

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 17 AUGUST 2017

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

1 Apologies

Cllr: Elms

2 Minutes of meeting held on 12 July 2017

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

3 Overall Revenue Monitoring 2017/18

3.1 The Head of Financial Services took members through a report on overall revenue monitoring for the first 4 months of 2017/18. The report covered the main areas of employee costs, fees and charges, and interest.

3.2 Overall, the variances for the period up to the end of July were favourable, with a net saving/additional income of £62,670 based on the areas covered in the report.

3.3 The main reasons for the variance were increased income from planning fees and trade waste, partly offset by a fall in income at Ribblesdale Pool.

4 Budget Forecast 2018/19 to 2020/21

4.1 The Director of Resources took members through an update report on the budget forecast. The report provided details about Public Sector Pay and Price Inflation, Local Government Funding, Council Tax and the Additions Made to the Base Budget.

4.2 There was a discussion on the impact of Waste Management on the budget and the forthcoming Community Services Committee meeting.

4.3 Based on the assumptions made and the additions to the base budget regarding Waste management, Planning Fee Income and the new Director of Planning and Economic Development, reductions to expenditure were forecast to be needed of:

Reductions in expenditure required in order to achieve a balanced budget	
	£'000
2018/19	774
2019/20	956
2020/21	1,139

4.4 The next steps in the budget process were explained and advice was also sought regarding increases in fees and charges

- We should not be subsidising the services that are provided. Any charges should look to meet the costs of providing the services being used.
- As an **absolute minimum** all fees and charges should be increased by 2%.
- Where possible comparisons should be made to the charges being made by our neighbours in Lancashire – or wider if appropriate.

- We should thoroughly review our services for areas where we are not charging – but where a charge may be made/be appropriate.
- As part of the review, we should be looking at innovative ways of charging

4.4 With regard to capital bids it was agreed that new bids be sought for the 2022/23 financial year and that any bids be dealt with in the same manner as in previous years.

5 Any Other Business

5.1 There were no additional items of business.

6 Date and Time of Next Meeting

6.1 The next meeting was agreed as Wednesday 27 September 2017 at 4pm in Committee Room 1.

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 27 SEPTEMBER 2017

Present: Cllrs: K Hind (Chair), A Brown, A Knox and J Rogerson, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

Cllr: P Elms, T Hill and S Hirst

2 Minutes of meeting held on 17 August 2017

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

2.2 The Director of Resources gave an update on the latest position on the three new business rates relief schemes (Small Businesses; Pubs; Discretionary Relief Scheme). The Government were keen to know where local authorities were up to in implementing their new schemes. For this council, we had been waiting for the release of the new software to allow us to implement the scheme. The latest position was:

- Small Businesses – 15 auto adjusted
- Pubs – 50 invited to apply (25 completed applications had been returned)
- Discretionary Relief Scheme – 57 invited to apply (18 completed applications had been returned)

3 Consultation on Local Government Finance Settlement 2018/19

3.1 The above consultation was referred to by the Director of Resources. The Government were consulting on

- Their intended approach to the third year of the multi-year settlement
- Treatment of New Homes Bonus
- Council Tax Referendum Principles
- Tariffs and Top Ups adjustments following Business Rate Revaluation
- Mayoral Combined Authority Receipts
- Managing the effect of transferring fire functions from County Councils to police and Crime Commissioners

3.2 A full copy of the consultation was provided for members within the agenda pack and it was agreed that a suggested response to the consultation would be brought back to the next meeting of Budget Working Group. The closing date for the consultation was 26 October 2017.

3.3 There was a discussion on the proposals regarding 'New Homes Bonus and Planning Effectively'

3.4 Reference was also made to the proposal that 'shire district councils would be allowed increases of less than 2% or up to and including £5, whichever is higher' as part of the referendum principles.

3.5 The reference to parishes and the setting of their precepts was also discussed in the context of referendum principles within the consultation paper.

4 Business Rates Pooling 2018/19 - Update

4.1 The Director of Resources took members through a report updating them on the latest position with regard to the Lancashire Business Rates Pool.

- 4.2 It was explained that the pool had operated very well to date; however, there were complications currently as Burnley Borough Council were looking to re-join the business rates pool, having previously left in 2017/18.
- 4.3 The process regarding the pool and its members was explained with regard to 2018/19 together with the risks in respect of the pooling arrangements should there be agreement amongst the existing pool members to allow Burnley Borough Council to join a re-formed Lancashire Business Rates Pool.
- 4.4 There was a discussion around the risks and issues in respect of the Government's invitation for new pilots for pools under the 100% retention of business rates. The recommendation from the Lancashire pool member CFOs to their Leaders would be that such a venture would not warrant the risk, and with no benefit above the financial position that the Lancashire Business Rates Pool was already in.

5 New Homes Bonus

- 5.1 Members were asked to consider the potential to use an increased level of New Homes Bonus in support of the revenue budget in future years.
- 5.2 The current position on the use of New Homes Bonus in the support of both revenue and capital was provided and it was explained that the Government were currently consulting on proposals to introduce an adjustment for homes built following appeal and also the potential of a change in the 0.4% baseline.
- 5.3 Varying annual amounts had already been earmarked for capital purposes (along with other resources), but there was a fixed annual level of £793,079 New Homes Bonus used to finance the revenue budget in the latest forecast.
- 5.4 The implications of a change in the 0.4% threshold on the New Homes Bonus received were explained within the report.
- 5.5 The report showed a potential surplus of New Homes Bonus above that already earmarked over the next three years of £935,684. It was suggested that if this was split evenly over the next three years then potentially an extra £311,895 could be used annually in addition to the existing commitment of £793,079. This would still leave a buffer of £1.8m in earmarked reserves from past years unused New Homes Bonus should forecasts on future housebuilding be incorrect.
- 5.6 Members supported the recommendation that £1,104,974 per annum of New Homes Bonus should be used in future years (2018/19 onwards) in support of the revenue budget. However, concerns were expressed should the level of funding be withdrawn by the Government in future years.

6 Any Other Business

- 6.1 There were no additional items of business.

7 Date and Time of Next Meeting

- 7.1 Future meetings were agreed as:
- Wednesday 18 October 2017 at 4pm in Committee Room 1 (apologies from Cllr Rogerson)
 - Thursday 23 November 2017 at 4pm in Committee Room 1