

Scrutiny of the Administration's Budget Proposals

Invitation and Agenda to all Members

Cllr. Geoff Welsh (Chairman)
Cllr. Lee Breckon (Scrutiny Vice-Chairman)

Cllr. Mark Jackson
Cllr. Shabbir Aslam
Cllr. Cheryl Cashmore
Cllr. Stuart Coar
Cllr. Sam Maxwell
Cllr. Antony Moseley
Cllr. Louise Richardson
Cllr. Deanne Freer
Cllr. David Clements
Cllr. Adrian Clifford
Cllr. Roy Denney

Cllr. Alex DeWinter
Cllr. David Findlay
Cllr. Chris Frost
Cllr. Christine Merrill
Cllr. Phil Moitt
Cllr. Ben Taylor
Cllr. Bev Welsh
Cllr. Trevor Matthews
Cllr. Shane Blackwell
Cllr. Nick Chapman
Cllr. Michael O'Hare

Cllr. Kirsteen Thomson
Cllr. Jane Wolfe
Cllr. Sharon Coe
Cllr. Les Phillimore
Cllr. Janet Forey
Cllr. Nigel Grundy
Cllr. Paul Hartshorn
Cllr. Iain Hewson
Cllr. Mat Mortel
Cllr. Tracey Shepherd
Cllr. Lee Breckon

Dear Councillor,

A meeting of the **SCRUTINY OF THE ADMINISTRATION'S BUDGET PROPOSALS** will be held in the Council Chamber - Council Offices, Narborough at these offices on **WEDNESDAY, 22 JANUARY 2020 at 5.30 p.m.** for the transaction of the following business and your attendance is requested.

PLEASE NOTE – a pre-meeting for all Non-Executive Members will be held in the Council Chamber from 5.00 pm to 5.20 pm.

Please bring with you agenda papers from the 15 January meeting for reference.

Yours faithfully



Colin Jones
Corporate Services Group Manager

AGENDA

1. Apologies for Absence
2. Consider notes of the previous meeting held on the 15 January 2020 (Pages 3 - 6)
3. 2020/21 Draft Portfolio Budget Proposals

To consider Portfolio Holder responses to scrutiny questions including any updates from the Strategic Director (Section 151 Officer).

PLEASE REFER TO PUBLISHED BUDGET PAPERS 15 JANUARY 2020

4. Date of the next meeting - Monday 27 January 2020 in the Council Chamber

All Non-Executive Members.

Notes of the Scrutiny OF THE ADMINISTRATION'S BUDGET PROPOSALS meeting held on WEDNESDAY, 15 JANUARY 2020 in the Council Chamber - Council Offices, Narborough

Attendees:-

Members:-

Cllr. Geoff Welsh (Chairman)

Cllr. Mark Jackson

Cllr. Cheryl Cashmore

Cllr. Sam Maxwell

Cllr. Antony Moseley

Cllr. Deanne Freer

Cllr. David Clements

Cllr. Adrian Clifford

Cllr. Roy Denney

Cllr. Alex DeWinter

Cllr. David Findlay

Cllr. Chris Frost

Cllr. Christine Merrill

Cllr. Phil Moitt

Cllr. Ben Taylor

Cllr. Bev Welsh

Cllr. Trevor Matthews

Cllr. Shane Blackwell

Cllr. Nick Chapman

Cllr. Jane Wolfe

Cllr. Janet Forey

Cllr. Nigel Grundy

Cllr. Paul Hartshorn

Cllr. Mat Mortel

Officers:-

Jane Toman

Sarah Pennelli

Nick Brown

Linda McBean

Matthew Pawlyszyn

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- Chief Executive
- Strategic Director - Section 151 Officer
- Strategic Finance Officer
- Senior Scrutiny Officer
- Democratic Services & Scrutiny Officer

Also in attendance as observers:-

Cllr. S Coe, Cllr. D Freer, Cllr. L Phillimore, Cllr. Terry Richardson, Cllr. Sheila Scott, Cllr. M Wright

Apologies:-

Cllr. Shabbir Aslam, Cllr. Stuart Coar, Cllr. Louise Richardson, Cllr. Michael O'Hare, Cllr. Kirsteen Thomson and Cllr. Tracey Shepherd

1. **2020-21 BUDGET - CONTEXT AND OVERVIEW**

The Chairman welcomed members and officers to the meeting and invited the Strategic Director (Section 151 Officer) to present her report:

Key points:

Impact of the Settlement December 2019

Key elements of the Statement that impact on the budget position for 2020/21 are:

- Confirmation of settlement figures for 2020/21 which were expected to be based on the 2019/20 figures 'rolled forward'.
- Whether there were any changes to how the New Homes Bonus was to be distributed.
- Council Tax increase thresholds

Total Budget requirement for the Authority 2020/21 - £12.6m (2019/20 comparable net requirement £11.96m)

Funding the budget

- Redistributed NNDR has increased by £313k
- The Council no longer receives Revenue Support grant.
- New Homes Bonus (NHB) Grant has reduced by £157k. This is £283k lower than that forecast within the MTFs. A total amount of £2.7m of NHB is utilised to support the budget.
- Other Non Ringfenced grants relate to S31 grants which compensate the Council for providing Business Rate Reliefs such as Small Business Rate Relief.
- Council Tax precept has increased by £73k. This is before any increase is applied, but reflects the increase in the tax base (increase in properties) in the district.

Budget Gap

There is substantial future financial risk to the Council that may result from the proposed changes to the Business Rate Reform, the Fair Funding Review and the Future of New Homes Bonus payments – as seen in the draft Medium Term Financial Summary document at Appendix E.

Options open to the Council to meet the future funding gaps

Council Tax Increase

For 2020/21 the threshold for Council Tax increases for "core" Band D Council Tax has reduced with local authorities able to increase their Council Tax by up to 2% (1.99%). An additional amount of £110k would be generated with a 1.99% increase which equates to an increase of £3.25 per annum, £166.57 for a Band D equivalent property.

District Councils may however raise Council Tax by £5 without triggering a referendum. This is an option that Blaby may consider given it is larger

(3.06%) than the 1.99% increase. This option would generate an additional £169k, £168.32 for a Band D equivalent property. For Shire County Councils increases for 'core' Band D Council Tax has also been reduced with an increase of up to 2% being allowed.

The Leicestershire County Council proportion of the total Council Tax charge forms approx. 70% of the total charge (based on 2019/20).

General budget assumptions

- Planning appeals are not included within the budget requirement but expenditure will be funded from balances if it is necessary.
- Portfolio figures are shown before any recharges from department to department in order that the spending service is scrutinised rather than the method of apportionment across departments.
- Capital expenditure is as per the draft previously presented to Scrutiny Commission on 27th November 2019.

Future Business Rates and Fairer Funding position

There is still substantial uncertainty surrounding how changes to Business Rate Retention and the Fair Funding Review will impact on Blaby.

The impact of the changes that the Fair Funding Review; Business Rate Retention Reform and New Homes Bonus will cause are difficult to model.

The Fair Funding Review consultation suggested that some damping would be brought in to protect local authorities from dramatic changes in funding levels but that this will unwind over time, something that hasn't historically happened.

2. 2020-21 DRAFT PORTFOLIO BUDGET PROPOSALS

The Chairman opened discussion to develop lines of questioning for each Portfolio area relating to the 2020/21 draft Budget proposals attached with the agenda as well as from information presentation by the Strategic Director (S.151 Officer) at item 2.

Preliminary lines of questioning were identified for submission to Portfolio Holders prior to the next Scrutiny Budget meeting on Wednesday 22 January 2020 for their response. The Chairman explained that any supplemental questions could still be submitted by members before or at the next meeting.

THE MEETING CONCLUDED AT 7.09 P.M.

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