

**FINANCE COUNCIL**  
**2<sup>nd</sup> March 2015**

**PRESENT** –*The Mayor Councillor A Cottam (in the Chair), Councillors Akhtar P, Ali, Bateson, Brookfield, Browne, Casey, Connor, Daley, Davies, Desai, Entwistle, Foster D, Foster K, Gee, Groves, Gunn, Hardman, Harling, Hollern, Humphrys, Hussain I, Jan-Virmani, Johnson, Kay, Khan M, Khonat H, Khonat S, Lee, Liddle, Mahmood, McKinlay, Mulla, Nuttall, O’Keeffe, Patel, Rehman, Rigby C, Rigby J, Riley, Roberts, Shorrocks, Sidat, Slater Jacqueline, Slater John, Slater Julie, Smith D, Surve, Talbot, Taylor B, Whalley, Whittle and Wright.*

**RESOLUTIONS**

**62 Notice Convening Meeting**

The Chief Executive read the notice convening the meeting.

**63 Apologies for Absence**

Apologies for absence were submitted on behalf of Councillors, Hussain Akhtar, Tom Evans, Zamir Khan, Pete Hollings, Faryad Hussain, Shaukat Hussain, Pat McFall, Trevor Maxfield, John Pearson, Jim Smith, and Carol Walsh.

**64 Minutes of the Council Forum Meeting held on 29<sup>th</sup> January 2015**

**RESOLVED** – That the Minutes of the Council Forum Meeting held on 29<sup>th</sup> January 2015 be approved as a correct record.

**65 Declarations of Interest**

Declarations of Interest were received with regard to Agenda Item 9. (Revenue Budget 2015/16, Medium Term Financial Strategy and Capital Programme 2015-18) from Councillors Nuttall, Mulla, Jan-Virmani, Whittle, Talbot, Khonat H, Khonat S, Khan M, Hardman, Rigby J, Riley, Slater John, Slater Julie and Surve. Councillor Brian Taylor declared an interest in Items 7, 8, 9 and 10 on the Agenda.

It was noted that a dispensation had been granted by the Monitoring Officer to cover Agenda Item 9 and Item 10 (Council Tax 2015-16) in order to avoid impeding the transaction of business.

The Chief Executive requested that any Member who had not yet filled in a Declaration of Interest Form, to do so as soon as possible and pass these on to Ben Aspinall or Phil Llewellyn in Democratic Services.

**66 Mayoral Communications**

The Mayor reflected on his Mayoral Year to date and indicated that he had found the experience a humbling one and that he was looking forward to his last few months in Office. Reference was made to the excellent work being carried out in the Community that the Mayor had observed whilst attending various engagements.

**67 Treasury Management Strategy, Prudential Indicators and Minimum Revenue Provision Policy 2015/16**

Finance Council was asked to approve the Treasury Management Strategy, Prudential Indicators and Minimum Revenue Provision Policy 2015/16. 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 2015/16, including Treasury Management Indicators, as outlined in Appendix 1 be approved;

(b) That the proposed Prudential Indicators for 2015/16, as outlined in Appendix 2 be approved;

(c) That the policy proposals for determination of Minimum Revenue Provision for repayment of debt, as outlined in Appendix 3 be approved; and

(d) That the investment of £50,000 in the Local Capital Finance Company, to be treated as capital expenditure, therefore increasing the capital programme and the addition to its 2014-15 schedule of Approved Non-Specified Treasury Management Investments, of the investment of up to £100,000 in company shares where no direct service benefit arises, for the purpose of prudent management of its financial affairs be approved.

**68 The Robustness of the 2015/16 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 Executive Director of Resources and Transformation be noted, which provided advice on:

1. The robustness of the Revenue Budget and Capital Programme for 2015/16 outlined in the report of the Executive Member, Resources; and;
2. The adequacy of the proposed level of financial reserves.

**69 Revenue Budget 2015/16, Medium Term Financial Strategy and Capital Programme 2015-18**

The Executive Member for Resources, Councillor Andy Kay, on behalf of the Labour Group, presented proposals for the Budget Strategy (MTFS) and Capital Programme for 2015-18 to underpin the priorities agreed at Policy Council on 4<sup>th</sup> December 2014. Finance Council was asked to note, that if the proposals for the Revenue Budget 2015/16 were approved, there would be no increase in the level of Council Tax set by the Council for the services it provided itself.

To start to address the next challenges, at Council Forum on 25<sup>th</sup> September 2014, c.£16m of advance savings proposals in 2015/16 rising to £26m by 2017/18 were approved towards the forecast 2015-18 budget gap.

Again, since 2010/11, the Council had had to respond to fundamental changes to the financial framework governing Local Authorities which the current government had introduced, which were outlined in the report submitted.

During 2013 the Chancellor published a Comprehensive Spending Review for 2015/16, which outlined further spending reductions.

DCLG published the provisional Local Government Financial Settlement for 2015/16 on 18<sup>th</sup> December 2014 and the final settlement on 3<sup>rd</sup> February 2015. Only the year 2015/16 was covered in this settlement, with no indication of how individual local authorities would be affected on 2016/17 and beyond. This settlement largely confirmed last year's provisional allocations for 2015/16 and showed a reduction in Spending Power calculated by the government of £6.9M or 4.5% in 2015/16.

The report therefore set out the Labour Group's proposed Revenue Budget, Capital Programme and associated Council Tax level for 2015/16 together with the MTFS 2015-18 updated to reflect the local government finance settlement, funding uncertainty and other key risks. This reflected the corporate plan priorities agreed at Policy Council in December 2014 and consultation undertaken with stakeholders.

In terms of Council Tax, should Finance Council agree to no increase in Council Tax in 2015/16, then the authority would receive Council Tax Freeze Grant of £0.5M (broadly equivalent to a 1% increase in unadjusted Council Tax) in 2015/6.

In terms of Council Tax discounts for empty properties, reducing the current 100% discount for unfurnished and unoccupied properties from 6 months to 3 months would generate additional council tax income of around £650k per annum after collection costs which would contribute towards balancing the budget rather than making further cuts to services or increasing the level of Council Tax. At its February meeting, the Executive Board also considered this proposal and recommended that Finance Council amended the discounts.

There would also be a new national government from May 2015 and it was likely that any new government would undertake a spending review, the outcome of which may not be known until the Autumn.

As in previous years, the Council has therefore prepared on the same basis as in the 2014-17 MTFs the following three scenarios:

- Best case assuming government funding was maintained at 2015/16 levels during 2016/17 and 2017/18
- A likely case assuming government funding reduced by a further 11% during 2016/17 and 2017/18
- A worst case scenario assuming revenue support grant was phased out by 2019/20

It was anticipated that the Council would be required to find further additional savings of between £6.940M (best) and £17.876M (worst case) in 2016/17 and a further £5.214M (best) and £23.495M (worst case) in 2017/18 as outlined in the MTFs at Appendix E of the report submitted.

The Budget Strategy reflected

- The Local Government Finance Settlement
- Continuing Welfare, Education and NHS reforms
- The potential impact of health and social care integration through the BCF
- Pay and price inflation
- Changes in specific grant funding
- Financial impact of legislative changes including the Care Act 2014
- Revenue consequences of capital investment
- Known corporate and portfolio budget pressures

At Finance Council in March 2014, the MTFs indicated a range of future scenarios that included a middle case scenario of further savings required of £19M in 2015-16 rising to £31M by 2017/18.

The advance savings proposals for 2015-16 of c.£16M left a shortfall of £3M that had been addressed by the proposals included in the paper and were outlined at Appendix B.

Given the further financial challenges ahead, Executive Members and Officers had again reviewed all services and prepared options to deliver budget reductions over a three year period. Wherever possible, Executive Members and Officers strove to mitigate the impact on the residents of the Borough.

Invest to Save initiatives which also mitigated future cost increases and financial risks were also considered. All Invest to Save initiatives were subject to options appraisals and business cases.

The scale of these further budget reductions in 2015/16 and beyond combined with those already implemented since 2010, would inevitably lead to more significant reductions in the services provided to the residents of this borough.

It was unfortunate but inevitable that now there would continue to be further job losses, including compulsory redundancies in the coming months. Therefore some staff have already been and some would need to be put formally at risk of redundancy whilst consultation was undertaken and options developed. Where staff were at risk of redundancy, it could take several months to generate savings. Open applications for ER/VR (early retirement and voluntary redundancy) would continue to be accepted and agreed where there is a financial saving to be made and all vacant posts would be reviewed with a view to deleting wherever possible.

For the last 4 years, from 2011/12 to 2014/15, staff had contributed to the savings requirement with each member of staff taking 4 days unpaid leave each year. Management had been discussing the potential to extend this arrangement for the next 3 years and were awaiting updates from the joint trades unions on proposals to ballot their members. This would likely contribute savings of around £750K per annum. Should this not be agreed, then alternative savings, potentially related to workforce and productivity would have to be considered and assessed for implementation during 2015/16 as an overall workforce related saving of £850K had been assumed in the budget proposals.

The Capital Programme for 2015-18 was also recommended to Finance Council for approval. Despite the financial position, there was still a significant capital investment programme, which was important for the long term future of the Borough. However, the programme was reduced from previous years with minimal investment in areas of substantial need given the withdrawal of supported borrowing by the government and the ending of some grant funding programmes. The Council also continued to place an emphasis on regeneration and economic growth.

In terms of budget pressures, the report highlighted the significant pressures the Council was facing.

In the light of the settlement for 2015/16, the absence of future settlement information, the financial constraints on the authority and the requirement to reduce net expenditure further each year, the Leader and the Executive Members would again be undertaking a comprehensive review of the allocation of resources. This included a further detailed review of all expenditure and income budgets, contractual commitments, property holdings and staffing structures. This would be set in the context of the Council's statutory responsibilities and corporate priorities.

The Executive Director, Resources and Transformation was recommending that the minimum level of reserves of £5.9M was maintained for 2015/16.

The proposed revenue budget strategy would continue to focus on delivering on the Council's priorities and would try to minimise the impact of spending cuts with the delivery of quality efficient and effective services to and for the citizens of this Borough, whilst ensuring the Council operated within the financial constraints imposed by central government.

Through the "Your Call" programme, the Council was working with Communities and helping people to help themselves. In doing so it was transforming the services it delivered and its relationship with its residents.

Members were reminded that in respect of Items 9 and 10 on the Agenda, under the Local Government (Standing Orders) (England) (Amendment) Regulations 2014, which came into force on 25<sup>th</sup> February 2014, the Council was required to record in the minutes of a budget decision meeting the names of persons who cast a vote for or against the decision or who abstained from voting.

Following debate, there then followed a Recorded Vote, with Councillors voting as follows:

**For**

*Councillors Akhtar, Bateson, Brookfield, Casey, Connor, Entwistle, Groves, Gunn, Harling, Hollern, Humphrys, Hussain I., Jan-Virmani, Johnson, Kay, Khan M., Khonat H., Khonat S., Liddle, Mahmood, McFall, McKinlay, Nuttall, O'Keeffe, Patel, Rehman, Riley, Roberts, Shorrocks, Sidat, Smith D., Surve, Talbot, Taylor, Whalley, Whittle, Wright.*

**Against**

*Councillors Browne, Davies, Foster D., Foster K., Rigby C.*

**Abstention**

*Councillors Ali, Daley, Gee, Hardman, Lee, Slater Jacqueline, Slater John, Slater Julie, (The Mayor, Councillor Alan Cottam).*

*(Councillors Desai, Mulla and Rigby J were not present at the time of the vote).*

## **RESOLVED –**

- 2.1 That the proposals for the Revenue Budget for the financial year 2015/16 outlined in this report be approved;
- 2.2 That the Council accepts the Council Tax freeze grant for 2015/16 in lieu of an increase in Council Tax rates;
- 2.3 That the amendments to the Council Tax empty properties discount be approved as outlined in the report;
- 2.4 That the council agrees the amended Council Tax collection, recovery and enforcement policy;
- 2.5 That the proposals for the Capital Programme for the period 2015/16 to 2017/18 as outlined in this report be approved;
- 2.6 That the Medium Term Financial Strategy 2015-18 be approved with the final version to be published incorporating the approved budget proposals;
- 2.7 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 & IT's report; and
- 2.8 That the Council approves the Pay Policy Statement prepared in accordance with the requirements of Section 38 of the Localism Act 2011 to have effect for the year 2015/16 unless replaced or varied by the Council, as set out in Appendix G.

## **70 Council Tax for 2015/16**

A report was submitted on the Council's requirement to set amounts of Council Tax before 11<sup>th</sup> 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 2014/15. 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 2015/16 as set out in Appendix 1 of the report submitted.

Following discussion, Finance Council moved to a Recorded Vote, with Councillors voting as follows:

**For**

*Councillors Akhtar P., Ali, Bateson, Brookfield, Browne, Casey, Connor, Daley, Davies, Entwistle, Foster D., Foster K., Gee, Groves, Gunn, Hardman, Harling, Hollern, Humphrys, Hussain I., Jan-Virmani, Johnson, Kay, Khan M., Khonat H., Khonat S., Lee, Liddle, Mahmood, McKinlay, Nuttall, O'Keeffe, Patel, Rehman, Rigby C., Riley, Roberts, Shorrocks, Sidat, Slater Jacqueline, Slater John, Slater Julie, Smith D., Surve, Talbot, Taylor, Whalley, Whittle, Wright, The Mayor (Councillor Alan Cottam)*

**Against**

*None*

**Abstention**

*None*

*(Councillors Desai, Mulla and Rigby J were not present at the time of the vote).*

**RESOLVED -**

1. That it be noted that on 31st January 2015, the Council calculated the Council Tax Base for the year 2015/16 in accordance with regulations made under Section 31B(3) of the Local Government Finance Act 1992, as amended (the Act):

- a) 33,052.90 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 2015/16 in accordance with Sections 31 to 36 of the Act:

- a) £405,884,800 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) £363,858,500 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) £42,026,300 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) £1,271.49 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) £153,228.12 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 2015/16 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 2015/16 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	£861.33	£1,004.88	£1,148.44	£1,291.99	£1,579.10	£1,866.21	£2,153.32	£2,583.98
Livesey Parish	£849.83	£991.47	£1,133.11	£1,274.75	£1,558.03	£1,841.31	£2,124.58	£2,549.50
North Turton Parish	£855.39	£997.95	£1,140.52	£1,283.08	£1,568.21	£1,853.34	£2,138.47	£2,566.16
Pleasington Parish	£848.37	£989.76	£1,131.16	£1,272.55	£1,555.34	£1,838.13	£2,120.92	£2,545.10
Tockholes Parish	£865.79	£1,010.09	£1,154.39	£1,298.69	£1,587.29	£1,875.89	£2,164.48	£2,597.38
Yate and Pickup Bank Parish	£859.22	£1,002.42	£1,145.63	£1,288.83	£1,575.24	£1,861.64	£2,148.05	£2,577.66
Darwen Town Council	£853.65	£995.93	£1,138.20	£1,280.48	£1,565.03	£1,849.58	£2,134.13	£2,560.96
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	£106.04	£123.71	£141.39	£159.06	£194.41	£229.75	£265.10	£318.12
Lancashire Combined Fire Authority	£43.24	£50.45	£57.65	£64.86	£79.27	£93.69	£108.10	£129.72

### c) 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	£1,010.61	£1,179.04	£1,347.48	£1,515.91	£1,852.78	£2,189.65	£2,526.52	£3,031.82
Livesey Parish	£999.11	£1,165.63	£1,332.15	£1,498.67	£1,831.71	£2,164.75	£2,497.78	£2,997.34
North Turton Parish	£1,004.67	£1,172.11	£1,339.56	£1,507.00	£1,841.89	£2,176.78	£2,511.67	£3,014.00
Pleasington Parish	£997.65	£1,163.92	£1,330.20	£1,496.47	£1,829.02	£2,161.57	£2,494.12	£2,992.94
Tockholes Parish	£1,015.07	£1,184.25	£1,353.43	£1,522.61	£1,860.97	£2,199.33	£2,537.68	£3,045.22
Yate and Pickup Bank Parish	£1,008.50	£1,176.58	£1,344.67	£1,512.75	£1,848.92	£2,185.08	£2,521.25	£3,025.50
Darwen Town Council	£1,002.93	£1,170.09	£1,337.24	£1,504.40	£1,838.71	£2,173.02	£2,507.33	£3,008.80
All other parts of the Council's area	£993.85	£1,159.49	£1,325.13	£1,490.77	£1,822.05	£2,153.33	£2,484.62	£2,981.54

## Town and Parish Council Precepts

<u>Parish/Town Council</u>	<u>2014/15</u>			<u>2015/16</u>			<u>Council Tax Increase / (Reduction)</u> <i>CT Band D 15/16 less 14/15</i>	
	<u>Tax Base</u>	<u>Precepts</u>	<u>Council Tax</u>	<u>Tax Base</u>	<u>Precepts</u>	<u>Grant</u>		<u>Council Tax</u>
		<u>£</u>	<u>£</u>		<u>£</u>	<u>£</u>		<u>£</u>
			<u>Band D</u>				<u>Band D</u>	
Eccleshill Parish	89.55	2,328.00	26.00	90.60	2,328.00	413.50	25.14	(0.86)
Livesey Parish	1,810.53	14,629.00	8.08	1,851.64	14,629.00	1,371.00	7.90	(0.18)
North Turton Parish	1,615.22	26,869.00	16.63	1,667.49	27,069.00	1,241.00	16.23	(0.40)
Pleasington Parish	254.95	1,450.00	5.69	254.50	1,450.00	0.00	5.70	0.01
Tockholes Parish	201.49	6,814.10	33.82	207.82	6,617.12	146.00	31.84	(1.98)
Yate and Pickup Bank Parish	137.61	3,040.00	22.09	138.33	3,040.00	260.00	21.98	(0.11)
Darwen Town Council	6,814.25	98,095.00	14.40	7,195.03	98,095.00	23,905.00	13.63	(0.77)
<b>TOTAL / AVERAGE</b>	<b>10,923.60</b>	<b>153,225.10</b>	<b>4.88</b>	<b>11,405.41</b>	<b>153,228.12</b>	<b>27,336.50</b>	<b>4.64</b>	<b>(0.24)</b>

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

MAYOR