
COUNCIL

Thursday, 22nd February, 2018

Present: Councillor Mohammad Ayub (in the Chair), Councillors Judith Addison, Lisa Allen, Noordad Aziz, Jean Battle, Peter Britcliffe, Stephen Button, Clare Cleary, Loraine Cox, Paul Cox, Munsif Dad, Bernard Dawson, Tony Dobson, Stewart Eaves, Diane Fielding, Melissa Fisher, Glen Harrison, June Harrison, Eamonn Higgins, Terry Hurn, Julie Livesey, Gareth Molineux, Jenny Molineux, Ken Moss, Tim O'Kane, Bernadette Parkinson, Miles Parkinson, Joyce Plummer, Kath Pratt, Malcolm Pritchard, Jeff Scales and Paddy Short

Apologies: Councillors Abdul Khan and Stephanie Haworth

356 Apologies for Absence

Apologies for absence were submitted from Councillors Stephanie Haworth and Abdul Khan.

357 Declarations of Interest and Dispensations

It was noted that all Councillors had been granted a dispensation to speak and vote in relation to setting Council Tax or a precept under the Local Government and Finance Act 1992.

358 Announcements

The late Arthur Davidson

The Deputy Mayor paid tribute to Arthur Davidson who had died in January 2018. Arthur had been the Labour MP for Accrington from 1966 to 1983. Councillors Dawson, O'Kane, Dobson and Miles Parkinson also placed on record their tributes.

A minutes silence was held as a mark of respect.

359 Confirmation of Minutes

The Minutes of the meeting of Council held on 11th January 2018 were submitted for approval as a correct record.

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

360 Medium Term Financial Strategy 2018/19 to 2020/2021

The Portfolio Holder for Resources (Councillor Gareth Molineux) presented a report relating to the Medium Term Financial Strategy which set out income and spending projections for the Council for the next three years, 2018/19 to 2020/21. The report had been submitted to Cabinet on the 14th February 2018 and Resources Overview and Scrutiny Committee on the 19th February 2018.

The objectives of the Strategy were:-

- To be the financial expression of the Corporate Plan, providing the resources to deliver the plan.
- To ensure that commitments did not exceed forecasted anticipated resources over the period and for each year.
- To ensure that expenditure was increasingly focused on those areas which the Council had determined as its priority areas.
- To ensure that the level of Council Tax was planned in line with what the Council and the community as a whole regarded as being acceptable, albeit within the context of guidelines from Central Government.
- To review the effectiveness of delivery of additional resources into priority areas, to ensure that the objectives set for those target areas were actually being achieved.
- To ensure that the Council remained in a strong financial position as measured by the size of balances and reserves (consistent with the Chief Financial Officer's recommendations).
- To improve value for money assessments in all services by delivering increased efficiency savings.

The key elements of the Strategy were:-

- Forecasting Resources
- Budget Monitoring and Forecasting Commitments
- Corporate Strategic Direction and Priorities of the Council

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

361 Prudential Indicators and Treasury Management Strategy

The Portfolio Holder for Resources submitted a report setting out the Council's policy and objectives with respect to treasury management, explaining how it would achieve its objectives and manage its activities, and seeking agreement to an investment strategy for 2018/19. Treasury Management was defined as:-

"The management of the Council's investment and cash flows, its banking, money market and capital market transactions;

The effective control of the risks associated with those activities; and,

The pursuit of optimum performance consistent with those risks."

The Council was required to operate a balanced budget which meant that cash raised during the year met cash expenditure. Part of treasury management was to ensure the cash flow was properly planned with cash available when needed. Surplus monies were invested in line with the Council's low risk preferences.

The Prudential Code was a professional code that set out the framework for self-regulation of capital spending and financing which allowed councils to invest in capital projects without any limit as long as such investment was affordable, prudent and sustainable. The Code was produced by Cipfa and required the Council to agree and monitor a minimum number of prudential indicators (including limits and statements) which related to affordability, prudence, capital expenditure, external debt and treasury management.

The aspects addressed in the report were:-

- Capital Expenditure and the Capital Financing Requirement
- Estimated Capital Expenditure
- Minimum Revenue Provision
- Affordability Prudential Indicators
- Treasury Management Strategy 2018/19 to 2020/21
- External Debt Overall Limits
- External v Internal Borrowing
- Limits on Activity
- Debt Rescheduling
- Investment Strategy
- Treasury Management Practices (TMP)
- Policy on the use of External Service Providers
- Treasury Management Strategy In-Year and Year-End Reporting

Resolved

- (1) That the prudential indicators and limits detailed in the report be adopted;**
- (2) That the treasury management strategy, and associated indicators, as set out in section 8 of the report, be approved;**
- (3) That the investment strategy, as set out in section 13 of the report, be approved; and,**
- (4) That the Minimum Revenue Provision (MRP) for year 2018/19, set out in Appendix 1 to the report, be approved;**
- (5) That the Treasury Management Policy Statement 2018/19, as set out in Appendix 2 to the report, be approved; and,**
- (6) That the Treasury Management Practices Statement 2018/19, as set out in Appendix 3 to the report, be approved.**

362 General Revenue Budget, Council Tax Levels and Capital Programme 2018/19

Before the start of the debate, the Deputy Mayor sought consent to the order and format of the debate, a copy of which had been circulated prior to and at the meeting. The meeting gave its consent to the proposed arrangements.

The Leader of the Council presented the proposed revenue and capital budget and council tax levels for 2018/19. Proposals for the 2018/19 general fund revenue budget and capital programme had been put forward at Cabinet on the 14th February 2018 and had been

recommended to Council for approval. The Leader put forward an updated report circulated at the meeting setting out the Council's budget requirement for 2018/19, its Precept on the Collection Fund and the formal details surrounding the Precept of other bodies on the Collection Fund and seeking permission to continue to allow former Area Council budgets for Capital and Revenue to be retained by those groups or their successors and for additional payment or payments to be made to Lancashire Pension Authority if surplus funds existed.

The Vice-Chair of the Resources Overview and Scrutiny Committee (Councillor Jenny Molineux) submitted a report of that Committee's consideration for the budget proposals, to which the Leader responded.

A **motion** was proposed by Councillor Miles Parkinson and seconded by Councillor Gareth Molineux:-

"That the recommendations for the General Fund Revenue and General Fund Capital Programme Budget and Council Tax Levels for 2018/19, now submitted by the Controlling Group of the Council, be approved."

A number of proposals were then submitted by the Leader of the Conservative Group (Councillor Tony Dobson).

A debate on the motion then followed, after which it was put to the vote. In accordance with the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014 a recorded vote was taken. The votes were recorded as follows:-

For the Motion:

Councillors Judith Addison, Lisa Allen Mohammad Ayub, Noordad Aziz, Jean Battle, Stephen Button, Clare Cleary, Loraine Cox, Paul Cox, Munsif Dad, Bernard Dawson, Tony Dobson, Stewart Eaves, Diane Fielding, Melissa Fisher, Glen Harrison, June Harrison, Eamonn Higgins, Terry Hurn, Julie Livesey, Gareth Molineux, Jenny Molineux, Ken Moss, Tim O'Kane, Bernadette Parkinson, Miles Parkinson, Joyce Plummer, Kath Pratt, Malcolm Pritchard, Jeff Scales and Paddy Short, (31).

Against the Motion:

None.

Abstentions:

Councillor Peter Britcliffe, (1).

The motion was therefore carried.

Resolved

- (1) That the Cabinet's recommendations on the Revenue and Capital Budgets and Prudential Indicators and Treasury Management Report for 2018/19 to 2020/21 made at the Cabinet meeting on the 14th February 2018 be accepted and adopted;**
- (2) That Council Tax for Hyndburn Borough Council be increased by £5.00 to £240.52 for the year for a Band D property. That was equivalent to a 10 pence per week increase for a Band D property, but most people in**

Hyndburn would see an annual increase of £3.34 as they lived in Band A properties. The weekly increase there would be 7 pence;

- (3) That the Council commits to continuing to strengthen its Reserves during the year and requires the Chief Executive and the Deputy Chief Executive to take appropriate action to protect the Council's overall financial position and further strengthen its Reserves during the forthcoming year;
- (4) That the Council delegates authority to the Chief Executive to take such action as he considers necessary to implement the measures contained in the budget;
- (5) That it be noted that on the 3rd January 2018 the Council at its Cabinet calculated:

 - the Council Tax Base 2018/19 for the whole Council area as 20,506 (Item T in the formula in Section 31B(3) of the Local Government Finance Act 1992, as amended (the "Act")) and,
 - for dwellings in those parts of its area to which a Parish precept relates as 314;
- (6) That Council agrees that the Council Tax requirement for the Council's own purpose for 2018/19 (excluding Parish precepts) is £4,932,103;
- (7) That Council agrees that the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:

 - a) £50,441,674 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - b) £45,496,926 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - c) £4,944,748 being the amount by which the aggregate at 7(a) above exceeds the aggregate at 7(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement

for the year (Item R in the formula in Section 31A(4) of the Act).

- d) **£241.14** being the amount at 7(c) above (Item R), all divided by Item T (5 above), calculated by the Council, in accordance with Section 31B(1) of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - e) **£12,645** being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as per the attached Appendix B).
 - f) **£240.52** being the amount at 7(d) above less the result given by dividing the amount at 7(e) above by Item T (5 above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
- (8) That Council note that the County Council, the Lancashire Police & Crime Commissioner and the Lancashire Combined Fire & Rescue Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below;
- (9) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2018/19 for each part of its area and for each of the categories of dwellings;

	2017/18	2018/19	Increase
	£	£	
Hyndburn Borough Council	235.52	240.52	2.12%
Lancashire County Council	1,221.74	1,294.92	5.99%
Lancashire Police & Crime Commissioner	165.45	177.45	7.25%
Lancashire Fire & Rescue Authority	65.50	67.46	2.99%
Sub Total	1,688.21	1,780.35	5.46%
Altham Parish Council	40.27	40.27	0.00%
Total	1,728.48	1,820.62	5.33%

- (10) That the Council note the basic amount of Council Tax for 2018/19 is not considered excessive in accordance with principles approved under Section 52 ZB Local Government Finance Act 1992;
- (11) That the Deputy Chief Executive be given delegated authority to amend the budget (following consultation with the Leader of the Council) for technical reasons or to comply with legal requirements, such as the restructuring of cost centres, the re-apportionment and re-allocation of overheads etc., so long as these changes have an overall neutral impact on the budget;
- (12) That any continuing balances on Revenue or Capital previously earmarked for Area Councils continues to be set aside for use by these or their successor bodies;
- (13) That the Chief Executive be given delegated authority to use the unallocated surplus generated in 2017/18 to fund any future shortfall in income or additional expenditure, to support “Invest to Save” projects that will help reduce the Council’s long term costs (including additional payments to the Pension Fund as outlined below), or support specific capital projects, or finance other commitments that he deems to be in the best long term interest of the Council or to transfer funds to Reserves as required;
- (14) That the Chief Executive be given delegated authority following consultation with the Leader to make a payment to the Lancashire Pension Authority to help reduce the extent of the Council’s pension liabilities that have amassed from previous years (£55.9m as at the 31st March 2017); and

- (15) That the Council renews its short term loan to Barnfield & Hyndburn Ltd of £150,000 if required to assist our joint venture, manage its short term loan position with its Bank, while it continues to develop its site at Mill Gardens Great Harwood pending the arrival of receipts from sales.**

Signed:.....

Date:

Chair of the meeting
at which the minutes were confirmed