

---

# CABINET

---

**Wednesday, 12th January, 2022**

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

**In Attendance:** Councillors Peter Britcliffe and Michael Miller

---

## **215 Apologies for Absence**

Apologies were submitted on behalf of Councillor Marlene Haworth, who was a standing invitee to the meeting as Leader of the Opposition.

## **216 Declarations of Interest and Dispensations**

There were no reported declarations of interest or dispensations.

## **217 Minutes of Cabinet**

The minutes of the meeting of the Cabinet held on 8<sup>th</sup> December 2021 were submitted for approval as a correct record.

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

## **218 Urgent Decisions Taken**

In accordance with Executive Procedure Rule B16(c), Members considered a report on the following decision taken under the urgency procedure:

<b>No.</b>	<b>Decision Heading</b>	<b>Portfolio Holder</b>	<b>Date of Approval</b>
(a)	Huncoat Garden Village Brownfield Land and Infrastructure Fund	Councillor Loraine Cox	23 <sup>rd</sup> December 2021

Councillor Loraine Cox, Portfolio Holder Regeneration and Wellbeing, reported that the urgent decision taken had been around the work undertaken in partnership with Homes England regarding the Huncoat Garden Village (HGV) Masterplan. The Council intended to bid for monies from the Brownfield Land and Infrastructure Fund. However, timescales were tight. Accordingly, it was proposed to appoint expert consultants to support the bid.

The Leader of the Council, Councillor Miles Parkinson OBE, added that Hyndburn's financial contribution to this decision would be £40k, but ultimately it aimed to submit a £25M bid. The HGV Masterplan was a 10 year project with potential for on-going work for another 300 homes after the life of the Local Plan.

Councillor Michael Miler, Joint Deputy Leader of the Opposition, asked if the work on HGV was outside of the Levelling Up Fund bid. He also noted that the recently publish Town Centre Improvement Plan (TCIP) did not mention the use of the Transport Infrastructure Investment Fund. The Leader responded that the HGV project was not part of the Levelling Up Fund bid, as other relevant funding was available. Regarding Transport Infrastructure, a

bid would also be submitted by Lancashire County Council. Hyndburn would be lobbying the County Council via Atkins (transport consultants) for local schemes to be included. Overall, the case for East Lancashire schemes looked relatively strong.

**Resolved** - **To note the report on urgent decisions taken.**

## **219 Reports of Cabinet Members**

There were no verbal reports provided on this occasion.

## **220 Council Tax Base - 2022-2023**

Members considered a report of Councillor Miles Parkinson OBE, Leader of the Council, informing Members of the Council Tax Base for the financial year 2022-2023.

The Leader reminded Members that this was an annual report which effectively determined the number of Band D equivalent properties in the Borough for Council Tax purposes for the forthcoming year. Setting the Council Tax Base was a statutory requirement for each year and, once approved for 2022-23, the Council would need to notify any precepting authorities. When determined, the figure enabled the relevant authorities to make the necessary budget calculations to set their Council Tax levels for 2022-23.

Housing growth was important in Hyndburn, as increasing the number of high value properties should increase the Council Tax Base in the future.

Approval of the report was not deemed a key decision.

### *Reasons for Decision*

In accordance with Section 35 of the Local Government Finance Act 1992, the Council was required to formally determine the Council Tax Base for 2022-2023 prior to 31st January 2022. This allowed the Council to notify the major preceptors (Lancashire County Council, the Police and Crime Commissioner for Lancashire and Lancashire Combined Fire Authority) by the 31st January of the Council Tax Base.

The requisite calculation had to be carried out in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012. Once determined the Council Tax Base could not be changed and had to be used when the Council set its Council Tax for the financial year 2022-2023.

The detailed calculation of the Tax Base for Hyndburn and Altham for 2022-2023 was provide in the Appendices to the report. It was proposed that the Tax Base for Hyndburn 2022-2023 should be 21,050. This was an increase of 811 from last year's Tax Base (20,239). The 2022-2023 Tax Base for Altham was 310, which was an increase of 6 from last year's Tax Base (304).

The Local Authorities (Calculation of Council Tax Base) Regulations 2012 specified formulae for calculating the Council Tax Base which had to be set between the 1<sup>st</sup> December 2021 and the 31<sup>st</sup> January 2022.

The Council Tax Base was the measure of the number of chargeable dwellings held on the valuation list as at the 13 September 2021 and then adjusted to take account of discounts, exemptions, re-bandings and Council Tax Support to arrive at the Authority's Council Tax Band D.

*There were no alternative options for consideration or reasons*

- Resolved**
- (1) That Cabinet approves the report**
  - (2) That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount shall be 21,050.**
  - (3) That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by the Council for its Council Tax Base for the parish of Altham for the financial year 2022-2023 shall be 310.**

## **221 Prudential Indicators Monitoring and Treasury Management Strategy Update**

Cabinet considered a report of Councillor Joyce Plummer, Portfolio Holder for Resources, which provided an update on activities regarding Prudential Indicators Monitoring and the Treasury Management Strategy since the start of this financial year.

Councillor Plummer outlined some key elements of the report. The overall strategy had been set by Council at its Budget Meeting in February 2021. The report was a technical document which provided an update on Prudential Indicators and set out progress on Treasury Management issues. The overall projected outturn for 2021/22 showed over-borrowing of £1,091k, which was in accordance with the original estimate. The Capital Financing Requirement (CFR) had been affected by a change in the methodology for the calculation around contract hire leases in accordance with International Financial Reporting Standard 16 (IFRS16). More detailed information was provided in the Tables set out in the Appendix to the report.

Councillor Britcliffe, Joint Deputy Leader of the Opposition, enquired about whether the Council had used all of its £2M Disabled Facilities Grant (DFG) allocation. He also reported that there was a waiting list for DFG works. Mark Hoyle Head of Regeneration and Housing responded that the Authority was currently spending at around £1.1M per year and keeping on top of expenditure. Any unused grant could be rolled forward and had been done as necessary. The waiting list for works had been caused, in part, by COVID-19, with some vulnerable people not wanting workers in their homes and in some cases due to supply issues. The Council was trying to maximise DFG spending, as far as possible. Further details could be provided outside of the meeting.

Councillor Munsif Dad BEM JP, reported that he was aware of some cases where people had been unwilling to leave their home during the pandemic to allow works to proceed. He also noted that supplier issues could affect specialist equipment providers in particular. Overall, he was very pleased with dedication and experience of Council staff who dealt with DFG applications. The adaptations and equipment made a big difference to people's quality of life.

Councillor Plummer commented that she was aware of some delays in relation to the installation of stairlifts by Stannah. Mr Hoyle acknowledged that there had been some delays, but generally the firm was a reliable and quality provider. The work used to be contracted through Lancashire County Council, but now Hyndburn contacted for this work directly.

Councillor Miller reminded Members that he had previously called-in to Overview and Scrutiny a decision to fund a respite centre using DFG funding, to consider whether the expenditure was lawful. The funding needed to be used to keep people in their own homes. He asked if the sum had now been taken from the Council's grant allocation. Mr Hoyle responded that the money had not yet been called upon, but remained committed for that purpose. The Chair added that respite care effectively did keep people in their own homes by supporting those who provided care and was a legitimate use of this funding.

Approval of the report was not deemed a key decision.

#### *Reasons for Decision*

The *Prudential Code for Capital Finance in Local Authorities* required the Council to set Prudential Indicators annually for the forthcoming three years to demonstrate that the Council's capital investment plans were affordable, prudent and sustainable. The Council had adopted its current Prudential Indicators at its meeting in February 2021.

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. This 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. If it should be necessary to revise any of the indicators during the year, the Deputy Chief Executive would report and advise the Council further.

'*Treasury Management*' related to the borrowing and cash activities of the authority, and the effective management of any associated risks. On 25<sup>th</sup> February 2021, in the same report referred to above, the Council had also set out and then approved its current Treasury Management Strategy. This was in accordance with the CIPFA (Chartered Institute of Public Finance & Accountancy) code of practice on treasury management in public services, the Council having previously adopted, via Cabinet, the then revised code of practice. Associated treasury management Prudential Indicators were included in the February 2021 report.

#### *Prudential Indicators Monitoring*

Table 1 and Table 2 of Appendix 1 showed the monitoring information for each of the prudential indicators, limits and statements. They related to:

- External debt overall limits – Table 1
- Affordability (eg implications for Council Tax) – Table 2
- Prudence and sustainability (eg implications for external borrowing)
- Capital expenditure
- Other particular indicators for Treasury Management.

#### *Treasury Management Update*

The current Treasury position was as follows:

Portfolio Position 2021/22	Original Estimate 2021/22 £000	Projected Outturn 2021/22 £000
<b>External Debt</b>		
Debt at 1 <sup>st</sup> April	9,595	9,595
Expected Change in Debt	-	-
Other Long Term Liabilities	362	942
Gross Debt at 31 <sup>st</sup> March	9,957	10,537
Capital Financing Requirement (CFR)	8,866	9,446
Under / (over) borrowing	(1,091)	(1,091)
<b>TOTAL INVESTMENTS (other than short-term)</b>	-	-

Within the prudential indicators there were a number of key indicators to ensure that the Council operated its activities within well-defined limits. In general, the requirement was that CFR exceeded Gross Debt. However in 2021/22 the gross debt would exceed CFR. This was due to the annual payment of Minimum Revenue Provision (MRP). Other Liabilities reflected the transfer of contract hire leases to balance sheet to comply with IFRS16.

The requirement to have CFR exceed Gross Debt centred around providing an assurance that borrowing was not taking place for Revenue purposes. However, as the Council was not borrowing additional funds at this time, this was not an issue.

The current position of the treasury function, and its expected change in the future, introduced risk to the Council from an adverse movement in interest rates. The Prudential Code was constructed on the basis of affordability, part of which was related to borrowing costs and investment returns.

The Capital Programme 2021/22 would be funded by the use of Government Grants (including New Homes Bonus Grant and S31 Grants) and other external financing. It would also be supported during the year by greater use of internal sources of capital finance (including capital receipts reserve) because of the reduced level of external grant allocation. It was not anticipated currently that any capital borrowing would be required.

#### *Expected movement in interest rates*

The Council had appointed Link Asset Services as treasury adviser to the Council and part of their service was to assist the Council in formulating a view on interest rates. The report included a Table giving Link's latest available view of the expected future movement in interest rates, from quarter ending 30<sup>th</sup> September 2021 (their Qtr3 2020) onwards.

In the forecasts there was a high level of uncertainty – due to the difficulties of forecasting the timing and amounts of 'quantitative easing' injected into the economy, and also the uncertainties around Brexit.

The Council's exposure to interest rate movements was largely neutralised currently as its borrowings were effectively at a fixed rate until a trigger point was reached, where the lender believed a better rate could be achieved elsewhere. Interest rates would have to

exceed 4% and possibly 5% before this was likely to happen. The Table set out in the report indicated that this was unlikely to happen until beyond 2023 at the earliest.

The Council had invested relatively small amounts of surplus cash on a short-term, temporary basis. The interest received from these investments was below the budgeted expectations for the six months to 30 September, mainly due to lower interest rates plus the impact of covid19 on surplus cash available for short term investment. The authority's strategy continued to focus on the security of deposits and the liquidity of funds.

The Council continued to invest surplus cash in the top rated financial institutions. The authority continued to spread its money around a number of institutions to ensure that it was not potentially damaged by the unforeseen collapse of any one bank. Deposits were also held with banks where the Council believed that the respective governments were likely to be able to guarantee deposits in the event of bank failure. This strategy was continuing to yield an appropriate rate of return, though at a lower rate, as there was less risk attached to those deposits. The Council also operated a policy of holding no more than £2m in any one bank (with the exception of the liquidity account held with Nat West Bank where the limit was £3m) to ensure that the risk was spread.

*There were no alternative options for consideration or reasons*

**Resolved** - **To note the report.**

## **222 Capital Spend Report 2021/22**

Members consider a report of Councillor Joyce Plummer, Portfolio Holder for Resources, informing the Cabinet of the progress on the 2021/22 Capital Programme.

Councillor Plummer highlighted the main issues contained within the report.

Approval of the report was not deemed a key decision.

*Reasons for Decision*

The Council had approved its Capital Programme for 2021/22 at its meeting on the 25<sup>th</sup> February 2021.

The total value of the spend authorised in the budget in February 2021 was £2.31m and this had been increased to £10.78m with carry forward projects from the previous year and new in-year authorisations. The current predicted spend against Budget was £8.01m. 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. It was expected that a small positive variance against Budget would be achieved by the end of the year.

The significant elements of the programme were as follows,

<b>Programme Area</b>	<b>Committed Expenditure</b>
Transitional Housing Programme	£993,762
Housing Improvement Programme (including Disabled Facility Grants)	£2,305,907
Other Projects	<u>£7,483,403</u>
Total	<u>£ 10,783,072</u>

Spend to date had been £2.4m which was equivalent to 22% of the overall programme budget. There were 60 individual projects underway across the Council at this time.

The predicted spend against these capital projects is just over £8m, with an estimate of £2.7m of likely spend slipped into the next financial year. Only 2 projects were indicating a negative variance at this moment in time and the overall additional costs from these 2 projects was expected to be less than £7,000. Predicted savings on other projects outweighed the overspend here and overall the current expectation was that a surplus of around £25,000 would be generated from current activities.

The details of individual project budgets and expected costs to complete the projects was provided in the Appendix to the report.

*There were no alternative options for consideration or reasons*

**Resolved** - **To note the report.**

## **223 Exclusion of the Public**

**Resolved** - **That, in accordance with Regulation 4(2)(b) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during the following item, when it was likely, in view of 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.**

## **224 Urgent Decisions Taken**

*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)*

In accordance with Executive Procedure Rule B16(c), Members considered a report on the following decision taken under the urgency procedure:

<b>No.</b>	<b>Decision Heading</b>	<b>Portfolio Holder</b>	<b>Date of Approval</b>
(a)	Procurement of Software Services for Planning Applications Online	Councillor Miles Parkinson OBE	1 <sup>st</sup> December 2021

The Leader of the Council reminded Members that there had been some issues with the on-line Planning system, which had made it difficult for members of the public to search for individual applications. Some alterations had been made to the web-based instructions for usage of the system which had helped, but ultimately a new system had been required, hence the reason for urgency.

Councillor Peter Britcliffe mentioned that members of the public trying to contact the Planning Service by telephone had also experienced some difficulty. In particular, there had been long waiting times on hold, such that customers had given up before their call had been answered. It was understood that the issue lay with the Contact Centre, rather than Planning Team. He queried whether this was due to an equipment issue or due to a shortage of staff. The Leader responded that, at one time, Planning Officers had limited the time available to take telephone queries in order to progress their work, but this restriction was no longer in operation. Jane Ellis, Executive Director Legal and Democratic Services, indicated that advice had been issued to back office staff about contactability when working from home, such as using the answerphone system. Data was available for the Contact Centre on customer waiting times. Joe McIntyre, Deputy Chief Executive, commented that telephone waiting times had returned to normal levels following some peaks during the pandemic. The Leader indicated that it would be useful to review the Contact Centre data.

Councillor Michael Miller asked if the new Planning on-line search software would allow planning documents to be viewed easily on most ICT devices used by the public. It might be necessary to provide advice on the webpage as to which browsers were supported by the new system. Ms Ellis agreed to raise the matter with the Head of Planning and Transportation. Mr Hoyle commented that numerous documents uploaded to the Planning Service's document management system were provided by third party organisations, which meant that quality and accessibility varied.

Councillor Plummer asked when the new system would be available. Ms Ellis indicated that the installation would take some time. This was likely to be around 3 months after the date of placing the order.

Approval of the report was not 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** - **To note the report on urgent decisions taken.**

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed

