

# MINUTES OF BUDGET WORKING GROUP MEETING

HELD 20 DECEMBER 2023

Present: Cllrs: S Atkinson (Chair), S Hirst, S Hore, J Rogerson

Officers: Director of Resources, Director of Economic Development and Planning, Director of Community Services, Head of Financial Services, Head of Revenues and Benefits.

## 1 Apologies

1.1 Not Attending: Cllrs: S Fletcher, L Jameson and G McCrum.

## 2 Minutes of meeting held on 25 September 2023

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

## 3 Provisional Local Government Finance Settlement 2024/25

3.1 The Director of Resources gave an outline of the sequence of events and releases that lead to the final settlement. Currently it was at the stage of the Provisional Settlement and prior to that had been the release of the Policy Statement.

3.2 Details of the Provisional Settlement were presented to members.

4.5 Core Spending Power	Ribble Valley BC			
	2023/24	2024/25	Movement	
	£m	£m	£m	%
Settlement Funding Assessment	1.453665	1.508544	0.054879	3.8%
Compensation for under-indexing the business rates multiplier	0.239342	0.294109	0.054767	22.9%
Council Tax	4.139603	4.342947	0.203344	4.9%
Improved Better Care Fund				
New Homes Bonus	0.506197	0.647509	0.141312	27.9%
Rural Services Delivery Grant	0.126574	0.126574	0.000000	0.0%
Social Care Grant				
Adult Social Care Market Sustainability and Imp Fund				
Adult Social Care Discharge Fund				
Services Grant	0.054777	0.008619	-0.046158	-84.3%
Grants rolled in				
One-off Funding Guarantee	0.773369	0.710563	-0.062806	-8.1%
<b>Total</b>	<b>7.293527</b>	<b>7.638865</b>	<b>0.345338</b>	<b>4.7%</b>

3.3 It was highlighted that in the released Provisional Settlement documents, the Funding Guarantee was no longer listed as 'one-off'.

3.4 Referring to Council Tax income, it was still possible for the council to increase by £5 rather than the cap of 2.99%, and this should be the case for two more years.

3.5 There was discussion on New Homes Bonus and its unexpected inclusion in the Provisional Settlement.

3.6 The Director of Resources referred to the careful wording in the statement from the Government about the use of reserves.

3.7 The reliance on Business Rates Growth was discussed and the necessary prudence in the approach to the budget forecast, including the forecast reduction on reliance to £1m in future years. There were concerns around when any business rates reforms may actually take place, and around the uncertainty this placed on the council for any medium to long term plans.

3.8 There were also discussions around the level of investment income that the council was seeing due to the higher interest rates, with latest forecasts of approximately £1.2m for the current year (budget allows for £450K).

#### **4 Transformation and Savings Plan**

4.1 The draft Auditors Annual Report for 2022/23 and the recommendations contained within it were discussed, notably that the council produce a savings plan for any future forecast budget gaps identified.

4.2 The scale of the recommendation and the next stages of escalation in respect of making recommendations were discussed.

4.3 Members queried the level of detail that would need to be included within any savings plan and the potential for raising unnecessary concerns around proposals that may not materialise in future years due to the nature of recent local government finance settlement announcement, being annual and with no medium to long term certainty.

4.4 There were discussions around moving uncertain funding streams to support the capital programme, rather than revenue, as in some cases it may be easier to halt, pause or reduce spend of this nature as opposed to revenue expenditure.

4.5 It was agreed that the Budget Working Group would work towards developing a savings plan for inclusion in the next Medium Term Financial Strategy and Plan.

#### **5 Date of Next Meeting**

5.1 The next meeting was proposed as 24 January 2024 starting at 2pm.

# MINUTES OF BUDGET WORKING GROUP MEETING

HELD 24 JANUARY 2024

Present: Cllrs: S Atkinson (Chair), S Hore, J Rogerson

Officers: Director of Resources, Director of Economic Development and Planning, Director of Community Services, Head of Financial Services, Head of Revenues and Benefits.

## **1 Apologies**

- 1.1 Apologies: Cllr S Hirst,
- 1.2 Not Attending: Cllrs: S Fletcher and L Jameson.

## **2 Minutes of meeting held on 20 December 2023**

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

## **3 Revenue Budget**

- 3.1 The Director of Resources took members through the early stages of the draft budget position, bringing together the budget figures as presented to service committees for both the revised estimate 2023/24 and the original estimate for 2024/25.
- 3.2 At this stage all service committees had met, apart from Economic Development committee which was to meet the following evening.
- 3.3 Examining the Revised Estimate there was a large swing of £1.8m in the net position, showing a likely addition to reserves of £1.5m rather than the original budget of taking £300K.
- 3.4 The main variances associated with this movement were presented to members, but centred around the one-off business rates refunds received totalling £508K, increased levels of investment income of £896K and lower levels of utility costs than expected of £496K, all of which were very much one-off windfall savings.
- 3.5 Looking at the original estimate for 2024/25, again this reflected what had been reported to service committees, but with the addition of £48K for help towards delivering UKSPF projects and two contingencies for £200K each covering:
  - potential higher pay awards than budgeted for: £200K
  - potential higher energy prices due to current price volatility: £200K
- 3.6 Background to the position on Business Rates (NNDR1 now submitted), New Homes Bonus and Council Tax was provided to members and was outlined in the report.
- 3.7 The latest forecast budget position for 2024/25 showed that potentially £130K could be added to general fund balances. However, due to the level of investment income that was forecast, which was based on current industry base rate forecasts, caution was given around using such income for adding recurring items into the budget.
- 3.8 It was agreed that a further meeting would be needed prior to finalising any recommendations to Special Policy and Finance Committee.

## **4 Fiver Year Capital Programme**

- 4.1 The capital programme bids that had been submitted were discussed by members. Most of the proposed schemes were in respect of replacement equipment and vehicles needed for services to continue.
- 4.2 Members were also shown the current years capital programme and there was a discussion on the schemes that were being moved forward from the 2023/24 financial year to the 2024/25 financial year.

4.3 Members were supportive of the bids that had been submitted and it was agreed that proposals for financing the schemes should be brought to the next meeting of Budget Working Group in order to then be put forward as a recommendation to Special Policy and Finance Committee.

**5 Date of Next Meeting**

5.1 The next meeting was proposed as 1 February 2024 starting at 12.30pm.

# MINUTES OF BUDGET WORKING GROUP MEETING

## HELD 1 FEBRUARY 2024

Present: Cllrs: S Atkinson (Chair), S Hirst, S Hore, J Rogerson

Officers: Director of Resources, Director of Economic Development and Planning, Director of Community Services, Head of Financial Services.

### **1 Apologies**

- 1.1 Apologies: Cllr S O'Rourke
- 1.2 Not Attending: Cllrs: S Fletcher and L Jameson.

### **2 Minutes of meeting held on 24 January 2024**

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

### **3 Revenue Budget**

- 3.1 The Director of Resources took members through the latest position on the Revenue Budget. It was explained that the figures represented those as presented to Service Committees in the last round of meetings, with a few additions which were highlighted and explained to members.
- 3.2 It was explained that the £88K discussed at Community Services Committee in respect of the Museum Service had not been included at this stage. Members proposed that this be included for 12-months within the budget, with an action for Community Services Committee to establish a long-term plan for the facility.
- 3.3 The main reasons for the large movement in the Revised Estimate compared to that in the Original Estimate could be accounted for over three large one-off windfall savings, resulting in £1.5m forecast to be added to General fund balances (rather than taking £300K):
  - Investment income up by - £896K
  - Business Rates refunds - £508K
  - Utility costs lower than Budgeted - £496K
- 3.4 Looking at the 2024/25 budget, the estimate of investment income had been reviewed since the last meeting. This was due to the level of spend forecast under the capital programme for 2024/25, which would somewhat reduce available cash balances for investment. The estimate had been reduced from £1.17m to £1.058m
- 3.5 It was explained that whilst Spending Power changes had been announced, which will impact on the council's funding, the detail around this were not yet known, and so not included at this stage.
- 3.6 There were detailed discussions around the potential for schemes involving the castle and grounds, notably with the 50<sup>th</sup> Anniversary of the borough in mind. There were also further discussions on the operation of the Castle Museum.
- 3.7 In reviewing the forecast amount for adding to balances at the end of the financial year due to the three large one off windfall savings, it was agreed that two proposals should be recommended to the Special Policy and Finance Committee meeting. Of the £1.5m forecast to be added to general fund balances it was proposed:

<b>Proposals</b>	<b>£</b>
An amount should be set aside in the Capital Reserve Fund to fund a new capital scheme in 2024/25 which would encompass works at the castle and grounds. This with a view to enhancing already approved existing schemes in the castle and grounds, and to reflect the 50-year anniversary of the formation of the borough.	500,000

Proposals	£
A fund of £1m be set aside to support one-off items (capital or revenue). Such items to be considered in the future with a view to proposals being discussed at the Budget Working Group who would then make recommendations to the Policy and Finance Committee.	1,000,000
	<b>1,500,000</b>

#### 4 **Five Year Capital Programme**

4.1 Members were taken through the latest position on the capital programme. There were two changes proposed which members agreed with, and a further scheme added as a result of discussions within the meeting:

- The reduction of the Landlord/Tenant Grant scheme to £50K in line with the other approved years of the Capital Programme
- The removal of the Three flats to provide single person temporary accommodation scheme, on the basis that an existing scheme was already evolving into a scheme of this nature in 2024/25
- The addition of a new scheme for £500K in respect of the castle and grounds as referred to in the earlier proposals discussed.

4.2 Members were then taken through funding proposals which they were supportive of.

4.3 Members were then taken through the overall five-year capital programme which would result from the presented proposals. The level of Earmarked Reserves being used was highlighted, being largely the main source of funding for the capital programme.

4.4 The five-year capital programme included 3 new schemes in the 2024/25 financial year, which had either been previously approved in principle or were fully financed by external funding:

- **Ribblesdale Pool Main Pool Covers £25,000:** scheme for replacement pool covers for the main pool at Ribblesdale Pool, fully funded from grant received from Sport England.
- **Food Waste Collections £588,540:** scheme is in respect of the capital new burdens regarding food waste collections. This is fully funded from grant received from DEFRA.
- **Council Office Solar Panels £95,000:** scheme agreed in principle by Policy and Finance Committee in March 2023, to be funded from the Invest to Save Earmarked Reserve. A further report will be taken to committee in April 2024 providing details of the proposed scheme for formal approval.

#### 5 **Meeting with Representatives of Business Rates Payers**

5.1 It was agreed that the next meeting of the Budget Working Group would be for the Meeting with Representatives of Business Rates Payers.

5.2 It was agreed that this would be held on 22 February 2024 at 3pm

#### 6 **Date of Next Meeting**

6.1 The next meeting was proposed as 22 February 2024 at 3pm.