



## SCRUTINY COMMITTEE

### BURNLEY TOWN HALL

Tuesday 20<sup>th</sup> October 2015

#### PRESENT MEMBERS

Councillor Tatchell in the Chair.

Councillors Brindle, Cunningham, Greenwood, Heginbotham, Kelly, Newhouse, Pate, Reynolds and Sumner.

#### OFFICERS

Helen Seechurn	- Director of Resources
Phil Moore	- Head of Finance & Property Management
Deborah Davies	- Head of Revenues and Benefits
Alison McEwan	- Democracy Officer

<b>25. Apologies</b>
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Apologies for absence were received from Councillors Malik & Stringer

<b>26. Minutes</b>
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**IT WAS AGREED** That the Minutes of the Meeting held on 15<sup>th</sup> September 2015 be agreed as a correct record and signed by the Chair.

<b>27. Additional Items of Business</b>
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The Chair informed Members there was an additional item of business – Business Rates – Lancashire Pool.

## 28. Business Rates – Lancashire Pool

The Director of Resources introduced the report and explained that the idea of a Lancashire Business Rates Pool had been discussed by Lancashire Leaders, and Chief Finance Officers. Most Districts had signed up to the scheme in principle, but all had been awaiting the publication of guidance by Central Government.

However on 5<sup>th</sup> October the Chancellor had announced future proposals on business rates alongside the deadline for applications for 31<sup>st</sup> October 2015. This meant that the Chief Executive would need to use Executive urgency powers under Part 3 (Executive) to make the decision for 2016/17, as it could not reasonably wait until the next meeting of the Executive on 3<sup>rd</sup> November 2015.

Prior to making the decision, feedback was therefore being sought from Members of the Committee.

The Director explained the principles of how the Lancashire Scheme would operate, subject to the receipt of guidance from DCLG. Also that the Council would be able to opt in or out of the scheme on an annual basis, according to circumstances to maximise income to the Borough.

Members discussed the following:

- The opt-in/opt-out option seemed to give a win-win outcome for the Borough. What feedback had been received? That it seemed that the borough would benefit from the scheme, and recommendations be carried out as in the report.
- Would the Burnley Bridge site have an impact on business rates? The scheme wasn't included in the current baseline, therefore any revenue collected would push the Authority over the baseline.
- How many of the 15 Lancashire Districts were progressing the scheme? All except Lancaster and Preston – this was due to them expecting large numbers of appeals to reduce the amount collected below their respective baselines, and eligible for a safety net payment from DCLG.
- How would this affect the proposed Lancashire Combined Authority? The two schemes were independent of each other, and could exist alongside the other.
- Was the Lead Authority role, administering the scheme something that Burnley would be interested in? All districts have been invited to submit a tender if they wish to be considered. However, due to the Change Programme, and other strategic projects which are underway, it is unlikely Burnley would have the capacity to manage the scheme in the immediate future. This could be different in future years.

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**IT WAS  
AGREED**

That the Scrutiny Committee endorsed the recommendations as laid out in the report.

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**29. Notice of Key Decisions and Private Meetings (NKDPM)**

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Members discussed the Making it in Burnley scheme. This item had been withdrawn from the NKDPM since its publication on 5<sup>th</sup> October.

**IT WAS  
AGREED**

That the Scrutiny Committee noted the report.

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**30. 2015/16 Treasury Management Mid-Year Report**

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The Head of Finance and Property Management introduced the half-yearly update on the Council's borrowing and investments.

Members were informed that Officers took advice on potential trends in changes to interest rates, which would influence decision making with regard to borrowing and investments.

The Council had exceeded year to date targets for interest received on investments.

The Council was compliant with all Prudential and Treasury Indicators.

Members discussed the following:

- Good news that the return on investments had been more than expected. This would support the revenue budget going forward.
- The report referred to 'money market brokers'. Who were these brokers? These were firms who carried out short term transactions on behalf of the Council as and when required, for a small commission.
- The maturity structure of 21% of borrowing was at 10 yrs or above, how far above the 10yrs did the 'above' extend? Loans have been taken out for up to 50 years.

**IT WAS  
AGREED**

That the Scrutiny Committee noted the report.

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**31. Update on Council Tax Collection & Arrears**

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The Head of Revenues and Benefits introduced the report, which had been brought to the Committee following issues raised at the last meeting.

The amount of Council Tax owing to the Council was less than £4.9 million, for all years from 1993.

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Debt was being collected at a steady rate between £70k and £80k per month, and debt would still be collected until it was deemed irrecoverable e.g. by death or bankruptcy.

The percentage collected had decreased, but the actual cash amounts had increased, due to introduction of Council Tax Support scheme.

The use of enforcement officers was a small part of the procedure. Some cases that were referred would just receive a letter, which they would respond to. Others would eventually be visited by enforcement agents.

Members said that the article that had appeared in the Press had not been clear, and thanked Officers for providing current and correct information.

Members discussed the following:

- For debts under £200, costs for enforcement action were not passed on to the customer. Were these debts absorbed by the Council? The Council did absorb the costs, which equated to a small percentage of the debt collected. This cost was outweighed by the income received.
- There were many people due to pay Council Tax for the first time, were these customers incurring debts? In some cases, but recognised that these customers have less money. The Council offers initiatives such as the Exceptional Hardship Payments, and were trying to raise awareness of these.
- The original report that had been published was bad publicity, and this report had clearly set the record straight. Had the Council been slow to get the truth out? A press release had been issued immediately, but unfortunately local press had chosen not to print it. The situation would possibly change as staff levels were reduced by local papers, they would be more likely to take up 'paper ready' releases.

**IT WAS  
AGREED**

That the Scrutiny Committee noted the report.

<b>32. Work Plan</b>
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A note of the progress made by the two working groups was circulated.

The Chair explained that the original aim had been to carry out two reviews before Christmas, with one or two being held after Christmas. However, the Railway Review would benefit from having more time to complete, as new developments were happening all the time.

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The Chair proposed to report on the Arts review at the 30<sup>th</sup> November meeting, and to continue the Rail Review until the end of the year, and begin the Review of the Leisure Trust which would also continue to the end of the year.

The Head of Finance and Property Management asked members to note that the item listed for 30<sup>th</sup> November as 'Revenue & Capital Budget Monitoring 2015/16 Q2 and other Budget 2016/17 Reports' would be separate items, 2015/16 Capital & Revenue Budget Monitoring then 2016/17 Budget Reports. The Commercial Strategy would also be presented to the meeting.

The Democracy Officer added that there may also be Licensing Policy items to be added to the Agenda.

Similarly there were amendments to be made to the listing of finance reports for the 9<sup>th</sup> February meeting.

**IT WAS  
AGREED**

That the Rail Review Group would continue until the end of the year and run alongside the scheduled review of the Leisure Trust. A Report on the Arts Review Group will be presented to the Committee in November or January. The Work Plan would be amended accordingly.