

Minutes of Special Policy and Finance

Meeting Date: Tuesday, 14 February 2023, starting at 6.30 pm
Present: Councillor S Atkinson (Chair)

Councillors:

D Berryman	G Hibbert
S Bibby	J Hill
A Brown	M Hindle
L Edge	S Hore
S Fletcher	K Horkin
M French	D Peat

In attendance: Chief Executive, Director of Resources, Director of Economic Development and Planning, Head of Financial Services and Principal Communications Officer

Also in attendance: Councillors G Mirfin

714 APOLOGIES FOR ABSENCE

Apologies for absence from the meeting were received from Councillors R Newmark and R Thompson

715 TO APPROVE THE MINUTES OF THE PREVIOUS MEETING

There were no minutes requiring approval

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

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

717 PUBLIC PARTICIPATION

There was no public participation.

718 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2023/24

The Director of Resources submitted a report for information providing details of the Provisional Local Government Finance Settlement for 2023/24.

Members were reminded that the Local Government Finance Settlement is the annual determination of funding to local government and is approved by the House of Commons. The grant settlement for next year was issued on 19 December 2022.

The Secretary of State for Levelling Up, Housing and Communities, Michael Gove MP, issued a written ministerial statement to the House of Commons.

The consultation period ended on 16 January 2023 but the final settlement had not yet been announced.

The report noted with disappointment that this is in effect another one year only settlement which means the Council cannot plan beyond next year with any certainty. It has been made clear that the Funding Guarantee is a one-off grant.

The main points of the Policy Statement as far as the Council are concerned are;

- Revenue Support Grant will increase in line with CPI (10.1% in September).
- Council Tax – the referendum threshold for shire districts will be 3% or £5 whichever is greater.
- Rural Services Delivery Grant will be unchanged.
- The Services Grant will reduce in 2023/24 to reflect the national insurance contribution increase being abolished.
- New Homes Bonus (NHB) will continue in 2023/24 but without legacy payments.
- The Lower Tier Services Grant will be repurposed together with a proportion of the NHB legacy payments to create a new one-off funding guarantee grant to ensure all Council's receive at least a 3% increase in Core Spending Power before any decision on Council Tax.

Members were informed that the Council expects there will be transitional protection alongside the implementation of finance reforms going forward. However transitional protection is usually against a council's Core Spending Power. It is important to note the income the Council receives from business rate growth does not form part of its Core Spending Power.

719

OVERALL REVENUE BUDGET 2023/24

The Director of Resources submitted a report asking Members to approve the revised revenue budget for 2022/23, and to consider and recommend a revenue budget and council tax requirement for 2023/24 to Full Council on 7 March 2023.

Members were reminded that the Original Estimate initially allowed 3% for price increases and 2% for pay increases along with a further 1% for both included in a £140k contingency fund. The revised budget now forecasts a further shortfall of £125k after taking £412k from General Fund Balances as agreed when setting the original budget.

Members were advised that the lack of a multi-year financial settlement, together with inflation and interest rate uncertainty continue to make medium- and longer-term financial planning very challenging. The Council have updated their Budget Forecast for the five-year period to 2027/28 based on the assumptions set out in the report.

It was noted that the Council are potentially faced with the following budget shortfalls each year.

2024/25	£1,316,106
2025/26	£2,456,434
2026/27	£2,492,331

2027/28 £2,529,373

This is based on many assumptions, not least the Council's speculation as to the level of transitional protection and business rate growth. If these prove correct and the Council are not able to set a balanced budget, they will need to use £9.794m of their earmarked reserves/general fund balances for the period 2024/25 to 2027/28.

Members were reminded that it is as crucial as ever that the Budget Working Group continue to review the council finances carefully as we enter 2023/24.

RESOLVED THAT COMMITTEE:

1. Approve the revised budget for 2022/23.
2. Approve the Budget Working Group's recommendations and set a budget and council tax requirement for 2023/24 as set out below:

BUDGET AND COUNCIL TAX REQUIREMENT	
	£
RVBC Net Budget	5,672,613
Plus Parish Precepts (Annex 3)	577,048
	6,249,661
Less - Settlement Funding Assessment	-1,453,665
Net Requirement Before Adjustments	4,795,996
Council Tax Surplus	-80,012
Council Tax Requirement (Including Parishes)	4,715,984

3. ***
Recommend the budget and council tax requirement to Council on 7 March 2023

4. Request the Budget Working Group to begin work to address the budget deficit forecast from 2024/25 early in the new municipal year.

720

OVERALL REVISED CAPITAL PROGRAMME 2022/23

The Director of Resources submitted a report asking Members to consider and approve the Council's overall revised capital programme for 2022/23.

The proposed revised capital programme for 2022/23 is £2,385,610 for 32 schemes, which is a reduction of £4,066,340 from the previously approved capital programme budget and a reduction of 7 schemes. As a result, there is a reduction of £4,066,340 in the level of financing resources needed to fund the 2022/23 proposed revised capital programme. It is proposed to move £3,002,670 of financing resources into 2023/24 to fund the capital schemes budgets that are proposed to be moved into that year.

Earmarked reserves are used to fund £638,258 of the 2022/23 proposed revised capital programme, with the balance of funding coming from usable capital receipts of £328,542, grants and contributions of £1,412,810 and borrowing of £6,000.

At the end of December 2022, £1,120,768 had been spent or committed on capital programme budget.

RESOLVED THAT COMMITTEE:

Approve the overall revised capital programme for 2022/23.

721

FIVE YEAR CAPITAL PROGRAMME 2023/24 TO 2027/28

The Director of Resources submitted a report providing Members with details of the previously approved capital programme schemes for 2023/24 to 2024/25, which have been adjusted for inflation.

The report also asked Members to consider the bids that have now been progressed to a proposed capital programme for 2023/24 to 2027/28, and to recommend a capital programme to Full Council on 7 March 2023.

Heads of Service have put forward their capital programme bids. Service committees have since considered the bids that were put forward and all were supported.

The proposed capital programme for 2023/24 includes a number of schemes that have been moved from the 2022/23 capital programme. These schemes are fully financed.

Members were advised that an extensive review of the schemes has been undertaken by both Budget Working Group and Corporate Management Team. The proposed capital programme should be both achievable and affordable.

Substantial resources have been used from the Council's earmarked reserves at a time of conflicting pressure on earmarked reserves from both revenue and capital. There has also been the use of capital receipts.

With regards to a risk assessment, Members were informed that, in approving the report it may have the following implications:

- Resources – Approval of the capital programme will see further internal resources used of £3,857,460, this is in addition to previously approved resources of £6,268,950, making the total of schemes/resources of £10,126,410.
- Reputation – Sound financial planning for known capital commitments safeguards the reputation of the Council.
- Equality and Diversity – Equality and diversity issues are examined as part of the capital bid appraisal process.

RESOLVED THAT COMMITTEE:

***Recommend to Council the Capital Programme for 2023/24 to 2027/28 as set out in Annex 2 to the report. ***

722

REFERENCES FROM COMMITTEES

There were no references from Committees.

723

MINUTES OF WORKING GROUPS

There were no minutes from Working Groups

724 REPORTS FROM REPRESENTATIVES ON OUTSIDE BODIES

There were no reports from representatives on outside bodies.

725 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the next item of business being exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 the press and public be now excluded from the meeting.

726 UK SHARED PROSPERITY FUND

The Director of Economic Development and Planning submitted a report seeking a decision from Members in respect of the use of our UK Shared Prosperity Fund allocations for 2023/24 and 2024/25.

The Members were reminded that on 13th April 2022 the UK Shared Prosperity Fund (UKSPF) was launched by the Department for Levelling Up, Housing & Communities. It provides £2.6 billion of new funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition. Ribble Valley's conditional allocation is £1,967,754 over the three-year funding period.

On 5th December 2022 the Department for Levelling Up, Housing and Communities (DLUHC) confirmed that our Investment Plan had been accepted. The Secretary of State has allocated funding for 2022/23 with indicative allocations for the further two financial years up to and including 2024/25.

The Council's Investment Plan including several projects to deliver this financial year and Members of Policy and Finance Committee (24th January 2023) agreed to move these forward along with some further suggestions from the Working Group. It was noted that work is ongoing in respect of:

- Rail Feasibility study
- Additional CCTV Provision (pilot project)
- Refurbishment of Mardale Playing Field Changing Rooms, Longridge including resurfacing the car park
- Clitheroe Market Feasibility Study
- Business support for net zero transition & decarbonisation
- EV charging points in villages feasibility study

Members were informed that numerous project ideas have been put forward in terms of schemes for the UKSPF funding. Some of the schemes Members were already aware of and some have been received from various groups following the UKSPF announcement. The schemes were detailed within the report.

Members were asked to note that the total cost of all the projects identified, with some costs still to be determined, significantly exceeds the available funding.

Prior to the Committee meeting, it was noted that the Partnership Group met on 1st February and the Member Working Group met on 2nd February to discuss the proposed projects. Whilst the Working Group had no specific recommendations for Policy and Finance Committee at this stage, they did discuss whether the UKSPF may be best spent on the delivery of schemes with recognisable benefits within the major urban centres and concentrate the Rural Prosperity Fund (if the Council are successful in securing this money) on the rural areas.

Members discussed the UKSPF in some detail and were minded at this stage to agree provisional allocations to the 3 service centres of Clitheroe, Longridge & Whalley to assist the Working Group's further deliberations.

RESOLVED THAT COMMITTEE:

1. That the UKSPF Working Group is arranged for further consideration of the projects, and they be advised that provisional allocations of funds be as follows:
Clitheroe £800,000, Longridge £400,000 and Whalley £400,000
2. Request that after further consideration by the UKSPF Working Group the recommendations of the working group be brought back to this Committee.

727

HOUSEHOLD SUPPORT FUND

The Director of Economic Planning and Development submitted a report asking Members to consider the remaining Household Support Fund (HSF) and options for distribution.

On 6th October 2021 the Government announced that a new Household Support Fund (HSF1) grant would be made available to County Councils and Unitary Authorities in England to support those most in need that winter. This grant ran from 6 October 2021 to 31 March 2022. The Household Support Fund (HSF2) was then extended from 1 April 2022 to 30 September 2022.

On 26 May 2022, the Chancellor announced, as part of a number of measures to provide help with global inflationary challenges and the significantly rising cost of living, that the Household Support Fund (HSF3) would be extended from 01 October 2022 to 31 March 2023. As has been done for previous schemes, the fund would be made available to County Councils and Unitary Authorities in England to support those most in need. Lancashire has been awarded £9,678,235.22 and Lancashire County Council have confirmed that £120,000 will be passported to Ribble Valley Borough Council.

Members were reminded that the Fund is intended to cover a wide range of low-income households in need including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people. The Council's current application process is open to households whose total household income is less than £31,400 per year (the most recent wage slip(s) are requested to support this).

Since the Council launched the scheme, there have been 191 applications and over £18,000 has been given out in food vouchers to 124 households.

Members were reminded that the scheme runs until March 2023, and the Council still have a substantial amount of our allocation remaining.

RESOLVED THAT COMMITTEE:

1. Approve the HSF3 Application Scheme be amended to include:

An increase in the food voucher amounts as follows:

- £200 for single households.
- £300 for households with two or more adults residing.
- £500 for households with children.

A household with a child is a household containing any person who will be under the age of 19 at the time of award or, a person aged 19 or over in respect of whom a child-related benefit (for example, Child Benefit) is paid or FSMs are provided.

2. Provide a top up voucher to all previous successful applicants to match the amounts above.
3. Increase the household income criteria within the scheme to £41,718.
4. Give the Food Bank £1,000.

The meeting closed at 9.00 pm

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