

# MINUTES OF BUDGET WORKING GROUP MEETING

## HELD 20 SEPTEMBER 2018

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

### 1 **Apologies**

Cllrs: J Rogerson, R Swarbrick

### 2 **Minutes of meeting held on 5 September 2018**

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

### 3 **Business Rate 75% Pool Pilot – to consider whether to join the Lancashire application**

3.1 The Director of Resources took members through a report that had been prepared for the Lancashire Leaders and Chief Executives regarding the proposed Lancashire Pilot Pool Bid for 2019/20.

3.2 The report detailed the very tight timetable that was being worked to, with all 16 Lancashire authorities including Fire and Rescue having been asked to confirm:

- Existing Lancashire Pool members accept the risk to the current pool by submitting a pool pilot bid
- Pool pilot members understand the risks set out for the pool and for their own councils
- Pool pilot members are in support of the 3 stage approach to allocate the extra growth as set out within the report.

3.3 The report was very detailed with potential financial impacts given for all councils across Lancashire and the risks that each may face.

3.4 There were a number of questions from members on the operation of the pool and the approval process and a general discussion took place with regard to the pooling pilot and the mechanics of coordinating matters with the other Lancashire authorities.

3.5 It was agreed that the Director of Resources should confirm to the other Lancashire authorities that the council accepts the above three bullet points at 3.2. It was also proposed that in light of the tight deadline there be a meeting of the Emergency Committee on Tuesday 25 September to consider the proposal for the council to be a member of the Lancashire Pilot Pool bid for 2019/20.

### 4 **Any Other Business**

4.1 There were no other items of business.

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

4pm Wednesday 7 November 2018 in Committee Room 1

# MINUTES OF BUDGET WORKING GROUP MEETING

## HELD 5 SEPTEMBER 2018

Present: Cllrs: K Hind (Chair), S Atkinson, A Brown, S Hirst, A Knox, J Rogerson, R Swarbrick, Chief Executive, Director of Community Services, Director of Resources, Director of Economic Development and Planning.

### 1 **Apologies**

Head of Financial Services

### 2 **Minutes of meeting held on 8 August 2018**

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

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

3.1 The Director of Resources took members through a draft response to the 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 The BWG agreed a draft response to the consultation which would be submitted by the deadline of 18 September and reported for information to the next Policy and Finance Committee (being 25 September).

### 4 **Business Rates 75% Pilots Update**

4.1 Members were taken through a report on the latest position regarding the business rate 75% pilots.

4.2 The Director of Resources explained the current position regarding the potential benefits of a Lancashire pool pilot. It could be estimated that the extra growth as a result of a new pilot would be in the region of £10m assuming every local authority was a member of the new pilot and also the business rate income for 2019/20 was similar to levels predicted in 2018/19.

4.3 It was explained that this 'extra' growth was as a result of the government giving up 25% and the members of a pilot retaining 75% of the growth/loss.

4.4 The Director of Resources informed the group that a meeting of Lancashire Chief Financial Officers had been arranged for later in the current week to discuss the potential for a pilot application for Lancashire.

4.5 It was also anticipated that this would be discussed at the next Lancashire Leaders/Chief Executives meeting.

## **5 Budget Forecast 2019/20 to 2021/22**

- 5.1 The Director of Resources presented the Council's latest budget forecast. She explained the key assumptions that had been made with regard to inflation, pay increases and interest rates. The Director also explained the uncertainties surrounding local government finance from 2020/21 onwards, particularly the outcome of the Fair Funding Review and the implementation of a 75% Business Rate Retention scheme.
- 5.2 At this stage the forecast assumed relying on the same levels of New Homes Bonus and Business Rate Growth.
- 5.3 With regard to council tax levels the forecast assumed an increase of £5 each year, however the Director of Resources stressed this was a decision ultimately for members.
- 5.4 A number of budget pressures were highlighted. These included reductions in income received from paper and card and also refuse collection vehicle maintenance costs.
- 5.5 The budget forecast predicted a shortfall of £101k in 2019/20; £225k in 2020/21 and £426k in 2021/22.
- 5.6 A discussion took place regarding advice to service committees in considering their budgets and it was suggested that, at this stage of the budget process, committees should not be asked to identify savings.

## **6 Any Other Business**

- 6.1 There were no other items of business.

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

Original meeting scheduled for 3 October to be rearranged due to clashes.