

# MINUTES OF BUDGET WORKING GROUP MEETING

## HELD 28 JUNE 2018

Present: Cllrs: K Hind (Chair), S Atkinson, A Brown, S Hirst, A Knox, R Swarbrick, Chief Executive, Director of Community Services, Director of Resources, Head of Financial Services.

### **1 Apologies**

Cllr: J Rogerson

### **2 Minutes of meeting held on 14 February 2018**

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

### **3 Introduction to Role of Budget Working Group**

3.1 Due to the change in membership of the Budget Working Group, the Director of Resources took members through a report explaining the role of the Budget Working Group, including the key tasks that they would be involved in based on the past work of the group.

3.2 An introductory guide to local government finance that had been produced by CIPFA was also included with the report and there was a discussion amongst the group around some of the key differences between public and private sector accounts and presentation, also the disparity in the importance placed on 'cash' between the two sectors.

### **4 Capital Outturn 2017/18**

4.1 A report was presented on the overall capital outturn for 2017/18.

4.2 During the year the council had spent £723k on 24 capital schemes and performance reward grants, which was 56.8% of the revised estimate.

4.3 Of the twenty four schemes, twelve were completed in year, five were in progress and would be completed in 2018/19, four had not started in year but were due to be started in 2018/19 and the three housing capital grant schemes had all seen underspends, which would be slipped in to 2018/19. There was a detailed discussion around Disabled Facility Grants, notably the application and approval process and how they are funded.

4.4 Slippage had been requested on twelve of the schemes totalling £551,090.

### **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 deficit of £183,000 which had been taken from general fund balances. This compared to the forecast position at the revised estimate of taking £283,000.

5.3 Larger variances had particularly been seen around the substantial overspend on refuse collection vehicle maintenance (see separate agenda item), increase planning fee income received late in the year and a higher level of S31 Grants in respect of central government business rates measures.

5.4 There had also been an increase in the amount set aside to earmarked reserves which largely reflected the increased S31 Grants in respect of business rates measures and a number of other grants received in respect of expenditure yet to be incurred.

5.5 Details were also provided on the individual earmarked reserves held and also the closing position on the collection fund.

## **6 Budget Monitoring 2018/19**

- 6.1 The Head of Financial Services took members through a report on overall revenue monitoring for the first 2 months of 2018/19. The report looked at the high level subjective budget and identified any variances at that level that were above £10,000, with variance reasons.
- 6.2 Due to past concerns, Refuse Vehicle Maintenance Costs had been identified separately within the report, but the current monitoring period showed spend to be within budget.
- 6.3 There were continued high levels of income from Planning Fees and Trade Waste Collection.

## **7 Refuse Collection Vehicle Maintenance Overspend 2017/18**

- 7.1 The Director of Resources took members through a report that explained the overspend on refuse vehicle maintenance in 2017/18 and the action that CMT were taking.
- 7.2 Details were provided of costs over the past 7 years compared to budgets, which identified overspends starting in 2016/17 and increasing substantially to the levels experienced in 2017/18.
- 7.3 It was explained that CMT had been reviewing work that had been undertaken on spend patterns/type and a recent meeting had been held on 20 June to review more recent detailed analysis.
- 7.4 It was explained that CMT had agreed the following in addition to the normal budget monitoring processes:
- The consideration of vehicle maintenance expenditure against budget would be a standing monthly CMT item for the current year.
  - A template be devised which would be signed off in advance by the refuse manager to inform of any large one-off maintenance work.
  - The information gathered would be monitored and used to determine whether the budget should be increased or weather alternative options should be introduced for the future.
- 7.5 It was highlighted that the previous item on budget monitoring had identified that the current monitoring period showed refuse collection vehicle maintenance spend to be largely within budget.

## **8 BWG Workplan 2018/19**

- 8.1 A suggested workplan for the Budget Working Group in 2018/19 was presented by the Director of Resources.
- 8.2 The report listed a number of suggested meeting dates, together with timetabling for a number of tasks.
- 8.3 It was highlighted that other matters may arise as the year progresses and that the suggested dates may change if people are unable to attend on the suggested dates.

## **9 Any Other Business**

- 9.1 There were no other items of business.

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

4pm Wednesday 8 August 2018 in Committee Room 1

# MINUTES OF BUDGET WORKING GROUP MEETING

HELD 8 AUGUST 2018

Present: Cllrs: K Hind (Chair), S Atkinson, A Brown, S Hirst, J Rogerson, R Swarbrick, Chief Executive, Director of Community Services, Director of Resources, Head of Financial Services.

## 1 **Apologies**

Cllr: A Knox

## 2 **Minutes of meeting held on 28 June 2018**

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

## 3 **Local Government Finance Settlement 2019/20: Technical Consultation**

3.1 The Director of Resources took members through a report on a technical consultation regarding the Local Government Finance Settlement 2019/20.

3.2 The consultation covered a number of areas including:

- Multi-Year Settlement Offer
- New Homes Bonus
- Council Tax Referendum Principles
- Negative Revenue Support Grant

3.3 Members were taken through the salient points from the consultation and it was agreed that as the closing date for the consultation was Tuesday 18 September, a draft response to the consultation would be brought back to the next meeting of Budget Working Group, with a view to this then being reported for information to the next Policy and Finance Committee (being 25 September).

## 4 **New Homes Bonus**

4.1 Members were taken through a report on the latest position with regard to New Homes Bonus. Details of the background to the scheme and more recent changes were provided within the report.

4.2 The current level of funding from New Homes Bonus and that received in more recent years was given, alongside details of how this funding stream is used across both revenue and capital.

4.3 The impact of any change to the current threshold on New Homes Bonus payments was also shown and discussed.

4.4 There was a discussion on the mechanics of the New Homes Bonus scheme and the current levels of unused New Homes Bonus set aside in earmarked reserves. This was discussed in the context of future planned usage of New Homes Bonus funding for Capital and the more recently increased level of usage to support the Revenue budget.

## 5 **Business Rates Pilots 2019/20**

5.1 Members were taken through a report on the Government's recent announcement concerning Business Rate Pilots for 2019/20.

5.2 The history and background to past business rates pilots and their purpose was explained, particularly around past 100% business rates pilots.

- 5.3 The new announcement from the Government was looking at 75% business rates pools and proposals for pool pilots would require detailed information around risk, reward, financial stability of all parties and the governance arrangements that would be put in place.
- 5.4 Also required would be details of how any business rates growth would be spent. It was also highlighted that the Government had removed the 'no detriment' clause that had been applied to past pilots, but instead the safety net would be increased from 92.5% to 95%.
- 5.5 The report explained the current position around business rates retention and also the structure and history of the Lancashire Business Rates Pool.
- 5.6 It was explained that further work would be needed to ascertain whether it would be in the council's interests to submit a bid to become a new 75% pilot, to which members agreed.

## **6 Revenue Budget Monitoring 2018/19**

- 6.1 The Head of Financial Services took members through a report on overall revenue monitoring for the first 3 months of 2018/19. The report looked at the high level subjective budget and identified any variances at that level that were above £10,000, with variance reasons.
- 6.2 Due to past concerns, Refuse Vehicle Maintenance Costs had been identified separately within the report, but there was no significant variance to the end of the period.
- 6.3 There were continued high levels of income from Trade Waste Collections. However the low level of income being received from the sale of paper under the refuse collection service was concerning.

## **7 Any Other Business**

- 7.1 There were no other items of business.

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

3pm Wednesday 5 September 2018 in Committee Room 1