
RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Wednesday, 16th February, 2022

Present: Councillors Michael Hindley, Andrew Clegg, Tim O'Kane, Noordad Aziz (Vice Chair) and Michael Miller

Co-optees: Doug Hayes and Bernard Dawson

In Attendance: Councillors Miles Parkinson, Joyce Plummer and Peter Britcliffe

Apologies: Councillors Carole Haythornthwaite, Patrick McGinley and Paddy Short

258 Apologies for absence, Substitutions, Declarations of Interest and Dispensations

An apology for absence was submitted on behalf of Councillors Paddy Short, Patrick McGinley and Carole Haythornthwaite.

Councillor Peter Britcliffe substituted for Councillor Carole Haythornthwaite.

No declarations of interest or dispensations were declared at the meeting.

259 Minutes of Last Meeting

The Minutes of the Resources Overview and Scrutiny Committee held on 16th December 2021 were submitted for approval as a correct record.

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

260 Medium Term Financial Strategy 2022/23 to 2024/25

Councillor Joyce Plummer, Portfolio Holder for Resources presented the report to consider the three year projections of income and spending for the Council ahead of formulating 2022/23 Revenue and Capital Budgets.

The Leader of the Council provided further detail on the Council's potential medium term finances, referring to the UK prosperity fund and devolution and the potential affects these may have on the Council's finances going forward.

The Committee asked questions on the following topics, with responses given by the Leader of the Council and the Deputy Chief Executive.

- Maintaining the Council's levels of reserves
- Inflation and the effects on the Council's finances and levels of borrowing
- Potential effects of large business failures on the Council's business rates collections

Resolved - That the contents of the Medium Term Financial Strategy 2022/23 – 2024/25 be noted.

261 Prudential Indicators Monitoring and Treasury Management 2022/23

Councillor Joyce Plummer, Portfolio Holder for Resources presented the report to consider the Council's policy and objectives with respect to treasury management, to explain how it will achieve its objectives and manage its activities and investment strategy for 2022/23.

Councillor Caroline Haythornthwaite arrived during this item, and sat in as an observer.

There were no questions from committee members.

Resolved - That the contents of the following be noted:

- **PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT & INVESTMENT STRATEGY 2022/23 – 2024/25**
- **MINIMUM REVENUE PROVISION POLICY STATEMENT 2022/23.**
- **TREASURY MANAGEMENT POLICY STATEMENT 2022/23.**
- **TREASURY MANAGEMENT PRACTICES 2022/23 CAPITAL STRATEGY 2022/23**

262 General Fund Revenue Budget 2022/23

Councillor Joyce Plummer, Portfolio Holder for Resources presented the report to consider the proposals for the 2022/23 General Fund Revenue Budget which also provides an overview of key issues arising from the Medium Term Financial Strategy.

The report recommended that:

- a) That Cabinet proposes to Council an increase in Council Tax for 2022/23 of £5.11 per year for a Band D property. This is equivalent to less than 10 pence per week. As most households in Hyndburn are Band A rather than Band D properties, the vast majority of households will only see a rise of less than 7p per week. This is only the sixth increase in Council Tax by Hyndburn Council in 13 years.
- b) The Budget for 2022/23 will therefore be £12,3347,000 as detailed in Appendices 1 and 2.
- c) That Cabinet recommend approval of the growth items and savings approach outlined for 2022/23 as set out in Appendix 3 to ensure the Council has a balanced budget.
- d) That Cabinet note the significant improvement made in relation to budget monitoring and cost reduction within the Authority over the past 18 years and confirms its commitment to continuing this approach in the year ahead.
- e) That Cabinet recommends during the financial year 2022/23, 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.
- f) That Cabinet recommends during the financial year 2022/23, 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.

g) That to aid future financial management planning any surpluses generated during 2022/23 are set aside to help the Council reduce its cost base over the next three years, to support its long term capital programme or to strengthen its overall reserve position.

h) That Cabinet recommends that the Lower Tier Service Grant and the 2022/23 Services Grant are used to help balance the Council's Budget.

i) That Cabinet recommends that the New Homes Bonus and any additional funds from Government that are not ring-fenced funding as well as any other surplus funds 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.

Responses to the following questions, which were submitted in advance of the meeting, were provided by the Portfolio Holder for Resources:

1. Several instances of the report recommend that the Deputy Chief Executive be authorised to make amendments to the budget during the year in consultation with the Leader of the Council. Should these decisions not be made by the Portfolio Holder for Resources rather than the Leader?
2. The report identifies a £20,000 saving on the Cabinet Action Fund. What is the Cabinet Action Fund, and how much remains in this budget?
3. There is no mention of a budget for events relating to the Platinum Jubilee. Why is this?
4. Why are growth items required in the budget for Elections and Community Safety Officers?
5. Is there are budget allocation for the Hyndburn Hub / Covid response?
6. There is significant growth item for Christmas decorations. How are these procured?
7. Can you explain the Capitalisation Fee Income Generation Regeneration Development Team in more detail?
8. How will the Council manage rising energy costs? What savings will the decarbonisation work at Hyndburn Leisure Centre and Scaitcliffe House generate to support this?

The Leader of the Council responded to additional questions asked on the following topics:

- The cost to the Council of keeping Council tax raises to zero or below inflation over the last several years.
- Growth items for defibs and corporate property
- Smart working policy

Resolved - The contents of the General Fund Revenue Budget 2022/23 be noted.

Councillor Joyce Plummer, Portfolio Holder for Resources presented the report to consider the Council's capital investment priorities for 2022/23.

The report recommended a Capital Programme of £38,593.918 to be funded by new anticipated direct external grants of £23,428,958 and £15,164,960 of new investment from the Council's resources, the redesignation of reserves to support the capital programme and the use of borrowing.

Councillor Plummer provided information relating to the individual capital programme projects, which were outlined in full of the report.

The Committee submitted several questions in advance of the meeting, which Councillor Plummer, the Leader of the Council and the Deputy Chief Executive responded to.

1. Page 6 refers to interest rates at 0.25%. These have since increased and many are forecasting that they will go up further this year. What risks does this pose to the Council's proposed borrowing to fund parts of the capital programme?
2. The Council's contribution to the town centre levelling up project was previously forecast at £2million. Why has this increased to £4million?
3. I have attended meetings where it had been indicated that Sport England would be contributing the majority of the funding for the leisure estate transformation, however, the capital budget shows the Council are funding the vast majority. Why is this? And what specifically will the £2million from Sport England be used for?
4. Does the leisure estate transformation budget include improvements to Mercer Hall for alternate use? Also, has progress been made on considering alternative uses for Mercer Hall?
5. There is significant investment proposed into the 3G pitch at Hyndburn Leisure Centre. What measures will be taken to ensure the problems with the current pitch do not arise again?
6. Cemetery Welfare facilities improvements are included in the capital budget. How will the cemetery service cope with rising fuel costs?
7. Regarding the war memorial restoration, where is this and what does the restoration works entail?
8. Have leasing options been considered as an alternative to spending £20k + on chip and pin devices?
9. How has Brexit affected the cost of materials associated with our capital programme?
10. Regarding the canal tow path works, The Dunkenhalgh estate historically has not allowed any footways or cycle paths on their land. Can we make sure no plans are drawn up that involve plant or machinery being utilised on their land because they would be sure to object?
11. Why is no specific capital budget allocated for the Council achieving its climate emergency aims? In addition, how will the Council ensure its significant capital budget this year is spent in a way that supports our climate emergency declaration?

Additional questions were posed and responded to regarding Disabled Facility Grants and external funding opportunities for new and used buildings. It was suggested that the Committee may wish to review Disabled Facilities Grant as a stand alone item next year.

There was an additional discussion from members around access to information. Some members reported difficulty reviewing detailed information in reports, particularly those with financial details, without a paper copy of an agenda. They asked that Leaders Policy Development Board consider the current paperless meetings policy with a view to making paper copies of agendas available to members prior to meetings, particularly for those agendas which may include detailed financial information.

Resolved - The contents of the General Fund Capital Programme 2022/23 be noted, and;

Leaders Policy Development Board consider the current paperless meetings policy with a view to making paper copies of agendas available to members prior to meetings, particularly for those agendas which may include detailed financial information.

264 Opposition Group - Budget Proposals 2022/23

The Chair invited Cllr Marlene Haworth, Leader of the Opposition to present an alternate budget. Cllr Haworth indicated that although she had intended to submit an alternate budget, the group decided not to do this due to the additional workload which would be required from Council Officers in order to support this.

A general discussion was held on the need for this item going forward. The Leader of the Council pointed out that very few opposition groups submit full alternate budgets at other councils, and it can be a waste of resource. The Committee discussed the possibility of changing this item in future to "Opposition amendments to the budget".

265 Representations and Questions on the Budget

This item gives individual members of the Council who are not part of the Scrutiny Committee, and members of the public opportunity to ask the Leader of the Council questions relating to the Budget.

No questions were received.

After considering all the information presented at the meeting, the Committee discussed recommendations that they would be making to Council.

Resolved

That Council notes the following resolutions of the Resources Overview and Scrutiny Committee:

- (1) That the Committee notes the content of the reports relating to; Performance Indicators, Treasury Management and Investment Strategy, Medium Term Financial Strategy, General Fund Revenue Budget and General Fund Capital Budget;**

- (2) That the Committee thanks the Leader of the Council, Portfolio Holder for Resources and Leader of the Opposition for their participation in the Scrutiny meeting and debate;**
- (3) That the Deputy Chief Executive, and all other officers involved, be commended for their work in producing the budget.**
- (4) That having reviewed and debated the budget submitted, the Committee supports the content of the revenue and capital budget reports as outlined.**

Signed:.....

Date:

Chair of the meeting
At which the minutes were confirmed