

**FINANCE COUNCIL**  
**Monday 26<sup>th</sup> February 2018**

**PRESENT** – *The Mayor Councillor Rigby C (in the Chair), Councillors; Akhtar H; Akhtar P; Ali; Bateson; Brookfield; Casey; Connor; Daley; Davies; Desai; Fazal; Foster D; Foster K; Gee; Hardman; Harling; Humphrys; Hussain I; Hussain F; Jan-Virmani; Johnson; Kay; Khan M; Khan Z; Khonat; Lee; Liddle; Mahmood A; Mahmood Q; Marrow; McFall; McGurk; Murray; Nuttall; Oates; Patel; Pearson; Perkins; Riley; Shorrocks; Sidat; Slater Ja; Slater Jo; Slater Ju; Slater N; Smith D, Smith J; Surve; Talbot; Tapp; Taylor; Vali; Whittle and Wright.*

**RESOLUTIONS**

**52 Notice Convening Meeting**

The Deputy Chief Executive read the notice convening the meeting.

**53 Apologies for Absence**

Apologies for absence were submitted on behalf of Councillors Gunn, Groves, Hollings, Maxfield, Hussain S, Mulla, Entwistle, Rigby J and Gibson.

**54 Minutes of the Council Forum Meeting held on 25<sup>th</sup> January 2018**

**RESOLVED** – That the Minutes of the Council Forum meeting held on 25<sup>th</sup> January 2018 be agreed as a correct record.

**55 Declarations of Interest**

No Declarations of Interest were received.

**56 Mayoral Communications**

The Mayor updated Council Forum on recent activities and events, in particular a number of school visits.

Reference was made to the Festival of Making, and the attendance of Wayne Hemmingway at the launch event, which showcased a number of exciting activities that were planned.

The Mayor reminded Councillors that the Mayor's Ball would be held on Friday 16<sup>th</sup> March 2018 at Ewood Park and encouraged all Members to attend.

**57 Treasury Management Strategy, Prudential Indicators and Minimum Revenue Provision Policy 2018/19**

Members were reminded that the Council was required to approve a Treasury Management Strategy before the start of each financial year. It also had to set Treasury and Prudential Indicators and a policy for determining a "prudent" level of Minimum Revenue Provision for repayment of debt which was consistent with

the Council's Medium Term Financial Strategy (MTFS).

**RESOLVED** – That Finance Council approve:

- (a) the proposed Treasury Management Strategy for 2018/19, including Treasury Management Indicators, as outlined in Appendix 1;
- (b) the proposed Prudential Indicators for 2018/19, as outlined in Appendix 2; and
- (c) the proposed policy for determining the Minimum Revenue Provision (MRP) for repayment of debt, as outlined in Appendix 3.

**58 The Robustness of the 2018/19 Budget and the Recommended Level of Reserves**

A report was submitted which advised that Section 25 of the Local Government Act 2003 placed a statutory requirement on the Council's Chief Financial Officer to report on:

- a) The robustness of the estimates within the overall budget; and
- b) The adequacy of the proposed level of financial reserves

In setting the Budget for 2018/19, Council was required to have regard to this report when making its budget decisions.

The information provided was to assist Members in their review of the overall Revenue Budget and Capital Programme and to provide assurance to them that financial advice had been provided throughout the budget setting process.

**RESOLVED** – That Finance Council note that:

- a) An overall assessment of the current budget and the assumptions on which this is based, as well as future budget proposals, savings plans and activity forecasts, has identified that whilst there are risks, the overall budget provisions are considered sufficient to meet the Council's legal responsibilities and obligations.
- b) A review of risks, mitigations and contingencies has also been undertaken alongside the review of reserves and provisions.

Finance Council considered the assessment by the Director of Finance and IT of:

- the robustness of the Revenue Budget and Capital Programme for 2018/19 (as outlined in the report of the Executive Member for Resources) and
- the adequacy and recommended level of proposed financial reserves.

59 **Revenue Budget 2018/19, Medium Term Financial Strategy and Capital Programme 2018-2021**

The Executive Member for Resources, Councillor Andy Kay, on behalf of the Labour Group, presented proposals for the Revenue Budget 2018/19, together with the Medium Term Financial Strategy (MTFS) and Capital Programme for 2018-2021.

Like all councils, Blackburn with Darwen had been facing unprecedented financial challenges since the period of the central Government imposed policy of austerity began in 2010 due to very large reductions in funding combined with a steep increase in demand for public services. In balancing the Council's finances to date, difficult decisions had been made, and Councillors were reminded of some of the key decisions made to date.

As 2017/18 had progressed, further pressures had emerged that were not built into the MTFS, including further rises in demand in both Adult Social Care and in Children's Services, with increases both in the volume of people using these services and in particular the complexity of service user needs, together with other cost increases due to legislative change within these services; 2017/18 had also seen increased demand pressures on highways and other cost pressures in relation to waste disposal.

To address these pressures both earmarked and unallocated reserves had been used, but as some of these additional costs were of a recurring nature, they required further support in 2018/19 and beyond and would need to be addressed through further savings, re-prioritisation of resources and from additional income.

In accepting the Government's offer of a 4 year funding settlement through to 2019/20, the figures included within the report for 2018/19 and 2019/20 were based on the latest data available and a set of reasonably firm assumptions, however the position was significantly less stable for 2020/21.

The report set out the Labour Group's proposed Revenue Budget, Capital Programme and associated Council Tax level for 2018/19 together with the MTFS for the period 2018-2021 based on a review of the existing assumptions and data to reflect the most current information available, and the report also set out the key issues in terms of Resources and Expenditure.

In light of the Local Government Finance Settlement for 2018/19 and the financial constraints on the authority, the Leader and the Executive Members would work with Officers to continuously review the allocation and use of resources including continued review of all expenditure and income budgets, of contractual commitments and property holdings and implementation of savings plans as required, set within the context of the Council's statutory responsibilities and corporate priorities.

The MTFS highlighted a budget gap for 2019/20 of £4.93m, and for 2020/21 of £13.26m, although as noted throughout the report, there was significant uncertainty around the assumptions used to produce the figures for the final year of the MTFS given the lack of information provided by central Government. The

strategy to address the cost pressures faced in 2019/20 and beyond through a programme of thematic reviews would cover;

- Digital change
- Procurement
- Alternative service delivery models
- Income, commercialisation and traded services
- Council Tax – review of single person discount and a focus on empty homes

Within these reviews cross cutting themes would be considered, as applicable, including efficiency savings, potential for growth and income generation, invest to save options, prevention measures to either curtail or defer demand. Whilst the areas for review had been identified and agreed, the business cases and programmes to underpin each of them were currently in development and so savings attributable to each had yet to be quantified. The reviews would commence in the next couple of months and would start to deliver part-year savings in 2018/19 to offset any other pressures and/or replenish reserves ahead of more significant savings to be made in future years.

A proposed Capital Programme for 2018 through to 2021 of £72.9m was also recommended to Finance Council for approval, as detailed at Appendix D. The programme recognised the importance of investment in the Borough and the impact that the schemes themselves would have on the regeneration and economic growth of the area in the future.

As noted in the report 'The Robustness of the 2018/19 Budget and the Recommended Level of Reserves', the Director of Finance and IT was recommending to Finance Council that the minimum level of Unallocated Reserves for 2018/19 remained at £4.0m.

The assumptions made within the budget proposals, which were in line with those made by the Government, were that the Council would increase Council Tax in 2018/19 by 5.99% reflecting;

2.99% - general increase in Council Tax to cover increases in the cost of Council services

3.00% - to assist it in meeting expenditure on adult social care functions

The MTFs 2018 to 2021 had been reviewed and updated, incorporating;

- the indicative funding allocations for 2019/20, as included in the Government's multi-year settlement "offer" which was accepted by the Council in October 2016
- in the absence of any information or detail regarding the allocation of local government funding for 2020/21 and beyond (i.e. the mechanics of the future Business Rates Retention Scheme, the future provision and allocation of Government grant funding (if any) and the outcome of the Fair Funding Review), the figures for 2020/21 were based on a

continuation of the funding mechanisms and assumptions in place for 2019/20

- other projections, forecasts and assumptions as outlined in Appendix E.

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

Following debate there then followed a recorded vote, with Councillors voting as follows:

### **For**

*Councillors: Akhtar H, Akhtar P, Bateson, Brookfield, Casey, Fazal, Harling, Humphrys, Hussain F, Hussain I, Johnson, Kay, Khan, Khonat, Liddle, Mahmood A, Mahmood Q, McFall, McGurk, Nuttall, Oates, Patel, Riley, Shorrock, Sidat, Smith D, Smith J, Talbot, Taylor, Whittle and Wright.*

### **Against**

*Councillors: Ali, Connor, Daley, Gee, Hardman, Lee, Marrow, Murray, Pearson, Perkins, Slater Ja, Slater Jo, Slater Ju, Slater N, Tapp and the Mayor.*

### **Abstention**

*Councillors: Davies, Foster D and Foster K.*

### **Not Present at time of Vote**

*Councillors: Desai, Jan-Virmani, Khan Z, Surve and Vali.*

## **RESOLVED – That Council Forum:**

**2.1** Approve the proposals for the Revenue Budget for the financial year 2018/19 as outlined in this report and specifically;

**2.1.1** Approve an increase in Council Tax rates of 2.99% (i.e. a weekly increase of £0.80 for Band D Council Tax payers and of £0.53 for Band A Council Tax payers);

**2.1.2** Approve an additional increase in Council Tax rates of 3.0% to meet the costs of Adult Social Care (i.e. a weekly increase of £0.80 for Band D Council Tax payers and of £0.53 for Band A Council Tax payers);

**2.1.3** Note the individual portfolio cash limit budgets for 2018/19 as set out in Appendix C;

**2.1.4** Note the work that is underway in developing a thematic savings plan (as outlined at **Section 7**) that will start to deliver part year savings in 2018/19

to offset any other emerging cost pressures in-year and/or replenish reserves ahead of more significant savings required from 2020/21;

- 2.1.5** Note the significant risks and uncertainty that underpin the assumptions contained within the MTFs for the financial year 2020/21, due to the lack of information that is yet to be provided by central Government including;
- the mechanisms for Business Rates Retention,
  - the outcome of the Fair Funding Review and the resulting redistribution of resource,
  - the Green Paper on Adult Social Care and the future plans for integration of health and adult social care and associated funding and
  - the impact of Brexit
- 2.1.6** Approve the utilisation of the Part-Year Slippage Reserve, as required, to support those savings that cannot be implemented with effect from 1<sup>st</sup> April 2018
- 2.1.7** Delegate authority for the agreement of hourly rates and contract changes for social care providers for 2018/19, arising from the impact of the increase in the National Living Wage, to the Executive Member for Adult Social Care, in consultation with the Executive Member for Resources.
- 2.2** Approve the proposals for the Capital Programme for the period 2018-2021 as outlined in **Appendix D** and **Section 8** of this report
- 2.3** Approve the draft Medium Term Financial Strategy 2018-2021, as per **Appendix E** of this report, and to approve the subsequent publishing of the final version
- 2.4** Approve, subject to recommendations **2.1.1** and **2.1.2** outlined above, the consequent Council Tax levels detailed in the formal resolution within the report from the Director of Finance & IT
- 2.5** Approve the Pay Policy Statement prepared in accordance with the requirements of Section 38 of the Localism Act 2011, including the changes to the Local Living Wage and Chief Officer posts, to have effect for the year 2018/19 unless replaced or varied by the Council, as set out in **Appendix F**.

## **60 Council Tax for 2018/19**

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

In setting its Council Tax requirement, the Council had to take 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.

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 2018/19. 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 is 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 2018/19, 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 H, Akhtar P, Bateson, Brookfield, Casey, Davies, Fazal, Foster D, Foster K, Harling, Humphrys, Hussain F, Hussain I, Johnson, Kay, Khan, Khonat, Liddle, Mahmood A, Mahmood Q, McFall, McGurk, Nuttall, Oates, Patel, Riley, Shorrocks, Sidat, Smith D, Smith J, Talbot, Taylor, Whittle and Wright.*

#### **Against**

*Councillors: Ali, Connor, Daley, Gee, Hardman, Lee, Marrow, Murray, Pearson, Perkins, Slater Ja, Slater Jo, Slater Ju, Slater N, Tapp and the Mayor.*

#### **Abstention**

None.

#### **Not Present at time of Vote**

*Councillors: Desai, Jan-Virmani, Khan Z, Surve and Vali.*

**RESOLVED –**

### **Blackburn with Darwen Borough Council**

### **Draft Council Tax Resolution 2018/19 – Finance Council, 26 February 2018**

1. That it be noted that on 24th January 2018, the Council calculated the Council Tax Base for the year 2018/19 in accordance with regulations made under Section 31B(3) of the Local Government Finance Act 1992, as amended (the Act):
  - a) 34,341.92 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 2018/19 in accordance with Sections 31 to 36 of the Act:
  - a) £386,253,164 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) £335,751,693 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) £50,501,471 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) £1,470.55 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) £156,230.84 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (see Appendix 2).
  - f) £1,466.00 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 2018/19 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 2018/19 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                     | £994.10                | £1,159.78 | £1,325.47 | £1,491.15 | £1,822.52 | £2,153.88 | £2,485.25 | £2,982.30 |
| Livesey Parish                        | £982.84                | £1,146.65 | £1,310.45 | £1,474.26 | £1,801.87 | £2,129.49 | £2,457.10 | £2,948.52 |
| North Turton Parish                   | £988.17                | £1,152.87 | £1,317.56 | £1,482.26 | £1,811.65 | £2,141.04 | £2,470.43 | £2,964.52 |
| Pleasington Parish                    | £981.05                | £1,144.56 | £1,308.07 | £1,471.58 | £1,798.60 | £2,125.62 | £2,452.63 | £2,943.16 |
| Tockholes Parish                      | £1,000.83              | £1,167.64 | £1,334.44 | £1,501.25 | £1,834.86 | £2,168.47 | £2,502.08 | £3,002.50 |
| Yate and Pickup Bank Parish           | £992.09                | £1,157.43 | £1,322.78 | £1,488.13 | £1,818.83 | £2,149.52 | £2,480.22 | £2,976.26 |
| Darwen Town Council                   | £986.15                | £1,150.51 | £1,314.87 | £1,479.23 | £1,807.95 | £2,136.67 | £2,465.38 | £2,958.46 |
| All other parts of the Council's area | £977.33                | £1,140.22 | £1,303.11 | £1,466.00 | £1,791.78 | £2,117.56 | £2,443.33 | £2,932.00 |

**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        | £118.30                | £138.02  | £157.73  | £177.45  | £216.88  | £256.32  | £295.75  | £354.90  |
| Lancashire Combined Fire Authority | £44.97                 | £52.47   | £59.96   | £67.46   | £82.45   | £97.44   | £112.43  | £134.92  |

**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                     | £1,157.36              | £1,350.27 | £1,543.14 | £1,736.05 | £2,121.83 | £2,507.62 | £2,893.41 | £3,472.10 |
| Livesey Parish                        | £1,146.11              | £1,337.14 | £1,528.14 | £1,719.17 | £2,101.20 | £2,483.24 | £2,865.28 | £3,438.34 |
| North Turton Parish                   | £1,151.44              | £1,343.35 | £1,535.24 | £1,727.16 | £2,110.97 | £2,494.78 | £2,878.60 | £3,454.32 |
| Pleasington Parish                    | £1,144.32              | £1,335.06 | £1,525.76 | £1,716.49 | £2,097.92 | £2,479.37 | £2,860.81 | £3,432.98 |
| Tockholes Parish                      | £1,164.10              | £1,358.13 | £1,552.13 | £1,746.16 | £2,134.19 | £2,522.23 | £2,910.26 | £3,492.32 |
| Yate and Pickup Bank Parish           | £1,155.35              | £1,347.92 | £1,540.46 | £1,733.03 | £2,118.14 | £2,503.26 | £2,888.38 | £3,466.06 |
| Darwen Town Council                   | £1,149.42              | £1,341.01 | £1,532.56 | £1,724.14 | £2,107.27 | £2,490.42 | £2,873.56 | £3,448.28 |
| All other parts of the Council's area | £1,140.60              | £1,330.71 | £1,520.79 | £1,710.91 | £2,091.10 | £2,471.30 | £2,851.51 | £3,421.81 |

### Town and Parish Council Precepts

| <u>Parish / Town Council</u> | <u>2017/18</u>   |                   |                  |                           | <u>2018/19</u>   |                   |                  |                           | <u>Council Tax Increase /</u>  |
|------------------------------|------------------|-------------------|------------------|---------------------------|------------------|-------------------|------------------|---------------------------|--|
|                              | <u>Tax Base</u>  | <u>Precepts</u>   | <u>Grant</u>     | <u>Council Tax Band D</u> | <u>Tax Base</u>  | <u>Precepts</u>   | <u>Grant</u>     | <u>Council Tax Band D</u> | <u>(Reduction)</u><br><i>Council Tax Band D 18/19 less 17/18</i><br><b>£</b> |
|                              |                  | £                 | £                | £                         |                  | £                 | £                | £                         |  |
| Eccleshill Parish            | 93.16            | 2,328.00          | 413.50           | 24.99                     | 92.57            | 2,328.00          | 413.50           | 25.15                     | 0.16   |
| Livesey Parish               | 1,859.20         | 14,629.00         | 1,371.00         | 7.87                      | 1,879.27         | 15,523.00         | 1,371.00         | 8.26                      | 0.39   |
| North Turton Parish          | 1,693.33         | 27,069.00         | 1,241.00         | 15.99                     | 1,741.18         | 28,310.00         | 1,241.00         | 16.26                     | 0.27   |
| Pleasington Parish           | 249.72           | 1,450.00          | 0.00             | 5.81                      | 259.81           | 1,450.00          | 0.00             | 5.58                      | (0.23)   |
| Tockholes Parish             | 211.13           | 7,233.46          | 146.00           | 34.26                     | 211.47           | 7,454.84          | 146.00           | 35.25                     | 0.99   |
| Yate and Pickup Bank Parish  | 137.35           | 3,040.00          | 260.00           | 22.13                     | 138.74           | 3,070.00          | 260.00           | 22.13                     | 0.00   |
| Darwen Town Council          | 7,353.32         | 98,095.00         | 23,905.00        | 13.34                     | 7,414.15         | 98,095.00         | 23,905.00        | 13.23                     | (0.11)   |
| <b>TOTAL / AVERAGE</b>       | <b>11,597.21</b> | <b>153,844.46</b> | <b>27,336.50</b> | <b>4.54</b>               | <b>11,737.19</b> | <b>156,230.84</b> | <b>27,336.50</b> | <b>4.55</b>               | <b>0.01</b>  |

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

MAYOR