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# CABINET

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**Wednesday, 12th October, 2016**

**Present:** Councillor Miles Parkinson (in the Chair), Councillors Clare Cleary, Paul Cox, Munsif Dad, Gareth Molineux and Ken Moss

**In Attendance:** Councillors Tony Dobson, Stewart Eaves, Eamonn Higgins, Terry Hurn, Abdul Khan and Paul Thompson

Sue Taylor, Principal of Accrington and Rossendale College  
Hugh Bramwell, Principal of Burnley College

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**190 Apologies for Absence**

There were no apologies for absence.

**191 Declarations of Interest and Dispensations**

There were no declarations of interest or dispensations.

**192 Presentation - College Area Review**

Sue Taylor (Principal of Accrington and Rossendale College) and Hugh Bramwell (Principal of Burnley College) gave a joint presentation on College Area Review, as follows:-

- a) Our Proposal
- b) Purpose
- c) Context
- d) What is the Accrington and Burnley Story?
- e) Benefits
- f) Offering Our Learners More and Better
- g) What's Next?

As part of a consultation exercise, the support of the Council to proposals being put forward for the Area Review would be sought. Queries were raised in relation to cost effectiveness and savings, provision, location and overlap of services, location of College Principal, college identities and brands, clinical medical services, investment of savings into services, relationship with the Council and retention of staff.

The Leader of the Council (Councillor Miles Parkinson) thanked Sue Taylor and Hugh Bramwell for their presentation.

**Resolved - That the contents of the presentation be noted.**

**193 Minutes of Cabinet - 31st August 2016**

The Minutes of the meeting of Cabinet held on 31<sup>st</sup> August 2016 were submitted for approval as a correct record.

**Resolved** - That the Minutes be received and approved as a correct record.

**194 Minutes of Boards, Panels and Working Groups**

The Minutes of the following meetings were submitted:-

- a) Local Plan Member Working Group - 25<sup>th</sup> January, 11<sup>th</sup> July and 10<sup>th</sup> August 2016
- b) Regeneration and Housing Panel - 18<sup>th</sup> July 2016
- c) Leader's Policy Development Board - 13<sup>th</sup> September 2016
- d) Learning and Development Panel - 13<sup>th</sup> September 2016

**Resolved** - That the Minutes of the above meetings be received and noted.

**195 Report of Urgent Cabinet Decision - Issue of Lease to Trustees of Hyndburn Green Spaces Forum for Milnshaw Park Play Area**

The Leader of the Council submitted a copy of a signed Urgent Cabinet Decision form and accompanying report relating to the issue of a Lease to Trustees of Hyndburn Green Spaces Forum for the Milnshaw Park Play Area.

**Resolved** - That the Urgent Cabinet Decision be noted.

**196 Reports of Cabinet Members**

There were no reports.

**197 100% Business Rates Retention**

The Portfolio Holder for Resources (Councillor Gareth Molineux) submitted a report describing the proposed Government changes and possible effects of the alteration in local government funding i.e. the 100% retention of business rates by local government. The following Department for Communities and Local Government documents were appended to the report:-

- a) Self-Sufficient Local Government: 100% Business Rates Retention - Consultation Document
- b) Business Rates Reform - Fair Funding Review: Call for Evidence on Needs and Redistribution

Approval of the report was not deemed a key decision.

*Reasons for Decision*

1) The present system whereby business rate income collected by the Council was split 50:50 into central and local shares had been introduced in April 2013. The central share went to Government and was redistributed to local government in the form of rate support grant and other grants. In the case of Hyndburn Borough Council 80% of the local share stayed with the Council, 18% went to Lancashire County Council and 2% went to the Fire and Rescue Service;

2) As part of the 2016/17 Local Government Finance Settlement, the Government had announced a Fair Funding Review of councils' relative needs and resources and at present

the main idea was that authorities with higher needs would receive a larger allocation of funds. The Government's Policy objective was to stimulate economic growth at local level.

3) Local government would retain 100% of business rates but would take on new responsibilities which according to the Government's Spending Review should be linked to '*empowering local authorities to drive local economic growth and support their local community*' e.g. administration of housing benefit for pensioners, public health grant and attendance allowance. In future, councils would be expected to take on further responsibilities without additional funding and local authority opinion was that new responsibilities should be linked to economic growth, be aligned with any proposed devolution agreement and not be demand led. The Department of Communities and Local Government was carrying out a national consultation on the proposed reforms.

*There were no alternative options for consideration or reasons for rejection.*

**Resolved** - **That the contents of the report which described the current business rates system and the issues surrounding the Government's proposals, be noted.**

## **198 Multi-Year Settlements and Efficiency Plan**

The Portfolio Holder for Resources submitted a report setting out and evaluating the details of the offer made by the Department of Communities and Local Government to confirm central revenue funding levels for Hyndburn Borough Council up to and including the financial year 2019/20. The Multi-Year Settlements and Efficiency Plans Letter and Annex to that Letter were appended to the report. Approval of the report was not deemed a key decision.

### *Reasons for Decision*

1) In March 2016, the Secretary of State for Communities and Local Government wrote to all authorities about multi-year settlements and efficiency plans. The letter offered a four year funding settlement up to and including 2019/20 provided the authority produced an efficiency plan which '*should cover the full four year period and be open and transparent about the benefits this will bring to both your council and your community*'. If Hyndburn Borough Council chose to continue on a year by year basis, the Department of Communities and Local Government could not '*guarantee future levels of funding for those who prefer not to have a four year settlement*'.

2) It was expected that this would be the only time during the current Parliament that a multi-year settlement would be offered. The offer covered revenue support grant, transitional grant and rural services delivery grant but only the first grant affected Hyndburn Borough Council. Protection would be provided to ensure that tariffs and top-ups for 2017/18 to 2019/20 would not be altered because of changes in the relative needs of the local authority.

### *Alternative Options Considered and Reasons for Rejection*

1) The alternative would be not to take up the offer and risk future changes in the level of rate support grant which could be either a reduction in the annual amounts or complete withdrawal. In the present economic climate it was extremely unlikely that more funding would become available to local government via central government.

2) Continued dependence on the annual funding model, in light of the Government's assertion that it could not guarantee those amounts, increased the risk of volatility in

Hyndburn Borough Council's financial planning which could lead to shortfalls having to be met by savings over and above those planned in the Council's Medium Term Financial Strategy.

**Resolved** - **That the offer be accepted.**

**199 Report of Overview and Scrutiny - Integrated ICT Solutions**

The Chair of the Resources Overview and Scrutiny Committee (Councillor Abdul Khan) submitted a report setting out the recommendations of that Committee in relation to the Committee's review on the introduction of an integrated IT service. Approval of the report was not deemed a key decision.

The Leader of the Council responded to the recommendations of the Resources Overview and Scrutiny Committee as follows:-

(1) That Cabinet be requested to ensure that the new website was user friendly for customers.

*Cabinet Response: Recommendation accepted.*

(2) That Cabinet be requested to investigate ways to make the online payment system simpler for customers to use.

*Cabinet Response: Recommendation accepted.*

(3) That Cabinet be requested to work with the Head of ICT to explore the possibility of the introduction of an integrated system for the website which would require only one simple login from a customer regardless of what service they required access to.

*Cabinet Response: Recommendation accepted subject to the Cabinet "actively" working with the Head of ICT.*

(4) That Cabinet be requested to ensure the new website and My Hyndburn app were compatible with assistive technologies in order to make them more accessible to residents who were visually impaired, elderly or those who had low literacy skills.

*Cabinet Response: Recommendation accepted.*

*Reasons for Decision*

Cabinet was the relevant body to receive the report.

*There were no alternative options for consideration or reasons for rejection.*

**Resolved** - **That the Cabinet's responses to the recommendations of the Resources Overview and Scrutiny Committee, as set out above, be agreed and reported back to the Committee.**

*The following item was submitted as urgent business with the Chair's agreement in accordance with Section 100B(4) of the Local Government Act 1972, the reason being to ensure the latest up to date information was included in the report.*

## **200 Financial Position 2016/17 - Report to End of August 2016**

The Leader of the Council submitted a report on the financial spending of the Council at the end of August 2016 and the prediction of the outturn position to the end of the financial year in March 2017. The financial detail of the report was appended to the report. The spend against Budget in the first five months of the year was £4,261,355 against a Budget of £4,543,925 leaving a positive variance of just over £282,000. The forecast spend for the year to 31<sup>st</sup> March 2017 was £10,829,000 against a budget of £11,283,000. A surplus of just under £454,000 by the end of the 2016/17 financial year was forecasted, making a Budget surplus of slightly more than 4.0% on the overall activities of the Council. Surpluses on Policy and Corporate Governance, Waste Services, Parks and Cemeteries, Culture and Leisure and Non Service Items currently outweighed the predicted adverse variances on Environmental Health, Regeneration and Property Service and Planning and Transportation. Approval of the report was not deemed a key decision.

### *Reasons for Decision*

To inform Cabinet of the financial spending of the Council at the end of August 2016 and the prediction of the outturn position to the end of the financial year in March 2017.

*There were no alternative options for consideration or reasons for rejection.*

**Resolved** - **That the report be noted and Corporate Management Team be asked to continue to identify savings and generate a surplus on the 2016/17 Budget to assist with future potential financial pressures on the Council.**

*The following item was submitted as urgent business with the Chair's agreement in accordance with Section 100B(4) of the Local Government Act 1972, the reason being to ensure the latest up to date information was included in the report.*

## **201 Capital Spend Report 2016/17**

The Portfolio Holder for Resources submitted a progress report on the 2016/17 Capital Programme which had been approved by Council on 25<sup>th</sup> February 2016 and then subsequently increased upon the authorisation of the carry forward of projects from the previous year. The Programme had been determined in line with previous decisions to fund capital expenditure from existing resources and to avoid borrowing to finance capital expenditure. The total value of the spend authorised in February 2016 was £5.5m which had been increased to £7.96m with the carry forward projects. The current predicted outturn was £7.96m with a small underspend of £5,000 currently predicted. Spend to date had been £618,175 which was equivalent to 7.8% of the overall programme budget. Only seven projects were currently indicating a variance against their budget and five of them had only minor variances of less than £1,000. There was a predicted saving of £25,000 on the Capitalised Salary Budget offset by a negative variance of £19,787 in connection with the sale of Lyndon Playing Fields. Details of individual project budgets and spend to date was provided at Appendix 1 to the report. Approval of the report was not deemed a key decision.

*Reasons for Decision*

To update Cabinet on the progress of the 2016/17 Capital Programme.

*There were no alternative options for consideration or reasons for rejection.*

**Resolved** - **That the progress on capital expenditure to date be noted.**

*The following item was submitted as urgent business with the Chair's agreement in accordance with Section 100B(4) of the Local Government Act 1972, the reason being to ensure the latest up to date information was included in the report.*

**202 Prudential Indicators Monitoring and Treasury Management Strategy Update**

The Portfolio Holder for Resources submitted an update report on activities relating to Prudential Indicators Monitoring and the Treasury Management Strategy since the start of the financial year 2016/17. The Council was required to set prudential indicators annually for the forthcoming three years to demonstrate that its capital investment plans were affordable, prudent and sustainable. The current prudential indicators had been adopted by Council in February 2016. The Prudential Code required the Council, having agreed at least a minimum number of mandatory prudential indicators (including limits and statements), to monitor them in a locally determined format and frequency. The monitoring information for each of the prudential indicators, limits and statements was set out in Appendix 1 to the report. The half-year report to Cabinet complemented a more regular review by the Deputy Chief Executive. The indicators were purely for internal use and were not designed to be used as comparators between authorities. Treasury Management related to the borrowing and cash activities of the authority and the effective management of any associated risks. The current Treasury Management Strategy had been approved by Council in February 2016 in accordance with the CIPFA Code of Practice for Treasury Management in Public Services. Approval of the report was not deemed a key decision.

*Reasons for Decision*

To meet the requirements of the Prudential Code for Capital Finance in Local Authorities and the CIPFA Code of Practice on Treasury Management in Public Services.

*There were no alternative options for consideration or reasons for rejection.*

**Resolved** - **That the report be noted.**

*The following item was submitted as urgent business with the Chair's agreement in accordance with Section 100B(4) of the Local Government Act 1972, the reason being to ensure the latest up to date information was included in the report.*

**203 Medium Term Financial Strategy 2017/18 to 2019/20 - October 2016 Update**

The Portfolio Holder for Resources submitted a report on the three year projections of income and spending for the Council ahead of formulating its 2017/18 Revenue and Capital Budget. The Medium Term Financial Strategy was attached to the report and set out the way in which the Council went about its financial planning processes, especially in relation to the corporate budget planning cycle, which was subject to the Budget and Policy Framework Procedure Rules. The Strategy also set out an updated action plan for the

process and arrangements for reporting on progress to date in formulating and updating future year's budgets. Specifically the report updated the Medium Term Financial Strategy presented to Cabinet in February 2016. Appendix 1 to the report set out the background to the current budget predictions in figures to give an idea of commitments, funding and potential Council Tax levels. Those figures remained the current best estimate of the likely financial position over the next three years. Appendices 2 and 3 to the report outlined two further scenarios of the potential range of values over the coming period. The figures in Appendix 1 however remained the Council's current best estimate of the likely financial position over the next three years. Approval of the report was not deemed a key decision.

#### *Reasons for Decision*

Cabinet required an update on its medium term financial outlook ahead of setting the Budget for 2017/18 and determining the level of Council Tax. The report also ensured those decisions were taken with a view to the overall position of the Council going forward and were not limited to a narrow one year perspective.

*There were no alternative options for consideration or reasons for rejection.*

**Resolved** - **That the report and accompanying Medium Term Financial Strategy be approved.**

*The following item was submitted as urgent business with the Chair's agreement in accordance with Section 100B(4) of the Local Government Act 1972, the reason being to agree terms to assist the tenant with some existing repair obligations.*

#### **204 Phoenix Phase 1 D Proposal to Promote a Compulsory Purchase Order**

The Portfolio Holder for Housing and Regeneration (Councillor Clare Cleary) submitted a report relating to progress and land assembly within the Phoenix Phase 1 D Project Area and seeking a new resolution to promote a Compulsory Purchase Order. Approval of the report was not deemed a key decision.

#### *Reasons for Decision*

- 1) The subject area adjoined land already acquired by the Council either by agreement or pursuant to a previous Compulsory Purchase Order as part of the adjoining phase of development. The subject area was within the final phase of the development known as Project Phoenix.
- 2) Since February 2008 when Cabinet resolved to take all necessary steps to make a Compulsory Purchase Order, a number of known interests had been acquired by agreement, however, despite several years of negotiations with the owner of land to the south west of Newark Street, acquisition of that property by agreement had not been possible. Part of the site was also unregistered title and in unknown ownership.
- 3) A Compulsory Purchase Order was seen as the last resort to bring in the remaining interest and unregistered title within a reasonable timescale to facilitate the regeneration plans. The Order would enable the Council to acquire and demolish the remaining structures so that site investigations could be carried out and a remediation strategy produced in accordance with the planning application.

*Alternative Options Considered and Reasons for Rejection*

1) Whilst negotiations would continue even if a Compulsory Purchase Order was approved, they had proven unsuccessful thus far and there was no indication that a settlement by agreement was imminent. As such a Compulsory Purchase Order was viewed as essential if that area was to be developed in a reasonable time frame.

2) The option to exclude that part of the site should be discounted, as by developing that area in a way that was more sympathetic to the adjoining development, the Council would avoid the detrimental effects of leaving non-residential uses in an area in which the objectives were to improve the residential environment and removal of likely contamination.

**Resolved**

**(1) That having concluded that acquisition of the remaining interests would facilitate the carrying out of redevelopment of Phoenix Phase 1 D and that such development was likely to contribute to the achievement of one or more of the following objectives:-**

**a) the promotion or improvement of the economic well-being of the area**

**b) the promotion or improvement of the social well-being of the area**

**c) the promotion or improvement of the environmental well-being of the area**

**and**

**being satisfied that the interference with Human Rights was in the public interest and both necessary and proportionate in bringing about the improvements that would follow from any redevelopment or improvement**

**It be agreed that all necessary steps be taken to make a Compulsory Purchase Order using the most appropriate powers to facilitate the purchase of all necessary legal interests in or affecting the land identified in the area shaded pink on the plan attached to the report at Appendix 1 (“the subject area”) in order to secure the acquisition, land assembly and clearance of the subject area and to facilitate its development;**

**(2) That the disposal of all or any part of the Phoenix 1 D Project Area, (shown edged red on the plan at Appendix 2 to the report), once acquired by the Council, be authorised and negotiation and agreement of the terms of the related building licence and of such disposals be delegated to the Head of Regeneration and Housing, in consultation with the Executive Director (Legal and Democratic Services); and,**

**(3) That the Head of Housing and Regeneration be authorised and delegated authority to agree terms and enter into a variation of the Overarching Development**

**Agreement to include all areas of the Phoenix Phase 1 D Project Area.**

**205 Exclusion of the Public**

**Resolved**

- **That, in accordance with Section 100A(4) Local Government Act 1972, the public be excluded from the meeting during the following item, when it was likely, in view of the nature of the business to be transacted, or the nature of the proceedings, that there would otherwise be disclosure of exempt information within the Paragraph at Schedule 12A of the Act specified at the item.**

*The following item was submitted as urgent business with the Chair's agreement in accordance with Section 100B(4) of the Local Government Act 1972, the reason being as set out in the exempt report.*

**206 Revisions to Disposal of Elmfield Hall to Community Solutions North West Ltd**

*Exempt information under the Local Government Act 1972, Schedule 12A, Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

The Portfolio Holder for Housing and Regeneration submitted an exempt report seeking approval to vary the terms of the existing 125 year lease of Elmfield Hall, Church to Community Solutions North West Limited for a period of five years. Approval of the report was not deemed a key decision.

*Reasons for Decision*

The reasons for the decision were set out in the exempt report.

*Alternative Options Considered and Reasons for Rejection*

The alternative options considered and reasons for rejection were set out in the exempt report.

**Resolved**

- **That authority be delegated to the Head of Regeneration and Housing to vary the detailed terms of the existing lease of Elmfield Hall, Church to Community Solutions North West Limited for a fixed period of five years.**

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed