



# MINUTES

## Finance and Democracy Committee

<b>Date:</b>	Tuesday, 8 February 2022
<b>Venue:</b>	Town Hall, St Annes
<b>Committee Members Present:</b>	Councillor Karen Buckley (Chairman) Councillor Vince Settle (Vice-Chairman)  Councillors Peter Anthony, Peter Collins, Ellie Gaunt, Matthew Lee, Linda Nulty, David O'Rourke, Richard Redcliffe, John Singleton JP.
<b>Officers Present:</b>	Allan Oldfield, Paul O'Donoghue, Lyndsey Lacey-Simone

### Public Platform

There were no speakers on this occasion.

#### 1. Declarations of Interest

Members were reminded that any disclosable pecuniary interests should be declared as required by the Localism Act 2011 and any personal or prejudicial interests should be declared as required by the Council's Code of Conduct for Members. There were no interests on this occasion.

#### 2. Confirmation of Minutes

RESOLVED: To approve the minutes of the Finance and Democracy Committee meeting held on 24 January 2022 as a correct record for signature by the Chairman.

#### 3. Substitute Members

The following substitution was reported under Council procedure rule 23 (c):

Councillor Matthew Lee for Councillor Liz Oades.

### Decision Items

#### 4. Medium Term Financial Strategy Update, including General Fund, Capital Programme and Treasury Management for 2021/22 to 2025/26

The Chairman invited Paul O'Donoghue (Chief Financial Officer) to present the Medium-Term Financial Strategy (MTFS) Update for the five years 2021/22 to 2025/26. In doing so, he stated that this was the penultimate stage in the budget setting process before the MTFS is considered for approval by Budget Council on 3<sup>rd</sup> March 2022.

Mr O'Donoghue explained that the MTFS was designed to provide a strategic link between available financial resources and the Council's corporate policy priorities, and to ensure that the Council sets a budget which is robust and sustainable in order to deliver its strategic objectives.

In summary, the report detailed the estimated financial resources available to the Council and identified how they would be utilised to support the achievement of the Council's priorities. The report also identified the key financial risks facing the Council over the life of the forecast and tracked changes since the Council last set its

budget in March last year. Incorporated within the report was the Council's Revenue Budget, Expenditure Forecast, Capital Programme, Treasury Management Strategy and Useable Reserves and Balances Policy together with the Budget Working Group recommendations and the draft fees and charges, all of which had previously been considered by the various programme committees.

Members were advised that the forecast reflected the impact of the 2022/23 Local Government Finance Settlement which was a single-year only settlement. Particular reference was made in the report to the delayed implementation of the Fair Funding Review and similarly, the planned reform of the Business rates system. In addition, details regarding the continuation of the Lancashire-wide Business Rates Pool for 2022/23 and the ongoing review of the New Homes Bonus scheme were set out in the report.

It was highlighted in the report that the financial year 2021/2022 had been dominated by the impacts of ongoing Covid -19 pandemic. In response, the Council had played a significant role in delivering a range of support to the community during the year including the provision of a substantial package of grants to businesses, support for Council Tax payers and vulnerable residents etc and as a result, some staff across the Council had been diverted from regular duties to respond to the pandemic.

Further to the above, members attention was drawn to a couple of decisions made at the Council meeting held 7<sup>th</sup> February 2022 relating to an increase in the subscription service charge for green waste collection and the proposed revenue budget increase relating to the awarding of public conveniences contract which would need to be reflected in the updated MTFS to be considered by Budget Council on 3<sup>rd</sup> March 2022.

The report stated that as a result of the delayed Fair Funding Review, estimations of central government funding beyond 2022/23 were extremely difficult to make until the outcome of the funding reviews are known. The Financial Forecast would be updated for 2023/24 onwards as and when there is greater clarity regarding the central government funding regime. Mr O'Donoghue confirmed that as the Council's Section 151 Officer, he was satisfied that having due regard to the risks identified in the report, that the budget proposals (as presented) represented a robust financial position for the Council for the next few years.

Members were advised that feedback from the Budget Consultation process would also be considered as part of the budget setting meeting.

A copy of the Medium-Term Financial Strategy 2021/22 to 2025/26 was included as an appendix to the report.

The Chairman, Councillor Buckley then went on to further outline matters associated with the proposed Council Tax increase as detailed on Appendix E of the report and the Revenue and Capital budget proposals (presented to the various committees) as detailed in Appendix F of the report.

Following on from the above, the Chairman invited questions. In summary, these related to the following areas: external borrowing risks; timescale for introduction of the new council tax rebate for fuel price increases; proposed discretionary funding for disadvantaged families; proposals for the Fairhaven kiosk; retention of in-house drainage resource and matters associated with forecasting/uncertainties regarding government funding. The Chairman and Mr O'Donoghue responded to the points raised in turn as appropriate.

Following detailed consideration of this matter, it was RESOLVED that subject to the additional revenue budget areas as reported to the Council meeting on 7<sup>th</sup> February 2022 being reflected in the updated MTFS, to request Council to approve and adopt:

- a) The revised estimates for 2021/22 and the revenue budget for 2022/23 as set out in Appendix E of the report, which includes recommended transfers to the Capital Investment Reserve in 2021/22 and 2022/23 equivalent to the balance of the revenue surplus for those years, currently estimated at £1.486m in 2021/22 and £0.380m in 2022/23.
- b) The budget proposals and changes to Reserves and Balances are set out in Appendices F & H of the report, to include approval that the Council will act as the accountable body for any of the new capital schemes (as indicated) in Appendix F of the report.
- c) The Capital Strategy 2022-26, including Prudential Indicators and Limits, set out in Appendix G of the report, which incorporates the Treasury Management Policy, the Capital Programme, the Treasury Management Strategy, the Investment Strategy and the Minimum Revenue Provision Statement.

- d) The updated Useable Reserves & Balances Policy as detailed in Appendix H of the report.
- e) An average Band D Council Tax of £219.19 for 2022/23 (excluding Town and Parish precepts), which is a 1.99% increase from the 2021/22 average Band D charge.
- f) The Special Expenses policy as set out in Appendix I of the report, which includes that:
  - For the purposes of charging special expenses, both the special expense costs and the tax bases relating to the areas of Lytham and St Annes will each be aggregated and the Council Tax charge per property at each band level will be the same across the whole area; and
  - The annual special expense charge per property will be set for 2022/23 at the 2021/22 level plus 2.154%, that being £80.92 per band D property; and
  - The annual borough wide charge per property will be set for 2022/23 at the 2021/22 level plus 2.154%, that being £172.47 per band D property; and
  - The budget resource be allocated to delivering concurrent services and chargeables as the special expenses for 2022/23 will be set at a sum equivalent to the annual special expense charge per property (band D equivalent) multiplied by the tax base for the special expense area; and
- g) The schedule of fees and charges for 2022/23 as detailed in Appendix J of the report.

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