

Minutes of Policy & Finance Committee

Meeting Date: Tuesday, 22 January 2019 starting at 6,30pm
Present: Councillor S Atkinson (Chairman)

Councillors:

R Bennett	A Knox
S Bibby	G Mirfin
A Brown	J Rogerson
M French	I Sayers
T Hill	D T Smith
K Hind	R Swarbrick
S Hirst	

In attendance: Chief Executive, Director of Resources, Director of Community Services, Director of Economic Development and Planning.

Also in attendance: Councillors M Fenton, S Hind and N Walsh.

585 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillor P Elms.

586 MINUTES

The minutes of the meeting held on 20 November 2018 were approved as a correct record and signed by the Chairman.

The Chief Executive referred to Minute 474 Voter ID Pilot and informed Committee that the Borough Council would no longer be doing this as further information received from the Cabinet Office had led him to believe it would be too resource intensive and would interfere with the smooth running of the election, especially with the elections being carried out on the new ward boundaries.

587 DECLARATIONS OF PECUNIARY AND NON-PECUNIARY INTEREST

There were no declarations of pecuniary and non-pecuniary interest.

588 PUBLIC PARTICIPATION

There was no public participation.

589 DEVELOPMENT OF CLITHEROE MARKET SITE

The Director of Economic Development and Planning submitted a report giving Members an update on the market area re-development project and agreeing a way forward in respect of a development scheme for the site. She reminded Committee that on 1 December 2015 following a procurement process, Barnfield Construction Ltd were selected as the preferred bidder to deliver their scheme submitted as part of the procurement process. In July 2016 a proposed scheme

for the market development was subject to a public consultation exercise, following which the Market Development Working Group concluded that the scheme should be amended to respond to the comments received. At Policy and Finance Committee on 19 June 2018, Members considered the amended scheme which saw a reduction in the scale of development and consideration of the leisure officer within the development and approved the scheme in principle for it to move forward to the next stage. However, at Policy and Finance Committee on 25 September 2018, Members agreed that rather than progress with the actions agreed at the June Policy and Finance Committee, a further report would be brought to a later Committee to advise Members on alternative ways forward for the re-development of this site. The Council needs to ensure that it achieves best consideration as well as an affordable and viable financial appraisal to establish value for money in respect of this scheme, in accordance with Section 123(2) of the Local Government Act 1972. Members were advised that these matters would need to be fully considered when progressing any development scheme on the market site.

In December 2018 the Ministry of Housing, Communities and Local Government (MHCLG) published a call for expressions of interest to bid for part of the £675m Future High Streets Fund. This fund was intended to renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability. The competition for the fund would take place over two phases – phase 1 a process calling for expressions of interest, and phase 2 the short listed places will develop their strategic vision and full business cases. The fund would contribute up to a maximum of £25m to each successful place, however MHCLG are expecting to see a range of project sizes coming forward in the region of £5-10m per town centre.

The Council was committed to bringing forward a scheme for the re-development of the market area but this needs to be done in the context of delivering the right development for the town centre. Given the Council's ambitions for Clitheroe town centre and the announcement of the future high street fund, there are now other options for delivering the Council's vision for the wider Clitheroe town centre.

Councillor M Fenton and S Hind were given permission to speak on this item and asked that Committee consider the option of bidding to the Future High Streets Fund.

Members discussed the options available and felt that a bid to the Future High Streets Fund would be an opportunity to look at the market site in context with Clitheroe town centre.

RESOLVED: That Committee agree to terminate the original procurement exercise and work up an expression of interest for the Future High Streets Fund

590 REVISED CAPITAL PROGRAMME 2018/2019

The Director of Resources submitted a report seeking Committee's approval of the revised capital programme for the current financial year for this Committee. The original capital programme for 2018/2019 had been approved by Policy and Finance Committee in February 2018 and since then regular reports had been presented to this Committee on progress with the capital programme. In

February 2018 three new capital schemes with a total approved budget of £156,420. Since then the following changes had been made:

- Three schemes in the 2017/2018 capital programme were not completed by 31 March 2018 and had unspent budget available at that date which was transferred into the 2018/2019 capital programme budget. An additional budget of £10,500 was approved by this Committee in September 2018 for the additional estimated cost of the replacement server for revenues and benefits scheme.

As a result of the above the total approved budget for this Committee's capital programme of six schemes was £253,060. Following discussion on each of the schemes in the capital programme with budget holders, the revised estimate is £161,730, a reduction of £91,330 from the previously approved capital budget. Reasons for this reduction were outlined to Committee.

The Director of Resources reported that the expenditure and commitments to the end of December 2018 represented 69% of the revised estimate. The report outlined the full capital programme by scheme including the budget and expenditure to date for Committee's information.

RESOLVED: That Committee approve the revised capital programme of £161,730 for this Committee as set out in the report.

591 REVISED REVENUE BUDGET 2018/2019

The Director of Resources submitted a report outlining the revised revenue budget for 2018/2019 for this Committee. She reminded Members that at this time of year the estimates are revised for the current financial year in order to predict the likely outturn. This also assists in preparing the original estimates for the coming financial year.

The original budget for 2018/2019 initially allowed 2% for both pay and price increases, however after the detailed estimates had been prepared, the national pay award was settled which increased the pay nationally by 2.707% in 2018/2019 and 2.802% in 2019/2020 with substantial increases in lower pay scales. As well as using data on past performance, there had been detailed discussions with budget holders and Heads of Service on past service provision and future plans which played an integral part in the budget setting process.

She informed Committee that the revised budget for 2018/2019 showed an increase in net expenditure of £10,320, more than the original estimate after allowing for transfers to and from earmarked reserves. A comparison between the original and revised budgets for each cost centre was included for Committee's information and the significant variances were highlighted.

RESOLVED: That Committee agree the revised revenue estimate for 2018/2019.

592 ORIGINAL REVENUE BUDGET 2019/2020

The Director of Resources submitted a report asking Committee to agree the draft revenue budget for 2019/2020 for this Committee for consideration at Special Policy and Finance Committee.

With regard to the Council's overall financial position, she reminded Members that in September the four year budget forecast had predicted budget gaps of £101k in 2019/2020; £225k in 2020/2021 and £426k in 2021/2022.

She also reminded Members that 2019/2020 was the final year of the multi-year grant settlement which we had signed up to and as such we had not expected our allocations to change from those previously announced. Negative Revenue Support Grant (RSG) for 2019/2021 of £108,866 was anticipated. On 13 December 2018 the government announced the provisional financial settlement; for Ribble Valley this would mean:

- negative RSG had been eliminated gaining us £109k;
- the Rural Services Delivery grant had been increased back to the same level as 2018/2019 gaining us £21k;
- the New Homes Bonus threshold remains at 0.4%;
- the Lancashire Business Rates Pilot Bid had been successful, a gain from this would be dependent on actual business rate growth but estimates suggest it could be in the region of £400k;
- the government are returning to local authorities the levy account surplus which would be £20k.

The government had also announced consultations on the future of business rate retention and the fair funding review, which may have a significant impact on our financial position beyond 2019/2020.

The Budget Working Group would continue to meet over the coming weeks and would ultimately make recommendations for Special Policy and Finance Committee on 5 February 2019 in order to achieve a balanced budget.

The proposed fees and charges for 2019/2020 had been considered by Committee in November and had been incorporated into the service budgets. Following in-depth service analysis and meetings between accountants, budget holders, Heads of Service and management team the proposed draft budget was now presented to Members.

Estimates had been prepared on current levels of service allowing for the nationally agreed pay award (average increase 2.8%) and price increases at 2%. The budget for each cost centre within the report was presented individually showing the original estimate, savings, inflation, variations to the standard budgeted inflation, unavoidable changes to service costs, support services and capital charges which then culminated in the draft original estimate for 2019/2020.

The report detailed individual budget areas under this Committee and comments were provided on the main variances.

The draft budget was also summarised in two ways; one over the cost of the service provided by the Committee (objective) and the other over the type of expenditure and income (subjective).

The net expenditure for this Committee is estimated to increase by £111,370 to £2,202,040 after allowing for associated movements on earmarked reserves. The main reasons for this increase were summarised for Committee's information.

RESOLVED: That Committee agree the revenue original estimate for 2019/2020 and submit this to the Special Policy and Finance Committee.

593 AUTUMN BUDGET 2018 – RETAIL RELIEF

The Director of Resources submitted a report informing Committee that the Chancellor in his 2018 budget had introduced a business rates retail relief scheme for 2019/2020 and 2020/2021. The report sought Committee's approval to amend the Discretionary Rate Relief Policy to allow the relief to be granted without an application in writing as proposed by the government.

The Localism Act 2018 amended Section 47 of the Local Government Finance Act 1992 to give local authorities the power to reduce business rates as they think fit. Since this power was introduced, the government had chosen to introduce numerous temporary relief without the need to amend the primary legislation. On each occasion guidance had been provided requiring local authorities to adopt their own schemes for awarding the relief that required an application to be made by the ratepayer to confirm that the award of the relief would not breach state aid rules.

The relief of one third of the rates payable would apply to occupied premises with a rateable value of less than £51,000 that are wholly or mainly used as shops, restaurants, cafes and drinking establishments. An initial analysis of this had identified approximately 250 premises that would meet the criteria.

To enable us to grant the relief using our current discretionary rate relief policy, Committee needed to authorise the award of this relief without the requirement for a written application on this occasion.

Members asked several questions with regard to this issue.

RESOLVED: That Committee authorise the Director of Resources to grant discretionary rate relief to those ratepayers who meet the criteria as set out in the guidance issued by government without the need for a written application.

594 LOCAL TAXATION WRITE-OFFS

Committee were asked to approve the write-off of business rates debts relating to one case where a company had been dissolved. Reasonable steps by various means had been taken to collect this debt.

RESOLVED: That Committee approve the writing off of £4,260.61 in business rates where it had not been possible to collect the amounts due.

595 REVIEW OF FINANCIAL REGULATIONS AND CONTRACT PROCEDURE RULES

The Director of Resources submitted a report asking Committee to consider a recommendation that Council accept the updated financial regulations and

contract procedure rules. These are key components of the Council's constitution and corporate governance arrangements and apply to every Member and officer of the Council and anyone acting on the Council's behalf.

The report highlighted the main changes and clarifications that had been made to the financial regulations and to the contract procedure rules.

*** RESOLVED: That Committee recommend to Full Council the acceptance of the revised financial regulations and revised contract procedure rules. ***

596 TREASURY MANAGEMENT MONITORING

The Director of Resources submitted a report for Committee's information on the treasury management activities for the period 1 April to 31 December 2018. The report outlined the following topics:

- Public works loan board
- Borrowing requirements
- Temporary Investments
- Prudential indicators
- Local Government Bonds Agency
- Approved organisations
- Recent events
- Exposure to risk

RESOLVED: That the report be noted.

597 REVENUES AND BENEFITS GENERAL REPORT

Committee considered a report which covered the following:

- National Non Domestic Rates (NNDR)
- Council Tax
- Sundry debtors
- Housing benefit and Council Tax performance
- Housing benefit overpayments

RESOLVED: That the report be noted.

598 REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from Representatives on Outside Bodies.

599 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the fact that the following item of business be exempt information under Category 1 of Schedule 12A of the Local Government Act 2972 the press and public be now excluded from the meeting.

600 LOCAL TAXATION WRITE-OFFS

Committee considered a report asking them to approve the writing-off of a Council Tax debt relating to an individual where it has not been possible to collect the amount due.

RESOLVED: That Committee approve the writing-off of £1,207.16 of Council Tax debts plus £60 costs where it had not been possible to collect the amount due.

The meeting closed at 7.15pm.

If you have any queries on these minutes please contact Jane Pearson (425111).