

EXTRAORDINARY BUDGET SCRUTINY COMMITTEE

Minutes of an Extraordinary meeting of the Budget Scrutiny Committee of Bolsover District Council held in Chamber Suite 3, The Arc, Clowne, on Friday 8th February 2013 at 1000 hours.

PRESENT:-

Members:-

Councillor K. Reid – Chair

Councillors R.J. Bowler, Mrs P. M. Bowmer, J. A. Clifton, C. P. Cooper, M. J. Dooley, S. W. Fritchley, H. J. Gilmour, J. E. Hall, B.W. Hendry, C. Munks, G. J. Parkin, S. Peake, J. E. Smith, R. Turner, D.S. Watson and G.O. Webster.

Officers:-

B. Mason (Director of Corporate Resources) and A. Bluff (Democratic Services Officer).

857. APOLOGIES

Apologies for absence were received from Councillors A. Anderson, J.E. Bennett, R.A. Heffer, K.F. Walker, S. Wallis, J. Wilson.

Also in attendance at the meeting in the public gallery was Councillor D. McGregor.

858. DECLARATIONS OF INTEREST

There were no declarations of interest made.

859. MEDIUM TERM FINANCIAL PLAN

The Director of Corporate Resources presented a detailed report to the meeting, which included a short slide presentation, in relation to the Medium Term Financial Plan 2013/14 to 2015/16. The report included a General Fund Risk Register.

The report had been considered by Audit Committee on 4th February 2013 and Executive on 6th February 2013 and Budget Scrutiny Committee were now asked to consider the report and make any comments it felt appropriate.

EXTRAORDINARY BUDGET SCRUTINY COMMITTEE

The three main budgets of the Council were the General Fund Revenue Account, Housing Revenue Account (HRA) and the Capital Programme.

It was noted that although the Treasury Management Strategy (TMS), followed on from the Medium Term Financial Plan (MTFP), the Director of Corporate Resources advised Members that he would not be speaking on the TMS at this meeting.

General Fund Summary

The slide presentation provided a table to the meeting in relation to the General Fund Summary, which included the budget short falls for 2013/14, 2014/15 and 2015/16 as well as the budget savings that would need to be made in the same period.

It was noted that the Council had achieved significant savings via the Strategic Alliance arrangements with North East Derbyshire District Council over the past two years and had reached its initial overall Strategic Alliance savings target. However, it was indicated that officers would be looking at the options again to see whether a further £0.5m could be secured across the two Councils.

Members were reminded that the Council has had to achieve almost £4m in savings over the last two financial years and the easy options in terms of savings had all now been exhausted.

Points to note;

The Settlement

- Expenditure reductions will be required of all local authorities have been made across the period of the Medium Term Financial Plan and beyond.
- Existing budgets have all been rolled forward based of previous expenditure patterns.
- We have minimized all existing budgets.
- A plan for achieving £0.615m of the savings target was now in place.
- This target of £0.615m includes Vacancy Management, Secondments, Fees and Charges, Property Rationalisation, Street Scene.

2013/14 General Fund Reserves

- Efficiency Grant £1m
- Balance of Transition Grant left £1m
- General Fund Financial Reserves – increase from £1.389m to £1.5m.
- General Fund reserves is in line with the level of financial risk (£1.570m)
- Adequate financial reserves are crucial to protect services.

Councillor Bowler left the meeting at this point.

EXTRAORDINARY BUDGET SCRUTINY COMMITTEE

Key Budget Issues

- Importance of securing savings targets on an ongoing basis.
- Easy options now gone.
- Need to avoid budget crisis to protect services.
- Greater level of uncertainty; changes to Government funding, welfare reform, economic background.

2013/14 Budget Issues

- Accept Government grant or increase Council Tax. The Government has offered grants to those councils who don't raise their council tax.
- Advantage of Council Tax increase if raised by 2%, this would raise an additional £60k for the Council over the next 2 years. Members need to balance this against the impact on local residents.
- Government Policy.

Decision re Council Tax levels is a Member decision after considering the relevant factors.

Housing Revenue Account

- Now operating the localised HRA.
- Importance of a 30 year business plan.
- Average Rent increase of 5.8% (driven by Central Government rent convergence policy). Council house rents will still be 20-25% less than those in the private sector. Rent increases built into 30 year business plan.
- A 'roll forward' budget.
- Support for a programme of house building / acquisition.
- Maintain homes at 'Decent Homes Standard'.

Councillor Peake entered the meeting at this point.

Capital Programme

- Housing Capital Programme reasonably well funded.
- Again a 'roll forward' programme to maintain decency standard.
- General Fund Programme is dependent on Capital Receipts. (Sale of land at Shirebrook (Tesco) and Bolsover, (Sherwood Lodge).
- Very limited General Fund Programme going forward.

Members were advised that a detailed breakdown of any cost centre was available to them if they so required.

EXTRAORDINARY BUDGET SCRUTINY COMMITTEE

Members raised a range of questions.

Discussion took place in relation to;

- The New Homes Bonus.
- NNDR income
- The Icelandic Bank investments.
- Rent increases of 5.8% (convergence). The Director of Corporate Resources advised Members that this would vary and would be more than 5.8% on some properties but less on others.
- Capital Receipts and the cost of refurbishment of The Arc, Clowne.

In answer to a question raised by Councillor Parkin, the Director of Corporate Resources advised Members that monies from sale of land at Shirebrook and Bolsover were not included in the figures presented to Members as these had not yet been received.

Discussion took place regarding the Governments Council Tax cap of 2%. The Director of Corporate Resources advised Members that the Council would need to consider a number of issues when deciding upon its approach to the level of Council Tax for next year.

Further questions were raised regarding statutory and non statutory fees and charges.

The Director of Corporate Resources advised Members that savings on interest rates arising from the localization of the HRA had been redirected to pay the outstanding loan and would also finance initiatives such as building new homes. The Council was operating within its HRA debt ceiling.

The meeting concluded at 1100 hours.