

Minutes of Policy & Finance Committee

Meeting Date: Tuesday, 27 September 2011, starting at 6.30pm
Present: Councillor E M H Ranson (Chairman)

Councillors:

J Hill	R E Sherras
T Hill	D T Smith
K Hind	R J Thompson
S Hirst	N C Walsh
A Knox	A Yearling
J Rogerson	

In attendance: Chief Executive, Director of Resources and Solicitor.

366 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors R Bennett and K Horkin.

367 MINUTES

The minutes of the meeting held on 26 July 2011 were approved as a correct record and signed by the Chairman.

368 MATTERS ARISING

Minute 249, Review of Contact Centre Equipment – The Director of Resources gave Members an update in relation to the Working Group who had met and had chosen the McFayane/Firmstep options; the new contracts would come into operation at the end of November 2011 and would achieve considerable savings.

369 DECLARATIONS OF INTEREST

There were no declarations of interest.

370 PUBLIC PARTICIPATION

There were no public participation.

371 REFERENCES FROM OVERVIEW AND SCRUTINY COMMITTEE

There were no references from Overview and Scrutiny Committee.

372 PERFORMANCE REWARD GRANTS

Committee considered a report seeking approval of the Ribble Valley Strategic Partnership Board's recommendation on the allocation of funds derived from this borough's Lancashire Local Area Agreement (LAA) Performance Reward Grant (PRG) 2011/12 allocation and the discounted second home Council Tax for 2011/12.

Members were reminded of the Government's savings package which had included savings of LAA reward grant of £125m nationally. The announcement had stated that area would receive 50% of the reward achieved on any target. Members were reminded that areas with LAAs that ran from 2006 to 2009 including the Lancashire Partnership had already submitted their claims, 505 of which had been paid in the last financial year. The whole claim for the Lancashire Partnership was £19.1m, of which 50%, £9.5m was received in 2009/10. It was agreed by the Lancashire Partnership that 40% of the LAA award grant would be allocated to the Lancashire Partnership with the remaining 60% divided equally between the 12 district LSPs. Ribble Valley received the first tranche which amounted to £489,000. The final amount payable to Ribble Valley in 2011/12 would be £169,000. This money had now been released.

The Chief Executive referred to a letter which had been circulated from the Lancashire County Council who had recently met to decide how their performance reward grant funding should be allocated in future in view of the fact that the Lancashire Partnership and the Public Services Board had ceased to operate. It had been agreed that the grant of £5,179,000 should be brought back into LCC accounts and that these funds should be used to support the development of shared services which delivered savings for the whole of Lancashire. This letter also proposed that in light of the current economic climate, the PRG Protocol was to be widened and district councils were to be allowed to use the Performance Reward Grant to meet the challenge of delivering the budget reductions required of them.

Members then discussed this report and its recommendations in some detail, in particular in relation to the Performance Reward Grant element and the implications for the future of the Local Strategic Partnership.

RESOLVED: That

1. the co-ordinated Clitheroe Castle Grounds activities project be approved;
2. the other four schemes recommended for approval by the LSP Board be deferred until the next meeting this Committee for further consideration;
3. a detailed report be prepared for the next meeting regarding the up to date progress on previously approved schemes; and
4. a report on the implications of the Lancashire County Council's decision on PRG funding and what that meant for the Ribble Valley Strategic Partnership be submitted to a future meeting of this Committee.

373

RIBBLE VALLEY BOROUGH COUNCIL'S CORPORATE STRATEGY 2011/15

Committee's approval was sought to the approval of a revised Corporate Strategy 2011/15. Members were informed that the Strategy contained:

- five corporate priorities to address issues that matter most to the borough;
- each priority had a number of objectives;
- objectives were supported by key actions; and
- key measures of success were also outlined.

Performance against our priorities would be regularly published in accordance with good practice on the Council's website.

The priorities and objectives had been developed based on the following:

- The Ribble Valley Sustainable Community Strategy.
- The Leader's objectives for the year.
- Consultation with our communities through our Citizens' Panel.

National developments such as the abolition of the Comprehensive Area Assessment and Local Area Agreements had also shaped the plan. With a more local emphasis it was proposed to retain the existing priorities (renamed from ambitions) of:

- to help make people's lives safer and healthier;
- to protect and enhance the existing environmental quality of our area;
- to match the supply of homes in our area to the identified housing needs.

And to add two new priorities:

- To ensure a well-managed Council, providing efficient services based on identified customer needs.
- To sustain a strong and prosperous Ribble Valley.

Members then welcomed the revised Strategy and suggested a number of amendments to its content.

RESOLVED: That Committee approve the Corporate Strategy 2011-2015 as now amended.

374 2013 BOUNDARY COMMISSION REVIEW OF PARLIAMENTARY CONSTITUENCIES

The Council's Solicitor submitted her report which informed Members about the Boundary Commission for England's initial proposals in their 2013 review of Parliamentary Constituencies in England. She sought Members' views on the Council's response to the consultation on these proposals.

The Boundary Commission had published their proposals on Tuesday, 13 September and were consulting for a 12 week period ending 5 December 2011. If implemented as proposed, the Commission's proposal would create some key changes to the parliamentary constituency that is currently the Ribble Valley constituency. These included the inclusion of the town of Barnoldswick and the Fishwick Ward of Preston with Farrington moving into the South Ribble constituency. A proposed Lancaster constituency would include wards in the west of the Ribble Valley such as Chipping, the town of Longridge and Ribchester.

The Boundary Commission for England was working within the constraints imposed by legislation, the Parliamentary Voting System and Constituencies Act 2011, which required that the number of constituencies in England must reduce

from 533 to 502 and that the number of electors for every constituency must be between 72,810 and 80,473.

Public hearings would be held in the northwest region in October and the Boundary Commission was required to make a formal report to the Government by 1 October 2013.

The Chief Executive understood that political parties would be making their own responses to the review but felt that the Council should also respond. He felt it was important that the constituency should include the whole of the Ribble Valley. He also highlighted the difficulty in administering a general election on a constituency made up of parts of several different local authorities.

Members then expressed their concern at some of these proposals, particularly in relation to the removal of Chipping, the three Longridge Wards and Ribchester Ward from the Ribble Valley constituency to the new Lancaster County constituency.

RESOLVED: That

1. Committee note the proposals; and
2. delegate to the Chief Executive in consultation with the Leader and Shadow Leader to send a response stressing the importance of ensuring that any new constituency should be based on Ribble Valley Borough Council as a whole rather than split between different election areas.

375 LOCAL GOVERNMENT RESOURCE REVIEW - PROPOSALS FOR BUSINESS RATES RETENTION

The Director of Resources asked Members for their views on the consultation paper 'Local Government Resource Review – Proposals for Business Rate Retention' and to determine the Council's response.

The paper set out proposals for a rates retention scheme to replace the current Local Government finance system under which business rates were distributed as part of the Council's formula grant. The Government had stated that in order to deliver a fiscally sustainable system and avoid putting their deficit reduction programme at risk they would manage the business rates retention scheme within the expenditure control totals for 2013/14 and 2014/15.

The Government were proposing that to ensure a fair starting position for the new system, they would take an amount of the business rates away from those with too large an amount in comparison to their current spending and top up those authorities with too little, again in comparison to their current spending.

In future years the amount of business rates that Central Government gives or takes from each Local Authority would remain fixed. This would mean that any growth in business rates an authority achieved would be retained by them.

There would be no fixed limit on the amount of business rates an authority could benefit from under the new system. However, some Local Authorities with large amounts of business property in their area may stand to gain disproportionate

amounts. Where this happens Government proposed to take back a share of such authorities' growth. They proposed to use the proceeds of this to give financial help to those authorities who experience significant drops in business rates eg caused by the closure or relocation of a major business.

In the future the Government may judge that the level of a number of Council's business rates no longer met changing pressures on local services. In this situation the Government could choose to 'reset' the fixed amounts of business rates that were either taken from Councils with too high levels of business rates or give them to those with too low levels. This would probably involve a new assessment of Local authorities' need.

Finally the whole system could also work for groups of Councils working together eg those in local enterprise partnerships or districts and counties who want to form voluntary groups allowing them to collaborate to promote growth and share in the benefits.

Members expressed their concerns that the proposed new system would retain the unfairness of the existing system to rural authorities such as ourselves.

RESOLVED: That Committee delegate the Council's response to the consultation paper to the Director of Resources in consultation with the Budget Working Group.

376 AMENDMENT TO PARTS OF THE COUNCIL'S CONSTITUTION

Committee received a comprehensive report on amendments to parts of the Council's constitution to reflect recent changes of personnel, committee membership and of practice and to ensure that the suite of documents formed a unified whole and remained up-to-date.

The Council's Head of Legal and Democratic Services in her role as Monitoring Officer, had requested the Council's Solicitor to carry out a review on the constitution as a whole. As part of the ongoing process of keeping all the parts of the constitution up to date, the Council's solicitor had identified minor discrepancies in the constitution and other issues which this report sought to remedy.

At its Committee on 29 March, Committee had considered and referred suggested changes to the articles of the Council's constitution to full Council with their recommendation for approval. Full Council approved those amendments on the 26 April 2011. The report then highlighted a number of suggested changes in relation to the following:

Introduction and Summary; and

The Articles

Delegation to Committee

Standing Orders

Access to Information Procedure Rules

And other issues including issues relating to the Emergency Committee and changes to other key Council documents recommended by the Council's auditor.

RESOLVED: That a small working group consisting of Councillors Hirst, Sherras, Hill (J) and Yearling be established to review the changes to the constitution and report back to the next Policy and Finance Committee.

377 ACCESS TO INFORMATION PROCEDURE RULES

The Council's solicitor explained to Committee that the Council's constitution did not currently include access to information procedure rules. The Council's Legal Section had received questions from officers on the various categories of exempt information. It therefore seemed an appropriate time to put in place some clearer procedures. Reference was also made to the way in which the Freedom of Information Act impacted on access to information.

RESOLVED: That this matter be referred to the working group considering changes to the Council's constitution.

378 LOCALISATION OF COUNCIL TAX BENEFITS

The Director of Resources asked Committee to consider the Government's proposals to localise Council Tax benefit.

She reminded Members that support for Council Tax would be localised from 2013/14 in line with the Government's 2010 spending review and funding from the Government to pay for Council Tax benefit would be reduced by 10%. This meant that the Council would have to reduce its expenditure on Council Tax benefits by the same amount.

On 17 February 2011 the Government published the Welfare Reform Bill which contained provisions for the abolition of Council Tax benefit, paving the way for a new localised scheme. A consultation had been issued on the proposals which lasts until 14 October 2011. The Universal Credit was being introduced in October 2013 and would be administered by the Department of Work and Pensions. It would replace a number of benefits including Housing Benefits and Income Support.

It was intended that Local Authorities would establish their own local schemes by April 2013.

Details were given of Ribble Valley Borough Council's current caseload of 2657 claims which equated to 10.7% of our total housing stock. 62% of our current caseload is of pensioner age, 11.5% are in work, leaving 26.5% of working age but not currently employed. The Borough Council pays out £2.3m each year in Council Tax benefit.

In order to achieve savings of 10% whilst protecting pensioners, other vulnerable groups and not providing a disincentive to work, substantial reductions in the entitlement of the remaining claimants would have to be made.

In future the funding distribution to billing authorities would be cash limited and would be paid by the Department of Communities and Local Government. The amount to be made available would be reduced by 10% and would be paid in the form of a grant.

The Government also proposed changes to billing authorities' administration grant. The Council currently receive approximately £240,000 per annum for the administration of Housing and Council Tax benefit. However the amount of this grant was likely to fall as the Council would no longer be administering Council Tax benefit for the Government and the Universal Credit would gradually replace Housing benefit from the 1 October 2013.

RESOLVED: That Committee agree to delegate the Council's response to the Director of Resources in consultation with the Budget Working Group.

379 BUDGET FORECAST 2011/12 TO 2014/15

The Director of Resources submitted a report which asked Committee to consider the Council's latest budget forecast and decide what action needed to be considered to meet the financial challenges that lie ahead.

In January the Government confirmed the provisional formula grant figures for Local Authorities for 2013. The Council was therefore in a position where it generally knew the extent of Government funding it could expect to receive next year. Details were given of the formula grant with a comparison of recent years to show the extent of the Council's funding cuts. A number of changes were highlighted since the previous forecast had been prepared:

1. Public sector pay and price inflation – the Government had announced in the emergency budget there would be pay freezes for public sector workers for 2 years commencing 2011/12.
2. National Insurance – a 1% increase in employers' national insurance rates to 13.8% came into effect from the 6 April 2011. In addition, changes to NI thresholds were later announced;
3. Local Government Grant Funding – in addition to formula grant the Council only receive the following grants:
 - New homes bonus, which commenced in April 2011 and would match fund the additional Council Tax raised for new homes and property brought back into use.
 - Council Tax freeze grant where the Government gave this Council £78,660 for a 4 year period.
 - Local services support grant – homelessness – the Council currently received £50,000 under this grant which is a new general grant paid to Local Authorities in relation to specific policy areas pulling together different funding streams.
 - Interest rates – the Council has currently allowed £30,000 interest receipts. This included £15,000 annual interest from Roefield Leisure.

The Director of Resources stated that the latest forecast assumed that savings that had been brought into the 2011/12 budget would be achieved and would continue. She highlighted two important consultation papers which would affect the Council's future finances. The proposal to retain business rates would replace our current formula grant funding which is our main income stream from the Government. The proposal to localise Council Tax benefit essentially meant

that Local Authorities would have to design their own local scheme which reduced costs by 10% at the same time as protecting pensioners and vulnerable groups. The forecast allowed for use of balances of £100,000 each year over the next 3 years, taking the Council's General Fund balances to £962,000 by 31 March 2015. She commented that interest receipts and interests savings could no longer be relied upon as a significant contribution to the Council's expenditure. A very small increase in the Council Tax base over the future 4 year period had been allowed and in addition a small collection fund deficit had been forecast for the next 4 years. Savings from the second phase of the Council's restructuring and other savings found during the current year had not been incorporated into the forecast at this stage. The Director of Resources commented that there would be significant savings in the current year, primarily due to the non-filling of vacancies. Overall, the forecast showed that savings would be needed in the region of £600,000 over the next three years.

RESOLVED: That

1. the budget forecast be noted.

380 REVENUES AND BENEFITS GENERAL REPORT

The Director of Resources reported on a number of areas under the control of the Head of Revenues and Benefits:

- National Non-Domestic Rates (NNDR).
- Council Tax.
- Sundry debtors.
- Housing Benefit – performance.

RESOLVED: That the report be noted.

381 FREEDOM OF INFORMATION

Committee considered a report on the Council's duties under the Freedom of Information Act 2000 and connected legislation. The report explained that the Freedom of Information Act provided for a general right of access to information held by public authorities or by those providing services to public authorities. The report dealt with the process of application, exemptions, staff resources, practical implications such as the lack of fees for the work carried out. The Council's solicitor commented that it was clear that the FOI requests not only engaged staff in the Legal Section but officers across the Council. Details were given of the number of FOI requests dealt with over the past 6 years.

RESOLVED: That the report be noted.

382 TIMETABLE FOR BUDGET SETTING

The Director of Resources set out for Members a timetable for budget setting. She commented that unlike last year the Council does have an indication of what the provisional financial settlement for 2013 is likely to be, however the actual provisional settlement announcement would not be made until around early December 2011 and would not be confirmed until early February 2012.

RESOLVED: That the report be noted.

383 INSURANCE RENEWALS 2011/12

The Director of Resources referred to Minute 797 of Police and Finance Committee dated 29 March 2011 when Members had agreed to an extension of the current contract for a further 1 or 2 years pending on the terms offered. At the end of this period it was resolved that a full tendering exercise should be carried out by Lancashire Procurement Hub. Following discussions with the Council's insurers the existing agreement had been extended for a further 2 years until 19 June 2013. Details of the renewal terms were given to Committee and these indicated that the total cost of premiums had fallen by £5,106 upon the previous year's figure.

RESOLVED: That the report be noted.

384 BUDGET WORKING GROUP

Committee received the minutes of the Budget Working Group dated 21 July 2011.

RESOLVED: That the minutes be noted.

385 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That by virtue of the next item of business being Exempt Information under Category 1 of Schedule 12A of the Local Government Act 1972, the press and public be now excluded from the meeting.

386 NATIONAL NON-DOMESTIC RATES, COUNCIL TAX, HOUSING BENEFIT

The Director of Resources sought Committee's approval to write-off certain NNDR, Housing Benefit.

RESOLVED: That Committee

1. approve the writing-off of £5,153.04 Council Tax and £1,173.04 of NNDR debts where it had not been possible to collect the amounts due; and
2. approve writing-off a Housing benefit overpayment of £1,656.08 and a Council Tax benefit overpayment of £1,086.45.

The meeting closed at 8.05pm.

If you have any queries on these minutes please contact Jane Pearson (414430).