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# CABINET

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**Wednesday, 12th February, 2020**

**Present:** Councillor Miles Parkinson OBE (in the Chair), Councillors Paul Cox, Joyce Plummer and Loraine Cox

**In Attendance:** Councillors June Harrison, Eamonn Higgins and Dave Parkins

**Apologies:** Munsif Dad BEM JP and Jenny Molineux

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## **247 Apologies for Absence**

Apologies for absence were submitted on behalf of Councillors Munsif Dad BEM JP and Jenny Molineux.

## **248 Declarations of Interest and Dispensations**

There were no reported declarations of interest or dispensations.

## **249 Minutes of Cabinet**

The minutes of the meeting of Cabinet held on 15<sup>th</sup> January 2020 were submitted for approval as a correct record.

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

## **250 Minutes of Boards, Panels and Working Groups**

The minutes of the following meetings were submitted:

- Regeneration and Housing Panel – 10<sup>th</sup> June 2019
- Regeneration and Housing Panel – 21<sup>st</sup> August 2019
- Regeneration and Housing Panel – 14<sup>th</sup> October 2019
- Cabinet Waste and Recycling Group – 19<sup>th</sup> December 2019

**Resolved** - **That the Minutes be received and noted.**

## **251 Reports of Cabinet Members**

The following verbal reports were provided:

*Councillor Paul Cox (Deputy Leader of the Council)*

Councillor Paul Cox reported that, a new look play area in Church Kirk was already proving popular with local children, with youngsters enjoying lots of new equipment there, including an exciting aerial runway and a large side to side swinging rope. There was also a climbing

frame and an overhead rotator, along with swings, a basket swing and an interactive snakes and ladders game for family fun.

Pupils from the Sacred Heart Primary School in Church were already fans of the large swinging rope, which provided a centre piece within the play area and was the first of its kind in Hyndburn. It could be used by several children at once and would swing back and forth like a pirate ship at a theme park.

The Hyndburn Green Spaces Forum, working closely with Hyndburn Council's Parks Team, had secured a grant from the Lancashire Environmental Fund for £30,000, with Hyndburn Council providing the remainder of the funding. The facilities would help to improve the health and wellbeing of local children and their families.

**Resolved** - **To note the verbal report provided by the Deputy Leader of the Council.**

## **252 Global Resettlement Scheme - Request for Procurement Rules Exemption**

Councillor Loraine Cox, Portfolio Holder for Housing and Regeneration, reported on a proposal to seek a waiver of the Council's Contract Procedure Rules in respect of the purchase of casework support and voluntary sector support for the Global Resettlement Scheme implementation in Hyndburn.

Approval of the report was not a key decision.

### *Reason for Decision*

The Global Resettlement Scheme (GRS) is being introduced by the Home Office from 2020/21 and will consolidate all current resettlement programmes for refugees. Lancashire has been asked to be involved by the Home Office and Lancashire County Council (LCC) is the lead authority for its co-ordination on behalf of all Local Authorities in Lancashire.

The GRS will broaden the geographical focus beyond the Middle East and North Africa region. Therefore, refugees could come from many countries including Syria, Iraq, Iran, Somalia and Sudan.

The funding structure and delivery of the programme for the first cohort arriving in 2020/21 will be very similar to the current Syrian Resettlement Programme in Lancashire. Both the funding structure and numbers beyond 2020/21 are subject to agreement from the Treasury.

All Lancashire local authorities have been requested to pledge and commit to resettle 10 refugee households over a 5 year period. Hyndburn has committed to receive the first 5 households in July 2020. Preparations are now underway to enable this to happen.

Whilst a lot of the arrangements and logistics are co-ordinated by LCC there are numerous responsibilities on Hyndburn Borough Council to undertake prior to the refugees arrival. These will be detailed in the Agreement between LCC and the Council (to be agreed) and include the following:-

- Sourcing suitable self-contained accommodation; and
- Casework Support Service.

It was reported that Onward Homes, who provided the accommodation for the 10 Syrian Refugee households who arrived in July 2018, have agreed to source and provide houses for the 5 families arriving in July 2020 under the GRS.

*Alternative Options considered and Reasons for Rejection*

The Council could undertake a procurement exercise to choose a service provider for the above services but this is not recommended for the reasons stated in paragraphs 3.8, 3.10 and 3.11 of the report.

**Resolved**

- (1) That Cabinet waives the Council's Contract Procedure Rules in respect of the appointment of Calico Enterprise Ltd to provide casework support for a period of 2 years for the refugee households arriving in Hyndburn in July 2020 as part of the Global Resettlement Scheme.**
- (2) That Cabinet waives the Council's Contract Procedure Rules in respect of the appointment of Maundy Relief (on behalf of THRIVE) to provide voluntary sector support for a period of 2 years for the refugee households arriving in Hyndburn in July 2020 as part of the Global Resettlement Scheme.**
- (3) That Cabinet delegates authority to the Head of Regeneration and Housing in consultation with the Portfolio Holder for Regeneration and Housing to agree the terms of the Council's agreement with Calico Enterprise Ltd and Maundy Relief and the terms of the Local Authority Agreement between the Council and Lancashire County Council.**

**253 Pavement Cafe Licensing Policy**

Councillor Joyce Plummer, Portfolio Holder for Resources, provided a report seeking approval to the adoption of a Policy and standard conditions for the licensing of pavement cafes under section 115E of the Highways Act 1980

Approval of the report was not a key decision.

*Reason for Decision*

Under Section 115E of the Highways Act 1980, a district Council may grant permission for the service, amenities, recreation and refreshment facilities on pedestrianised areas of the highways. The powers can be used to licence street cafes to enable premises fronting on pedestrian areas to have tables and chairs outside the premises for their customers.

Alfresco eating is becoming a more widespread aspect of urban life and the presence of tables and chairs on the pavement can make a positive contribution by adding vitality, colour, life and interest to an area. Hyndburn Borough Council supports and encourages the provision of pavement cafes in the area as they can help maximise the use of public spaces, aid the local economy and add to the facilities offered to people who visit, live, and work in Hyndburn.

Whilst the Council wishes to encourage pavement cafes, it is important that they are properly located and managed. This is to ensure that they meet the standards expected in

Hyndburn and that they do not obstruct the highway nor create a hazard for pedestrians, especially for blind, partially sighted and other disabled people.

The area to be used must take into account other needs in the immediate vicinity e.g. kerbside parking, bus stops and pedestrian crossings. Pedestrians' needs must be paramount. The expanse of the pavement cafe must not conflict with any access or dropped crossings that are required for free passage of normal road users. Barriers and tapping rails should be positioned and maintained to the satisfaction of Hyndburn Council and should be totally removed outside the permitted hours of operation of the cafe, restaurant or bar.

In order to ensure that Pavement Cafes are run in such a manner so as to enhance the area and not to cause a problem to others using the pedestrianised areas, it is important that a robust policy is in place to deal with the issuing and maintenance of the licences issued under the Highways Act 1980.

The granting of such permissions is similar to the processing of other licensing applications dealt with by the Licensing Section and, as many of the premises likely to apply under the Highways Act 1980 are likely also to have premises licences issued under the Licensing Act 2003, it seems sensible for them to be dealt with within the same service.

Under Section 115F of the Highways Act 1980, a Council may attach such conditions as it feels fit to a Street Cafe licence. Accordingly, it is proposed that the standard conditions set out in Appendix 1 to the Policy, also be approved.

Based on the predicted time spent on administering and controlling pavement cafes it is proposed that the application fee should be set at £125.

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

**Resolved** - **That Cabinet approves the proposed Policy and standard conditions for pavement cafe licences and approves the application fee of £125.**

#### **254 Disability Service (Specialist Accommodation Unit) - Update from Overview and Scrutiny (Resources) Committee Call-In**

Councillor Loraine Cox, Portfolio Holder for Housing and Regeneration, provided a report on the findings of the Resources Overview and Scrutiny Committee "Call-in" in respect of the Cabinet's decision to approve a £300,000 contribution from the Council's Capital Programme towards the provision of an adult specialist unit. The unit would form part of Lancashire County Council's proposed development of two specialist accommodation units; one for disabled adults and one for disabled children both in Great Harwood.

Approval of the report was not a key decision.

*Reason for Decision*

At its meeting on the 15<sup>th</sup> January 2020, Cabinet approved a £300,000 contribution from the Council's Capital Programme towards an adult specialist unit. That decision was subsequently "called in" by the Resources Overview and Scrutiny Committee, which met to consider the matter on the 6<sup>th</sup> February 2020.

After careful consideration, the Resources Overview and Scrutiny Committee released the Cabinet decision in full for implementation.

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

- Resolved** - **That the Cabinet notes that its decision of the 15<sup>th</sup> January 2020 in respect of the Disability Service (Specialist Accommodation Unit) was released in full for implementation, following the use of the Call-In procedure.**

## **255 Financial Position December 2019 - Report for the Year Ending 31st March 2020**

Councillor Joyce Plummer, Portfolio Holder for Resources, provided a report informing Cabinet of the financial spending of the Council up to the end of December 2019 and the financial forecast outturn position for the Accounting Year 2019/20. Members considered a table within the report which set out the core financial details.

Approval of the report was not a key decision.

### *Reason for Decision*

The spend for the first 9 months of the financial year to the end of December 2019 is £8,756,000 compared to a Budget of £8,887,000 giving a positive variance of £131,000 over the first 9 months of the year.

The current forecast spend to the end of the financial year in March 2020 is £10,776,000 compared to a Budget of £10,994,000. This forecast produces a positive variance of £218,000 by the end of the financial year. There are small adverse forecasts for Planning and Transportation, and Environmental Services. Regeneration and Property Services have a larger adverse variance of 16% of Budget. Elsewhere positive variances are sufficient to produce an overall surplus for the year.

### Environmental Services

Environmental Services are predicting a year end adverse variance of £21,000. This stems from salary savings of £24,000 and £1,000 of other savings on Food Safety. Waste Services' income is up £48,000, along with £22,000 of salary savings and £103,000 positive variance on recycling, less £50,000 of additional miscellaneous expenditure for an overall £123,000 surplus on their budget. Parks and Cemeteries are predicting a positive variance of £31,000 with the Parks Service indicating savings of £19,000 on salaries and £5,000 on miscellaneous costs offset by £36,000 of reduced income. Cemeteries are predicting an additional £36,000 income this year and salary savings of £8,000 less £1,000 of additional extra miscellaneous spend. The Town Centre and Market Hall Budget is indicating an overall adverse variance of £200,000, comprising £190,000 reduced income at the Market Hall and income from CCTV down by £10,000, less £27,000 of salary savings reduced by £27,000 of additional expenditure.

### Culture and Leisure Services

Culture and Leisure Services are indicating a positive variance of £24,000 due to £30,000 of savings on leisure budgets less £6,000 additional net expenditure at the Haworth Art Gallery.

### Planning and Transportation

Planning and Transportation are predicting an adverse variance for the year of £32,000. This is due to a predicted shortfall in income compared to budget on Building Control of £65,000 and additional salary expenditure in this area of £26,000. Elsewhere on the Budget there are £27,000 of staff savings and £46,000 of additional income less £14,000 of miscellaneous additional expenditure.

#### Regeneration and Property Services

Regeneration and Property Services are predicting an adverse variance of £169,000 at year-end with salary costs up by £74,000 over the year compared to budget and expected additional costs of £138,000, less £43,000 of additional income.

#### Policy and Corporate Governance

Policy and Corporate Governance are predicting a positive variance of £21,000. This stems from salary savings of £281,000 less the Corporate Savings Target for the year of £165,000, predicted increases of £100,000 on Housing Benefit Costs, along with £82,000 of additional miscellaneous costs less £87,000 of additional income.

#### Non Service Items

The current estimate for the year is a positive variance of £395,000.

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

**Resolved** - **That the Cabinet notes the report and asks the Corporate Management Team to continue to reduce costs and increase income over the remaining months of the financial year.**

### **256 Medium Term Financial Strategy 2020/21 to 2022/23 - February 2020 Update**

Councillor Joyce Plummer, Portfolio Holder for Resources, provided a report on the 3-year projections of income and spending for the Council ahead of formulating its 2020/21 Revenue and Capital Budgets.

Councillor Plummer highlighted some key issues from the report including:

- Global uncertainty and uncertainty around the Government's future approach to supporting local councils;
- The high levels of certainty around the financial position for 2020/21;
- Uncertainty around the financial position in 2021/22, as a result of the likelihood of the Government reactivating its Fair Funding Review;
- The possibility of more funding being made available to local authorities in 2021/22, but questions about to which authorities that funding might be directed given the pressures on adult social care;
- The potential for Hyndburn Borough Council to lose its Revenue Support Grant in 2021/22 and some of the funding available through Business Rates Retention, but an optimistic view that changes might only be relatively small; and
- A forecast of a relatively balanced Budget in 2022/23.

In respect of the 2021/22, a 9.1% shortfall would equate to around £1M of savings required, but in the worst case scenario up to £2M could be required. The Three Year Standard Model forecast set out in the report was based upon a £1M shortfall.

The main elements included in the Medium Term Financial Strategy (MTFS) were as follows:-

- Objectives and Elements of the Strategy;
- Service Planning to support overall Strategy;
- Integrated Resource Planning with Service Plans;
- Financial Analysis 2020/21 to 2022/23 (Resources; Government Grant; Business Rates; Council Tax; Expected Loss of Income);
- Changes in Costs (Salaries Costs; Pension Costs; Supplies and Service Costs; Capital Costs);
- Growth;
- Reserves;
- Other Assumptions;
- Scenarios;
- Robustness of Forecast; and
- Overall Net Position

Approval of the report was not a key decision.

#### *Reason for Decision*

The Cabinet requires an update on its medium term financial outlook ahead of setting the Budget for 2020/21 and determining the level of Council Tax for the new financial year. This report also ensures those decisions are taken with a view to the overall position of the Council going forward and are not limited to a narrow one year perspective.

**Resolved** - **That the Cabinet approves the report and the accompanying Medium Term Financial Strategy.**

## **257 Prudential Indicators Monitoring & Treasury Management 2020/21**

Councillor Joyce Plummer, Portfolio Holder for Resources, provided a report setting out proposals for the Council's policy and objectives with respect to treasury management, to explain how it will achieve its objectives and manage its activities; and to agree an investment strategy for 2020/21.

Councillor Plummer highlighted that the purpose of the report was to set the limits on how the Council used its cash and the limits on both borrowing and investments. The Council intended to live within its means and did not wish to increase borrowing unnecessarily. It intended to repay debt whenever it could. The report also highlighted that interest rates were currently low. Included in the report were the Minimum Revenue Provision (MRP) for year 2020/21, the Treasury Management Policy Statement 2020/21 and the policy on capital expenditure.

Approval of the report was not a key decision.

#### *Reason for Decision*

Treasury management is 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 these activities; and
- And the pursuit of optimum performance consistent with those risks.

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

The second function of treasury management is funding the Council's capital plans. The plans give a guide to the future borrowing need of the Council. The management of this longer term cash flow may involve arranging long or short term loans or using longer term cash flow surpluses. Occasionally outstanding debt may be restructured to reduce Council risk or meet cost objectives.

The report has been prepared in line with the Treasury Management Code and Guidance (2017) written by The Chartered Institute of Public Finance & Accountancy (Cipfa). In the case of local authorities in England and Wales, the Code is significant under the provisions of the Local Government Act 2003. This requires local authorities 'to have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 in paragraph 24 require local authorities to have regard to this guidance. Acceptance of the report fulfils those obligations.

The report included further details in respect of the following matters:

- The Prudential Code and Prudential Indicators;
- Capital Expenditure and the Capital Financing Requirement;
- Minimum Revenue Provision;
- Affordability Prudential Indicators;
- Treasury Management Strategy 2020/21 – 2022/23 (Current Treasury Position; Expected Movement in Interest Rates; Borrowing and Debt Strategy 2020/21 – 2022/23);
- External Debt Overall Limits;
- External v Internal Borrowing;
- Limits on Activity (Treasury Management Indicators; Proposed Limits for Maturity Structure of Borrowing);
- Debt Rescheduling;
- Investment Strategy;
- Treasury Management Practices (TMP);
- Policy on the Use of External Service Providers; and
- Treasury Management Strategy In-Year and Year-End Reporting.

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

**Resolved**

**- That the Cabinet agrees to recommend the Council:**

**(1) To adopt the Prudential Indicators and Limits detailed in the report.**



- (2) To approve the Treasury Management Strategy, and associated indicators, as set out in Section 8 of the report.**
- (3) To approve the Investment Strategy as set out in Section 13 of the report.**
- (4) To approve that the Minimum Revenue Provision (MRP) for the year 2020/21 – Appendix 1.**
- (5) To approve the Treasury Management Policy Statement 2020/21 – Appendix 2.**
- (6) To approve the Treasury Management Practices Statement 2020/21 – Appendix 3.**

## **258 General Fund Revenue Budget 2020/21**

Councillor Joyce Plummer, Portfolio Holder for Resources, provided a report setting out proposals for the 2020/21 General Fund Revenue Budget. It also provided an overview of key issues arising from the Medium Term Financial Strategy.

The decision to set the Budget would be a principal decision of the Council. The role of the Cabinet was to recommend a proposed Budget to the Council.

Councillor Plummer highlighted key points from within the report including:

- Predicted spending in 2020/21 of £11.3M;
- Estimated revenue available in the sum of £11.2M;
- A requirement of £116k to balance the Budget, to be financed by corporate in-year savings;
- A proposed Band D Council Tax of £250.52, which equated to around a 10p/week increase (approximately 2%) from last year's figure;
- The majority of houses in Hyndburn were in Band A, which would be subject to a 7p/week increase;
- In setting the Budget, assumptions had been made about likely increases in salaries and non-pay expenses (both 2%);
- If any estimates were too low an overspend would result, for which in year action would need to be taken;
- There were a number of other potential threats during the year, but the Council had a good track record of financial management and usually returned a Budget surplus;
- A list was provided of the anticipated precept requirements of Lancashire County Council, Lancashire Police and Crime Commissioner, Lancashire Fire and Rescue Authority and Altham Parish Council.

Overall, the planned Budget gave rise to a moderate rise in Council Tax against a background of continuing pressure on public finances.

The report provided further details as follows:

The Council's proposed Revenue Budget for 2020/21 includes net expenditure of £11,227,000.

Under these proposals, Council Tax for Hyndburn residents will rise for Hyndburn Council provided services by £5.00 (2.04%) for a Band D property. (The amounts due for each band were set out in an Appendix to the report). The increase is equivalent to 10p per week for a Band D property, but for most residents the increase will be less than 7p per week as the majority of households in Hyndburn are Band A properties that pay two-thirds the value of a Band D property in Council Tax.

This is the only the fourth rise in Council Tax for Hyndburn services since 2009/10 and the average annual increase over this period has been below 1%. This is significantly below the rate of inflation over this period. If the Council had increased Council Tax simply by inflation (CPI) over the last 11 years rather than the actual increases made, Council Tax for Hyndburn's services would have been almost 13% more expensive at £282.83 for each average Band D property within Hyndburn which is £32.31 more than proposed for 2020/21 at £250.52.

The increase in Council Tax by Hyndburn Council is a result of cost pressures from wages, other expenditure inflation and the loss of income which have risen at a faster rate than the increases generated from Government Grant or Business Rates. The level of increase in overall expenditure would have been greater except for the reduction in pension costs this year. The Triennial Review of the Council's employer contribution by the independent actuary to the Pension Fund has allowed the Council to reduce its level of contribution by £528,000 this year, with a further £500,000 reduction expected in 2021/22.

Lancashire County Council, the Police and Crime Commissioner and the Combined Fire and Rescue Authority have not yet formally taken their decisions on Council Tax Levels for 2020/21. It is expected that the County Council will raise its Council Tax for each household by a general increase of 1.99% and a 1.99% increase to assist with meeting the cost of Adult Social Care which equates to a 3.99% increase overall. It is expected that the Police Commissioner will increase a Band D Property by £10 and that the Fire and Rescue Authority will recommend a 1.99% increase.

Altham Parish Council has set a separate precept for its activities for the twelfth time in 2020/21. This year the Parish Council does not intend to increase its precept. The Band D charge for Altham Parish Council will therefore remain at £40.27 for the year and will precept the Collection Fund for £12,685. (Details of the proposed position on other Bandings for properties in Altham were supplied in an Appendix).

In setting the Budget for 2020/21 the Council faces continued volatility around some of the most significant items within its Budget. Major reforms of local government finance have transferred the risk of business rate revenues and Council Tax benefits to the Council. The certainty on which the Council could budget and manage its finances has therefore decreased since 2013 and it will be important going forward to plot any deviations away from the expected figures and take appropriate action if these should start to emerge. This might result in the need to reduce spending during the year, if revenue analysis during the year starts to indicate the amounts of funds received will fall short of the target.

The Cabinet intends to continue the good financial stewardship of the Council's affairs by continuing the successful policies introduced over the last 16 years to manage costs effectively and promote appropriate service investment. This Budget will therefore deliver,

- A continuation of the established approach of limiting enhancements on early retirement, continuing our rigorous approach to absence management and committing to minimising borrowing costs. These actions have already stemmed the build-up of unproductive costs within the organisation. In each of these cases

the Council has put a stop to the costly and financially damaging policies of the past and created a healthier and more financially stable culture within the Council.

- While the Council is not incurring any further borrowing costs it is able to invest just over £3.1m in total for the year on Capital Schemes, with £966,000 going to support those with medical and physical difficulties to live independent lives in their own homes, it will continue its work to improve Accrington Town Centre building upon the £2m already spent in this area with a commitment to another £1¼ m of investment into this key area and provide money to improve facilities at our Sport Halls and Council buildings to ensure services can continue to be provided from these locations for many years to come.
- Despite costs of over £85,000 to provide car parking in Hyndburn for residents and visitors and particularly for shoppers, the Council will continue to provide this facility free of charge and not introduce charges for parking in Hyndburn. The Council believes this action will help bolster the town centres through these difficult economic times and provide an incentive for people to shop locally rather than drive and pay to shop elsewhere across the North-West
- Further reductions in accommodation costs, building on the success over the last 11 years including further rationalising the Council's accommodation and looking at more ways of using accommodation more effectively. The Council will also continue its actions to reduce its carbon emissions and energy costs and continue contributing to the improvements of its environmental footprint by positive action.

The Council intends to continue to deliver all of the above and remains committed to a radical agenda of improvement while managing within its available resources. This will be more difficult in the years to come, given reduced resources from the Government. However, there remains a firm commitment and absolute determination amongst Members and Officers of the Council to control the finances of the Council, drive forward on the efficiency agenda and continue to improve service delivery. The Council wishes to continue to push forward on the drive for delivering value for money as a key priority.

The rewards of strong financial control remain clearly evident. The Council has built itself back from experiencing major difficulties in controlling expenditure and a position of negative reserves in 2003/04 to a situation by March 2019, in which Balances are over £2.1m and the Revenue Budget for 2019/20 is predicting a saving of over £218,000 which will contribute to improving the strength of the underlying financial position.

Within the Budget for 2020/21 there are a number of areas which are subject to our best estimation. There are therefore a number of risks around the budget, should these estimated costs or revenue amounts vary during the year.

After the introduction of the Government reforms to Business Rates Funding of Local Government, the Council now carries a significant risk around the level of monies available, fluctuating substantially from this source. In addition, as the calculation of how much funds will be available is dependent on a number of factors including debt collection rates, the size of appeals against business rates assessment and the success of these appeals, new rules around levies, safety nets and pooling, the introduction of new rules on rates relief on retail premises and small businesses, as well as predicted levels of growth or decline in business activities and the estimation of a number of figures which will only truly emerge after the end of the financial year, the imprecision in these estimates is regarded as high and could be subject to variations of hundreds of thousands of pounds. The volatility

around these forecasts is expected to remain for a number of years until the new system becomes bedded down and more robust data emerges on which to make more reliable forecasts.

The threat of significant pay inflation during 2020/21 is viewed as low. An assumption of a 2% pay award has been included in the roll forward figure. As yet there is no formal agreement between the Employers' side and Trade Unions over a pay settlement for 2020/21. However, with a limited increase in funding from Government this year and continuing strong pressures on expenditure there appears little room for wage increases substantially above the current level of inflation. Any increase in wages agreed at a national level beyond the 2% built into the roll forward position will increase in-year financial pressures making it more difficult for the Council to avoid overspending and will increase the need for more savings to be generated in future years, with the pressure to reduce staff numbers growing in such circumstances.

With inflation likely to be low over the period and our strong past record on tracking in-year spend, plus the level of our Reserves, the Council should have confidence going into the year ahead that it will be able to deliver its Budget.

The detailed report included further information on the following matters:-

- Medium Term Financial Strategy;
- Continuation Budget;
- Growth Pressures;
- Available Resources (Core Government Revenue Support Grant (RSG); Business Rates; Council Tax; New Homes Bonus);
- Budget Proposals 2020/21 (General Financial Pressures; Budget Saving Proposals);
- Reserves;
- Risks and Risk Management; and
- Consultation

In summary, the Budget for 2020/21 will be £11,227,000 and will be supported by a Council Tax levy of £250.52 for a Band D property—translating into a revenue source of £5,247,000 to meet services to the local community. The Budget has been determined in light of continuing upward pressure on costs, previous financial difficulties that continue to overhang the Council, the available funding from Government and the Council's strong desire to provide high levels of service to the Community in line with its priorities.

Councillor June Harrison expressed concern for elderly residents who, on top of having to deal with numerous annual price increases, now had to contend with the planned removal of free television licences for over 75s.

Approval of the report was not a key decision.

#### *Reason for Decision*

The recommendations in the report provide an appropriate platform on which the Cabinet can recommend a Budget to the Council which meets the objectives and key priorities of the people of Hyndburn.

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

There have been a wide number of individual proposals put forward to produce a Balanced Budget. Options have been rejected on a variety of grounds including policy objectives, practicalities and the potential for additional costs to be incurred. Further options may be presented at the Council meeting.

**Resolved**

- (1) That Cabinet proposes to Council an increase Council Tax for 2020/21 of £5.00 per year for a Band D property. This is equivalent to less than 10 pence per week and as most households in Hyndburn are Band A rather than Band D properties, the vast majority of households will only see a rise of 7p per week. This is only the fourth increase in Council Tax by Hyndburn Council in 11 years.**
- (2) The Budget for 2020/21 will therefore be £11,227,000 as detailed in Appendices 1 and 2.**
- (3) That Cabinet recommend approval of the savings approach outlined for 2020/21 as set out in Appendix 3 to ensure the Council has a balanced budget.**
- (4) That Cabinet notes the significant improvement made in relation to budget monitoring and cost reduction within the Authority over the past 16 years and confirms its commitment to continuing this approach in the year ahead.**
- (5) That Cabinet recommends during the financial year 2020/21, the Deputy Chief Executive be delegated responsibility to amend the Budget (following consultation with the Leader of the Council) for technical reasons, such as the restructuring of cost centres, the re-apportionment and re-allocation of overheads etc., provided such amendments have an overall neutral impact on the Budget.**
- (6) That Cabinet recommends during the financial year 2020/21, the Deputy Chief Executive be delegated responsibility to amend the Budget (following consultation with the Leader of the Council) should the estimate of Business Rates not be sufficiently accurate, by drawing on reserves if needed or paying over additional contributions to reserves.**
- (7) That, to aid future financial management planning, any surpluses generated during 2020/21 are set aside to help the Council reduce its cost base over the next three years, support its long term capital programme or strengthen its overall reserve position.**
- (8) That Cabinet recommends that the New Homes Bonus and any additional funds from Government that are not ring-fenced funding as well as any further surplus on the Collection Fund can be used if required to support capital**

**expenditure as determined by the Deputy Chief Executive in the overall financing of capital expenditure or be transferred to reserves.**

## **259 Capital Programme 2020/21**

Councillor Joyce Plummer, Portfolio Holder for Resources, provided a report inviting the Cabinet to consider the Council's capital investment priorities for 2020/21 and recommending to the Council a Capital Programme for approval at its meeting on the 27<sup>th</sup> February 2020, having regard to key linkages between the management of the Council's capital and revenue resources.

Councillor Plummer highlighted some key messages from the report as follows:

- Some £3.1M of capital; investment was planned in the local economy in 2020/21;
- Specific schemes included £1.25M of investment in the Market Hall including interior refurbishment and leisure usage and removal of the outdoor pavilions to create car parking and additional public space, with a view to increasing footfall;
- Support to people to continue living in their own homes through use of £1M Disabled Facilities Grant, which would help to alleviate pressure across other public services including the NHS and adult social care
- Other improvements to the Council's sports facilities, Willows Lane Depot and ICT; and
- Capital funding would be available from both internal and external sources.

The Report sets out the Council's Capital Programme for 2020/21. In the past 20 years, the Council has funded significant programmes of Capital Expenditure which sometimes exceeded £15m per annum. In these more austere times it is not possible to fund investment into the local community at these levels. However the Council is able to put forward a substantial capital investment programme of over £3.1m, despite the severe reductions in public spending that have been necessary due to the Recession. This has only been made possible by the Council's effective financial management over recent years, which has seen it avoid additional borrowing and increase its revenue reserves, while reducing its operating costs.

It is intended that the Council will continue these strong policies of financial management and this year will again avoid increasing its borrowing. It will rely on securing external sources of funding, using capital receipts, making revenue contributions to capital projects and will use unspent monies to fund its programme. It will also apply a rigorous approach to selecting projects by examining all proposals against its corporate objectives and only selecting the most pressing and deserving projects to fund. This is in accordance with the Council policy of limiting the increase in debt and borrowing costs, while ensuring the Council's objectives are met.

The Revenue implications of the strategy to finance the Capital Programme are a key element in the affordability issues on the Revenue Budget this year. The programme contains a limited amount of risk this year. The level of risk is significantly down from previous financial years. This is largely due to the smaller programme and the removal of much of the risk around the level of available capital funds to meet the proposed expenditure. The Council's overall resources and management systems are believed to be sufficiently robust to effectively monitor these risks and ensure appropriate action is taken if they should materialise.

The Council will continue with its strategy adopted for over 10 years of attempting to reduce its level of debt wherever possible by restricting borrowing and repaying debt and will continue to work extensively with external funders to bring forward realistic plans for Capital investment in the area.

Overall the Council will be investing £3.1m in Capital investment in 2020/21. There is a significant amount of the total resource available this year dedicated to supporting people with disabilities to continue to live in their own homes, along with continued investment in Accrington Town Centre and the Council's key buildings and infrastructure that it needs to deliver services to the public.

The details behind all of these proposals remain at the outline stage only and further work is required to ensure that these projects provide positive benefits to the Community and the Council. Each project is therefore required to submit further detailed plans if required in order to obtain final approval for expenditure to occur and to obtain final clearance from the Deputy Chief Executive, in consultation with the Portfolio Holder for Resources.

The Capital Programme does require a degree of flexibility within it, to respond to sudden demands for Capital expenditure, actions to be taken on the receipts of monies and revisions to proposals as projects are not financially viable or encounter other problems such as securing external funding. The Capital Programme Working Group (CPWG) will report back to Cabinet at frequent intervals throughout the year to ensure Cabinet is kept apprised of the current situation and any approvals necessary for alteration are obtained.

Councillor Plummer reminded Members that the various Budget papers would also be considered by the Resources Overview and Scrutiny Committee on 18<sup>th</sup> February 2020, prior to submission to Council on 27<sup>th</sup> February 2020.

The Leader of the Council remarked that a High Street Task Group would be established to look at future major investment into Accrington Town Centre. The Council had recently secured access to Government professionals. A broad based Panel, to include cross-party membership and representatives of local businesses, would lead the development of the future vision for the Town Centre.

Approval of the report was not a key decision.

#### *Reason for Decision*

These schemes represent the best value for money and meet the Council's overall corporate policy objectives, within the funding envelop for the year.

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

A wider programme of funding has not been considered due to the Council's policy commitment to limiting Capital Expenditure to affordable levels and seeking to repay debt.

#### **Resolved**

**- That the Cabinet agrees to recommend the Council:**

**(1) To approve a Capital Programme for 2020/21 of £3,107,775 as set out in Appendix 1.**

**(2) That the programme is funded by new anticipated direct external grants of £976,000 and £2,131,775 of new investment from the Council's resources.**

**External grant funding must be secured before any internal funds are committed to projects that rely on external funding to proceed.**

- (3) That delegated authority is given to the Deputy Chief Executive, in consultation with the Portfolio Holder for Resources to flex the programme in accordance with the available funding, provided this does not require any additional borrowing.**
- (4) That the individual projects within the Capital Programme require the written authorisation of the Deputy Chief Executive following consultation with the Portfolio Holder for Resources before commencing and incurring expenditure and that Service Managers provide the Deputy Chief Executive, with written details of estimated costs of schemes with full justification of the need and benefits from undertaking the capital investments before approval is provided and that approval to commence is delegated to the Deputy Chief Executive, in consultation with the Portfolio Holder for Resources.**
- (5) That Projects are timed to minimise the need for borrowing and the Deputy Chief Executive be requested to seek project start dates after September 2020 whenever this is practical.**
- (6) That in-year underspends are not made available to fund new projects during the year.**

## **260 Haworth Art Gallery's Application for Arts Council England Museum Accreditation**

In the absence of the Portfolio Holder for Education, Leisure and Arts, Councillor Munsif Dad BEM JP, the Leader of the Council introduced a report which presented Haworth Art Gallery's proposed policies and plans which formed the Council's Museum Accreditation submission to Arts Council England. The report also sought the Cabinet's approval to the detailed application for accreditation, which was available to view on the Council's website.

Councillor Parkinson noted that the Art Gallery was one of the Borough's jewels and featuring the renowned Tiffany Glass collection, monthly events held by staff and a privately run café. Accreditation should help to provide better access to external funding opportunities. Councillor Parkinson wished the Gallery and its staff well for the future.

Approval of the report was not a key decision.

*Reason for Decision*



The Museum Accreditation Scheme is the UK industry standard for museums and galleries and sets out nationally-agreed standards which promote and inspire confidence with the public and funding bodies. Accreditation does this by making sure museums manage their collections properly, engage with visitors and ensure that they are governed appropriately. The Haworth needs to renew its Arts Council England Museum Accreditation and a draft submission has been prepared for Cabinet to consider.

Accreditation is required by all Museums and Art Galleries to be eligible for funding by Arts Council England or National Lottery Heritage Fund and is renewed every 5 years. Having accreditation has allowed Haworth Art Gallery to access funding for the successful Stables and Motor House Artists' Studios. As a result the project has been used as a model for best practise with the National Lottery Heritage Fund (NLHF).

The application includes a number of sections, including a series of plans and policies which are summarised as follows.

For the Governance and Management section of Accreditation, an approved Forward or Business Plan is required which covers the current and subsequent planning year will be written in accordance to the Arts Council of England guidelines for Museum and Art Gallery Accreditation. The section is required to include appropriate governance and management standards including a clear statement of purpose, an appropriate constitution and a satisfactory structure for governance and management. It is also required to cover a set period and include the key aims Haworth Art Gallery wants to achieve and an explanation of how these aims will be achieved in terms of staff and volunteers, equipment and budgets. Budgets for the current year and subsequent planning year are required. The section must include a review date.

Under the Managing Collections section of Accreditation three policies are required. They are a policy for Developing Collections and include acquisition and disposal. An approved Documentation Policy which details the management of collections ensuring all objects are properly accounted for and useable. Lastly an approved Collections Care and Conservation Policy setting out details of ethical commitments and legal requirements to improve the way objects are cared for and conserved for future generations. The policies must include review dates.

In order to be accessible to the public an approved Access Policy is required. This section will cover how people can see, use and reference Haworth Art Gallery's collections, gain access to museum buildings and site, and how we share information about the collection with people. This should include using a variety of interpretive methods to exhibit the collections, enabling public access to the collections, buildings and sites, and associated information and the date the policy will be reviewed.

The aim is to submit Haworth Art Gallery's Accreditation return to the Arts Council England portal Grantium by 29<sup>th</sup> February 2020.

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

The Haworth Art Gallery does not have to apply for Accreditation, however, it would make the gallery un-able to apply for external funding from Arts Council England, National Lottery Heritage Fund and various other funding bodies.

#### **Resolved**

- **That Cabinet approve the draft application for Arts Council England Museum Accreditation for Haworth Art Gallery as proposed in the report.**

There were no items taken in private.

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed