

# MINUTES OF BUDGET WORKING GROUP MEETING

## HELD 17 JANUARY 2019

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

### 1 Apologies

Cllrs: S Hirst, A Knox and J Rogerson. Director of Economic Development and Planning.

### 2 Minutes of meeting held on 7 November 2018

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

### 3 Provisional Local Government Finance Settlement 2019/20

3.1 A report was presented by the Director of Resources on the Provisional Local Government Finance Settlement 2019/20. It was explained that the information presented was in respect of the provisional settlement, with the final settlement expected to be laid before the House of Commons in February.

3.2 The report gave key information around:

- Provisional Settlement Funding Assessment - £1,440,600 for 2019/20.
- New Homes Bonus - no change to the baseline for 2019/20, but still uncertainty going forward.
- Business Rates - confirmation that the new Lancashire Pilot pool had officially been designated by MHCLG, subject to any parties withdrawing within the 28 days after the Provisional Local Government Finance Settlement date of 13 Dec 2018. Extra growth retained for this council was indicated as £360k.
- Levy Account Adjustment – the Government had announced that there was a surplus on the levy account (where levies from authorities payable on growth are used to compensate those authorities below their safety net threshold). This was to be distributed and this council were to benefit by £20,446.
- Negative Revenue Support Grant – this would be eliminated by the Government for 2019/20 via foregone business rate receipts. Negative RSG for this council would have been £109k.
- Rural Services Delivery Grant – the council's initial allocation for 2019/20 of £86,603 would be increased to £107,921.
- Social Care – whilst not directly impacting this council, there was extra funding announced of £650m in 2019/20 for local authorities.
- Council Tax Referendum Principles – for this council there was the ability to increase council tax by up to 3% or up to and including £5, whichever is higher.
- Spending Power – the Government's calculation of 'Spending Power' for this council was identified as being £6,754,763 in 2019/20.

3.3 There was a discussion about the Government's calculation of 'Spending Power' and the principles that it was based on. The Chair made reference to the efficiencies of the Council in respect of the increase in households compared to the increase in the level of council tax income over past years. There was also a discussion on Job Evaluation and market forces on pay.

3.4 The 2019 Spending Review was discussed, it confirming the overall local government resourcing from 2020/21, with the government working towards significant reform, including:

- updated, more robust and transparent distribution methodology following the review of relative needs and resources.
  - reforms to business rates retention, including resetting business rates baseline.
- 3.5 The deadline for the consultations regarding these areas was 21 February 2019 and it was agreed that a draft response would be brought to the next meeting.

#### **4 Revenue Budget 2018/19 and 2019/20 Latest Position**

- 4.1 An update on the revised budget for 2018/19 and the budget position for 2019/20 was provided to members by the Director of Resources. The main variances from original estimate to revised estimate 2018/19 were provided within the report. Overall, revised committee budgets were forecast to be £144,900 above the original estimate.
- 4.2 The use of general balances also showed a likely decrease from taking £170,738 to taking £54,388. Net resources being added to Earmarked reserves were forecast to decrease from adding £1,416,194 to adding £1,339,693.
- 4.3 Looking forward to the 2019/20 original estimate, committee expenditure was set to increase by £491,660 compared to the original estimate for 2018/19. Again the main variances were provided within the report.
- 4.4 Looking at earmarked reserves, there was a forecast of £303,459 less being added, compared to the original estimate 2018/19.
- 4.5 The impact of the latest position on the council tax was discussed, and a number of scenarios were provided to members. Use of New Homes Bonus was also discussed with members, as was the position on Business Rates. It was explained that a clearer forecast for Business Rates should be available over the next week, once the NNDR1 return had been finalised.
- 4.6 Members were asked for a number of decisions to be made in order to further progress the budget for 2019/20:
- **Use of balances.** Members confirmed the use of balances of £82,376 to support the revenue budget.
  - **Council Tax.** Members agreed to progress on the basis of a zero increase in the council's Band D council tax (£150.69).
  - **New Homes Bonus.** Members agreed to leave the amount used to fund the revenue budget at the current level of £1,105,000.
  - **Business Rates Growth.** Members agreed to increase the amount of business rate growth/retained levy under pooling up to £675,514 per annum.
- 4.7 Members agreed that the Revenue Budget report to Special Policy and Finance Committee was to be prepared on the basis of the responses to the above questions.

#### **5 Five Year Capital Programme to Date**

- 5.1 The Head of Financial Services updated members on the latest position with regard to the five year capital programme. All bids had been considered, together with the new Edisford Sports Complex bid and the additional scheme as proposed by Community Services Committee.
- 5.2 CMT had reviewed which schemes to now take forward and add to the five year capital programme 2019/20-2024/25. A number of recommendations had been made and members were taken through each of these.
- 5.3 Suggested funding for the resulting five year capital programme was also provided, which was supported by members.

- 5.4 The budget working group agreed with the proposals in the report, with the minor adjustment that the Castle Repointing scheme also be moved from 2019/20 to 2020/21 to give more time to identify external funding in order to allow the scheme to progress.
- 5.5 Members agreed that the five year capital programme report to Special Policy and Finance Committee was to be prepared on the basis of what had been presented, with the additional adjustment for the castle Repointing scheme.

**6 Any Other Business**

- 6.1 The requirement for the statutory meeting with Representatives of Business Rates Payers was discussed, and it was agreed that this would be held after the next Budget Working Group meeting.

**7 Date and Time of Next Meeting**

3.15pm to 4.00pm Monday 11 February 2019 in Committee Room 1 meeting of the Budget Working Group, followed by

4.00pm Monday 11 February 2019 - statutory meeting with Representatives of Business Rates Payers.

*Apologies were given in advance by the Director of Community Services.*

# MINUTES OF BUDGET WORKING GROUP MEETING

HELD 11 FEBRUARY 2019

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

## **1 Apologies**

Cllrs: A Knox and Director of Community Services.

## **2 Minutes of meeting held on 17 January 2019**

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

## **3 Fair Funding Consultation**

3.1 The Director of Resources took members through the background of the consultation and the key points that were pertinent to this council were discussed as part of a walk-through of the consultation document.

3.2 A draft of the proposed responses to the consultation for this council were provided to members and any feedback, further additions or changes were invited.

3.3 A copy of the comments made by the District Councils' Network in response to the consultation was shared with members. Also a copy of work completed by LG Futures on behalf of the Society of District Council Treasurers, together with that of the Rural Services Network, was shared.

3.4 Members were supportive of the proposed response. The Director of Resources highlighted that the deadline for responses was 21 February 2019, should any member have any further comments to add prior to submission.

## **4 Business Rates Retention Reforms Consultation**

4.1 Again, the Director of Resources took members through the background of the consultation and the key points that were pertinent to this council were discussed as part of a walk-through of the consultation document.

4.2 A draft of the proposed responses to the consultation for this council were provided to members and any feedback, further additions or changes were invited.

4.3 A copy of the comments made by the Rural Services Network in response to the consultation was shared with members.

4.4 Members were supportive of the proposed response. The Director of Resources highlighted that the deadline for responses was again 21 February 2019, should any member have any further comments to add prior to submission.

## **5 Any Other Business**

5.1 There were no other items of business.

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

6.1 No further meeting dates were set.

The meeting was followed by the statutory meeting with Business Rate Representatives.

# MINUTES OF BUDGET WORKING GROUP MEETING

## HELD 18 JULY 2019

Present: Cllr S Atkinson (Chair), A Brown, S Fletcher, S Hore, D Peat, J Rogerson, Chief Executive, Director of Resources.

### 1 **Apologies**

Cllrs S Hirst, A Knox

Director of Community Services, Director of Economic Development and Planning, Head of Financial Services

### 2 **Minutes of meeting held on 11 February 2019**

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

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

3.1 The Director of Resources gave members an introduction to the role of the Budget Working Group, including an outline of its key roles and an understanding of the budget processes and timeline. A number of questions were asked

### 4 **Overall Capital Outturn 2018/19**

4.1 Members were taken through a report on the overall position regarding the outturn for the capital programme for 2018/19.

4.2 The total approved budget for the year was £2,126,200, the revised estimate was £2,004,770 with actual expenditure of £1,276,243.

4.3 Thirty-one schemes were included in the revised capital programme of which

- 19 were completed in 2018/19
- 8 were in progress at year-end
- 3 were housing grant schemes on which there were underspends in 2018/19 – these grants continue into 2019/20
- 1 scheme was deleted

4.4 The Director of Resources highlighted the main reasons for the £728,527 underspend. This largely consisted of schemes which had been carried forward into 2019/20 as slippage

### 5 **Overall Revenue Outturn 2018/19**

5.1 The Director of Resources took members through a report which explained the position on the Revenue Outturn for 2018/19. She explained that the Statement of Accounts had now been submitted to Accounts and Audit for approval at their meeting on 24 July 2019.

5.2 Overall the outturn produced a deficit of £62k which compared with an original estimate deficit of £171k and a revised estimate deficit of £54k. The resulting deficit meant that £8,000 more had been taken from general fund balances than predicted when the revised estimate had been prepared.

5.3 The Director highlighted some of the key variances which were also due to be reported to service committees in the next cycle.

5.4 She also explained the outturn position with regard to Business Rates. The outturn was total Business Rate income of £2,652,000 which included:

- Business Rates Baseline of £1,303,000

- Business Rates Growth of £399,000
- Renewable Energy income of £92,000
- Section 31 Grants of £955,000
- Less levy paid to LCC of £72,000
- Less Business Rates Collection Fund Deficit of £25,000

## **6 BWG Workplan 2019/20**

- 6.1 The Director of Resources explained that it was useful at this stage of the cycle to set up some BWG meeting dates and also gave an indication of a suggested workplan
- 6.2 Some discussion took place regarding the suggested dates and it was agreed that the following meetings be set up.
- Tuesday 20 August 2019 4pm
  - Thursday 19 September 2019 5pm
  - Wednesday 16 October 2019 4pm
  - Tuesday 12 November 2019 5pm
  - Thursday 12 December 2019 4pm
  - Thursday 16 January 2020 4pm

## **7 Any Other Business**

- 7.1 There were no other items of business.

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

Tuesday 20 August 2019 4pm Committee Room 1.