

**BUDGET SCRUTINY PANEL
24TH OCTOBER 2023**

PRESENT: The Chair (Councillor Charles)
Councillors Haynes, Monk, Popley and Seaton

Councillor Ashcroft (Cabinet Lead Member for
Finance, Customer & Support Services, Revenues
and Benefits)

Director Finance, Governance and Contracts
Democratic Services Officer (RD)

APOLOGIES: Councillor Westley

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. He also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

1. DISCLOSURES OF PECUNIARY INTERESTS, AND OTHER REGISTRABLE AND NON-REGISTRABLE INTERESTS

No disclosures were made.

2. DECLARATIONS - THE PARTY WHIP

No declarations were made.

3. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.16

No questions had been submitted.

4. SCRUTINY PLAN/TIMETABLE

Considered, a Scrutiny Plan/Timetable for the Panel's scrutiny of the 2024/25 Draft Budgets (item 5 on the agenda filed with these minutes).

RESOLVED that the scrutiny plan/timetable be noted.

Reason

To ensure that the Panel are kept informed of timescales.

5. FINANCIAL POSITION OF THE COUNCIL

Councillor Seaton arrived at the meeting at 6.04pm. She left the meeting during the discussion at 6.18pm for a short duration.

The Panel considered a presentation by the Director of Finance, Governance and Contracts detailing the financial position of the Council.

Post meeting note: The presentation was published after the meeting as an agenda supplement.

The information given in the presentation represented current projections of the Medium-Term Financial Strategy (MTFS). A fully updated version would be produced and it was planned that this would be adopted by Council at the end of February 2024.

Key points of discussion:

- (i) Council tax was capped (currently 3% increase assumed for 2024/25) and limits set each year as part of the financial settlement. Confirmed it was a stable source of income.
- (ii) The MTFS assumed there would be a reduction in grant funding going forward, but updated projections assumed a small real terms increase, a more optimistic position than previously presented.
- (iii) Considered positive that the structure of the financial settlement for 2024/25 would be the same as for 2023/24.
- (iv) Important to note however that these were projections at this stage and subject to change following government review.
- (v) The Leicester and Leicestershire Enterprise Partnership (LLEP) would cease in April 2024. The Council's share of the distribution of funds from the Business Rates Pool could be in excess of £1 million albeit subject to minor restrictions on spending.
- (vi) Revenues and Benefits – exempt report to Cabinet in September 2023 indicated ongoing savings of £0.3 to £0.4 million per annum. Pensions were included as direct savings.
- (vii) Annual Housing Benefit subsidy loss estimated at £0.8 million to 30th June 2023. Rent increases at the Carpenters Arms could mean a loss of up to £1.4 million annually going forward. Ongoing work with the charity to challenge rental costs and mitigate risks.
- (viii) Confirmed there was neither profit nor loss being made with regard to the council's leisure services and that leisure centre provision was being closely reviewed.
- (ix) Original assumptions for pay awards were increases of 4.75%, 3.5% and 2% in successive years, revised assumptions now 6%, 5% and 4%. Pay awards not yet agreed for 2023/24. Confirmed that back-pay would be available and not a sudden strain on the budget once back-pay awarded.

- (x) Investment income – more money was allocated in the budget this year reflecting higher interest rates and as a result the Council was in a stronger position, with investment returns in September above 5%. £50 million invested.
- (xi) Concerns raised about the need to fall back on reserves. Confirmed that budget setting should address this (at least in part) by looking at service areas such as garden waste, car parking and general service cuts. Council tax was capped and unlikely to assist in improvements.
- (xii) There had been some issues relating to the housing stock and appointment of contractors.
- (xiii) Discussion around housing stock – a question was asked whether once properties/voids were sold through the Right to Buy scheme, the Council gained the revenue and were able to re-invest the funds. The Panel requested further advice on this.

RESOLVED

1. That the presentation and discussion on the matter be noted.
2. That further advice and information be sought from the relevant department regarding the sale of housing stock and revenue gained from sales.

Reasons

1&2. To ensure the Panel were informed of the financial position of the Council and to assist with the future discussions of the Panel.

6. APPROACH TO 2024/25 BUDGET SETTING

Prior to the meeting a report was circulated to members of the Panel by the Cabinet Lead Member for Finance, Customer & Support Services, Revenues and Benefits on the approach to 2024/25 Budget Setting.

Post meeting note: The Cabinet Lead Member's report was published after the meeting as an agenda supplement.

Key points of discussion:

- (i) The MTFs for last year predicted that for 2024/25 the working balance would reduce to £2.8 million. This prediction had now changed to £4.1 million, due to risk mitigation and management decisions. Would not want to be below £2.5 million. The shift in the MTFs figures showed an improved financial position.
- (ii) Moving forward would be looking at revenue and expenditure and the impact on services with the aim of reducing the use of the working balance. Statutory services and environment strategy would be planned in.

- (iii) Corporate Plan in progress and a residents' survey was currently being distributed.
- (iv) No plans for cash/capital to revert back to treasury as underspends unlikely to be an issue.

RESOLVED that the report and discussion on the matter be noted.

Reason

To ensure the Panel was kept informed about the approach to 2024/25 budget setting and to assist with the future discussions of the Panel.

NOTES:

1. Councillor Ashcroft attended the meeting virtually.
2. No reference may be made to these minutes at the next available Ordinary Council meeting unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
3. These minutes are subject to confirmation as a correct record at the next meeting of the Budget Scrutiny Panel.