient Local Government – 100% Business Rates Retention**
- 6.1 Members were taken through a report on the outcome of the consultation regarding 100% business rates retention.
- 6.2 The background to the consultation was explained and members were told that there had been 454 responses submitted and a summary of the responses was provided as an annex to the report.
- 6.3 The key concern was the additional responsibilities that would be devolved to local authorities and to be funded from the additional business rates income.
- 6.4 A number of grants were to be rolled in and there may be further consideration of whether to introduce any transitional arrangements around the rolling in of the grants (amounts projected for 2019/20 for this council would be: Revenue Support Grant negative -£108,866; Rural Services Delivery Grant £86,603; and Public Health Grant not received by this council)
- 6.5 Pleasingly, it had been confirmed that the devolution of Attendance Allowance funding was no longer being considered as part of the business rates reforms.
- 7 Further Consultation on the Design of the Reformed System - 100% Business Rate Retention**
- 7.1 Details of a further consultation on the design of the reformed system of business rate retention were provided. The consultation was for 12 weeks and was to close on 3 May 2017.
- 7.2 Budget Working Group agreed that the Director of Resources should form a response on behalf of the council.
- 8 Planning Application Fees – The Government’s Offer**
- 8.1 The Chief Executive took members through a report informing Budget Working Group of the council’s acceptance of the Government’s offer regarding planning fees.
- 8.2 The offer regarded the ability to increase planning fees by up to 20% with the proviso that the increased income raised should be invested in their planning departments.
- 8.3 Due to the timescales to respond the matter had been considered by CMT, the Leader and Deputy. Implementation of an increase from July 2017 would raise an estimated additional £72,600 (part year 2017/18).
- 8.4 Options were being discussed and would be presented to members in due course.

9 Recently Received Planning and Housing Grants

9.1 Members were taken through a report informing them of a number of grants that had been received late in the year, after the setting of the revised estimate. The three grants were:

- Custom and Self Build Grant (£15,000)
- Brownfield and Permission in Principle Register Grant (£14,645)
- Community Housing Fund (£157,532)

9.2 In some instances there was specific guidance on the use of the funding, whilst in others there was no ring-fencing, but an acknowledgement that there may be additional costs incurred.

9.3 The impact on staff resources of the additional work was being considered and any proposals would be reported to members in the future.

10 Any Other Business

10.1 There were no other items of business

11 Date and Time of Next Meeting

11.1 No date or time was set for the next meeting.

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 12 JULY 2017

Present: Cllrs: K Hind (Chair), A Brown, T Hill, Hirst and A Knox, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services, Head of Revenues and Benefits.

1 Apologies

Cllrs: Ems, Rogerson

2 Minutes of meeting held on 20 April 2017

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

2.2 Reference was made to the item on Planning Application Fees and it was mentioned that we had not heard anything as yet on our ability to increase the charges following our acceptance of the offer from the government – but that hopefully something would be known soon.

2.3 The additional income from the Planning and Housing Grants was also referred to.

3 Budget 2017: Business Rate Relief Schemes

3.1 Members were taken through a report on progress made on our Business Rate Relief Schemes as announced by the Chancellor in his budget in March 2017. The report also sought guidance from members on a scheme of discretionary rate relief in respect of the additional help for businesses that was promised by the Government in March.

3.2 The additional reliefs were available in three instances:

- Small Businesses – A scheme to reduce the impact on those businesses losing some or all of their Small Business Rates Relief or Rural Rates Relief to an increase of no more than £600 per year, or the matching cap on increases for small properties in the transitional relief scheme, whichever is greater. Approximately 14 ratepayers had been identified as potentially able to benefit
- Pubs – For pubs with a rateable value of £100,000 or below to receive a £1,000 discount on their bill. Approximately 50 premises may meet the criteria for pub relief
- Discretionary Relief Scheme – To support those businesses facing the steepest increases as a result of the revaluation. Our allocations from the Government had been £104,000 (2017/18), £51,000 (2018/19), £21,000 (2019/20) and £3,000 (2020/21).

3.3 Policy and Finance committee had recommended at their meeting on 28 March 2017 to delegate to the Director of Resources to devise and implement the new relief schemes.

3.4 The granting of the Small Businesses Relief and the Pub Relief were both covered in our existing Discretionary Rate Relief Policy and so a specific scheme was not required.

3.5 With regard to the Discretionary Relief Scheme there were 2 potential options presented to members which both carried approximately the same cost. It was agreed that Scheme 1 would be implemented as the agreed scheme:

- Similar to the pub relief, we would grant up to £3,500 to any eligible ratepayers. For those that had seen an increase of between £600 and £4,100 they would be awarded relief at a level to reduce the increase to £600.

- Relief would continue in 2018/19 and 2019/20 at 50% and 25% respectively of the value of the relief awarded in 2017/18.
- 3.6 It was agreed that the scheme would be publicised on the website and also through a press release. Those businesses that were indicated as being eligible for the reliefs would also be written to.

4 Business Rate Pooling 2016/17 Outturn

- 4.1 The Director of Resources presented a report to members on the outturn position of the Lancashire Business Rates Pool for 2016/17.
- 4.2 Members were also given copies of the NNDR3 return and taken through the complexities of the annual return that is required to be completed each year.
- 4.3 For Ribble Valley Borough Council our business rates growth outturn for 2016/17 (above our baseline of £1.240m) was £375k, of which £263k was used to support the revenue budget. The balance of £112k had been added to the business rate volatility reserve.
- 4.4 The 2016/17 Lancashire Business Rates Pool Outturn position was £5.127m of business rates income being retained in Lancashire which would otherwise have been paid over to the Government. This Council's share of this had been £339k.
- 4.5 The Director of Resources highlighted that under the Business Rates Pool governance arrangements there would need to be a meeting of the Lancashire Leaders (Business Rates Pool members) to report the outturn position. Officers suggested calling a special meeting at the Ribble Valley offices.

5 Revenue Outturn

- 5.1 Members were taken through a report on the overall revenue outturn position. It was explained that full details of the outturn position would also be taken to each service committee over the next cycle of meetings.
- 5.2 The final outturn was a surplus of £38,000 which had been added to general fund balances. This compared to the forecast position at the Revised Estimate of taking £8,000.
- 5.3 The larger variance at committee level was largely down to additional grants that had been received, which had then been added to earmarked reserves in line with the accounting treatment required for grants received but yet to be spent.
- 5.4 It was highlighted that in previous years the council had experienced significant savings/extra income between the setting of the revised estimate and the outturn position which had meant we had added large amounts to general fund balances/earmarked reserves.
- 5.5 However, for 2016/17 the council's net outturn was a variance of only £46k which was very close to the predicted position when the revised estimate was set in January 2017.

6 Capital Outturn

- 6.1 A report was presented on the overall capital outturn for 2016/17.
- 6.2 During the year the council had spent £716k on thirteen capital schemes and performance reward grants, which was 74.4% of the revised estimate.
- 6.3 Of the thirteen schemes, four were completed in year, five were substantially completed and would be finalised in 2017/18, one had not started in year but was due to be started in 2017/18 and the three housing capital grant schemes had all seen underspends, which would be slipped in to 2017/18.
- 6.4 Slippage had been requested on seven of the schemes totalling £270,640.

7 Any Other Business

- 7.1 Reference was made to the loss of cost sharing income and discussions at an earlier meeting of the Waste Management Working Group.

8 Date and Time of Next Meeting

- 8.1 The next meeting was agreed as Thursday 17 August 2017 at 4pm in Committee Room 1.