

Minutes of Economic Development

Meeting Date: Thursday, 21 January 2021, starting at 6.30 pm
Present: Councillor S Hirst (Chair)

Councillors:

D Berryman	M French
S Bibby	S Hore
D Birtwhistle	G Mirfin
B Buller	S Knox
J Clark	J Rogerson
S Fletcher	

In attendance: Director of Economic Development and Planning and Director of Resources

Not in attendance: Councillors R Elms and M Hindle

945 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor I Brown.

946 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 5 November 2020 were approved as a correct record and signed by the Chairman.

947 DECLARATIONS OF PECUNIARY AND NON PECUNIARY INTERESTS

There were no declarations of pecuniary and non-pecuniary interests.

948 PUBLIC PARTICIPATION

There was no public participation.

949 REVISED REVENUE BUDGET 2020/21

The Director of Resources submitted a report outlining the revised revenue budget for 2020/21 for this Committee. She reminded members that at this time of year the estimates are revised for the current financial year in order to predict the likely outturn. This also assists in preparing the original estimates for the coming financial year.

The budget this year had been particularly impacted by the Covid-19 pandemic, and any impacts on fees and charges had been included within the estimates, along with the estimated part funding towards these losses from the Government.

The original budget for 2020/21 included provision for pay increase at 3% and price increase at 2%. As well as using data on past performance there had been detailed discussions with budget holders and heads of service on past service provision and on future plans which played an integral part in the budget setting process.

She informed Committee that the revised budget for 2020/21 showed a decrease in net expenditure of £6,780 after allowing for transfers to and from earmarked reserves.

A comparison between the original and revised budgets for each cost centre was included for Committee's information and the key movements were highlighted.

Members requested that a report on tourism and events along with a report on staffing matters within Economic Development be brought to a future meeting.

RESOLVED THAT COMMITTEE

Approved the revenue revised estimate for 2020/21.

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ORIGINAL REVENUE BUDGET 2021/22

The Director of Resources submitted a report asking Committee to agree the draft revenue budget for 2021/22 for this Committee for consideration at Special Policy and Finance committee.

With regard to the council's overall financial position, she reminded members that in February the 3-year budget forecast had predicted the following budget gaps: £281k in 2021/22, £206k in 2022/23, £337k in 2023/24, after allowing for the use of general fund balances.

At the time of producing the March forecast, the outcome of the Fair Funding Review, the potential changes to the New Homes Bonus Scheme and the implications of Business Rate Retention Reforms were unknown. The forecast was also made before the extent of the impact of Covid-19 in the current financial year was known.

In the light of Covid-19 the government had scrapped its plans for a multi-year spending review, and instead conducted a one-year review for 2021/22. The key messages were highlighted to committee.

At the Policy and Finance Committee in November 2020, members had agreed with the conclusion of the Budget Working Group that the Council should prepare its budget on the 2020/21 base budget plus inflation and on the expectation that any variance due to Covid-19 would be made good by the government.

The Budget Working Group would then consider the overall position once all committees had approved their detailed estimates and would then make recommendations to Special Policy and Finance committee 2021 in order to achieve a balanced budget.

Estimates had been prepared on current levels of service allowing for pay increase at 2% and price increases at 2%. The budget for each cost centre within the report was presented individually showing the original estimate, inflation, movements in expenditure, income, support services and capital which then culminated in the draft original estimate for 2021/22.

The report detailed individual budget areas under this Committee and comments were provided on the key variations.

The net expenditure for this Committee had increased by £2,690 from £311,360 to £314,050 after allowing for associated movements on earmarked reserves. The main reasons for the net increase were summarised for committee's information.

Members requested that a report considering options for the Economic Development budget be brought to a future meeting.

RESOLVED THAT COMMITTEE

Approved the revenue original estimate for 2021/22 and submit it to Special Policy and Finance committee.

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REVISED CAPITAL PROGRAMME 2020/21

The Director of Resources submitted a report seeking Committee's approval of the revised estimate for this committee's capital programme for the current financial year. The original estimate for 2020/21 had been approved by Policy and Finance Committee in March 2020.

In March 2020, one capital scheme totalling £81,750 had been approved. This scheme budget had been moved from the 2019/20 capital programme to the 2020/21 capital programme.

In addition, there was one 2019/20 capital scheme that was not completed by 31 March 2020 and had unspent budget available at that date. The total unspent budget of £20,000 on this scheme known as slippage had been moved into the 2020/21 capital budget, after the slippage request from the budget holder was approved by the Director of Resources.

As a result of the above, the total approved budget for this Committee's capital programme of 2 schemes was £101,750.

Following discussions on each of the schemes in the capital programme with budget holders, a revised estimate of £35,000 was proposed for this Committee a reduction of £66,750 from the total approved budget. The reduction related to the Economic Development Initiatives scheme that had an overall scheme budget of £81,750 and if approved to go ahead, the expenditure would be incurred in 2020/21 and was estimated at no more than £15,000. It was therefore recommended that the 2020/21 revised estimate be reduced to £15,000 and £66,750 be moved to the 2021/22 financial year.

The Director of Resources reported that there had been no spend on the two schemes as at the end of December 2020.

RESOLVED THAT COMMITTEE

1. Approved the 2020/21 revised estimate of £35,000 for this committee's capital programme as set out in Annex 1 of the report, and
2. Approved the move of £66,750 of the Economic Development Initiatives capital budget from 2020/21 to 2021/22.

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CAPITAL PROGRAMME REVIEW 2021/22 - 2023/2024

The Director of Resources submitted a report asking members to consider the proposed future four-year capital programme (2021/22 to 2024/25) for this Committee for recommendation to Policy and Finance Committee.

The future capital programme is reviewed and updated each year. In recent years, the Council has been setting a proposed and fully funded five-year capital programme each year. However, given the additional burdens caused by and priority focus on Covid-19 issues throughout 2020, Budget Working Group had streamlined the capital programme budget update process for this year. This involved moving to a four-year capital programme only, covering 2021/22 to 2024/25, and there being no new capital bids for 2025/26 (year five).

There were no schemes in the previously approved four-year capital programme 2021/22 to 2024/25 for this Committee. Therefore, the one proposed change from the review of the current year's 2020/21 had resulted in a proposed four-year programme of £66,750 that was set out in the report for members to consider and approve.

RESOLVED THAT COMMITTEE

1. Approve the proposed four-year capital programme (2021/22 to 2024/25) of £66,750 for this committee, and
2. Recommend to Special Policy and Finance committee the proposed four-year capital programme (2021/22 to 2024/25) of £66,750 for this Committee.

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REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from representatives on outside bodies.

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EXCLUSION OF PRESS AND PUBLIC

There were no reports requiring the exclusion of the press and public.

The meeting closed at 7.05 pm.

If you have any queries on these minutes please contact the committee clerk, Olwen Heap 01200 414408 olwen.heap@ribblevalley.gov.uk.