

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Budget Working Party held at Council Chamber, Blackdown House, Honiton on 26 June 2019

Attendance list at end of document

The meeting started at 2.30 pm and ended at 3.50 pm

1 Notes of the previous meeting

The notes of the previous meeting held on the 17 October 2018 were confirmed as a true record.

2 Declarations of interest

Note 3. Medium Term Financial Plan and Transformation Strategy 2019 - 2029.
Councillor Paul Millar, Personal, Member of a CAB Working Party as an Exmouth Town Councillor.

3 Medium Term Financial Plan and Transformation Strategy 2019 - 2029

The Strategic Lead for Finance gave a brief outline of the role of the Budget Working Party, and set out the main elements of the Medium Term Financial Plan. Specifically, he highlighted to the Party:

- The final approved budget position for 2019/20;
- Net service costs explained, with some examples;
- Building into the plan what changes or demands were expected in the future, and therefore built in as cost add ons;
- Income sources such as grants, council tax and other elements;
- £2.133M shortfall in 2020/21;
- The growing shortfall in the budget if no changes are made to rectify that gap.

He also highlighted the Transformation Strategy, and elements within that to deliver savings and income streams. Whilst delivering the Transformation Strategy was expected to help the shortfall, there was still an expected £739K shortfall for 2020/21.

The Strategy held more detail on the elements that the Strategic Management Team were working to deliver:

- Savings identified behind the Council's agreed targets;
- Maximising the value of Council assets through commercial thinking;
- Asset Review in terms of performance/value;
- Actively pursuing alternative service delivery methods and models.

In summary, the Strategy was in place to deliver services as efficiently as possible before making more difficult decisions to provide a balanced budget.

The Chairman reminded the Party that the Council had to set a balanced budget.

In response to questions on the information presented to the Party, the following points were made:

- Enterprise zone business rate income was ring fenced;

- Government planned rebasing of business rates was still expected, although unknown, and therefore taken into account in the MTFP;
- A 2% increase in council tax level was assumed for the MTFP, alongside expected increase in properties. Annually the Government issue referendum limits which if breached would require a local referendum to agree an increase above those limits. Town and Parish Councils were currently not limited by these restraints and some had increased their local precept;
- New Homes Bonus funds were used in part towards revenue, but the majority was assigned currently to the Capital Program;
- Efficiency work included reviewing existing Service Level Agreements;
- Some of the savings identified would require difficult decisions by Members to implement;
- Innovation was key to build on what had already been identified;
- The General Fund reserve was sat within the adopted range;
- Financial benefits and district benefits from an asset were explained.

The Strategic Lead for Finance then highlighted additional actions being identified under the Transformation which would bridge the remaining funding gap to enable balance budgets to be set over the term of the new Council. It was noted a significant element of these saving came from staffing costs.

RECOMMENDED to Cabinet

That BWP recommend to Cabinet that the actions identified for implementation in accordance with the Transformation Strategy be taken forward so as to enable a balanced budget to be set for 2020/21 and over the term of new Council.

Attendance List

Councillors present:

B Ingham
M Armstrong
J Bailey
D Barrow
K Blakey
P Faithfull
G Jung
P Millar
G Pook
I Thomas (Chairman)
S Bond

Councillors also present (for some or all the meeting)

N Hookway; J Loudoun; M Rixson; S Jackson; A Moulding

Officers in attendance:

Simon Davey, Strategic Lead Finance
John Golding, Strategic Lead Housing, Health and Environment
Karen Jenkins, Strategic Lead Organisational Development and Transformation
Debbie Meakin, Democratic Services Officer
Mark Williams, Chief Executive

Councillor apologies:

Chairman

Date: