

# MINUTES OF BUDGET WORKING GROUP MEETING

## HELD 19 SEPTEMBER 2019

Present: A Brown, S Hirst, S Hore (Chair), D Peat., J Rogerson, Chief Executive, Director of Resources, Director of Community Services, Director of Economic Development and Planning, Head of Financial Services.

### 1 **Apologies**

Cllrs: Cllrs: S Atkinson, S Fletcher, A Knox

### 2 **Minutes of meeting held on 20 August 2019**

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

### 3 **Spending Round 2019**

3.1 The Director of Resources took members through an update regarding the Spending Round 2019 that had been announced on 4 September 2019. Included within the report was a briefing from the Local Government Association.

3.2 The briefing covered a number of areas, notable areas impacting on this council being:

- Core Spending Power: *£2.9bn increase in Core Spending Power overall – most focused on adult's and children's services.*
- Business Rates and the Fair Funding Review: *baseline funding levels will increase in line with CPI; delay in implementation of 75% business rates retention and the Fair Funding Review until April 2021; 75% business rates pilots will come to an end and no new pilots planned for 2020/21.*
- Council Tax: *assumes 2% maximum council tax increase and a further 2% increase for Adult Social Care Precept (Customary for government to consult on these later in the year)*
- New Homes Bonus: *Legacy payments will be honoured but the scheme for 2020/21 is still for discussion with ministers.*
- Negative Revenue Support Grant: *Funding to remove negative RSG has been continued.*

3.3 There was a discussion on the briefing document, which particularly focused around the implications of the announcements for the Lancashire Business Rates Pilot Pool, and in light of the wording contained in the Spending Round 2019 document, whether it was possible to revert to a 50% pool if the current pool was to come to an end.

### 4 **Budget Forecast 2020/21 to 2022/23**

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, Interest rates, the 2019 Spending Round, New Homes Bonus, Business Rates, Council Tax, base budget additions and the latest forecast position.

4.2 There was a discussion on proposed increases to the base budgets for increased refuse collection costs (vehicle maintenance), the impact of the Superannuation Triennial Review and the assumptions made around Growth Items, in that as in in past years any growth items should be met from corresponding savings.

4.3 Based on the assumptions made and the additions to the base budget, the budget shortfall was shown as below:

<b>Reductions in expenditure required in order to achieve a balanced budget</b>	
	<b>£'000</b>
2020/21	0
2021/22	182
2022/23	221

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

- Committees should be seeking to achieve an increase in income from fees and charges to achieve an overall increase of 2%.
- It was recognised that there were some service areas that had seen substantial increases in charges in past years, and that some of these areas may see an increase lower than 2%. As a result it was likely that there would be a consequential impact on the ability of some committees to achieve the full 2% in this review.
- There were no specific concessions/price freezes highlighted as being needed in any service areas by members.

## **5 Any Other Business**

5.1 There were no other items of business.

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

Previously circulated dates were:

- Wednesday 16 October 2019 4pm
- Tuesday 12 November 2019 5pm
- Thursday 12 December 2019 4pm
- Thursday 16 January 2020 4pm