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CABINET
05/12/2016 at 6.00 pm



Present: Councillor Stretton (Chair)
Councillors Brownridge, Harrison, F Hussain, Jabbar and
Moores

1 **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Akhtar and Chadderton.

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **PUBLIC QUESTION TIME**

There were no public questions received.

5 **MINUTES OF PREVIOUS MEETING**

RESOLVED – That the minutes of the Cabinet meeting held on 21st November 2016 be approved.

6 **DRAFT PERFORMANCE AND VALUE FOR MONEY
SELECT COMMITTEE MINUTES - ADMINISTRATION
BUDGET PROPOSALS 10TH NOVEMBER 2016**

The Cabinet gave consideration to the draft minutes of the Performance and Value for Money Select Committee held on the 10th November 2016.

RESOLVED – That the draft minutes of the Performance and Value for Money Select Committee held on the 10th November 2016 be noted.

7 **MEDIUM TERM FINANCIAL STRATEGY 2017/18 TO
2020/21 – POLICY LANDSCAPE AND FORECAST
BUDGET GAP UPDATE**

Consideration was given to a report of the Director of Finance which provided the Cabinet with an update of the latest position with regard to the Council's forecast budget gap for 2017/18 to 2020/21.

The report provided details of the Key financial challenges and issues which the Council would face over the period 2017/18 to 2020/21 covered by the Medium Term Financial Strategy (MTFS) and details of the budget reduction requirements.

The report included an update on the national policy landscape within which the council operated including details of proposed changes to the Local Government Finance regime with the future introduction of 100% business rates retention.

It was reported that based on current information trends and demand pressures, the Council would have to continue to make

considerable revenue budget reductions over the Medium Term Financial Strategy period 2017/18-2020/21 estimated to be a cumulative sum of £53.823m. It was noted that the Revenue Support Grant had been reduced significantly from £85m in 2013/14 to just over £40m.

Members noted the exclusion from the Autumn Statement any reference to Adult Social Care pressures or funding to support the pressures and the Adult Social Care Precept.

It was further reported that the National Living Wage would rise from £7.20 to £7.50 by April 2017. The Government had allowed some Councils to have some flexibility in dealing with the National Living Wage by enabling the raising of a Social Care precept, a 2% increase in Council Tax to be used specifically to finance the cost of social care in 2016/17 however this still left the Council with a deficit of just under £1.200m. This was an ongoing financial pressure and would continue to present a significant financial challenge to the Council.

Detail was also provided in the report of the Devolution agenda including Health and Social Care integration, changes to the Better Care Fund, welfare reform, the potential implications of the UK's withdrawal from the European Union and ongoing consultations in relation to education funding.

Members were advised that there were a number of risks and uncertainties underpinning the MTFs and a number of forthcoming announcements could greatly affect the level of resource that the Council received including the Provisional Local Government Finance Settlement which was due late December 2016.

Options/Alternatives considered

Option 1 – To accept the assumptions and resulting financial forecasts presented at section three to the report.

Options 2 – To propose amendments which would change the resulting budget gap and financial forecasts.

RESOLVED –

1. The financial forecasts and budget gap estimates for 2017/18 to 2020/21, and the key issues to be addressed in formulating a response to the financial challenges facing the Council be endorsed and commended to Council.
2. The Cabinet noted the reduction target may be revised early in 2017 in accordance with local priorities and Government funding and policy announcements together with new developments relating to the risks and uncertainties set out in section five of the report.
3. Approval for the inclusion of the Council in a Business Rates Pool for 2017/18 be delegated to the Cabinet Member for Finance and Human Resources, in consultation with the Executive Director Corporate and Commercial Services and the Director of Finance.
4. Approval for the inclusion of the Council in the Greater Manchester 100% Rates Retention Pilot Scheme from 1 April 2017 be delegated to the Cabinet Member for Finance and Human Resources, in consultation with the

MEDIUM TERM FINANCIAL STRATEGY 2017/18 TO 2020/21 – ADMINISTRATION BUDGET PROPOSALS

The Cabinet gave consideration to a report of the Director of Finance which presented to Cabinet the Administration's detailed phase one budget reduction proposals for the financial year 2017/18. The proposals detailed were to bridge the 2017/18 budget gap of £20.315m.

It was reported the Performance and Value for Money Select Committee met on the 10th November 2016 to review 44 proposals with a total value of £7.012m. Following detailed scrutiny the Select Committee:

- Recommended for approval by Cabinet Phase 1 2017/18 budget reduction proposals totalling £6.177m. Proformas presenting the detail of each of the proposals were appended to the report together with Equality Impact Assessments (if appropriate).
- Noted 2 proposals to the value of £0.400m to allow time for the conclusion of staff consultation which would not be completed until 23 December 2016
- Recommended that a decision on 4 proposals be deferred and that additional information be presented to the 26th January 2017 meeting of the Select Committee for further scrutiny.

Whilst the Select Committee endorsed proposal ESN-RSI-033 – Implementation of Charges for Residents Parking Permits, it was recommended that the option of free parking permit schemes for visitors be considered. The Committee recommended the proposal with a value of £0.030m was deferred and presented for further scrutiny at the 26th January 2016 PVFM meeting. It was further reported that if the recommended proposals in the report were approved, this would leave a balance of £14.168m still to be addressed for 2017/18 and there was still some key pieces of information to be received including the Provisional Local Government Finance Settlement 2017/18, expected in mid-December 2016. Further Administration proposals to balance the budget would be presented to Cabinet on 20th February 2017.

Options/Alternatives to be considered

Option 1 – Cabinet:

- approves the budget reduction proposals detailed at Appendix 1 to the value of £6.147m and commends these to Council on 14 December 2016 for approval
- notes 2 budget reduction proposals to the value of £0.400m
- defer until the January/February stage in the budget process any consideration of 5 budget proposals to the value of £0.465m (subject to consultation comments).

Option 2 – Cabinet could request that further work is undertaken on some or all of the proposals and that a decision on proposals be deferred.

RESOLVED – That:

1. The £6.147m of detailed budget reduction proposals presented in the summary at Appendix 1 and detailed at appendix 2 to the report, subject to the outcome arising from the conclusion of consultations be approved.
2. Following the request of the Performance and Value for Money Select Committee:
 - The £0.400m of proposals CEX-TRN-001 Executive Support Redesign / CCS-TRN-046 Business Support – Restructure & Transformation were noted as they are still subject to staff consultation which would not conclude until 23 December 2016. The items were presented in summary at Appendix 3 and in detail at Appendix 4 of the report.
 - A decision on budget reduction HWB-INV-002 Decommissioning of the Link Centre (£0.250m) be deferred as the public consultation has not concluded and detailed work was still continuing presented in summary at Appendix 5 and in detail at Appendix 6 to the report.
 - A decision on HWB-TRN-037/038/036 (three Children’s Collaborative approach proposals totalling £0.185m) be deferred pending further development of the proposals. These items were presented in summary at Appendix 5 and in detail at Appendix 6 of the report.
 - A decision on ESN-RSI-033 Implementation of Charges for Resident Parking Permits (£0.030m) be deferred to allow further information on the operation of the scheme to be presented for scrutiny as presented in summary at Appendix 5 and in detail at Appendix 6 of the report.
3. The information contained within the Equality Impact Assessments included in Appendix 2, 4 and 6 of the report was considered and noted.
4. The consultation responses from Saddleworth and Shaw & Crompton Parish Councils included at Appendices 7b and 8b of the report were considered and noted.

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TREASURY MANAGEMENT HALF YEAR REVIEW 2016/17

The Cabinet gave consideration to a report of the Director of Finance which provided the Cabinet with details of the performance of the Treasury Management function of the Council for the first half of 2016/17 and provided a comparison of performance against the 2016/17 Treasury Management Strategy and prudential indicators.

The Council was required to consider the performance of the Treasury Management function in order to comply with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Revised Code of Practice.

The report set out:

- An economic update for the first six months of 2016/17;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council’s capital expenditure (prudential indicators);
- A review of the Council’s investment portfolio for 2016/17;
- A review of the Council’s borrowing strategy for 2016/17;

- Why there had been no debt rescheduling undertaken during 2016/17;
- A review of compliance with Treasury and Prudential Limits for 2016/17.

Options/Alternatives

In order that the Council complied with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management the Council had no option other to consider and approve the contents of the report.

RESOLVED – That:

1. The Treasury Management activity for the first half of the financial year 2016/17 and the projected outturn position be approved.
2. The amendments to both Authorised and Operational Boundary for external debt as set out in the table at Section 2.4.5 of the report be approved.
3. The amendments to the Capital Financing Requirement (CFR) as set out in table at section 2.4.5 of the report be approved.
4. The inclusion of Green Energy Bonds as an alternative investment, detailed in 2.5.21 and 2.5.22 be approved.
5. The purchase of LEP Loan Notes, included within 2.5.23-24 of the report be noted.
6. The report be commended to Council for approval.

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PROPOSED COUNCIL TAX REDUCTION SCHEME 2017/18

The Cabinet gave consideration to a report of the Director of Finance which sought approval of the Council Tax Reduction Scheme for 2017/18 and to recommend the scheme to Council for approval.

It was reported that it was a requirement each year that a billing authority must formally consider revising its Council Tax Reduction Scheme (CTRS).

To accord with the legislative timetable it was necessary for Full Council to agree the scheme before the 31st January 2017.

The report provided details of the current scheme:

- Limits Council Tax Reduction to a Band A property;
- Limits the level of support at 85% of a Band A property as the maximum amount available; and removes second adult rebate.

Options/Alternatives considered

Two options were outlined in the report in relation to the 2017/18 CTR scheme:

Option 1 - Maintain the current scheme which may have financial, software and administrative implications.

Option 2 - Revise the present Council Tax Reduction Scheme to align to the Housing Benefit Regulation 2006 as amended. This will allow any future planned Welfare Reform changes to be updated within the Council Tax Reduction scheme, without the need for further consultation.

RESOLVED – That:

1. The 2017/18 Council Tax Reduction scheme was to remain the same as the scheme in operation for 2016/17.
2. The 2017/18 Council Tax Reduction scheme be commended to Full Council for approval so that it was not changed from that operating in 2016/17.



The meeting started at 6.00 pm and ended at 6.17 pm