

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 18 OCTOBER 2017

Present: Cllrs: P Elms (Chair), A Brown, A Knox, T Hill and S Hirst, Chief Executive, Director of Resources, Director of Community Services, Head of Financial Services.

1 Apologies

Cllrs: K Hind and J Rogerson

2 Minutes of meeting held on 27 September 2017

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

2.2 With reference to the item on New Homes Bonus, the Director of Resources gave an update on the latest position on the council taxbase for 2018/19 and the impact on the New Homes Bonus we may receive.

3 Business Rates

3.1 The Director of Resources took members through a report on the latest position regarding Business Rates. This included background on how the scheme has, and is evolving.

3.2 An update was given on the Lancashire Business Rates Pool, following a meeting that had been held the previous day. It had been agreed at the meeting of the Governing Body (Leaders at pool member councils) that the following next steps be taken with regard to the Lancashire Business Rates Pool 2018/19:

Submit a new application with Burnley re-joining, but conditional on making the point to DCLG that if the new application is not accepted, then the current pool would remain.

3.3 In context, the recommendation to the Governing Body from the Executive Body (S151 officers from pool member councils) had been unanimously that the pool should continue as currently (as for 2017/18) without change due to the level of risk involved.

3.4 Looking at Business Rates for this council for the current year 2017/18, the Director of Resources provided a detailed breakdown of the calculation of retained rates.

3.5 If estimates proved correct the council would be expecting a total income of £1,064,400 of which £275,514 would be in support of the revenue budget, the balance of £787,886 to be set aside in the Business Rates Volatility earmarked reserve.

3.6 A summary of growth since the inception of the retention system was given and this demonstrated how the Business Rates Volatility earmarked reserve had been built up to healthy levels that could now be relied upon.

3.7 As the Business Rates Volatility earmarked reserve was now in a robust position it was suggested that a greater level of business rates could now be used to support the revenue budget. It was estimated that up to a further £400k could be used – increasing potential total usage from £276k to £676k

3.8 It was suggested that now the budget working group had been provided with details of the position on both New Homes Bonus and Business Rates that a modelling of the position in the context of the budget forecast could be given to members for consideration at the next meeting. It was agreed that this would be the best way forward.

4 Draft Response to Consultation on Local Government Finance Settlement 2018/19

4.1 The consultation document had previously been circulated and discussed at the budget working group on 27 September where it was agreed that a suggested response would be brought back to this meeting.

4.2 The budget working group agreed with the suggested response.

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 Thursday 23 November 2017 at 4pm in Committee Room 1.