

To Members of the Scrutiny of the Administration's Budget Proposals

Cllr. Geoff Welsh (Chairman)
Cllr. Bill Wright (Vice-Chairman)
and Cllr. Mark Jackson (Vice-Chairman)

Cllr. Shabbir Aslam
Cllr. Marian Broomhead
Cllr. Cheryl Cashmore
Cllr. Stuart Coar
Cllr. Sharon Coe
Cllr. Lindsey Dracup
Cllr. Tony Greenwood
Cllr. Graham Huss
Cllr. Guy Jackson
Cllr. David Jennings

Cllr. Sam Maxwell
Cllr. Antony Moseley
Cllr. Les Phillimore
Cllr. Louise Richardson
Cllr. Deanne Woods
Cllr. David Clements
Cllr. Adrian Clifford
Cllr. Roy Denney
Cllr. Alex DeWinter
Cllr. David Findlay

Cllr. Chris Frost
Cllr. Barry Garner
Cllr. Christine Merrill
Cllr. Phil Moitt
Cllr. Gary Sanders
Cllr. Alan Tanner
Cllr. Ben Taylor
Cllr. Bev Welsh

Dear Councillor,

A meeting of the **SCRUTINY OF THE ADMINISTRATION'S BUDGET PROPOSALS** will be held in the Council Chamber - Council Offices, Narborough on **WEDNESDAY, 16 JANUARY 2019 at 5.30 p.m.** Please find attached a number of supplemental item that are required for the meeting and is in addition to the agenda and report pack that has already been circulated.

Yours faithfully



Colin Jones
Corporate Services Group Manager

SUPPLEMENTAL ITEM

2. Consider notes of the previous meeting (Pages 3 - 6)

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SCRUTINY OF THE ADMINISTRATION'S BUDGET PROPOSALS

Minutes of a meeting held at the Council Offices, Narborough

WEDNESDAY, 9 JANUARY 2019

Present:-

Cllr. Geoff Welsh (Chairman)
Cllr. Mark Jackson (Vice-Chairman)

Cllr. Shabbir Aslam	Cllr. Antony Moseley	Cllr. Christine Merrill
Cllr. Marian Broomhead	Cllr. Les Phillimore	Cllr. Phil Moitt
Cllr. Cheryl Cashmore	Cllr. Louise Richardson	Cllr. Alan Tanner
Cllr. Stuart Coar	Cllr. Deanne Woods	Cllr. Ben Taylor
Cllr. Sharon Coe	Cllr. David Clements	Cllr. Bev Welsh
Cllr. Graham Huss	Cllr. Adrian Clifford	Cllr. Trevor Matthews
Cllr. Guy Jackson	Cllr. Roy Denney	
Cllr. Sam Maxwell	Cllr. Alex DeWinter	

Officers present:-

John Richardson	- Strategic Director
Sarah Pennelli	- Strategic Director - Section 151 Officer
Nick Brown	- Strategic Finance Manager

Also in attendance as observers:-

Portfolio Holders: Cllr Terry Richardson, Cllr Maggie Wright, Cllr Lee Breckon,
Cllr Sheila Scott, Cllr Iain Hewson

Apologies:-

Cllr. Bill Wright, Cllr. Lindsey Dracup, Cllr. Tony Greenwood, Cllr. David Jennings,
Cllr. David Findlay and Cllr. Barry Garner, Cllr David Freer

1. 2019-20 BUDGET - CONTEXT AND OVERVIEW

The Chairman welcomed members and officers to the meeting and invited the Strategic Director (S151 Officer) to present her report.

Key points:

- Business Rate Retention reform and Fair Funding Review –
 - proposed changes expected to be put in place for 2020/21 with no certainty at this stage on how changes will impact the Council.
 - the Council's significant reliance on related income streams to Business Rate Retention and Fair Funding
- Total Net Budget requirement for 2019-20 £12.3m (2018-19 £11.3m)
- 2019-20 Budget gap £166k
- Council Tax - possible increase options:
 - For 2019/20 the threshold for Council Tax increases for “core” Band D Council Tax has remained unchanged with local authorities able to increase their Council Tax by up to 3% (2.99%). An additional amount of **£158k** would be generated with a 2.99% increase which equates to an increase of £4.73 per annum, £163.05 for a Band D equivalent property.
 - District Councils may however raise Council Tax by **£5** without triggering a referendum. This is still an option that Blaby may look to adopt given it is marginally larger (3.16%) than the 2.99% increase. This option would generate an additional **£167k**, £163.32 for a Band D equivalent property.
- New Homes Bonus
 - £2.851m will be utilised in 2019-20 to underpin budget requirements and fund services.
 - On current indications, if NHB funding was removed on a phased basis, £750k would be removed each year from 2020/21, with a cumulative impact of removing £3m from the funding envelope by the 4th year (2023/24).
- Business Rates
 - £400k expected in 2019-20 as Blaby apportionment of 75% Business Rate Pilot scheme to support invest to save expenditure and infrastructure to promote housing and business growth.
 - The mechanism for the distribution of business rates is

expected to be changed in 2020-21 and will not impact on the 2019-20 financial year.

- Business Rate Retention Reform
 - Potential for Blaby to lose the benefit of growth it has generated since 2013-14 if the government takes forward a full baseline reset from 2020-21.
 - The new system is likely to reward growth more generously (75% retention rate rather than 50% with a limited levy).
 - The tier split of the increased retained rates is likely to alter. Currently Blaby retains 40% (but is subject to a further levy) with County Council at 9% and Fire at 1%.
 - There are still suggestions that some specific grants will be funded from Business Rate retention e.g. Public Health.
- Fairer Funding Review
 - Continuing lack of clarity as to how the review will directly impact the Council.

DECISION

Scrutiny Commission considered the information contained in the report.

Reason: to inform and seek Scrutiny Commission comments on the 2019-20 draft Budget Proposals.

2. 2019/20 DRAFT BUDGET PROPOSALS

The Chairman adjourned the meeting for 5 minutes for Portfolio Holders to leave.

The Chairman opened discussion to develop lines of questioning for each Portfolio area relating to the 2019-20 draft Budget proposals attached with the agenda as well as from information presentation by the Strategic Director (S.151 Officer) at item 2.

Main lines of questioning discussed related to:

- Reasons for increases in Establishment Costs
- Business Rate Retention bid
- Maximising income opportunities
- Delivery of large strategic projects
- Lightbulb project funding
- Partnership working

The Chairman explained questions would be prepared for submission to Portfolio Holders prior to the next Scrutiny Budget meeting on Wednesday 16 January 2019 for their response and any further questions identified could still be submitted by members for or during this meeting.

THE MEETING CONCLUDED AT 7.00 P.M.