

Minutes of Budget and Transformation Panel Meeting 11 October 2012

1. Attendance

Members:

Cllr Deirdre Hargey (Chair)

Cllr Maire Hendron

Cllr Lee Reynolds

Cllr Nicola Mallon

Alderman David Browne

Officers:

Peter McNaney, Chief Executive

Ronan Cregan, Director of Finance and Resources

Trevor Wallace, Financial Accounting Manger.

Apologies

Cllr John Kyle

Cllr Tim Attwood

Cllr Jim McVeigh

Gerry Millar, Director of Property and Projects

2. Rates/Estimates 2013/14 Overview

The Director of Finance and Resources presented a paper on the rates and estimates setting for 2013/14. He highlighted that the Investment Programme had set a target of inflation, based on CPI, or less and advised that currently CPI was at 2.6% but forecast to be 2.0%.

The Director identified the key cost pressures to include:

- Inflation
- NIC increases
- Pension contributions
- Energy Costs
- Increments
- Potential for pay rise
- Income reduction

He advised that at this stage a decision on the nationally agreed pay rise has not been made but there may be a need to include an allowance for a potential pay rise in the 2013/14 estimates.

It was noted that the council was on target to meet its efficiency target of £2m.

However, with the uncontrollable cost increases and additional growth pressures such as the Boxing Strategy, Events and Area Pilots there will likely to be a net increase in costs. Members will be asked to consider how these costs can be met through a combination of further cost reductions, rates and realigned budgets.

The Director also highlighted the key challenge in relation to the financing of future capital investment, e.g. how to rejuvenate the leisure estate.

In relation to the rate base it was noted that the Director of Finance is expecting to be in receipt of the first EPP from LPS at the end of October. He outlined the key concerns to be the rising number of vacant non-domestic properties in the city and the level of debt likely to be written off.

The next steps would be a detailed paper to the SP&R Committee in November on the rates and estimates along with an update of the financial position for 2012/13.

3. City Investment Fund

The Director of Finance and Resources presented a paper identifying key issues that needed to be discussed, namely;

Good Relations and Equality: Is there a need for a public call to identify projects, followed by a public consultation

Balanced Investment: The time horizon is 3 terms of Council, i.e. up to 2019/20, also taking account of the money already allocated, then final short listing needs to be on a city-level basis.

Partnership and Integration: CIF is not intended to provide 100% funding, therefore should the council provide an indicative match-funding ratio, e.g. 50%. Appropriate governance and legal agreements need to be put in place similar to the previous projects.

Value for Money: It is recommended that projects are appraised on an individual basis and also on a cumulative impact of a cluster of projects, and that all investments are tested in line with 'Green Book' economic appraisal requirements.

Indication will be sought from members if they are happy with this proposed approach, and a paper will be brought to SP&R in October seeking consultation with members with the intention to feedback in November.

4. Social Investment Fund

The Chief Executive presented a briefing paper on the Social Investment Fund. It was noted that the council had officer and member representation on each of the four steering groups.

The Chief Executive identified that a workshop would be taking place on 18/19 October to enable members to come together to discuss the area planning process, outline the roles of the Steering Groups and identify priorities for a work plan.

Also a paper will be going to SP&R to set out how Members might seek to strategically align the work of the Council, including the AWGs, to inform and influence the emerging SIF Zone action plans.

5. Date of Next Meeting

Wednesday 14 November 2012 at 2.15pm