

BUDGET PANEL

15 JANUARY 2015

Present: Councillor A Khan (Chair)
Councillor A Joynes (Vice-Chair)
Councillors J Aron, K Collett, S Counter, G Derbyshire,
J Dhindsa and T Williams

Also present: Councillor Mark Watkin (Portfolio Holder for Shared Services
(including Finance) and Democracy and Governance)

Officers: Shared Director of Finance
Finance Manager
Committee and Scrutiny Officer

25 APOLOGIES FOR ABSENCE/COMMITTEE MEMBERSHIP

There was a change of membership for this meeting: Councillor Collett replaced Councillor Greenslade and Councillor Williams replaced Councillor Taylor.

No apologies were received from Councillor Martins.

26 DISCLOSURE OF INTERESTS (IF ANY)

There were no disclosures of interest.

27 MINUTES

The minutes of the meeting held on 2 December 2014 were submitted and signed.

28 FINANCE DIGEST 2014/2015 - PERIOD 8 (NOVEMBER 2014)

The Panel received the latest edition of the Finance Digest 2014/2015 which set out the financial performance of the Council and the expected financial position at the end of the financial year.

The Director of Finance Shared Services highlighted the favourable and unfavourable variances in period 8. The forecast for 2014/15 was estimated to be an overall favourable variance of £942,000. She informed Members of the key risk areas and the unfavourable variances for net spend on homelessness and commercial rental income. It was noted that commercial rental income had shown a slight improvement since the last period.

The Director of Finance Shared Services explained that the Business Rates collection was behind the estimated target. She advised that this year businesses had been allowed to make their payments over 12 months instead of 10. Officers had acknowledged that the profile had not reflected the new arrangements and this would be changed for 2015/16.

Councillor Derbyshire noted the favourable variance of £815,000 on the leisure contract. He enquired whether this was an exceptional situation for one year or if it would recur in future years.

The Director of Finance Shared Services informed the Panel that the payment related to an issue that had been ongoing for some time. In 2013/14 the Council and the leisure contractor had taken part in a mediation session to come to an agreement on an ongoing issue. An agreed position had been reached and the amount shown in the digest was the settlement figure. She confirmed that it was a one-off payment.

The Chair noted the number of late invoice payments. Democracy and Governance had the highest number and Shared Services in comparison to the number of invoices requiring payment.

The Director of Finance Shared Services reported that Shared Services had now made all its payments.

RESOLVED –

that the latest edition of the Finance Digest (period 8) be noted.

29

FINANCIAL PLANNING: DRAFT REVENUE AND CAPITAL ESTIMATES 2015 - 2018 AND TREASURY MANAGEMENT STRATEGY 2015 - 2018

The Panel received the draft revenues and capital estimates that would be considered by Cabinet on 19 January and then recommended to Council on 28 January.

The Director of Finance Shared Services stated that Budget Panel's review of the draft budget was the first stage in the budget process. She referred Members to the Medium Term Financial Strategy 2015-18 which was set out in Appendix 5. She explained the different lines in the report which showed how the net expenditure figure was calculated. This included services' savings and growth items which had been detailed in earlier appendices. She advised that the estimated reduction in commercial rents was due to redevelopment works within the Borough, for example Charter Place.

The Director of Finance Shared Services informed the Panel how the net expenditure would be funded. The estimate assumed a Council Tax freeze and therefore officers had included the Government's Council Tax Freeze Grant. She added that there was an increase in the New Homes Bonus. This was not

only due to the number of new homes built within the Borough but also the number of empty homes that had been brought back in to use.

Councillor Derbyshire commented that if the amount moved from the reserves was removed from the proposals, the Council would have a deficit budget. He felt that largely this was due to the growth required to fund the Big Events programme. He noted that this had not been requested for future years. He asked if the Council was not intending to support the Big Events programme in 2016/17.

The Director of Finance Shared Services responded that the Council had agreed to find funding for 2015/16. Following this, if the Business Improvement District (BID) was established, it was expected the BID would fund the events from 2016/17.

Following a question from the Chair about the income shown from Waste Veolia Outsource in 2015/16 and 2017/18, the Director of Finance Shared Services advised that she would report back to the Panel with the information.

The Chair referred to the New Homes Bonus and the grant in lieu of the New Homes Bonus estimated in 2017/18. He asked if officers could explain the assumptions behind the estimated £2 million.

The Director of Finance Shared Services explained that the New Homes Bonus was top sliced from the total funding for local government. It had been suggested that the New Homes Bonus might be stopped and the funding redistributed to local government. The amount the Council might receive would depend if it was a 'winner' or 'loser'. Officers had made a cautious estimate.

The Chair referred the Panel to Appendix 10, the Capital Investment Programme. The Chair asked officers to clarify the difference between the funding to the 'Health Campus-Contribution to the LABV' and the additional requirement for the 'Health Campus'.

The Director of Finance Shared Services advised that the Council had agreed to contribute £3 million to the LABV, making part of the payment in 2014/15 and the remainder in 2015/16. This had since been re-phased and the full amount would be paid in 2015/16 and nothing in the current financial year. The budget of £500,000 for the Health Campus had been re-phased from the current financial year. This referred to the amount the Council was required to spend rather than as part of its role in the LABV.

In response to a question from Councillor Dhindsa about recycling boxes, the Director of Finance Shared Services agreed to report back to the Panel with further information.

RESOLVED –

that Budget Panel notes the report and its comments be forwarded to Cabinet.

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DATES OF NEXT MEETINGS

- Tuesday 24 February 2015

The Meeting started at 7.00 pm
and finished at 7.30 pm

Chair