

FINANCE COUNCIL
4th March 2013

PRESENT –*The Mayor Councillor Z. Khan (in the Chair), Councillors Akhtar, Bateson, Brookfield, Browne, Connor, Cottam, Daley, Davies, Desai, Entwistle, Evans, Foster D, Foster K, Gee, Groves, Hardman, Harling, Hirst, Hollern, Hollings, Humphrys, Hussain S, Jan-Virmani, Johnson, Kay, Khan M., Khonat H, Lee, Liddle, Mahmood, Maxfield McFall, Mulla, Nuttall, O’Keeffe, Oldfield, Patel, Pearson D., Rehman, Rigby C, Rigby J., Riley, Shorrock, Sidat, Slater Jacqueline, Slater John, Slater Julie, Smith D, Smith J, Surve, Talbot, Tapp, Thayne, Walsh C., Walsh D., Whalley.*

RESOLUTIONS

79 Notice Convening Meeting

The Chief Executive read the notice convening the meeting.

80 Apologies for Absence

Apologies for absence were submitted on behalf of Councillors Hussain F, Hussain I, Khonat S, Pearson J, Solkar, Taylor and Wright.

81 Declarations of Interest

No Declarations of Interest were received.

82 Mayoral Communications

The Mayor asked that Members and Officers observe a minutes silence in memory of former Councillors Jim Blackburn and Joe Smith, who had recently passed away.

Reference was made to recent events the Mayor had attended, which included the inaugural Memorial Day event held at Corporation Park and the Mayor’s Command Performance at Darwen Library Theatre.

The Mayor reminded the meeting of the forthcoming Mayor’s Ball and Mayor’s Charity Golf Day and encouraged Members and Officers to support both events.

83 Treasury Management Strategy, Prudential Indicators and Minimum Revenue Provision Policy 2013/14

Finance Council was asked to approve the Treasury Management Strategy, Prudential Indicators and Minimum Revenue Provision Policy 2013/14. It was explained that the Council was required to set Treasury and Prudential indicators and a policy for a “prudent” level of

Minimum Revenue Provision for repayment of debt, consistent with the Council's Medium Term Financial Strategy.

RESOLVED –

- (a) That the proposed Treasury Management Strategy for 2013/14, including Treasury Management Indicators, as outlined in Appendix 1 be approved;
- (b) That the proposed Prudential Indicators for 2013/14, as outlined in Appendix 2 be approved; and
- (c) That the policy proposals for determination of Minimum Revenue Provision for repayment of debt, as outlined in Appendix 3 be approved.

84 The Robustness of the 2013/14 budget and the Recommended Level of Reserves

A report was submitted which provided statutory advice to Members when setting the budget in accordance with the Local Government Act 2003 and which needed to be received by Members prior to the Council finalising the budget process and setting the Council Tax.

RESOLVED –

That the report of the Director of Finance be noted, which provides advice on:

1. The robustness of the Revenue Budget and Capital Programme for 2013/14 outlined in the report of the Executive Member, Resources; and
2. The recommended level of proposed financial reserves.

85 Revenue Budget 2013/14, Medium Term Financial Strategy and Capital Programme 2013-16

The Executive Member for Resources, Councillor Andy Kay, on behalf of the Labour Group, presented proposals for the Budget Strategy and the proposals for the Revenue Budget 2013/14, the indicative revenue budget for 2014/15, Medium Term Financial Strategy (MTFS) and Capital Programme for 2013-16 to underpin the priorities agreed at Policy Council on 30th August 2012. Finance Council was asked to note, that if the proposals for the Revenue Budget 2013/14 were approved, there would be no increase in the level of Council Tax set by the Council for the services it provided itself.

Members were reminded that analysis of the provisional Local Government Finance Settlement and pressures the Council faced confirmed that budget reductions of up to £30M would be required by 2014/15. Given the extent of these reductions and previous experience

in 2011/12 (when swift, decisive action was taken), on 31st January 2013 the Council once again considered and approved a number of early budget savings options, amounting to £13.1M in 2013/14 and £26.3M in 2014/15. Steps to implement these proposals commenced during February 2013. However there was still a residual budget gap of around £3M and the Leader and Executive Members undertook to bring proposals to close this shortfall to this meeting of the Finance Council.

DCLG published the final Local Government settlement for 2013/14 and an indicative provisional settlement for 2014/15 on 4th February 2013, with very little change to core formula grant funding from the provisional settlement published in December 2012.

The Labour Group had reviewed the indicative 2013/14 and 2014/15 Revenue budget in the light of pressures the Council faced and in the light of government policy initiatives. The proposals in the report incorporated the final 2013/14 and indicative 2014/15 Local Government Financial Settlements and the budget savings options already agreed at Council on 31st January 2013. Further budget savings were also now proposed to deliver a balanced budget over the 2 year period.

In terms of 2015/16, in the absence of any indicative figures from government, it was anticipated that the Council would be required to find further additional savings of between £6.7M and £15.5M

The proposed two year budget strategy was based on the 2011/12 and 2012/13 budgets agreed by Finance Council and the two year budget strategy 2011–2013 approved in March 2011 and revised in March 2012.

The Budget Strategy had been amended to reflect:

- The Local Government Finance Settlement
- The Local Government Resource Review
- Welfare Reform
- Education Reform
- NHS Reform
- The budget reductions strategy approved by Council in January 2013

The Budget had also been updated to reflect:

- Pay and price inflation
- Changes in specific grant funding
- Financial impact of legislative changes
- Full year effect of approved changes
- Revenue consequences of capital investment
- Known corporate and portfolio budget pressures

The report referred to the Council Forum's approval in January 2013 of a substantial programme of budget reductions and the scale of these

further budget reductions combined with those already implemented in 2011/12 and 2012/13, would inevitably lead to a significant reduction in the services provided to the residents of the Borough.

The savings agreed amounted to £13.1M in 2013/14 increasing to £26.3M in 2014/15 and included:

- Decommissioning of a range of Social Care services
- Changes in the in house delivery model for early help and prevention services.
- Changes to SEN (special educational needs) and discretionary Faith Transport
- Cessation of school clothing grants
- Reductions in the frequency of street cleaning and grass cutting
- Reduced opening hours for Libraries, Museums and Leisure Centres
- Reductions in subsidised bus services and community transport
- Reductions in school crossing patrols
- Reductions in funding for voluntary, charitable and community bodies

Executive Members were now bringing further savings options to Finance Council for approval to meet the £3M shortfall in 2014/15. This would enable a comprehensive two year budget strategy to be agreed.

The Labour Group was recommending that the current arrangements for staff to take 4 days leave without pay be extended for a further year (2014/15). The Trade Unions had consulted with their members, who had supported this initiative which reduced the residual budget shortfall by £890k.

The Labour Group was proposing that further reductions be made in senior management and support services across the Council, amounting to £750,000. These reductions were likely to fall principally on the Resources portfolio, but would also impact on support services within other portfolios.

The existing Policy and Communications department would be disestablished with the consequent proposed loss of the Director post. In its place a remodelled and downsized small strategic unit would be created to coordinate corporate policy, performance and communications. Other responsibilities will be devolved mainly to the People and Place programme areas to focus on key council priorities, such as jobs, growth and housing, health and well being etc. as set out in the corporate plan.

At the same time, it was proposed that there would be a move further towards automation and self service in the delivery of support services across finance, HR, legal and IT in consultation with these departments and the operational service departments and portfolios. This would enhance managerial accountability and ownership, facilitating the more effective deployment of specialist expertise and generate efficiencies.

Given the statutory responsibilities the Council now held in respect of Public Health, the Labour Group was recommending that a review of all

Council Services be undertaken to enable them to contribute effectively towards the improvement of the health and well being of the residents of Blackburn and Darwen. Existing resources would be targeted and refocused to meet this aim. The Council would streamline and modernise services to support its health improvement responsibilities and reduce health inequalities. In so doing a whole systems approach would be adopted, generating efficiencies of £1M. This gave the benefits of both improving health outcomes and reducing costs.

The budget reductions agreed in January 2013 and the proposals outlined were intended to enable the Council to both set a balanced budget for 2013/14 and 2014/15 and achieve the targets set for these years.

The report also set out the impact on staff, the Capital Programme 2013-16 and Corporate Pressures in terms of Adult Social Care, Children's Safeguarding and Commissioning, Energy, Treasury Management Financing Costs and Investment Income, reductions in income, Waste Services and the Blackburn Market/Mall.

The report also set out plans for efficiencies including Early Retirement and Voluntary Redundancies under its existing policy and several transformational projects which would continue to generate efficiencies in the medium to long term.

Additionally, the report set out the service pressures and budget reductions for each portfolio, a review of fees and charges undertaken, plans for investing in delivering priorities, the level of reserves and a recommendation that the Council accept the further Council Tax Freeze Grant for 2013/14 although acknowledging that, in this case the government was only making funding available for two years. Therefore there would be an additional pressure of c.£0.5M on the budget in 2015/16 when this funding ceased.

Finally, it was also reported that the MTF5 2013-16 had been refreshed and updated.

RESOLVED –

- 1 That the proposals for the Revenue Budget for the financial year 2013/14 and the indicative budget 2014/15 outlined in the report be approved;
- 2 That the proposals for the Capital Programme for the period 2013/14 to 2015/16 as outlined in the report be approved;
- 3 That the impact of fees and charges approved at the Executive Board meeting on 14th February 2013 on the budget proposals within the report be noted;
- 4 That approval be given to delegate authority to the lead Directors for Portfolios, in consultation with the relevant Executive Members and Director of Finance, to have the flexibility and independence to set reasonable and appropriate pricing/other charges in response to business needs;

- 5 That the Medium Term Financial Strategy 2013-16 be approved with the final version to be published incorporating the approved budget proposals;
- 6 That subject to recommendation 2.1 outlined above that the Council be requested to approve the consequent Council Tax levels detailed in the formal resolution of the Director of Finance's report;
- 7 That the Pay Policy Statement prepared in accordance with the requirements of Section 38 of the Localism Act 2011 to have effect for the year 2013/14 be approved unless replaced or varied by the Full Council, as set out in Appendix E; and
- 8 That the current list of performance measures and targets be adopted which support performance management of the Council's Corporate Plan priorities and that final sign off of the Corporate Plan be delegated to the Leader of the Council and Chief Executive following the development of remaining performance measures and targets for portfolio priorities through consultation with Executive Members.

86. Council Tax for 2013/14

A report was submitted on the Council's requirement to set amounts of Council Tax before 11th March in the financial year preceding that for which it was set.

In setting its Council Tax requirement, the Council took into account any funding from reserves, income it expected to raise and general funding it would receive from Government as part of the Local Government Finance Settlement.

The Council was also required to set a basic amount of Council Tax for the financial year 2013/14. The Council Tax was set on the basis of:

- (a) The precept on the Collection Fund issued by the Police and Crime Commissioner for Lancashire.
- (b) The precept on the Collection Fund issued by the Lancashire Combined Fire Authority.
- (c) The Borough Council's precept on the Collection Fund, which was dependent on two factors:
 - (i) its council tax requirement, and
 - (iv) the precepts issued by the seven Parish / Town Councils.

The Council was recommended to approve the draft resolution setting the Council Tax for 2013/14 as set out in Appendix 1 of the report submitted.

RESOLVED –

1. That it be noted that on 31st January 2013, the Council calculated the Council Tax Base for the year 2013/14 in accordance with regulations

made under Section 31B(3) of the Local Government Finance Act 1992, as amended (the Act):

- a) 30,560.04 being the Council Tax Base for the whole of the Council area (Item T in the formula in Section 31B of the Act); and
 - b) for dwellings in those parts of its area to which a Parish precept relates, as detailed in Appendix 2.
2. That the following amounts be calculated for the year 2013/14 in accordance with Sections 31 to 36 of the Act:
- a) *£403,263,100* being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act taking into account all precepts issued to it by Parish Councils.
 - b) *£364,394,300* being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act.
 - c) *£38,868,800* being the amount by which the aggregate at 2 (a) above exceeds the aggregate at 2 (b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - d) *£1,271.88* being the amount at 2 (c) above (Item R) divided by the amount at 1(a) above (Item T), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - e) *£153,751.14* being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (see Appendix 2).
 - f) *£1,266.85* Being the amount at 2 (d) above less the result given by dividing the amount at 2 (e) above by Item T (1 (a) above), calculated by the Council, in accordance with Section 34 (2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
3. That it be noted that for the year 2013/14 the Police and Crime Commissioner for Lancashire and Lancashire Combined Fire Authority have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, as indicated in the tables below.

4. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for the year 2013/14 for each part of its area and for each of the categories of dwellings.

a) Blackburn with Darwen Borough Council

<u>Part of the Council's Area</u>	<u>Valuation Bands</u>							
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
Eccleshill Parish	£862.74	£1,006.53	£1,150.32	£1,294.11	£1,581.69	£1,869.27	£2,156.85	£2,588.22
Livesey Parish	£849.95	£991.60	£1,133.26	£1,274.92	£1,558.24	£1,841.55	£2,124.87	£2,549.84
North Turton Parish	£856.06	£998.74	£1,141.41	£1,284.09	£1,569.44	£1,854.80	£2,140.15	£2,568.18
Pleasington Parish	£848.43	£989.84	£1,131.24	£1,272.65	£1,555.46	£1,838.27	£2,121.08	£2,545.30
Tockholes Parish	£865.85	£1,010.15	£1,154.46	£1,298.77	£1,587.39	£1,876.00	£2,164.62	£2,597.54
Yate and Pickup Bank Parish	£860.79	£1,004.25	£1,147.72	£1,291.18	£1,578.11	£1,865.04	£2,151.97	£2,582.36
Darwen Town Council	£854.47	£996.88	£1,139.29	£1,281.70	£1,566.52	£1,851.34	£2,136.17	£2,563.40
All other parts of the Council's area	£844.57	£985.33	£1,126.09	£1,266.85	£1,548.37	£1,829.89	£2,111.42	£2,533.70

b) Major Precepting Authorities

<u>Precepting Authority</u>	<u>Valuation Bands</u>							
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
Lancashire Police Authority	£101.95	£118.94	£135.93	£152.92	£186.90	£220.88	£254.87	£305.84
Lancashire Combined Fire Authority	£42.43	£49.51	£56.58	£63.65	£77.79	£91.94	£106.08	£127.30

d) Aggregate Council Tax

<u>Part of the Council's Area</u>	<u>Valuation Bands</u>							
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>
Eccleshill Parish	£1,007.12	£1,174.98	£1,342.83	£1,510.68	£1,846.38	£2,182.09	£2,517.80	£3,021.36
Livesey Parish	£994.33	£1,160.05	£1,325.77	£1,491.49	£1,822.93	£2,154.37	£2,485.82	£2,982.98
North Turton Parish	£1,000.44	£1,167.19	£1,333.92	£1,500.66	£1,834.13	£2,167.62	£2,501.10	£3,001.32
Pleasington Parish	£992.81	£1,158.29	£1,323.75	£1,489.22	£1,820.15	£2,151.09	£2,482.03	£2,978.44
Tockholes Parish	£1,010.23	£1,178.60	£1,346.97	£1,515.34	£1,852.08	£2,188.82	£2,525.57	£3,030.68
Yate and Pickup Bank Parish	£1,005.17	£1,172.70	£1,340.23	£1,507.75	£1,842.80	£2,177.86	£2,512.92	£3,015.50
Darwen Town Council	£998.85	£1,165.33	£1,331.80	£1,498.27	£1,831.21	£2,164.16	£2,497.12	£2,996.54
All other parts of the Council's area	£988.95	£1,153.78	£1,318.60	£1,483.42	£1,813.06	£2,142.71	£2,472.37	£2,966.84

Town and Parish Council Precepts

<u>Parish/Town Council</u>	<u>2012/13</u>			<u>2013/14</u>			<u>Council Tax Increase / (Reduction)</u>	
	<u>Tax Base</u>	<u>Precepts</u>	<u>Council Tax Band D</u>	<u>Tax Base</u>	<u>Precepts</u>	<u>Grant</u>		<u>Council Tax Band D</u>
		£	£		£	£	£	£
Eccleshill Parish	100.57	2,741.50	27.26	85.40	2,328.00	413.50	27.26	0.00
Livesey Parish	1,983.39	16,000.00	8.07	1,813.43	14,629.00	1,371.00	8.07	0.00
North Turton Parish	1,671.05	29,450.00	17.62	1,600.65	27,589.00	1,241.00	17.24	(0.38)
Pleasington Parish	248.52	1,450.00	5.83	250.13	1,450.00	0.00	5.80	(0.03)
Tockholes Parish	206.06	6,056.74	29.39	201.11	6,420.14	146.00	31.92	2.53
Yate and Pickup Bank Parish	142.14	4,125.00	29.02	133.17	3,240.00	260.00	24.33	(4.69)
Darwen Town Council	8,213.80	122,000.00	14.85	6,604.36	98,095.00	23,905.00	14.85	0.00
TOTAL / AVERAGE	12,565.53	181,823.24	4.60	10,688.25	153,751.14	27,336.50	5.03	0.43

Signed at a meeting of the Council
on the day of
(being the next ensuing meeting of the Council) by
MAYOR