

Minutes of Policy and Finance

Meeting Date: Tuesday, 18 January 2022, starting at 6.30 pm
Present: Councillor S Atkinson (Chair)

Councillors:

D Berryman	G Hibbert
S Bibby	J Hill
A Brown	M Hindle
J Clark	S Hirst
S Fletcher	D Peat

In attendance: Chief Executive and Director of Resources

Also in attendance: Councillor G Mirfin

575 APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were received from Councillors M French, S Hore, K Horkin and R Thompson.

576 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING AND THE EMERGENCY COMMITTEE

The minutes of the meeting held on 9 November 2021 and Emergency committees held on 29 November 2021 and 10 December 2021 were approved as a correct record and signed by the Chairman.

577 DECLARATIONS OF DISCLOSABLE PECUNIARY, OTHER REGISTRABLE AND NON-REGISTRABLE INTERESTS

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

578 PUBLIC PARTICIPATION

There was no public participation.

579 REVISED REVENUE BUDGET 2021/22

The Director of Resources submitted a report asking committee to agree a revised revenue budget for 2021/22 for this committee.

She reminded committee that at this time of year the estimates are revised for the current financial year in order to predict the likely outturn on the budget. The budget this year had again been particularly impacted by the Covid-19 pandemic.

Whilst committee income and expenditure may increase or decrease at the revised estimate, items such as budgeted core government funding and council tax precept remain fixed. As a result, any compensating movement is within earmarked reserves and general fund balances. Decisions and actions required as a result of committee meetings have been incorporated into the budget setting process.

Within this committee there were budget movements across two areas. Those within original estimate budgets that have been established to support service activities and

those resulting from the coronavirus pandemic response for which there is no original base budget estimate for 2021/22. A detailed breakdown was provided.

She informed committee that the total difference between the revised and original estimate was a decrease in net expenditure of £81,290, or an increase in net expenditure of £55,890 after allowing for movements on earmarked reserves. The balance on coronavirus specific budgets was nil after movements in reserves. A detailed summary of the reasons for movements were summarised for members' information.

For this committee there were a number of large variations. The largest was as a result of vacant posts within the Chief Executives Department.

RESOLVED THAT COMMITTEE:

Agree the revenue revised estimate for 2021/22.

580

REVISED CAPITAL PROGRAMME 2021/22

The Director of Resources submitted a report asking committee to approve the 2021/22 revised estimate for this committee's capital programme.

Four schemes totalling £105,510 had been approved by Special Policy and Finance committee and full Council in February and March 2021 respectively. All four schemes had been moved from the 2020/21 capital programme to the 2021/22 capital programme.

During the year there had been several budget changes resulting in a capital programme of eight schemes totalling £179,790. These had been revised to reflect their progress and estimated full year expenditure for 2021/22 which resulted in a proposed revised estimate of £70,910 for five schemes, a reduction of £108,880 from the total approved budget. The reasons were highlighted for committee's information.

Of the five schemes in the proposed revised capital programme:

- One was complete,
- Two were currently expected to be completed in-year, and
- It was unclear whether the other two schemes would be completed in-year.

RESOLVED THAT COMMITTEE:

1. Approve the 2021/22 revised estimate of £70,910 for this committee's capital programme as set out in the report, and
2. Approve the transfer of the following capital budgets from 2021/22 to 2022/23
 - Dewhurst Road, Langho – Resurfacing works - £62,850
 - Network Infrastructure - £30,000
 - Committee Administration IT System - £7,600
 - Financial system upgrade - £8,430
3. Agree to move the Special Policy and Finance committee to 15 February 2022 to allow officers and budget working group time to manage the budget process.

581

CAPITAL PROGRAMME REVIEW AND NEW BIDS

The Director of Resources submitted a report asking committee to consider the future capital programme for this committee following a review of the existing capital programme and the submission of new scheme bids.

For this committee there had originally been eight schemes approved for the financial years 2022/23 to 2024/25, totalling £432,880. Following a review of these schemes there were no proposed amendments identified.

New capital bids had been put forward for 2025/26 and 2026/27. For this committee there had been six new bids totalling £415,100 including a joint bid from the Legal, Planning and Environmental Health departments for a software upgrade for regulatory services. Any bids going forward would be considered alongside all other committee bids by the Budget Working Group and Policy and Finance committee.

Members expressed some concern about bids for 2025/26 that appeared urgent and may need completing before then.

RESOLVED THAT COMMITTEE:

1. Confirm the schemes in the currently approved capital programme, and
2. Approve all the new capital bids for 2025/26 and 2026/27 to Special Policy and Finance committee to be considered alongside the bids from all committees as part of the Overall Capital Programme.

582

CORPORATE DEBT POLICY

The Director of Resources submitted a report asking committee to agree a new updated Corporate Debt Policy.

She explained that having a Corporate Debt Policy was good practice and ensures that all people involved in the collection of money owed to the Council have a consistent approach and understanding of procedures. The Policy was circulated for members to consider.

RESOLVED THAT COMMITTEE:

Approve the Corporate Debt Policy attached to the report.

583

LOCAL COUNCIL TAX SUPPORT SCHEME 2022/23

The Director of Resources submitted a report updating committee on the consultation exercise that had been conducted regarding changes proposed to the Local Council Tax Support (LCTS) scheme and asking them to consider next steps regarding potential changes to the scheme in time for the 2022/23 financial year.

She reminded committee that the LCTS scheme had replaced Council Tax Benefit in 2013/14 and was now paid as a discount against an individual's council tax bill rather than a benefit. The Government had replaced the subsidy with a grant payable to Councils for the cost of LCTS, however they had reduced the amount from 100% to 90% and councils had either to absorb the reduction or meet it from reductions in council tax or elsewhere from within the council tax system.

Councils had been required to design their own LCTS system and consult with their residents and major preceptors regarding their proposals. At the start of the scheme

we proposed to use £120k of council tax income raised on second homes to partially offset the shortfall and proposed the balance would be met by reducing the discount on second homes and applying a 12% reduction to working age claimants. However, the Government offered a one off transition grant if councils capped their reduction at 8.5% which we did for the first year in 2013/24 and thereafter raised it to 12%.

The Director of Resources informed committee that currently across Lancashire there were many varying levels of reductions with two local authorities currently having no reduction in support at all.

At the March 2021 Full Council meeting as part of the budget deliberations, it was considered that a piece of work should be carried out to explore the possibility of removing the 12% reduction in support for working age claimants. The budget working group had considered this and recommended to this committee that the Council launch a consultation exercise to remove the 12% reduction thereby increasing support to these claimants.

The consultation exercise had run from 25 October to 5 December 2021 as an online survey with paper copies available.

All major preceptors had raised concerns about the proposed change and the impact it would have on the income they received. However, 91% of the 58 responses received to the online survey agreed that the 12% reduction should be removed.

RESOLVED THAT COMMITTEE:

Agree to alter that LCTS scheme for 2022/23 and remove the 12% reduction applied to working age claimants to bring them into line with pensioner age claimants.

(Councillor S Hirst left the meeting)

584

COVID-19 ADDITIONAL RELIEF FUND (CARF)

The Director of Resources submitted a report updating committee on the Covid 19 Additional Relief Fund (CARF) that was announced by the Chancellor on 21 December 2021.

She explained that liability for business rates is based upon the rateable value of a property set by the Valuation Office Agency (VOA) which are updated at revaluations. The next revaluation is planned for 1 April 2023 with a valuation date of 1 April 2021.

In between revaluations, rateable values can only be changed to reflect 'material changes of circumstances'. Since the start of the pandemic the VOA had received many checks arguing that interventions concerning the use of property were a material change, which if successful, would have a major impact on the level of rateable values. The Government therefore introduced primary legislation with retrospective effect clarifying that coronavirus was not an appropriate use of the material change of circumstances provision. The Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill received Royal assent on 15 December 2021.

In March 2021 the Government had announced a new Covid 19 Additional Relief Fund (CARF) of £1.5 billion intended to support businesses affected by the pandemic that are ineligible for the existing support linked to business rates. Guidance had been issued to local authorities detailing how the scheme should operate. Ribble Valley Borough Council had been allocated £1,239,191.

The Director of Resources informed committee that the guidance stated that billing authorities were responsible for designing a discretionary relief scheme in their area that would be granted using powers contained in Section 47(8A) of the Local Government Finance Act 1988. The scheme must not award relief to ratepayers who have received Expanded Retail Discount or Nursery Discount. It was also for local authorities to determine how much relief should be awarded to each eligible business subject to subsidy control rules detailed in the guidance.

She informed members that a meeting of the Lancashire Revenues Managers had taken place on 11 January 2022 to discuss the issues regarding the scheme and share ideas.

As it was difficult to estimate the level of demand, it was suggested that applications from businesses that meet the eligibility criteria be invited for a set period up to 28 February 2022, and then determine the level of relief to award each category of property based on the applications received.

Councillor Mirfin was given permission to speak on this item.

RESOLVED THAT COMMITTEE:

Endorse the suggested approach and invite applications from businesses who meet the eligibility criteria as set out in the guidance, with a view to another report coming to the next meeting to determine the level of relief to be awarded.

585

COVID-19 BUSINESS GRANTS

The Director of Resources submitted a report updating members on the existing Additional Restrictions Grant (ARG) scheme, the recent announcement made by the Chancellor on 21 December 2021 in response to the Omicron variant regarding further business support and asking them to consider a new strand to the ARG scheme for the Omicron variant.

She reminded members that the Council currently had three live ARG grant schemes which were agreed by this committee in November 2021 – travel agents, business recovery and business growth. Since the last meeting there had been 66 applications received of which 17 had been approved and 5 rejected. The approvals totalled £120k and unallocated funds were currently £426k.

On 21 December 2021 the Chancellor had announced two further funding streams for businesses severely affected by the Omicron variant

- Omicron Hospitality and Leisure Grant (OHLG): businesses in the hospitality and leisure sectors in England will be eligible for one-off grants of up to £6,000 per premises.
- A third top up to local authorities ARG funding to support businesses who had been severely impacted by the Omicron variant including those outside the business rate system.

The Government had issued guidance for local authorities to administer the OHLG scheme on their behalf, with the allocation to Ribble Valley being £1,056,078. Any eligible grants paid out that exceed this will be reimbursed by the Government. The Director of Resources outlined who would be eligible, the value of the grant, exclusions to the grant, and closure date for applications. An on-line application form had been designed.

Regarding the ARG top-up, it had been made clear that it should only be allocated directly to businesses that had been severely impacted by the Omicron variant and should not fund wider business support measures.

The allocation to Ribble Valley was £146,048 and it was suggested that grants should be £1000 for businesses with a rateable value and £500 for those not registered for business rates.

Councillor G Mirfin was given permission to speak on this item.

RESOLVED THAT COMMITTEE:

1. Note the progress with the existing ARG scheme;
2. Note and welcome the new OHLG scheme; and
3. Agree the grant amounts of £1,000 for businesses with a rateable value and £500 for those not registered for business rates for the new Omicron ARG scheme, and delegate the creation of a detailed scheme to the Director of Resources in consultation with the ARG task and finish group.

586 REFERENCES FROM COMMITTEES - IF ANY

There were no references from committees.

587 QUEEN'S PLATINUM JUBILEE

The Chief Executive submitted a report for information updating members on the progress with the selection of appropriate projects to commemorate the Queen's Platinum Jubilee.

RESOLVED THAT COMMITTEE:

1. Note the progress being made, and
2. Agree to delegate to the Chief Executive in consultation with the Platinum Jubilee working group to progress the purchase of a piece of land for a woodland.

588 REVENUES AND BENEFITS GENERAL REPORT

The Director of Resources submitted a report for information on debts outstanding for business rates, council tax and sundry debtors. It also updated members on benefits performance, including benefits processing times and overpayment recovery.

589 TREASURY MANAGEMENT MONITORING 2021/22

The Director of Resources submitted a monitoring report for information on the treasury management activities for the period 1 April 2021 to 31 December 2021. This included temporary investments, interest on investments, local government bonds agency, borrowing, borrowing requirements, prudential indicators, approved organisations, recent events and exposure to risk.

590 MINUTES OF BUDGET WORKING GROUP 18 AUGUST 2021

The minutes of the Budget working group meeting held on 18 August 2021 were submitted for committee's information.

591 MINUTES OF JOINT WORKING GROUP - CLIMATE CHANGE AND LOCAL DEVELOPMENT PLAN

The minutes of the Joint Climate Change / Development Plan working group meeting held on 29 November 2021 were submitted for committee's information.

592 REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from representatives on outside bodies.

593 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the next item of business being exempt information under Paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972 the press and public be now excluded from the meeting.

594 ORIGINAL REVENUE BUDGET 2022/23

The Director of Resources submitted a report outlining the draft revenue budget for approval by committee and then consideration at Special Policy and Finance committee.

The Council's three-year budget forecast had been presented to Policy and Finance committee in September 2021 when it predicted that there would be the following budget gaps: £82k in 2022/23, £139k in 2023/24 and £230k in 2024/25, after allowing for use of general fund balances.

Since that time there had been a number of significant changes affecting the budget. These included significant rises in inflation, an increase in national insurance contributions and implementation of a new pay line. Therefore, the budget gap for 2022/23 was estimated to increase to around £497k.

The provisional local government finance settlement announced in December 2021 was for just one year, with a national increase of 6.9% in Council's core spending power in cash terms between 2021/22 and next year. This is the fourth one-year settlement in a row.

Headlines for Ribble Valley include

- Core spending power set to increase by only 0.2% (£11,000) next year from £6.849m to £6.860m;
- Business Rate Baseline funding level is £1.354m which is the same as the current year, however £111k compensation will be received due to the loss of income received by freezing the business rate multiplier;
- An allocation of Revenue Support Grant (RSG) of £215 despite RSG increasing nationally by 3.1% for inflation;
- Rural Services Delivery Grant of £113,250 – same as the current year;
- Lower Tier Services Grant of £60,754 up from £57,696;
- A new one off 2022/23 Services Grant has been announced worth £822m in recognition of services and includes costs of the increase in NI contributions. Ribble Valley will receive £93,368;
- New Homes Bonus (NHB) – the Government have allowed a new round of NHB allocations for 2022/23 which will not attract any legacy payments. They have also allowed the one remaining legacy payment of £464k which has

been allowed for. Next year there will be a payment of £741k for 2022/23 along with the legacy payment of £464k = £1.2m;

- The Lancashire Business Rate Pool has received designation to continue; and,
- The Council Tax can be increased by £5

Taking these things into account reduces the budget gap from £497k to £233k.

The Director of Resources reminded members that the fees and charges for this committee had been approved at their last meeting, and the consequential impact had been incorporated into the service budgets.

Once all committees had approved their detailed estimates, the overall position would be considered by the Budget Working Group and recommendations in order to produce a balanced budget would be made to Special Policy and Finance committee, before being presented to Full Council, at which point the Council Tax for 2022/23 would also be approved.

The draft proposed budget for 2022/23 was set out for each service area, built up over a number of stages including inflation, movements in expenditure, income, support services and capital, culminating in a draft original estimate.

In the original estimate for 2021/22 it was planned that this committee add £24,100 to earmarked reserves to support its expenditure in future years. It was now proposed to add £23,220 in 2022/23. The reasons for this were outlined.

The net expenditure for this committee has increased by £157,970 after allowing for associated movements on earmarked reserves. The main reasons were summarised for committee's information.

There had also been 10 requests for growth items totalling £205,440. Committee were asked which they felt they supported to be put forward for further consideration by Special Policy and Finance committee.

Members discussed the proposed additions/changes to staff posts in some detail and asked that their views be taken into account by the Budget working group when they were considering the budget prior to Special Policy and Finance committee.

RESOLVED THAT COMMITTEE:

1. Approve the revenue original estimate for 2022/23 and submit it to Special Policy and Finance committee, and
2. Approve the requests submitted for growth items for consideration by Special Policy and Finance committee taking into account the views of committee.

595

ANNEX TO AGENDA ITEM 6 - ORIGINAL REVENUE BUDGET 2022/23

These items were considered under the previous item – Original Revenue Budget 2022/23.

The meeting closed at 8.22 pm

If you have any queries on these minutes please contact the committee clerk, Olwen Heap olwen.heap@ribblevalley.gov.uk.