

Minutes of Policy and Finance

Meeting Date: Tuesday, 13 February 2024, starting at 6.30 pm
Present: Councillor S Atkinson (Chair)

Councillors:

S Bibby	K Horkin
D Birtwhistle	L Jameson
S Fletcher	R Newmark
M Graveston	S O'Rourke
J Hill	J Rogerson
S Hirst	A Wilkins-Odudu
S Hore	

In attendance: Chief Executive, Director of Resources & Deputy Chief Executive, Director of Economic Development and Planning, Director of Community Services and Head of Financial Services

Also in attendance: Cllr K Barnsley, M Hindle and R Walsh

690 APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were received from Councillor L Edge.

691 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING

There were no minutes requiring approval.

692 DECLARATIONS OF DISCLOSABLE PECUNIARY, OTHER REGISTRABLE AND NON REGISTRABLE INTERESTS

There were no declarations of disclosable pecuniary, other registrable or non-registrable interests.

693 PUBLIC PARTICIPATION

There was no public participation.

694 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2024/25

The Director of Resources and Deputy Chief Executive submitted a report for information providing details of the Government Policy Statement on Local Government Finance and the Provisional Local Government Finance Settlement for 2024/25.

The Policy Statement had suggested that the Government intended to offer a similar financial settlement in 2024/25 as to the current year. The report informed Committee of the key messages outlined in the policy statement. Alongside the statement, the Government had issued information asking local authorities to develop and share productivity plans by July 2024.

The Provisional Local Government Grant Settlement had been published on 18 December 2023, and Members were informed at the meeting that the Final Local Government Grant Settlement had now been published on 5 February 2024.

The published report provided with a comparison between the assumptions made in the 2024/25 Budget Forecast, and the movements following the 2024/25 Provisional Settlement, which showed that overall, the Council would be £826k better off than expected, assuming that Council Tax was increased by the maximum amount of £5 (for Band D properties). This was largely due to the continuation of New Homes Bonus allocations for 2024/25 along with the one-off funding guarantee.

An additional note was circulated at the meeting to Members detailing the Final Grant Settlement which had been announced since the Committee report had been written. We were informed that the Council would be £73k better off than the Provisional Grant Settlement. This would improve the financing of the revenue budget shortfall for 2024/25.

Members were reminded that business rate growth fell outside of the core government funding calculations. The Council had received official designation from the Secretary of State that the Lancashire Business Rate Pool would continue for 2024/25.

695

OVERALL REVENUE BUDGET 2024/25

The Director of Resources and Deputy Chief Executive submitted a report asking Committee to approve the revised Revenue Budget for 2023/24 and to recommend a revenue budget and council tax requirement for 2024/25 to Council on 5 March 2024.

The report noted that when setting the revised budget for 2023/24, records levels of inflation were being seen along with significantly higher utility costs. Committee expenditure had fallen significantly by £1.470m and a number of one-off windfall savings totalling £1.9m had also occurred including:

- Investment income was up by £896k due to higher interest rates and higher than expected available cash balances to invest;
- Business Rate refunds for the Clitheroe Castle Museum and also some car parks totalling £508k; and
- Utility costs were £496k lower than anticipated.

A significant element of the Council's income was Business Rate Growth and the report outlined the latest estimate of Ribble Valley's share of business rate income for the current year. When setting the original budget, it had been agreed to significantly increase the amount of Business Rate Growth used to fund the revenue budget to £2m. In addition, an amount of £1.173m would be transferred to a capital reserve fund to be used to fund future capital schemes.

The report detailed the forecasted transfers to and from earmarked reserves compared with the original estimate, and in summary, the net position was that the Council anticipated adding £90k instead of taking £459k from earmarked reserves in the current year.

The overall summary showed that the Council was £1.805m better off when compared with the original estimate, therefore instead of taking £300k from general fund balances at the end of the year, based on the revised estimates the amount would be £1.505m.

The report went on to highlight the key elements of the Provisional Local Government Finance Settlement 2024/25 and total Government funding of £3.001m in 2024/25. This was set to increase by an additional £73k in funding following the Final Local Government Finance Settlement. The funding guarantee would also increase Ribble Valley's core spending power by 5.7%. It was noted that whilst the New Homes Bonus was an element of the Council's Core Spending power, Business Rates Growth income was not, therefore this income would not be protected if baselines were reset in the future.

The Director of Resources reported that the Collection Fund was likely to produce an overall surplus of £1,311,620 for 2024/25, which would consist of a surplus for council tax of £821,668 and a surplus in respect of business rates of £489,952. The council tax surplus would be shared amongst all the major precepting authorities with the Council's share being £73,966 and the Council's business rate share being £195,981.

Regarding the revenue budget for 2024/25, the report outlined the provisional base position as agreed by Service Committees. Committee expenditure was set to fall by £248k, the reasons for which were set out for each Committee in the annex to the report. Capital adjustments and movements of other items were also reported, and the most significant movement was the increase in investment interest, however it was difficult to predict when interest rates would fall.

The future budget forecasts for 2025/26 to 2028/29 were also estimated based upon latest budget predictions, potential Government Funding, and spending power assumptions. It was noted that these were difficult to predict in the absence of any firm information from the Government, along with the expected general election in 2024. The report summarised the annual budget shortfalls for each year, with the total shortfall to be funded being £5,926,819. This took into account the assumption that £1m would be taken from general fund balances over the forthcoming 4 years. Members were informed that if assumptions in the forecast were correct, although the Council were close to a balanced budget position for 2025/26, significant budget gaps were predicted from 2026/27 onwards. This was largely due to assumptions that interest rates would fall, core government funding would fall, and that business rates would be reset.

The Council's external auditors had recommended that the Council put in place a savings plan and a transformation plan, if required, to address the estimated budget gaps that were forecast. The current Government had also issued, alongside the Final Grant Settlement for 2024/25, a requirement for local authorities to produce and submit a 'productivity plan' before Parliament's summer recess, elements of which may well be duplicated in the savings plan.

The Budget Working Group had considered the Council's financial position and overall budget positions for 2023/24 and 2024/25, and had made the following recommendations for approval by Committee:

- £500k to be added to the 2024/25 capital programme to fund improvement works in the Castle Grounds, and £1m be set aside to fund one-off items to be considered by the Budget Working Group/Policy and Finance Committee. These would be funded by the windfall savings expected on the revised estimate for 2023/24 which totalled £1.505m. The Budget Working Group stressed that as the savings/extra income were of a one-off nature and should not be used to fund on-going expenditure.
- Further Budget Considerations for 2024/25, which had been identified since Service Committees had considered their base budgets, should be added to the 2024/25 budget, totalling £146,100.

- That a £200k contingency for potential pay increases above the 4% allowed for, and a £200k contingency for utility and fuel increases above the amounts allowed for in the base Committee estimates, should be added to the 2024/25 budget.
- A £5 increase in the Band D Council Tax to £170.69 for 2024/25.
- That the Council monitor closely interest rate changes during the year.
- That £82,853 is taken from general fund balances in 2024/25 to balance the budget, however, Members were updated at the meeting that this was now reduced to £8,925 following the Final Local Government Finance Settlement 2024/25.
- That given the significant forecast deficit for future years, the financial pressures and remaining uncertainties, the Budget Working Group should continue to meet on a regular basis to review the budget position and consider ways in which a sustainable budget could be set. This would include the preparation of a savings plan.

Committee were asked to consider the recommendations which would result in a balanced budget for 2024/25, as set out in the report.

The Director of Resources and Deputy Chief Executive, as the Section 151 Officer, presented her report set out in Annex 8 which was required under Section 25 of the Local Government Finance Act 2003 to consider the robustness of the budget and the adequacy of the Council's balances and reserves. She concluded that the budget estimates for 2024/25 are robust, and the level of reserves adequate. She recommended that the Budget Working Group consider a savings and transformation plan to address how a balanced budget could be set beyond 2025/26.

RESOLVED THAT COMMITTEE:

1. Approve the revised budget for 2023/24.
2. Approve the Budget Working Group's recommendations set out in Section 9 and set a budget and council tax requirement for 2024/25 as set out in Section 12 of the report.
3. Recommend the budget and council tax requirement to the Full Council meeting on 5 March 2024.

BUDGET AND COUNCIL TAX REQUIREMENT	
	£
RVBC Net Budget	5,904,551
Plus Parish Precepts (Annex 3)	627,676
	6,532,227
Less - Settlement Funding Assessment	-1,508,544
Net Requirement Before Adjustments	5,023,683
Council Tax Surplus	-73,966
Council Tax Requirement (Including Parishes)	4,949,717

4. Ask the Budget Working Group to formulate the preparation of a savings plan to address the forecasted future budget deficits and report back to this Committee.

696

OVERALL REVISED CAPITAL PROGRAMME 2023/24

The Director of Resources and Deputy Chief Executive submitted a report for Committee to consider and approve the Council's overall revised capital programme for 2023/24.

The original programme had been approved by Council in March 2023 and regular reports had been presented to all committees on progress with the schemes. There had been a number of further approvals and adjustments made during the year resulting in the total approved Capital Programme for 2023/24 of £6,925,330 over 55 schemes. The revised estimate for each of these schemes had been determined following discussion with budget holders regarding their progress and estimated full year expenditure.

The revised Capital Programme now stood at £3,189,580 for 47 schemes, which was a reduction of £3,735,750 from the previously approved capital programme budget and a net reduction of 6 schemes. Detail around the movements was provided in the report.

The report went on to outline how the capital programme had been financed with a summary of the movement on the capital earmarked reserve. Earmarked reserves were used to fund £1,500,740 of the 2023/24 proposed revised capital programme, with the balance of the funding coming from usable capital receipts of £27,110 together with grants and contributions of £1,661,730. The proposal maintained the Capital Earmarked Reserve at a level above £350,000, which allowed for any emergencies to be met if required.

At the end of January 2024 £1,896,760 had been spent or committed on capital programme schemes. This equated to 52% of the full year proposed revised capital programme budget.

Members expressed concerns that capital schemes can be delayed. It was noted this can be outside of the Council's control, however, Members asked that the Budget Working be updated regularly on all Capital schemes and in respect of delays which may impact completion within the financial year.

RESOLVED THAT COMMITTEE:

1. Approve the overall revised capital programme for 2023/24.
2. Request regular progress updates on Capital Schemes to the Budget Working Group.

697

FIVE YEAR CAPITAL PROGRAMME 2024/25 TO 2028/29

The Director of Resources and Deputy Chief Executive submitted a report providing Members with details of the previously approved capital programme schemes for 2024/25 to 2027/28. The report also asked Members to consider the bids that had been received for inclusion in the capital programme for the 2028/29 financial year

and recommend a five-year capital programme for 2024/25 to 2028/29 to Full Council on 5 March 2024.

Most schemes for 2024/25 and 2027/28 were already approved in the existing capital programme. A number of schemes had been moved from the 2023/24 financial year to 2024/25 together with the associated resources to fund them. There were three additional schemes recommended for approval in the 2024/25 financial year:

- Scheme for Council Offices Solar Panels which already been approved in principle by Policy and Finance Committee subject to a further report to committee (to be reported March 2024). £95,000 was included based on quotes received.
- Scheme for £25,000 for Ribblesdale Pool Covers which was funded by grant awarded by Sport England.
- Scheme for £588,540 for Food Waste Collections new burdens funded from grant received from DEFRA for this purpose.

It was also assumed that the £500k for the Castle Grounds scheme as recommended in the revenue budget report would be approved and was included in the 2024/25 financial year.

Heads of Service had put forward their capital programme bids. Service committees had since considered the bids that were put forward and all were supported. A review of the schemes had been undertaken by Budget Working Group and Corporate Management Team, with changes to two schemes as noted in the report. The proposed capital programme was reported to be both achievable and affordable.

RESOLVED THAT COMMITTEE:

1. Recommend to Council the Capital Programme for 2024/25 to 2028/29 as set out in report.
2. Request regular progress updates on Capital Schemes to the Budget Working Group.

698

REVIEW OF POLLING DISTRICTS AND POLLING PLACES

The Chief Executive submitted a report for Committee to consider the recommendations arising from the Council's Polling District and Polling Place Review 2024 and make recommendations to Full Council.

The Council's Electoral and Licensing Officer had completed a review of each polling place and station in accordance with the relevant legislation and guidance. The Notice of Review and Information was published on the Council's website on 5 January 2024 with the consultation period running to 2 February 2024, which had been widely publicised.

Six responses had been received during the consultation period, which were detailed in the report. The responses and comments of the (Acting) Returning Officer had been considered in full and the recommendations made in respect of these were as follows:

- Polling District – DF Langho – That the polling place revert to its previous location of St Mary's RC Church Hall, York Lance, Langho Blackburn BB6 8DW. The polling station was accessible, and the location more central for those attending to vote on foot.

- Polling District – CO Chatburn – That the polling place revert to its previous location of Chatburn Methodist Church Hall, 2 Pendle Avenue, Chatburn, Clitheroe BB7 4AX.
- Polling District – CV3 Whalley Nethertown – That Whalley Nethertown have a separate polling place, with the polling place to be located at Whalley Library, 1 Abbots Croft, Whalley, Clitheroe BB7 9RR. The location met all the requirements for a polling place and was located nearer to the Nethertown Ward boundary than the previous polling place or other possible locations.

The proposals for all polling districts and places were set out in the appendix to the report.

Members were also asked to consider an amendment to the Officer Scheme of Delegation within the Constitution, which would require approval by Full Council. The amendment would not negate the need for periodic reviews of polling districts and places, between compulsory reviews, but would allow the Chief Executive to make a change at short notice should there be an operational need.

*****RESOLVED THAT COMMITTEE:**

1. Approve the proposals for polling districts and places in the Ribble valley Parliamentary constituency as set out in the report and recommend their adoption to Full Council.
2. Recommend to Full Council an amendment of the Officer delegation scheme as set out in the report.

699

UK SHARED PROSPERITY FUND AND RURAL ENGLAND PROSPERITY FUND - NON CONTRACTING AUTHORITIES' PROCUREMENT THRESHOLDS

The Director of Economic Development and Planning submitted a report seeking Committee approval to confirm the procurement thresholds relating to non-contracting authorities awarded a grant through either the UK Shared Prosperity Fund (UKSPF) or Rural Prosperity Fund (REPF). The report had been added to the agenda following publication, with approval from the Chairman, in order to urgently consider the thresholds whilst the Council prepared grant agreements for the previously approved UKSPF schemes.

Members were asked to approve the thresholds to ensure consistency with the Council's own Contract Procurement Rules and to ensure that the approved schemes can be delivered within the tight timescales of the UKSPF requirements. Once approved the guidance would be available on the Council's website.

RESOLVED THAT COMMITTEE:

Approve the procurement thresholds for non-contracting authorities involved in delivering projects either through UKPSF or REPF as set out in the report.

700

REFERENCES FROM COMMITTEES

There were no references from Committees.

701

MINUTES OF WORKING GROUPS

There were no minutes of working groups.

702 REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from representatives on outside bodies.

703 EXCLUSION OF PRESS AND PUBLIC

There were no items under this heading.

The meeting closed at 7.39 pm

If you have any queries on these minutes please contact the committee clerk,
Rebecca Hodgson 01200 414408 rebecca.tait@ribblevalley.gov.uk.