

Financial Stability Review Group (FSRG) – Member Briefing Note to the Overview and Scrutiny Committee 19th November 2019

The Financial Stability Review Group (the FSR Group) met on 22nd October. At the previous meeting, it was agreed that this meeting would focus around agreeing the content for the Members' Budget Workshop being held on Tuesday 12th November at 1.30pm.

Members noted the predicted budget gap for 2020/21 of £0.225 million and the aggregated Budget Gap of £2.49 million over the next five years. It was also noted that the MTFs includes budgeting for a pay award of 1% and if this is increased when it is nationally negotiated, this would also increase the budget gap.

It was stated that Negative Revenue Support Grant had been assumed to be withdrawn by the Government for 2020-21 (one year only) and a council tax referendum limit of the higher of £5 or 1.99% had also been assumed. A 1% increase in council tax was equivalent to £47,000 in additional income.

The Deputy S151 Officer demonstrated the interactive 'Budget Model' which would be presented to all Members at the Budget Workshop. Points of clarity were sought.

Members asked officers to make it clear that the Public Lavatories Bill did not change any of the previous discussions with Town and Parish Councils and that the Borough Council would not be seeking to re-open discussions, due to the Public Lavatories Bill being delayed.

It was also discussed that legacy payments for New Homes Bonus were likely to be honoured and the reform of the Business Rates Retention Scheme and the Fairer Funding Review would both be delayed until 2021/22.

Members of the FSR Group noted that individual Council funding figures for 2020/21 will be released in December with the Local Government Finance Settlement and that this late notification of funding was causing difficulties for all tiers of Local Government with the inherent level of financial uncertainty.

Members also discussed opportunities for future savings and income generation and noted the savings predicted in the MTFs from the leisure contract in future years and from commercial investments.

It was noted that a report on Kilworthy Park would be presented to Members at the Hub Committee meeting on the 5th November. Reference was also made to the trials for three weekly waste collections and clarity was sought on the relevant timescales. Members also discussed the forthcoming Action Plan on Climate Change and when the funding implications would be available (a report is being presented to the December Council meeting).

Members discussed Earmarked Reserves and reviewed the Capital Programme and it was agreed that there would be specific sections within the Council's Members' Budget Workshop on both of these.

The next meeting of the Financial Stability Review Group is on 26th November. Prepared by Mrs L Buckle (S151 Officer), 11th November 2019