
RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 10th December, 2024

Present: Councillor Stephen Button (in the Chair),
Councillors Paul Cox (Vice Chair), Jodi Clements, Bernard Dawson MBE,
Andrew Clegg, Judith Addison and Josh Allen
Co-optees: Tim O'Kane and Richard Downie

In Attendance: Councillors Dad (Portfolio Holder for Planning & Transportation),
Councillor Alexander (Cabinet Portfolio Holder for Resources), Simon
Prideaux (Chief Planning & Transportation Officer), Shanshan Chen
(Planning Officer), Lee Middlehurst (Head of Benefits, Revenues and
Customer Care) and Jody Spencer-Anforth (Head of Finance)

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

There were no apologies for absence, declarations of interest or dispensations declared at the meeting.

273 Minutes of Last Meeting

The Minutes of the last meeting of the Resources Overview & Scrutiny Committee held on 15th October 2024, were submitted for approval as a correct record.

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

274 Chair's Update

The Chair informed Committee that a report seeking approval of the appointments of two new co-optees (Christine Heys and Eddie O'Brien), which were recommended at the last Committee, would be submitted to Full Council on 16th January 2025.

275 Capital Programme Monitoring 2024/25 - 2nd Quarter Update

The Head of Finance submitted a report to provide an update for the Resources Overview and Scrutiny Committee on the Council's Capital Programme Monitoring. It set out the latest phasing of the programme including the latest estimate of available resources and any additions or changes in forecast outturn since the last monitoring position was presented to the Cabinet on 24th July 2024.

The Cabinet Portfolio Holder for Resources, Councillor Vanessa Alexander, presented the report to Committee.

Members of the Committee had submitted a number of questions in advance of the meeting:

1. Disabled Facilities Grants - why is there slippage from one financial year to another, when the allocation to the Council is made annually from the Government via Lancashire County Council?
2. Capital Receipts – Which Council assets are proposed for selling to meet its target of £1.555m from Capital receipts?
3. Operational Buildings – an amount of £267,000 had been included for the Oswaldtwistle Civic Theatre Refurbishment works but to date none of this money has been spent although the Council has commissioned works. The Friends of the Civic have been informed that between £2m - £3m will be needed to make the building compliant with Health and Safety standards. What is the Council's position on this?

Responses were given to the above questions as follows:

1. The Council aimed to spend all of its Disabled Facilities Grant (DFG) allocation. The amount shown in the accounts was money owed back to Lancashire County Council but still sat in the accounts. It would, eventually, be clawed back.
2. The Council assets listed for sale, are publicly available on the Council's website. It was pointed out that the value of the assets listed would more than meet the value of £1.555m to achieve all its required financing from capital receipts.
3. The Cabinet Portfolio Holder for Resources reported that the building required a structural survey so that they could ascertain the extent of improvements works and repairs required on the building. She referred to Cabinet's commitment in getting the building up and running again.

Members of the Committee expressed concern about the extent of the problems of the Theatre and requested that a copy of the report was circulated to Members.

The Cabinet Portfolio Holder for Resources explained that Cabinet Members had met with the Theatre Trust and had been advised that they would be pushing to place the Theatre on the Risk Register.

Mr. O'Kane referred to Mercer House and asked for progress report. Councillor Alexander reported that good progress was being made on the building. She explained that there were still some issues to sort out but had potential tenants for the building.

Councillor Addison referred to onerous lease terms and conditions on many public buildings, putting off many organisations from using the buildings and asked if this was an issue being considered. Councillor Alexander reported that Labour had a commitment to not making leases too difficult to comply with.

Resolved

- (1) **That a progress report on the Civic Theatre be submitted to a future Resources O & S Committee; and,**
- (2) **That Committee noted the progress on capital expenditure to date.**

276 Revenue Programme Monitoring 2024/25 - 2nd Quarter Update

The Head of Finance submitted a report to inform the Resources Overview and Scrutiny Committee of the financial spending of the Council up to the end of September 2024 for the financial year 2024/25 and the forecast impact on the Council's Medium Term Financial Strategy for 2024/25 to 2026/27.

The Cabinet Portfolio Holder for Resources, Councillor Alexander, presented the report to Committee.

Members of the Committee submitted the following questions in advance to the meeting:

1. Why was there an underspend due to 'savings from staffing vacancies' and why is this regarded as a positive?
2. Hyndburn Leisure – What was the nature of the £850,000 support to Hyndburn Leisure (forecast overspend)?

Responses were provided to the questions as follows:

1. Councillor Alexander responded that she had experienced austerity times as an employee and understood the detrimental effect of staff having to cover more than one role. She explained that savings from staffing had come from employee pay which had fallen behind that of the private sector resulting in difficulties for recruitment and vacancies remaining open.

Debate referred to a decrease of income into the Council, due to various factors, which had resulted in challenges for recruiting staff.

2. The Cabinet Portfolio Holder, Councillor Alexander explained that the £850k support shown in the accounts, was general subsidy support for Hyndburn Leisure. She reported that a Leisure Review report was being produced but also pointed out that several things would be happening which may affect outcomes including the possible establishment of Unitary authorities across Lancashire.

Members were keen for a report on the Leisure Review to be presented to the Committee. They were informed that the item was scheduled in the work programme for the March meeting.

Resolved – That the report be noted.

277 Council Tax Support Scheme

The Head of Benefits, Revenues and Customer Contact submitted a report to provide Overview & Scrutiny Committee with an overview of the Council Tax Support (CTS) Scheme and the Council's approach to the administration of this scheme.

He reported that Council Tax support provided financial support to low incomes and was paid directly. He explained that each Council devised their own schemes following the abolition of Council Tax Benefit by the Welfare Reform Act. All English Local Authorities were instructed to prepare and implement a local scheme to replace Council Tax Benefit and to do so with 90% of the funding previously awarded. Council Tax Support was funded by a cash-limited grant, 10% lower than the 2011/2012 Council Tax Benefit spend. After consultation with the public in 2012 the scheme was approved to pay a minimum of 20% of their Council tax liability. No working age claimant would be entitled to have 100% of their Council Tax liability met through Council Tax Support from 2013. Following a further public consultation in 2016, Council approved that all claimants of working age would have to pay a minimum of 30% of their Council Tax liability from April 2017.

The following question was submitted in advance of the meeting:

1. Why does HBC have a scheme that requires residents to pay a higher rate than other local councils?

A response to the questions was given as follows:

The Head of Benefits, Revenues and Customer Contact reported that there had been Welfare reforms in 2012 when Council Tax Benefit had been abolished and English local authorities had been instructed to implement a local scheme to replace this and to do so with 90% of the funding previously awarded. Council Tax Benefit had been demand-led whereas Council Tax Support was a cash-limited grant. The Committee was informed that Council had to make a decision on whether there was an increase in Council Tax for all residents or a lower percentage rate of support for those on low incomes.

Councillor Clements expressed concern about the low rate of Council Tax Support that working age claimants could claim in Hyndburn, particularly in comparison with that provided by other local authorities.

Cabinet Portfolio Holder, Councillor Alexander, explained that Hyndburn Council had received the worst rate of Government funding of all borough councils in the country. She referred to the current Government's commitment to providing a deprivation grant and that the Council would know how much Government funding they would receive before Christmas.

Resolved – That the report be noted.

278 Discretionary Housing Payment Scheme

The Head of Benefits, Revenues and Customer Care submitted a report to provide the Overview and Scrutiny Committee with an overview of the Discretionary Housing Payment (DHP) Scheme and the Council's approach to the administration of this scheme.

He reported that DHPs provided financial support towards housing costs and were paid by the Council when they were satisfied that the applicant needed further financial assistance with housing costs and who were also in receipt of either Universal Credit or Housing Benefit. Hyndburn's DHP Policy was based on the Discretionary Financial Assistance Regulations and on guidance provided by the Department of Works and Pensions.

Councillor Allen referred to page 42 of the report and requested an explanation as to why there had been less funding awarded in recent years. The Head of Benefits, Revenues and Customer Care reported that there was no clear reason for this but could be linked to the length of funding or less people being in need of this funding. He pointed out that this grant was advertised regularly.

Resolved - That the report be noted.

279 Houses in Multiple Occupation - Article 4 Direction, Evidence Base and Supplementary Planning Guidance (SPG).

The Chief Planning and Transportation Officer submitted a report to the Committee presenting the draft versions of:

- i. The evidence base document supporting the need for an Article 4 Direction that would remove permitted development rights for houses in multiple occupation in 9 wards in Hyndburn; and
- ii. Supplementary Planning Guidance on Houses in Multiple Occupation that would be used to help determine planning applications for Houses in Multiple Occupation; and

2. To seek the observations of Resources Overview & Scrutiny Committee on the proposed Article 4 Direction, the Evidence Base and Policy on Houses in Multiple Occupation;
3. To inform Committee that due to there being a close timing of Cabinet (4th December) and the Resources Overview & Scrutiny Committee (10th December) and, consequently, due to a report being submitted to Cabinet first, there would be a verbal update provided for the Resources Overview and Scrutiny Committee on the outcome of the Cabinet meeting on 4th December.

Cabinet Portfolio Holder for Planning, Councillor Munsif Dad, alongside Chief Planning & Transport Officer, Simon Prideaux and Planning Officer, Shanshan Chen, presented the report outlining the draft policy. They informed Committee that:

- the policy would be implemented in 9 wards across the borough and gave details of the evidence base used to support the need for an Article 4 Direction.
- the Article 4 Direction was non-immediate and would remove permitted development rights in 9 wards for small HMOs
- the same report contained the evidence base for this approach and the proposed policy framework that would be consulted upon.
- the Council had a much better knowledge of number and location of HMOs in the borough which would enable them to monitor the situation more closely in the future.
- It would also apply to planning applications for the change of use from Use Class C3 to large HMOs in the whole Local Authority area.
- Guidance would not apply retrospectively to existing HMOs.
- Once the Article 4 Direction had been put into place it would be fairly quick to add any further wards, should it be required.
- There would be a six week consultation on the proposed documents and Article 4 Direction.

- The document would need to go before the Secretary of State, demonstrating the importance of supporting evidence needing to be robust, and could take up to a year to be implemented.
- Committee was informed that the Government saw the Article 4 Direction as an exception rather than the rule.

The Planning Officer gave details of the amount of work and the challenges of collecting the required data for the evidence base. She explained that only 9 wards had been included in the policy as the evidence collected had highlighted these wards.

The Cabinet Portfolio Holder for Planning and Transportation, Councillor Munsif Dad, along with the Chief Planning and Transportation Officer and Planning Officer gave responses to the following questions submitted in advance to the meeting:

1. Would SERCO houses remain outside the scope of Article 4 Direction?
No, all properties would be included.
2. How could a review of the ward boundaries effect the Article 4 Direction?
Committee was informed that the Boundary Review could be postponed due to the proposed devolution so this was currently an unknown factor. They were informed that more may be known after the release of the Government White Paper – English Devolution.
3. Why have only 9 wards out of 16 wards been covered by the Article 4 Direction?
The Article 4 Direction is evidence based but if other areas required inclusion, this could be done at a later date.
4. How does the Article 4 Direction keep control of the number of HMOs being permitted in Hyndburn?
The number of HMOs is controlled by the mechanism written into the Article 4 Direction. Committee was informed about the amount of information that had been collated by the Council which had previously been unknown and this was now the starting point for all future monitoring of HMOs.
5. Could the concept of 'residential amenity' be amended to reflect the item set out in the Blackburn with Darwen document?
Yes the Hyndburn document could be amended to reflect the concept of 'residential amenity' as set out in the Blackburn with Darwen policy.

Members raised the following concerns about the proposed Article 4 Direction and documents:

- The challenges of keeping track of HMOs and knowing the true number in each borough.
- The possible overspill of applications for HMOs into wards not included in the Article 4 Direction and which bordered wards which were included.
- The data provided to support the selected 9 wards for the Article 4 Direction may not truly reflect the similarities in wards not included in the proposal. Some Councillors considered a better methodology would have been to use local or geographical knowledge.

- Concern that an Article 4 Direction should cover the whole of the borough from the start rather than extending later to prevent a rise in more HMOs being established during this time. Members pointed out that both Blackburn with Darwen and Burnley had to extend their Article 4 Direction documents.
- Concern about the length of time the Article 4 Direction would take to be implemented.
- A request to extend the licensing scheme used for the larger HMOs to include all HMOs of all sizes.
- Concern about the potential compensation claims for HMOs already approved before the Article 4 Direction was put into place.

The Chief Planning and Transport Officer and the Planning Officer responded as follows:

- It was accepted that some areas, not included in the Article 4 Direction proposal, did exhibit similar characteristics and suggested that Members put this information forward as part of the consultation.
- Explained the difficulties of collating data and why ward data had been used.
- Agreed that the experiences of neighbouring authorities should be considered when developing Hyndburn's own Article 4 Direction.
- Acknowledged that some wards not included in the Article 4 Direction could still be affected and of the difficulties of accurately applying criteria to wards where boundaries could be an issue. He indicated that if there was strong indication for a case to extend an area, it would be considered.
- Explained that the whole borough should not be included unless there was very strong evidence to include additional wards.
- Compensation may be payable to people who had already received approval for conversions into HMOs but the policy was non-immediate to avoid much of this.

The Committee was made aware of the risks of putting the whole borough forward under the Article 4 Direction.

The Committee wished the Chief Planning & Transportation Officer well in his retirement and thanked him for his work and service to the borough.

Resolved

- (1) **That Committee noted that a similar report had already been submitted to, and approved by Cabinet;**
- (2) **That Committee requested that the following issues be considered as part of the consultation that will take place in respect of the Article 4 evidence base/policy: and**
 - (a) **That, the concept of 'residential amenity', as set out in the SPG, is amended and that the definition reflects that as set out in the Blackburn with Darwen National Policy Framework; and**
 - (b) **That consideration be given to the inclusion of the Milnshaw, Altham, Immanuel and Overton wards as part of the Article 4 Direction, due to these areas being considered to exhibit very similar characteristics to the 9 wards already proposed and because it is anticipated that there will be a potential knock on, impacting neighbouring wards over time.**

(3) **That the Environmental Health Manager (Housing Standards), be written to, to enquire if the HMO Licensing requirements could be extended to include small HMOs in a manner consistent with planning requirements.**

Signed:.....

Date:

Chair of the meeting
At which the minutes were confirmed