

MINUTES OF BUDGET WORKING GROUP MEETING

HELD 18 AUGUST 2021

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

2 Apologies

2.1 Cllr S Hirst

3 Minutes of meeting held on 14 May 2021

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

4 Summary Outturn of 2020/21 Accounts

4.1 Members were taken through a report on the overall revenue outturn position. It was explained that the timeline for the closure of accounts had changed, however it had not been possible to meet these new national deadlines, but that this was the case at many authorities due to resource pressures and the complexities around accounting for Covid income and expenditure.

4.2 The final outturn was a surplus of £158,000 which had been added to general fund balances. This compared to the forecast position at the revised estimate of taking £158,000.

4.3 The largest variance had particularly been seen around the substantial overspend on refuse collection vehicle maintenance. There were also large variances in respect of Covid related income and expenditure, where the council was acting in the capacity of 'principal'.

4.4 The large movements in earmarked reserves at year-end had largely been regarding Covid funding. Part of this was in respect of the balance of general Government funding towards Covid related costs and would be used to fund costs in 2021/22. Other large movements were in respect of the Covid-19 impact through the Business Rates Collection Fund deficit in 2021/22, and the mismatch of timings in the receipt of compensatory funding through S31 grants on the general fund, which had been received in 2020/21 and had been set aside in earmarked reserves until 2021/22.

4.5 Details were provided on the key variances, the individual earmarked reserves held and also the closing position on the collection fund.

5 Local Council Tax Support Scheme

5.1 Members were asked to consider the council's next steps with regard to the Local Council Tax Support Scheme for the 2022/23 financial year.

5.2 Members were taken through the varying levels of support seen across Lancashire.

5.3 The Local Government Hardship Fund was also referenced. At the budget setting debate for the current year it had been discussed whether the £150 relief should be continued, funded from the Council's share of the £670m Local Council Tax Support Grant, but it was agreed at that time that focus should instead be on removing the 12% reduction in support to working age claimants going forward.

5.4 A summary of the cost of support was given to members in the report, together with details of how this was borne by each preceptor.

5.5 Members were in support of the proposed removal of the 12% reduction in support to working age claimants. A third party was then to be engaged to carry out the consultation prior to recommendation to Policy and Finance.

6 2022/23 Revenue and Capital Budgets

6.1 There was a discussion on the way forward for the council's revenue and capital budgets.

6.2 It was agreed that the capital programme should be returned to a five-year capital programme at that bids should be sought from Heads of Services for the 2025/26 and 2026/27 years.

6.3 There was a discussion around the overspend on refuse collection vehicle repair costs, fleet size, spend on hire vehicles and associated previous recruitment issues in the maintenance service.

6.4 Members were clear that recruitment and retention was the biggest issue facing the council and that solutions to this should be prioritised. Good quality services were paramount and recruitment and retention were key to this.

6.5 Members were reminded that they normally set the budget setting parameters for committees to act on. Members were happy with the assumptions that had been made in previous budget forecasts.

7 Additional Restrictions Grants

7.1 The Director of Resources took members through a report that looked at the latest position on the Additional Restrictions Grant (ARG) Scheme and the amounts paid out to date. The report also informed members of the second top-up of £567K and asked members to consider how the additional for ARG grants should be distributed.

7.2 The general consensus was that this tranche of extra funding should be spent more strategically rather than simply making further payments under the current scheme.

8 Any Other Business

8.1 There were no other items of business.

9 Date and Time of Next Meeting

No further meeting was arranged at this time.