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Chief Executive

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THE CIVIC MAYOR, CHAIR OF COUNCIL BUSINESS AND ALL MEMBERS OF THE COUNCIL

Our Ref	rl/Council
Ask for	Robert Landon
Direct Line	**0161 342 2146**
Date	16 February 2016

Dear Councillor,

You are hereby summoned to attend an **ORDINARY MEETING** of the Tameside Metropolitan Borough Council to be held on **Tuesday, 23rd February, 2016 at 5.00 pm** in the **CONFERENCE ROOM, GUARDSMAN TONY DOWNES HOUSE, MANCHESTER ROAD, DROYLSDEN** when the undermentioned business is to be transacted.

Yours faithfully,

Steven Pleasant MBE
Chief Executive

Item No.	AGENDA	Page No
1.	**CIVIC MAYOR'S ANNOUNCEMENTS**	
	The Civic Mayor to make any appropriate announcements.	
	At this juncture the Civic Mayor will retire from the Chair and the Chair of Council Business shall assume the Chair for the remaining business.	
2.	**MINUTES**	1 - 6
	That the Minutes of the proceedings of the Meeting of Council held on 21 January 2016 be approved as a correct record and signed by the Chair of Council Business (or other person presiding) (Minutes attached).	
3.	**DECLARATIONS OF INTEREST**	
	To receive any declarations of interest from Members of the Council.	
4.	**COMMUNICATIONS OR ANNOUNCEMENTS**	
	To receive any announcements or communications from the Chair of Council Business, the Executive Leader, Members of the Executive Cabinet or the Chief Executive.	
5.	**COUNCIL BIG CONVERSATION**	
	To consider any questions submitted by Members of the public in accordance with Standing Orders 31.12 and 31.13.	
6.	**JOINT MEETING OF EXECUTIVE CABINET AND OVERVIEW (AUDIT) PANEL**	7 - 14
	To receive the minutes of the Meeting of Executive Cabinet and Overview (Audit) Panel held on 10 February 2016.	
7.	**BUDGET 2015/2016 AND FUTURE YEARS**	15 - 50
	To consider the attached report of the Assistant Executive Director (Finance).	
8.	**CAPITAL STRATEGY AND PROGRAMME 2016/2017**	51 - 74
	To consider the attached report of the Assistant Executive Director (Finance).	
9.	**TREASURY MANAGEMENT STRATEGY**	75 - 96
	To consider the attached report of the Assistant Executive Director (Finance).	
10.	**MAYORALTY**	
	To seek nominations for the position of the Civic Mayor and Deputy Mayor for 2016/2017.	
11.	**ARRANGEMENTS FOR ANNUAL COUNCIL**	
	To note that the Annual Meeting of Council (both Mayor Making and Business) will commence at 5.00pm on Tuesday 24 May 2016 and will take place at Dukinfield Town Hall.	

For further information please contact Robert Landon on robert.landon@tameside.gov.uk or 0161 342 2146, or the officer named in the report.

12. CALENDAR OF MEETINGS 97 - 100

To agree the Calendar of Meetings for the Municipal Year 2016/2017.

13. MEMBERSHIP OF COUNCIL BODIES

To consider any changes to the membership of Council bodies.

14. NOTICES OF MOTION

(a) To consider the following motion in the name of Councillor J. Fitzpatrick

That this Council notes the detail of the recently published Local Government Settlement.

We note with concern that the additional transitional grant funding announced has once again failed to address the inherent unfairness of the impact of the massive cuts that have been applied to Tameside Council by this Tory Government.

We agree to continue highlighting the apparent disdain that Local Government is held in by this Government, especially on those living in northern Metropolitan areas.

This Council commits to continue working alongside the Local Government Association, led by the Conservative peer Lord Porter, SIGOMA and other individual campaigners to consistently remind Tameside residents about the impact of Tory cuts to vital local services.

(b) To consider the following motion in the name of Councillor Taylor

That this Council notes that the Secretary of State for Justice has announced the closure of Tameside County Court.

Access to justice is a fundamental freedom in a civilised society and this decision, as well as reducing this freedom, will affect Tameside in a number of ways including:

- Increased travel times and costs associated with accessing the Courts and Justice System.
- Potential relocation away from Tameside of law firms and other businesses that support the Court system.
- The closure of a large service in a key regeneration area adjacent to Ashton Old Baths.

Council condemns this decision and considers it as the latest in a long list of attacks on Tameside residents at the hands of Conservative led governments.

Council therefore resolves to:

- Ask the Chief Executive to write to the Secretary of State for justice setting out our opposition to the closure and requesting details of the plans for the building once the County Court has closed.

- Explore how Tameside Council could support the Court buildings to continue be fully occupied given that the presence of workers in the area supports the local economy.

15. QUESTIONS

To answer questions (if any) asked under Standing Order 17.2, for which due notice has been given by a Member of the Council.

16. URGENT ITEMS

To consider any other items which the Chair of Council Business (or other person presiding) is of the opinion shall be dealt with as a matter of urgency.

For further information please contact Robert Landon on robert.landon@tameside.gov.uk or 0161 342 2146, or , or the officer named in the report.

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COUNCIL

21 January 2016

Commenced: 5.00 pm **Terminated: 5.30 pm**

Present: **Councillors Kitchen (Chair), Ricci (Civic Mayor), Affleck, Beeley, Bell, Bowden, Bray, Buckley, Cartey, Cooney, Cooper, Dickinson, Drennan, Fairfoull, J Fitzpatrick, P Fitzpatrick, Fowler, Glover, A Holland, B Holland, Jackson, Kinsey, D Lane, J Lane, McNally, I Miah, R Miah, Middleton, Pearce, Peet, K Quinn, S Quinn, Reid, Robinson, Ryan, Sidebottom, M Smith, T Smith, Sweeton, Taylor, F Travis, L Travis, Ward, Warrington, Welsh, Whitehead and Wild.**

Apologies for Absence: **Councillors Bailey, Ballagher, Bowerman, Downs, Gwynne, Patrick, Piddington, Reynolds, Shember-Critchley and White.**

29. MINUTES

RESOLVED
That the Minutes of the proceedings of the meeting of the Council held on 8 December 2015 be approved as a correct record and signed by the Chair of Council Business.

30. DECLARATIONS OF INTEREST

In noting that Council was not making a decision but receiving minutes of decisions made at the Joint Meeting of Executive Cabinet and Audit Panel where neither Councillor Kitchen nor Councillor Bell was present, both Councillors declared their interests as follows:

Members	Subject Matter	Type of Interest	Nature of Interest
Councillor Kitchen	Item 6 – Joint Meeting of Executive Cabinet and Audit Panel (Minute 28)	Personal	Director – Hyde United Football Club
Councillor Bell	Item 6 – Joint Meeting of Executive Cabinet and Audit Panel (Minute 28)	Personal	Shareholder – Hyde United Football Club

31. COMMUNICATIONS OR ANNOUNCEMENTS

The Executive Leader was delighted to advise that the Council's Chief Executive, Steven Pleasant's work on behalf of the Combined Authority supporting asylum seekers, had been recognised in the New Year's Honours List. Members of the Council joined the Executive Leader in congratulating Steven on his achievement and a truly well-deserved award.

Councillor Taylor was pleased to report that since the borough wide expansion of the Bin Swap scheme on 1 September 2015, 95 % of residents in Tameside were recycling their waste. This had resulted in a saving to date to the Authority of £1m which would be diverted into essential services.

32. COUNCIL BIG CONVERSATION

The Chair reported that there were no questions submitted by members of the public in accordance with Standing orders 31.12 and 31.13.

33. JOINT MEETING OF EXECUTIVE CABINET AND AUDIT PANEL

Consideration was given to the Minutes of the Joint Meeting of Executive Cabinet and Audit Panel held on 16 December 2015. It was moved by Councillor K Quinn, seconded by Councillor Taylor and –

RESOLVED
That the Minutes of the Joint Meeting of Executive Cabinet and Audit Panel held on 16 December 2015 be received.

34. DEMOCRATIC PROCESSES WORKING GROUP

Consideration was given to the Minutes of the meeting of the Democratic Processes Working Group held on 16 December 2015. It was moved by Councillor Taylor, seconded by Councillor K Quinn and –

RESOLVED
That the Minutes of the meeting of the Democratic Processes Working Group held on 16 December 2015 be received.

35. UPDATE ON CITIES AND DEVOLUTION BILL

Council considered a report of the Executive Leader and Chief Executive, which provided an update on the progress of the Cities and Local Government Devolution Bill and the next steps to implementation, including the making of Parliamentary Orders to establish the elected Mayor and give the Combined Authority additional powers and responsibilities. The report also sought delegated authority to consent to the Orders required to enable progress to be made. It was moved by Councillor K Quinn, seconded by Councillor Taylor and –

RESOLVED
(i) That the progress of the Bill and the next steps required for implementation be noted.
(ii) That the previous delegation granted by Council on the 2 December 2014 to the Chief Executive in consultation with the Executive Leader to consent to the terms of the Order required to establish the role of the Greater Manchester Combined Authority elected Mayor and to provide for the Mayor to exercise the functions of the Police and Crime Commissioner in relation to the Greater Manchester Police area be noted.
(iii) That delegated authority be given to the Chief Executive, in consultation with the Executive Leader, to consent to the terms of orders required to enable the Greater Manchester Combined Authority to carry out health related functions from April 2016.

36. COUNCIL TAX SUPPORT SCHEME

Consideration was given to a report of the First Deputy (Performance and Finance) and the Assistant Executive Director (Exchequer) setting out the outcome of consultation on three proposed changes to the existing local Council Tax Support Scheme and the impact the changes could have on different claimant groups, estimated costs of the scheme together with risks. The report recommended a revised scheme for approval by Council making the scheme more affordable within the reducing Council budget.

The report explained that Tameside's Council Tax Support Scheme, which replaced Council Tax Benefit had been in operation from 1 April 2013 and had remained unchanged. The scheme provided financial assistance to Council Tax Charge payers on a low income whether they rented or owned their home, or lived rent-free, by reducing the amount of Council Tax they had to pay. The caseload of claimants had reduced steadily since the scheme was introduced from 12,720 working age claimants and 10,996 pensioners in April to 2013. It was felt appropriate, given the Council's overall financial position, that revisions to the scheme be considered and that a local Council Tax Support scheme be set taking into account the finances available.

The public, interested parties and precepting bodies had been consulted on three proposed changes to the Council Tax Support scheme in accordance with procedural requirements. These were detailed as follows:

- Capping support Band A property.
- Reducing the maximum Council Tax Support award to 75%.
- Aligning deductions for non-dependents of working age to the same level as those in the prescribed scheme for claimants of pensionable age.

The consultation had taken place from 14 September 2015 to 30 November 2015 and reference was made to the conclusions drawn from the consultation analysis, which indicated that the majority of respondents agreed that the three proposals be implemented.

In considering implementation of any of the three proposals, it was appropriate to consider the impact on typical claimant groups. Data had been taken from the Council Tax Support system to determine the impact on different household compositions and circumstances in a number of scenarios that were highlighted in the report.

An equality impact assessment considered the impact of the three proposals on the scheme by the characteristic groups. There was no disproportionate impact on any group and protections remained the same as when the scheme was set in December 2012, becoming effective in April 2013 and updated in December 2014.

In terms of mitigation and support, the Hardship Fund would remain in place at £5,000 and continued to be administered by the Tameside Resettlement Scheme. This amount did not exclude approved applications being granted should the maximum allocated funding be exceeded.

Reference was made to other considerations and the Staying Put Scheme where the Council had an obligation to support young people leaving care and the proposal to introduce non-dependent deductions could impact on claimants continuing to support a young person beyond the age of 18 and who were in employment. Although this specific issue did not form part of the public consultation, it was felt to be a beneficial change to ensure that claimants in receipt of a Staying Put payment in respect of continuing to care for a young person they had previously fostered should not be disadvantaged by the introduction of the non-dependent deduction charge.

In addition, the Chancellor of the Exchequer had recently announced that local authorities could increase Council Tax by an additional 2%, which would be ring fenced to cover rising costs of social care. If a local authority resolved to increase Council Tax by the additional 2% in respect of social care costs, and wanted all Council Tax payers to pay this increase, including those in receipt of Council Tax Support, then the Council must follow the procedure and associated consultation laid down in the Council Tax regulations.

The three proposals would save an estimated £696,000 in scheme costs and, if Council Tax remained the same level in 2016/17, the scheme costs were estimated to be £14.1m. Should the Council Tax increase by 1.99% from April 2016 then the estimated costs were expected to be £14.4m. However, this did not include the additional overall income which could be raised as a result of increasing Council Tax.

It was moved by Councillor J Fitzpatrick, seconded by Councillor Fairfoull and –

RESOLVED

(i) That the Council Tax Support Scheme 2016/17 as attached as Appendix 5 to the report be agreed, which included the following four proposed changes to the previous scheme:
- **Capping support to a Band A property;**
- **Reducing the maximum Council Tax Support Scheme award to 75%;**
- **Aligning deductions for non-dependents of working age to the same level as those in the prescribed scheme for claimants of pensionable age;**
- **Disregarding non-dependent deductions for Council Tax Support Scheme claimants in receipt of a Staying Put payment.**

(ii) That the hardship fund and policy continue to be in place, as set out in Appendix 4 to the report, in order to assist severe cases of hardship funded from existing budgets and administered via the Tameside Resettlement Scheme.

37. LICENSING POLICIES

Consideration was given to a report of the Executive Member (Clean and Green) and the Assistant Executive Director (Environmental Services) advising that Licensing Authorities were obliged to review and revise their licensing policies on a regular basis. Regular reviews ensured that policies were kept up-to-date with any changes to legislation and that policies accurately reflected the aims, ambitions and working practices currently employed by the Authority.

The report explained that the Licensing Act 2003 was the primary legislation whereby Licensing Authorities issued licenses to and regulated licensed premises which were used for the sale or supply of alcohol, providing regular entertainment or late night refreshment. The new Statement of Licensing Policy, attached at **Appendix 1** to the report, reflected recent changes to legislation and working practices within the Licensing Service. It also included an innovative approach to promoting public health and outlined the Council's expectations in relation to a number of emerging issues such as child sexual exploitation and legal highs.

It was also explained that the Gambling Act 2005 was the primary legislation whereby Licensing Authorities issued licenses to and regulated licensed premises used for gambling activities such as bookmakers, bingo premises and adult gaming centres. The new Statement of Gambling Policy was detailed at **Appendix 2** to the report and was intended to replace the existing Statement due to expire in February 2016.

In relation to the Sex Establishment Licensing Policy, in July 2014 the Council had adopted an amendment to the Local Government (Miscellaneous Provisions) Act 1982, which allowed the Council to regulate and licence sex establishments. There were currently no premises in Tameside falling into the categories covered by the policy. However, it was recommended best practice for the Council to introduce a policy, attached at **Appendix 4** to the report, giving detailed guidance on how it would consider and determine applications for sex establishment licences and the process for making such applications.

A full public consultation exercise on the draft policies had taken place between 10 September 2015 and 4 December 2015 and details of the responses were included in the report and at **Appendix 3**.

It was moved by Councillor Taylor, seconded by Councillor Robinson and –

RESOLVED

That the Statement of Licensing Policy 2016-2021, the Statement of Gambling Policy 2016-2019 and the Sex Establishment Licensing Policy as detailed in the Appendices to the report, be adopted by the Council.

38. WASTE POLICY AND ENFORCEMENT STRATEGY

Consideration was given to a report of the Deputy Executive Leader, Executive Member (Clean and Green) and the Assistant Executive Director (Environmental Services) explaining that it was important that the Council had a clear policy regarding waste collection, recycling and enforcement. The Waste Policy and Enforcement Strategy, attached at **Appendix 1** to the report, confirmed what Tameside residents and key stakeholders could expect from the Waste and Recycling Service and outlined the Council's approach to enforcement in occurrences of non-compliance.

All avenues of education and support would be exhausted before enforcement action was undertaken and a Communication and Engagement Plan had been developed and detailed in **Appendix 2** to the report. A consultation exercise had commenced on 26 October 2015 for a four week period, ending on 27 November 2015. A summary of the consultation responses was included in the report.

In recommending the Waste Policy and Enforcement Strategy to Council for adoption, Councillor Taylor made reference to the first waste enforcement day, which had taken place on 21 January 2015. This had focused on Ashton Town Centre where Enforcement Officers from Environmental Services were joined by civil enforcement staff in a combined operation to identify and tackle the few irresponsible residents and businesses fly tipping and dumping rubbish illegally. The day of action was the first of a programme of activity that would take place over the coming months as the Waste Policy and Enforcement Strategy was implemented. It was, therefore, moved by Councillor Taylor, seconded by Councillor Robinson and –

RESOLVED
That the Waste Policy and Enforcement Strategy at Appendix 1 to the report be adopted and the Communication and Engagement Plan at Appendix 2 to the report be approved.

39. GOVERNANCE AND ACCOUNTABLITY FRAMEWORK FOR HEALTH

Consideration was given to a report of the Chief Executive, Executive Member (Social Care and Wellbeing), the Executive Member (Healthy and Working) and Executive Member (Children and Families) seeing approval to establish a governance and accountability framework to support the development and implementation of an integrated health and care system in Tameside whilst reflecting the wider Greater Manchester position.

Across Greater Manchester and within Tameside, health and social care partners were working together to reform health and care services to support the shared ambition of improving health outcomes for residents as quickly as possible. At the local level revised governance arrangements were required to enable the ambition and vision contained in the Tameside and Glossop Locality Plan, attached at **Appendix 2** to the report, to be realised.

The report detailed the proposals for governance in shadow form with immediate effect and subject to review formally from 1 April 2016. The proposals were set within the framework of the Memorandum of Understanding and the governance and accountability arrangements agreed at Greater Manchester level where responsibility for the Greater Manchester Strategic Plan and the Greater Manchester wide commissioning arrangements resided.

Additionally, the proposals must take account of and interface with the governance arrangements of individual partner organisations. Over forthcoming months changes might be required to the constitutional arrangements of statutory organisations before these arrangements were to 'go live' in April 2016.

Finally, it remained imperative that robust safeguarding arrangements remained at the fore. Strong links to both the safeguarding boards for children and adults must be cemented in these new governance proposals with oversight by relevant scrutiny and audit / regulatory arrangements. Council was asked to note the significant progress that had already been made including:

- Development of the Tameside and Glossop Locality Plan.
- Development of a single commissioning team drawn from both organisations to take forward commissioning.
- Appointment of an Independent Programme Chair and Programme Director.
- Transfer of the Tameside and Glossop community staff currently hosted by Stockport Foundation Trust into Tameside Hospital Foundation Trust. This process was now underway and would be completed on 1 April 2016.
- Pooled budgets and associated financial plans relating to the Better Care Fund.
- Working Groups in place to develop contractual arrangements for Single Commissioning and extended pooled budget arrangements.
- Organisational development work relating to commissioning with a focus upon movement towards outcome based commissioning.

It was moved by Councillor Warrington, seconded by Councillor Cooney and –

RESOLVED
(i) That the GM Devolution position be noted.
(ii) That the role of the Tameside Health and Wellbeing Board be endorsed and kept under review.
(iii) That the proposal to establish the governance arrangements in shadow form and the establishment in shadow form of the Interim Single Commissioning Board and the terms of references set out at Appendix 1 to the report be endorsed.
(iv) That the proposal to establish the governance arrangements in shadow form subject to review and individual engagement with partner organisations, including any necessary changes to constitutional arrangements be endorsed, and provisionally support formal introduction from 1 April 2016.

40. QUESTIONS

The Chair reported no questions had been received in accordance with Standing Order 17.2.

41. URGENT ITEMS

The Chair reported that there were no urgent items of business for consideration at this meeting.

CHAIR

JOINT MEETING OF EXECUTIVE CABINET AND OVERVIEW (AUDIT) PANEL

-

10 February 2016

Commenced: 2.00pm **Terminated: 3.00pm**

Present:	**Councillor K. Quinn (Chair)**
	Councillors Cooney, Gwynne, J Fitzpatrick, Ricci, Robinson, Taylor, L Travis
In attendance:	**Councillors Fairfoull, I Miah and Peet**
Apologies for Absence:	**Councillors Bailey and Warrington**

42. CHAIR'S OPENING REMARKS

In opening the meeting, the Chair welcomed Stephen Nixon and his colleague Mike Thomas, Grant Thornton LLP, who would be providing future audit reports in relation to both the Council and the Greater Manchester Pension Fund finances.

43. DECLARATIONS OF INTEREST

There were no declarations of interest submitted for this meeting.

44. MINUTES

a) Executive Cabinet

Consideration was given to the Minutes of the Joint Meeting of Executive Cabinet and Audit Panel held on 16 December 2015.

RESOLVED
That the Minutes of the Joint Meeting of Executive Cabinet and Audit Panel held on 16 December 2015 be taken as read and signed by the Chair as a correct record.

b) Enforcement Co-ordination Panel

Consideration was given to the Minutes of the Enforcement Co-ordination Panel held on 3 February 2016.

RESOLVED
That the Minutes of the Enforcement Co-ordination Panel held on 3 February 2016 be received.

c) AGMA Executive Board Meetings / Greater Manchester Combined Authority

Consideration was given to a report of the Executive Leader and Chief Executive which informed Members of the issues considered at the Greater Manchester Combined Authority on 18 December 2015, the Joint Meeting of the Greater Manchester Combined Authority and AGMA Executive Board on 18 December 2015 and the Forward Plan of Strategic Decisions of the Greater Manchester Combined Authority and AGMA Executive Board.

RESOLVED
That the report be noted.

45. BUDGET CONSULTATION

Consideration was given to a report of the First Deputy (Finance and Performance) and the Executive Director (Finance) detailing findings from the Council's budget consultation for 2016/17 and 2017/18. The report outlined the results captured in the simulator and the general themes that had emerged from the suggestions provided. It also detailed the communication and publicity that had been conducted to promote the consultation.

It was reported that a total of 2,594 contacts had been received to the budget consultation, a total of 1,446 people had attempted the budget simulator with 1,019 people successfully completing it.

Detailed budget data analysis, together with the key themes analysis, and the next steps was highlighted. The findings from the budget consultation exercise had been used in conjunction with other considerations, to inform the Council's budget setting process and feedback on the results would be provided to the public, staff, partners and engaged groups and a summary infographic report produced and shared on the Council's website.

Executive Cabinet welcomed the report and in particular made reference to budget consultation being promoted at 215 events throughout the Borough where residents had the opportunity to undertake the budget consultation exercise.

RESOLVED
That the content of the report be noted and the findings from the consultation be taken into consideration when setting the Council's budget at the Full Council meeting on 23 February 2016.

46. COUNCIL BUDGET 2016-20: REVENUE BUDGET 2016-17

Consideration was given to a report of the Executive Leader, First Deputy (Performance and Finance) and the Assistant Executive Director (Finance) setting out the detailed revenue budget position for 2016-17, medium term budget plans for 2017-20 and implications for Council Tax for 2016-17 and, possibly, future years.

It was explained that, as with all recent budgets, it was again set in the context of unprecedented cuts in Government funding to all councils. Behind the Department of Communities and Local Government grant announcement on 17 December 2015, were five major alterations:

- Disconnection of funding from 'need/deprivation' measures;
- New connection to economic growth and prosperity and the cessation of Revenue Support Grant by 2020;
- New responsibilities for local government, such as 0-5s, independent living;
- Four year financial settlement with efficiency targets;
- A decisive shift in the significance of funding from Council Tax: assumed to rise from 49.5% in 2015-16 to 61.7% in 2019-20.

The Draft Local Government Finance Settlement was £13.2m worse than had been assumed and confirmed the expected reduction in key funding to 2019-20, now £30.4m. Tameside Council would receive a 12.9% reduction in its Settlement Funding Assessment for 2016-17.

It was explained that as part of the four year settlement offer, the Government had assumed two increases in Council Tax for:

- The Social Care Precept of up to 2%, which had to be spent on social care;
- The 2% referendum limit, which was commonly set at 1.99% to avoid the considerable costs of a referendum, and could fund any service.

If the Council were to increase both elements, every year, there would be a rising level of income and this was illustrated in the report.

The development of the 2016-17 revenue budget had leant heavily on the framework set in February 2015 as part of a two year budget approach. The overall net budget proposed for 2016-17 was £166.073m taking into account the Provisional Local Government Financial Settlement for 2016-17. The net budget reflected the Council Tax Requirement only which was the amount to be funded by council tax payer. All income from the Business Rates Retention Schemes was accounted for as council income.

The recommended minimum level of General Balances had been set at £17m to reflect the budget risks and uncertainty around future Government funding. The forecast position for General Balances at 31 March 2016 was £19m. The current projected spent would be used to smooth future projected service pressures within service areas, particularly adults. The long term strategy of the Care Together programme should resolve these pressures.

The forecast for 2017-20 had been revised following the Government funding announcements and the impact of service cost pressures. The costs pressures identified would be subject to further review and challenge prior to allocation. Together with identified savings and taking into account the recommendations on the 2016-17 Revenue Budget, it was now estimated that the Council had a remaining budget shortfall of £51.1m for the years 2017-18 and 2019-20. This excluded any income from Council Tax increase and the budget shortfall could potentially reduce to £39.3m if the proposed Council Tax increases were approved. It was the view of the Section 151 Officer, that whilst the Council could balance the 2016-17 budget, the shortfall for 2018-19 and 2019-20 was a high risk.

The Pay Policy Statement setting out the Council's approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011 was detailed at **Appendix D** to the report.

Since the report had been drafted, the final settlement details had been received and the Section 151 Officer provided a verbal update and advised that there was a slight reduction on the provisional settlement. Members were also informed that the Council had not received any additional monies through the Government's £150m transitional support scheme being made available for councils during the next two years in response to concerns raised over changes to funding calculations.

In conclusion, it was reported that the budget had been prepared in accordance with International Financial Reporting Standards and had been consulted on in line with legal requirements. Risks associated with the budget proposals were reported to Service Directorates in January 2015. Reports on the robustness of estimates and the adequacy of reserves and balances also set out financial risks that had been identified as part of the assessment of the level of reserves and provisions in order to evaluate the minimum level of General Balances.

RESOLVED
That it be recommended to Council to:
- **(i)** **Approve an overall Council Net Revenue of £166.073m for 2016-17, including provision for potential budget pressures of £8.558m, budget savings / efficiencies of £14.100m and £10.025m additional adjustments / efficiencies as set out in Table 3 and Appendices A and B to the report and the actions required to deliver the proposed savings.**
- **(ii)** **Note the comments of the Section 151 Officer, at paragraph 2.7b, on the financial impact of an increase in Council Tax, and confirm, or otherwise, the assumption that the Council's 2016-17 budget would include a Council Tax increase for firstly the 'Social Care Precept' and secondly, the 'referendum' Council Tax shown at Table 2 in the report and Appendix C.**
- **(iii)** **The option of agreeing the Government's four year 'efficiency' settlement, giving certainty to funding to 2020.**

(iv) The budget proposals set out for 2017-20, including authorising Chief Officers to take the action required to deliver budget savings for those years as appropriate.
(v) With regard to future years 2017-20, further plans to meet the budget shortfall for those years were urgently developed and brought back to Members before June 2016.
(vi) Approve the Pay Policy for 2016-17 detailed in Appendix D to the report.

47. CAPITAL STRATEGY AND PROGRAMME 2016/17

Consideration was given to a report of the First Deputy (Performance and Finance) and the Assistant Executive Director (Finance) setting out the Council's Capital Strategy for 2016/17 and the three year Capital Programme.

It was reported that the proposed programme consisted of schemes funded through borrowing, capital receipts or grants and other anticipated contributions from third parties. The size of the capital programme reflected capital grant settlements that had been announced by central government, forecast capital receipts, other external and internal funding sources and proposed borrowing as set out in **Appendix 1** to the report and detailed in **Appendix 5** to the report. The Council's ability to prudentially borrow to fund future schemes was limited by budgetary pressures which the Council continued to face. Information regarding the revenue implications of prudential borrowing was also provided in **Appendix 1** to the report. It also summarised the development of the proposed capital programme as well as details of the following:

- New capital grant allocations;
- New schemes approved since the quarter two Capital Monitoring report;
- Capital receipts and potential property sales;
- Revenue implications of prudential borrowing.

In terms of the Capital Strategy, this had been developed as a key document that determined the Council's approach to capital. It was an integral of the Council's medium term service and financial planning process as reflected in the Medium Term Financial Strategy and provided a framework for the allocation of resources to support the Council's objectives. The Strategy, at **Appendix 2** to the report, was reviewed on an annual basis to ensure it continued to reflect the changing needs and priorities of the Council and its partners throughout Tameside and the region.

RESOLVED
That the Council be recommended to:
(i) Approve the Capital Programme report as set out in Appendix 1 to the report and detailed in Appendix 5 to the report and action taken to achieve additional sources of funding for capital development.
(ii) Note the Disposals schedule and estimated Capital receipts position in section 3 of Appendix 1 to the report.
(iii) Note the additional revenue budget required as a result of the proposed take up of unsupported borrowing detailed in section 4.9 of Appendix 1 to the report.
(iv) Note the Capital Strategy in Appendix 2.
(v) Approve the Prudential Limits and indicators set out in Appendix 3 to the report and that the Council receive monitoring reports during the coming year to demonstrate compliance.
(vi) Authorise the borrowing limits for 2016/17 for Tameside and for the Greater Manchester Metropolitan Debt Administration Fund as set out in Appendix 3 to the report.
(vii) Approve the Minimum Revenue Provision statement as set out in Appendix 4 to the report.
(viii) Note the inclusion within the proposed capital programme of the estimated investment in Active Tameside and note future potential

48. TREASURY MANAGEMENT STRATEGY

Consideration was given to a report of the First Deputy (Performance and Finance) and the Assistant Executive Director (Finance) detailing the Council's borrowing strategy for 2016/17 and the Annual Investment Strategy, which was required under the Local Government Act 2003.

The Annual Investment Strategy was detailed at **Appendix A** to the report and details were given with regard to the estimated borrowing requirement for both Tameside and the Greater Manchester Metropolitan Debt Administration Fund and the strategy to be employed in managing the debt position.

It was reported that as at 31 March 2015, the Council had £151m of investments which needed to be safeguarded, and £131m of debt. Members were reminded that the Council was also the lead authority responsible for the administration of the debt of the Greater Manchester County Council on behalf of all ten Greater Manchester Metropolitan Authorities. As at 31 March 2015, this was a further £125m of debt. The significant size of these amounts required careful management to ensure that the Council met its balanced budget requirement under the Local Government Finance Act 1992.

The report included details of the following:-

- Code of Practice;
- Need to Borrow;
- Types and Duration of Loans;
- Sources of Borrowing;
- Rescheduling;
- Current Position 2015/16;
- Tameside's estimated position at 31 March 2016;
- 2016/2017 Borrowing Requirement;
- Greater Manchester Metropolitan Debt Administration Fund Requirement;
- Borrowing Strategy;
- Interest Rates;
- Investments; and
- Treasury Management Advisors.

RESOLVED
(i) That the report be noted and the proposed borrowing strategy be supported; and
(ii) That the Annual Investment Strategy be recommended for approval by Council.

49. SUPPORTING PEOPLE – CUTS TO FUNDING FOR ACCOMMODATION BASED SERVICES

Consideration was given to a report of the Executive Member (Working and Healthy) and the Head of Stronger Communities proposing a significant reduction in spending in 2016/17 and the years following, on supported housing services funded through the former Supporting People programme. Due to continued cuts in Government financial support to local authorities, the Council was considering a range of service cuts to enable a balanced budget to be achieved. The proposals to reduce funding under the Supporting People programme were within the set of funding proposals for reductions to Stronger Communities funding. An Executive Decision taken on 14 October 2015 had given permission to commence a consultation process about the cuts to accommodation based services and tenancy support services.

The report described the services that were currently provided and the impact that a funding reduction would have on service delivery and on the service users affected. The report also included a summary of the consultation process, the full findings of which were detailed in Section

7 of the report and attached at **Appendix 3** and **Appendix 4** to the report. Details were given of the proposals to manage the funding reduction, the impacts of the funding reduction, the other options considered, consultation undertaken, risks and the equality impact assessment.

Members were advised that the proposed reduction in funding would result in substantially reduced contract values for three organisations, namely, Greystones, Threshold and Foundation Housing that were contracted to provide accommodation based supported housing for homeless people. It would lead to the closure of 8 schemes and a reduction of 59 units of accommodation. It was noted that this would leave just 47 units of supported housing for single homeless people compared with 134 in 2014/15, a reduction of 65% in 2 years.

It would result in a substantially reduced contract value for Adullam Homes Housing Association providing tenancy support services and a termination in funding for the Tameside MBC Disability Housing Support Services. The reduction would also result in the termination of funding for 12 registered providers of housing services for older people.

In considering the proposals, Members also discussed the impact on the Council's and its partners' strategic objectives. These included the prevention and reduction of crime, the reduction of substance misuse and the promotion of recovery pathways, the promotion of health and wellbeing and the promotion of Public Service Reform.

RESOLVED
That the following be implemented:

(i) Contract variations up to 31 March 2018 be issued reducing the annual funding to Greystones from £149,500 to £113,333, to Threshold Great Moves from £323,000 to £117,780 and Foundation Housing Complex Needs Service from £322,000 to £133,887 (full year effect).

(ii) A contract variation up to 30 June 2018 be issued reducing the annual funding to Adullam Homes from £389,000 to £225,000 (full year effect).

(iii) The annual funding of £130,590 to the Tameside Disability Housing Support Service be terminated with effect from 11 May 2016.

(iv) Contracts with 12 Registered Provers of housing services for older people, to the value of £95,000 per annum be terminated with effect from 11 May 2016.

50. PRIMARY AND SECONDARY SCHOOL ADMISSION ARRANGEMENTS

Consideration was given to a report detailing the outcomes of the consultation on admission arrangements and published admission numbers for Tameside community and voluntary controlled schools for admission in September 2017.

It was explained that the DfE had altered the prescribed period within which admission authorities could consult on their admission arrangements and the minimum length of consultation and had also brought forward a number of deadlines relating to the determination and publication of admission arrangements.

Executive Cabinet was reminded that following local publicity surrounding the outcome of an objection to the School adjudicator about the admission arrangements at a school located in another authority, the Council consulted on changes to oversubscription criterion 4 and the change to partner primary schools was agreed in August 2015.

Furthermore, for entry to school in September 2017, no changes were planned to the admission arrangements for community or voluntary controlled primary, junior and secondary schools. Although there was no requirement to consult in law, in the interests of transparency and effective working relations, the Council had taken the opportunity to undertake a consultation on the admission arrangements following the changes made in August to consider any viable alternative put forward to ensure that the Council had fair admission arrangements, compliant with the Code, whilst managing the statutory duty to ensure the Authority was able to provide a place for every Tameside resident of school age.

There were no changes proposed to the co-ordinated admissions scheme from 2016 for 2017 and these would be published on the Council's website on 1 January 2017 as required by the School Admissions Code.

Reference was made to the following:

- Consultation on the admission arrangements and published admission numbers for all community and voluntary controlled schools for 2017/18;
- Consultation on proposed changes to the published admission numbers for community and voluntary controlled primary schools for 2017/18;
- Financial resources;
- Future demand for school places; and
- Next steps.

In particular, it was explained that consultation had taken place to reduce the published admission number at Milton St John's CE Primary School following an increase to facilitate a bulge class in September 2016, where there was insufficient space to admit another year group of 30. Following representation from the Head Teacher and governing body, consultation took place to permanently increase the published admission number at Livingstone Primary School. No responses were received in relation to these proposed changes and the published admission numbers were detailed in **Appendix 1** to the report.

It was further explained that three responses had been received to the consultation relating to Tameside admission arrangements for community and voluntary controlled schools for 2017/18. Of the three written responses received, two were associated with the MP for Stalybridge and Hyde, Jonathan Reynolds, and one was from the secondary Head Teacher at Alder High School. The consultation response from Mr Reynolds and the reply from the Council were attached as **Appendix 2**. The proposed admission arrangements for Tameside community and voluntary controlled schools for 2017/18 were included at **Appendix 3** to the report.

RESOLVED

(i) That the determination of Published Admission Numbers for all voluntary controlled and community schools for 2017/18 without change from those that applied for admission in 2016/17 other than the changes set out in Appendix 1 to the report, be approved.

(ii) That the determination of admission arrangements for all Tameside community and voluntary controlled schools for admission in 2017/18 as set out in Appendix 3 to the report, be approved.

51. REVIEW OF DELIVERY OF YOUTH OFFENDING SERVICES IN TAMESIDE

Consideration was given to a review with the aim of producing workable recommendations for the Council to deliver a more integrated and cohesive approach to delivering Youth Offending Services and improving outcomes for children and young people in Tameside.

Councillor Peet, Chair of People Scrutiny Panel, reported that in order for the most appropriate interventions to take place, it was important that time was taken to understand the complexity and range of issues. By making the best use of available intelligence, resources and skills, services could work towards a clear vision of improved outcomes for young people and families in the Borough. Moving towards a delivery model that focused on early intervention and prevention would help identify young people at risk of offending for the first time. Given the challenges faced by a range of services it was important that a whole system and family approach was adopted. The Executive Response of the Executive Member (Children and Families) was also provided.

RESOLVED
That the recommendations in Section 9 of the review and the Executive Response at Appendix 1 to the report, where all the recommendations of the Scrutiny Panel were accepted together with a timeframe for implementation, be noted.

52. URGENT ITEMS

The Chair reported that there were no urgent items for consideration at this meeting.

CHAIR

Report To:	**COUNCIL**
Date:	23 February 2016
Executive Member/ Reporting Officer:	Councillor Kieran Quinn – Executive Leader Councillor Jim Fitzpatrick – First Deputy (Performance and Finance) Peter Timmins – Assistant Executive Director of Finance
Subject:	**COUNCIL BUDGET 2016-20: REVENUE BUDGET 2016-17**
Report Summary:	This report sets out the detailed revenue budget proposals covering 2016-17 and the different options for proposed level of Council Tax/Precept for 2016-17. This paper is one of a suite of reports to this meeting that support decisions on the budget recommendations to Tameside Council.
Recommendations:	The recommendations presented to Council are set out below : a) An overall Council Net Revenue Budget of £168.565m for 2016-17 (excluding any Council Tax increases), budget savings/efficiencies of £13.075m as set out in Table 3 (and **Appendices A & B**) of this report and the actions required to deliver the proposed savings. b) Note the comments of the Section 151 Officer, at paragraph 2.7b, on the financial impact of increases in Council Tax, **The options of increasing the Council Tax as set out in the report at Table 2 & Appendix C are considered and confirmed, or otherwise**. The options include a Council Tax increase for firstly, the 'Social Care Precept' and secondly, the 'referendum' Council Tax and are set out at Table 2 & Appendix C and the revised Net Revenue Budgets. c) The decision to take the option of agreeing the Government's four year 'efficiency' settlement, which will give certainty to funding to 2020 is made. d) The budget proposals set out for 2017-20, including authorising Chief Officers to take the action required to deliver budget savings for those years as appropriate are approved. e) With regard to the future years 2017-20, further plans to meet the budget shortfall for those years are urgently developed and brought back to Members before June 2016. f) That the Pay Policy for 2016-17, included at **Appendix D**, is approved.
Links to Community Strategy:	The Council budget aligns with the priorities of the corporate plan and the partnership-wide Community Strategy.
Policy Implications:	The Council budget reflects the policy choices that the Council intends to pursue and feeds into the Medium Term Financial Strategy.

Financial Implications: (Authorised by the S151 officer)	Subject of the report.
Legal Implications: (Authorised by the Borough Solicitor)	The Council received the Final Local Government Finance Settlement for 2016/17 on the 9th February 2016 and the changes have now been incorporated into this report. Considerations are set out in section 3 of the report. In particular it should be noticed that the required dispensation was granted to members for 4 years on the 26.02.13 by the statutory Monitoring Officer. Any newly appointed members to the Council, whose office was not extended in the May 2014 will need to make the necessary application to take part in the decision. That the Council accepts the advice of the Section 151 Officer regarding the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed financial reserves. Following this, that the Council determines that the estimates are robust for the purpose of setting the budget and that the proposed financial reserves are adequate.
Risk Management:	The Council is required to set its Council Tax before March 11, 2016, of which, agreeing a balanced 2016-17 revenue budget is a pre-condition. The budget has to encompass the following risks: • Increasing demographic demand (65+ increase by 23% by 2021, Under 15s growing by 15% by 2021); • Waiting times and delays in discharges - impact of cuts; • Lower resource tax base – eg 70% Council Tax band A & B – England average 44%; • £9m Living Wage increase impact on social care costs; • Business Rates risk transferred to council; • Council Tax Support transferred to us 90% funded and cost increasing; • Evidence of welfare cuts and sanctions reducing income levels and rising debt; • Rising levels of homelessness.
Access to Information:	The background papers relating to this report can be inspected by contacting the report writer, Peter Timmins Telephone:0161 342 3864 e-mail: peter.timmins@tameside.gov.uk

1. INTRODUCTION AND PURPOSE OF REPORT

1.1. The framework for the 2016-17 budget was set in February 2015 as part of a two year budget approach. The Council launched the Budget Consultation for 2016-17 in September 2015, the response to which is reported on this agenda. Council has also received reports, elsewhere on this agenda, providing additional information for the Council in considering the recommendations for the revenue budget. These are:

- Budget Consultation findings and the outcome of the Equality Impact Assessments of budget proposals;
- Capital Programme 2016-20;
- Annual Treasury Management Strategy 2016-17.

1.2. The purpose of this report is to set out the detailed revenue budget position for 2016-17, medium term budget plans for 2017-20 and implications for Council Tax for 2016-17, and possibly, the later years.

2. BACKGROUND INFORMATION

National Planning Context

2.1 The advent of a Conservative Government in May 2015 has resulted in the biggest spending changes in the post-war period. Behind the DCLG's (Department of Communities and Local Government) grant announcement on 17 December 2015, lay five major alterations:

- Disconnection of funding from 'need/deprivation' measures;
- New connection to economic growth and prosperity and the cessation of Revenue Support Grant by 2020;
- New responsibilities for local government, such as , 0-5s, Independent Living;
- Four year financial settlement with efficiency targets;
- A decisive shift in the significance of funding from Council Tax: assumed to rise from 49.5% in 2015-16 to 61.7% in 2019-20.

2.2 The publication of the grant announcement marks the beginning of the consultation on the 2016-17 Draft Local Government Finance Report, which ended on 15 January 2016. The final settlement details were announced on the 9 February 2016.

2.3 The Final Local Government Finance Settlement was £12.5m worse in 2016/17 and confirmed the expected reduction in key funding to 2019-20, now at £32m. Tameside Council received a 12.7% reduction in its Settlement Funding Assessment (SFA = Revenue Support Grant and Business Rates) for 2016-17.

Table 1: Reduction in Settlement Funding Assessment (SFA)

	Government Funding £m		Change from Previous yr £m	Year-to-Year Change **%**	**Cumulative Change %**
2015-16	98.5				
2016-17	86.0	-	12.5	**12.7%**	**12.7%**
2017-18	76.0	-	10.0	**11.6%**	**22.8%**
2018-19	71.5	-	4.5	**5.9%**	**27.4%**
2019-20	66.5	-	5.0	**7.0%**	**32.5%**

2.4 The Government uses a different measure of resource assessment, the 'spending power'. The Government added the following to the SFA in the above box:

- Council Tax increase assumptions, both tax base change and assumed increase in charge, a local decision;
- Council Tax increase for adult social care, a local decision;
- The Better Care Fund, which is boosted by a transfer of £800m from the next item – centrally decided;
- New Homes Bonus – centrally decided

Which increases the size of the base, and therefore reduces the reported percentage change.

2.5 The Council's S151 officer was asked "to indicate whether their authority is minded to take up the 2% social care precept flexibility (in full or in part)", by 15 January 2016. As part of the reply, the point was made that the additional income, covered only 38% of the increased Adults demographic and contractual inflation costs (best cost case) in 2016-17. This was because of the Council's low resource tax base – 70% of hereditaments are in Council Tax Bands A&B, which compares to an England average of 44% - combined with the demographic profile. Consequently, the mechanism for supporting Adult Care services is inadequate, and further measures are required to reduce the disadvantage to the residents of Tameside.

Income

2.6 The Council has three main funding streams:

- Business Rates Retention Scheme
- Council Tax
- Other Income - Specific Grants, Fees and Charges

2.7 The main highlights to consider are:

(a) Business Rates Retention Scheme – the Draft Local Government Funding Settlement includes the authority's Revenue Support Grant and business rates baseline funding level uprated in line with RPI. In order to ensure that local government spending is within the national departmental expenditure limits, after taking into account the business rates baseline funding, the Revenue Support Grant is a balancing figure and subsequently is reducing year on year in line with the Government's deficit reduction plan.

(b) Council Tax – as part of the Four Year Settlement offer, the Government have assumed two increases in Council Tax, for:

- The "Social Care Precept" of up to 2%, which has to be spent on social care;

- The 2% referendum limit, which is commonly set at 1.99% to avoid the considerable costs of a referendum, and can fund any service.

If the Council were to increase both elements, every year, there is a rising level of income. By 2019-20, it would provide funding of £11.75m, as illustrated below.

Table 2: Cumulative increase in both Council Taxes if raised every year

	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's
Referendum	1,422	2,872	4,351	5,860
Social Care	1,429	2,887	4,374	5,890
Total	2,851	5,759	8,725	11,750

Were the Council to agree to levy the Social Care Precept, the DCLG must be notified within 7 days of the Council Tax having been set.

(c) Other income – a table on total government grant funding is included in this report at **Appendix A**. Changes to NHS Social Care funding are being implemented from 2016-17 and work has been undertaken with the Tameside Clinical Commissioning Groups to agree the Better Care Fund plan, including the level of funding that Tameside will receive to fund its commitments and the risk sharing arrangements. The pressures remaining, following the agreement of the fund, have been reflected in the 2017-20 budget. Further details will be included in the Medium Term Financial Strategy report in the summer.

Expenditure - underlying trends

2.8 The aim of the budget planning process is to deliver a robust multi- year budget that supports the Council's priority areas, but is affordable within reduced funding. The radical changes, set out at 2.1, will require considerable work to arrive at a fully formed 2017-20 budget. It is proposed that this will take place in the summer 2016.

2.9 In the meanwhile, the 2016-17 budget shows a major advance, with the identification of specific expenditure pressures, which can be monitored in-year, to harvest savings when costs fall short of the assumptions.

2.10 The potential major pressure areas of cost affecting Tameside Council, that have been incorporated into the 2017-20 budget plans, are:

a) Price inflation – more of the Council's services continue to be delivered externally to the Council – through partners and private sector contracts – therefore **contractual** arrangements are a key driver of the Council's cost pressures. Over half of the Council's spend is via third party contracts and the effective management of these contracts, to ensure both value for money and proper standards of service, is critical.

b) Demographics – demand for services continues to rise, both through the age profile and through changes to need. Preventative strategies are helping to stem the increases.

c) Living Wage – the change from using welfare payments to support the low paid, to increasing pay to lift them to sustainability, will affect both the Council's employees, but more particularly, contractors with a large 'manual' workforce, most particularly in Adult Care.

d) Review of the realism of individual budgets, by responding to the cessation of funding, unachievable income targets, and recognising that the implementation of savings can require some investment.

e) In addition, the Capital Programme will be funded from external capital grants, capital receipts, prudential borrowing, revenue budgets and/or reserves. The majority of new schemes are funded from capital grants received from Government departments. The largest capital grants are from the Department for Transport and the Department of Education, and this is reflected in the balance of the programme. The Council's policy is that capital receipts can only be used to fund capital expenditure, which in turn reduces the future revenue impact of borrowing, or to repay debt. The future annual revenue cost of prudential borrowing can be significant (approximately 10% of the amount borrowed) and these costs are reflected in the revenue budgets presented in this report. A separate report to Council, elsewhere on this agenda, sets out the detail of the Capital Strategy, the 2016-20 programme and funding plans.

Any new schemes not funded by grant have been assumed to be funded via prudential borrowing. This allows a prudent assumption for the capital costs that impact on the revenue budget. Any changes to this will based on the best-case financial management – for example, funding using capital receipts will reduce the revenue impact on the revenue budget.

f) Pension costs discretionary pre-payment – a review will take place regarding the benefit to be obtained by making a pre-payment to the Greater Manchester Pension Fund to offset potential increases in pension contributions that are currently not confirmed.

2.11 The other major factor in the 2016-17 budget is the implementation of the Care Together Programme. One of its first tasks is to address the funding gaps of the participating organisations, including the Adult Care shortfall. This will be accomplished by re-organising services to eliminate overlaps and shorten processes. It will take time, and as part of the Council's planning, a smoothing fund is provided for in the revenue budget.

2.12 There will also be changes in the later years as a consequence of Devolution, most likely with levies becoming precepts.

2.13 Our financial planning assumptions for future years take account of the latest monitoring position for 2015-16, as reported to Cabinet elsewhere on this agenda.

2.14 First introduced in 2013/14, **budget assurance statements** have again been put in place this year. These outline how the Council is responsible for ensuring that its budgets are prepared robustly and in accordance with the law and proper standards, and that public money is safeguarded and used economically, efficiently and effectively. The statement goes on to explain that in discharging this accountability, Members and Chief Officers are responsible for putting in place proper processes and internal controls to ensure the proper stewardship of the resources at its disposal including budgetary estimates for the forthcoming financial year. These statements have been signed by members of the Executive Management Team, accepting their responsibility for delivering services within their allocated funding envelopes.

2.15 The Internal Audit team will report back to members throughout the year on the adequacy of internal financial controls.

2.16 **Robustness of estimates for the budget requirement.** In the light of the risk assessment and the details of the budget, as set out in this report, which are based on the best information available at the time, and the strength of the Council's Internal Control Systems (validated by External and Internal Audit), and of the assurance statements presented, it is the opinion of the Chief Finance Officer (Assistant Executive Director of Finance/Section 151 Officer) that the budget estimates for 2016-17 are robust. This statement is in compliance with Section 25 of the Local Government Act 2003.

2.17 The recommended level of general balances is £17.0m at the end of 2016-17 and the Medium Term Financial Strategy 2017-20 will detail a risk based approach in the summer to assure that general balances will remain at or above this level.

2.18 A review of the Council's earmarked reserves will take place in 2016/17. Any earmarked reserves that can be freed-up and be used to fund more pressing priorities.

3. COUNCIL TAX/PRECEPT IMPLICATIONS

3.1 The approach to Council Tax has changed - see 2.1 & 2.6b above – but the Localism Act still applies. Any 'referendum' council tax increase in excess of a Government determined limit will be decided by local voters. The threshold for 2016-17 has been provisionally announced as 2%.

3.2 The Government will examine Council Tax/Precept increases and budget increases when final decisions have been made throughout the country. Councils are required by Government Regulation to declare their level of Council Tax/Precept by the end of February.

3.3 The 'social care precept' Council Tax can be up to 2%.

3.4 The Council is required to state its Council Tax/Precept as an amount for an average Band D property, together with information on the other valuation bands i.e. Bands A to H. Band D properties had a value in April 1991 of over £68,000 and up to £88,000.

4. CONSULTATION

4.1 The response to the budget consultation is set out in a separate report to Cabinet Committee elsewhere on this agenda.

4.2 **Representatives of non-domestic ratepayers.** The Council has a statutory duty under Section 134 of the Local Government Act to consult with representatives of non-domestic ratepayers. This process was conducted electronically, as part of the general budget setting process.

5. DRAFT BUDGET 2016-17

5.1 The development of the 2016-17 revenue budget has leant heavily on the framework set in February 2015 as part of a two year budget approach.

5.2 The overall net budget proposed for 2016-17 is £168.565m. This takes into account the Final Local Government Finance Settlement for 2016-17.

5.3 The net budget reflects the Council Tax Requirement only, that is, the amount to be funded by council taxpayers. All income from the Business Rates Retention Schemes is accounted for as council income.

5.4 The final Local Government Finance Settlement has now been announced and reflected in the 2016-17 net budget provided in the report Service and budget planning for 2016-17 will be based on an expected reduction in core government funding of £12.5m (Settlement Funding Assessment - para 2.3).

The recommended minimum level of General Balances be set at £17.0m, to reflect the budget risks and uncertainty around future Government funding. The forecast position for General Balances at 31 March 2016 is £19m. The current projected spend, which is less than the budget for 2015/16, will be used to smooth future projected service pressures within service areas particularly adults. The long term strategy of the Care Together programme should resolve these pressures.

Overall Budget Proposals 2016-17

5.5 Table 3 below summarises the overall proposed final budget for 2016-17. The total net budget requirement is £168.564m. The table below shows the cash limited budgets by service and assumes no increase in Council Tax.

Table 3: 2016-17 Revenue Budget by Service

Directorate	2016-17 Base Budget	Savings agreed at Feb 2015/Additional Adjustments	2016-17 Recomm-ended Budget
	£	£	£
Director of People	63,413,890	-4,720,670	58,693,220
Public Health	1,920,800	-350,180	1,570,620
Director of Place	54,776,210	0	54,776,210
Director of Governance & Resources	11,126,450	0	11,126,450
Capital, Corporate & Financing	50,402,650	-8,004,256	42,398,394
Total	**181,640,000**	**-13,075,106**	**168,564,894**

5.6 Table 4 below summarises the resources for 2016/17, with 42% of the income arising from Council Tax.

Table 4: 2016-17 Resources

	Settlement Funding Assessment	£	£	%
1	Revenue Support Grant (RSG)	34,492,916		
	Individual Authority Business Rates Baseline	27,480,601		
	Business Rates Top-up Grant	24,042,532		
			86,016,049	51.0
2	**Specific Grant Allocations**			
	New Homes Bonus	4,356,560		
	SBRR Grant	1,960,285		
			6,316,845	3.7
3	**Resources**			
	Manchester airport - additional dividend	3,750,000		
	Collection Fund surplus	1,000,000		
			4,750,000	2.8
			97,082,894	57.6
4	**Council Tax**			
	Amount to be funded from Council Tax (CRA)	71,482,000	71,482,000	42.4
5	**Total Resources**		168,564,894	100.0

Schools Funding

5.7 The Dedicated Schools Grant (DSG) provides revenue funding for allocation to schools. The grant is calculated using information recorded on the pupil census in October of the previous year and includes the following categories of pupils:

- Schools (including Academies and Primary School Nurseries).
- Pupil Referral Units.
- Private, Voluntary and Independent (PVI) Nursery pupils.

5.8 In 2013/14 the Department for Education (DfE) implemented significant changes to the way that DSG funding can be allocated to schools. The DSG for 2015/16 is allocated by the Education Funding Agency (EFA) in six blocks.

- 2 Year Olds - this block contains the DSG funding allocated by the EFA to support the free entitlement to education for 2 year olds attending both school and PVI Nursery provision

- Early Years – this block contains the DSG funding allocated by the EFA to support the free entitlement to education for 3 and 4 year olds attending both school and PVI Nursery provision.

- Early Years Pupil Premium - this block contains additional DSG funding allocated by the EFA to support the disadvantaged 3 and 4 year olds attending both school and PVI Nursery provision

- High Needs - this block contains the DSG funding allocated by the EFA to support the education of children with High Needs (sometimes referred to as Special Educational Needs)

- Newly Qualified Teachers - this block contains the DSG funding allocated by the EFA to provide additional support to Newly Qualified Teachers

- Schools – this block contains the remainder of the DSG funding allocated by the EFA which primarily supports Mainstream Schools

5.9 The value of the DSG is adjusted by the EFA throughout the financial year, but the Council expects to receive a gross DSG allocation of approximately £174.912 million in 2015/16. This figure is inclusive of Schools Block funding for Academies and place funding for Non Maintained Special Schools which the EFA subsequently deduct from the DSG paid to the Council. The estimated gross 2016/17 DSG allocation released by the DfE in late December 2015 is £178.066 million which represents an increase of £3.154 million. This is primarily in relation to increased numbers of children in Tameside Schools.

5.10 There has been on inflation applied to the DSG by the EFA since 2010. The Council has submitted several bids for additional funding in relation to Post 16 High Needs placements, but these bids were unsuccessful, despite the large increases in Post 16 High Needs placements needed in Tameside as a result of the changes in DFE regulations.

5.11 Prior to 2013/14 each Council had the freedom to agree a local formula for allocating funding to schools which allowed funding to be directed towards local priorities with formal support from the Tameside Schools Forum. The DFE are still in the process of establishing a national funding formula and they have indicated that they will provide a significant update on this during February 2016.

5.12 The concept behind the main changes in the formula is that funding should follow children. This means that the majority of DSG funding is now allocated based on data connected with individual children. (e.g. a category of deprivation which an individual child is allocated to will determine how much DSG deprivation related funding a school receives).

5.13 The changes in the formula which is used to allocate funding combined with significant reductions in pupil numbers, particularly at some secondary schools has meant that some schools receive considerably lower levels of DSG funding when compared to 2013/14. The Minimum Funding Guarantee (MFG) helps to protect funding that would otherwise be reduced from schools allocations. However, as MFG is applied on a per pupil basis, schools with significant pupil reductions will not receive any MFG protection for any associated reduction in pupil numbers.

5.14 The Council will continue to calculate school budget allocations for Academy schools within the Borough via the new formula. The Council's gross DSG will be reduced by these Academy budget allocations as the funding will be paid to each Academy directly by the EFA. The Council still funds Academies directly for Early Years and High Needs funding.

Table 5: Analysis of Schools Funding £ m

DSG Funding Element	2015/16 Estimate	2016/17 Estimate	Variation	Notes
Early Years Block	7.401	7.401	0	
Early Years Pupil Premium	0.265	0.265	0	
2 Year Old funding	2.469	2.469	0	Allocation is retrospectively matched to take up
Schools Block	150.890	153.651	2.761	Increase in pupil numbers
High Needs block	13.840	14.233	0.393	Growth in places
Newly Qualified Teachers	0.047	0.047	0	
Total	**174.912**	**178.066**	**3.154**	

Pupil Premium

5.15 Schools will continue to receive Pupil Premium funding in 2016/17 in addition to the DSG. The Government extended eligibility for the Pupil Premium in 2012/13 to include pupils who have been eligible for Free School Meals (FSM) at any point in the previous six years, as well as any pupils who have been Looked After Children (LAC) at any point in the previous 12 months.

5.16 Pupil Premium funding is provided to support children who are eligible for FSM because research has indicated that these children have lower educational attainment than children who have never been eligible for FSM.

5.17 The Pupil Premium grant funding allocated per child for Primary Aged FSM eligible children in 2016/17 will be £1,320 and the equivalent rate for Secondary Aged FSM eligible children will be £935. The rate for current and former Looked After Children will be £1,900 in 2016/17. These are the same rates of funding that were used in 2015/16.

5.18 In addition children with parents in the armed services will continue to be eligible for the service child premium. The rate per service child remains at £300 in 2016/17.

5.19 The DFE cannot release allocations of 2016/17 Pupil Premium funding at the time of writing this report, as they are partially based on the Spring School census process which is not yet completed. Therefore the current estimate is that the 2016/17 allocation including Academy schools will be at a similar level to the 2015/16 allocation of £13.393 million. The actual 2016/17 allocation will be updated during the summer of 2016 following validation of the January 2016 pupil census by the DFE. The estimate D value above includes Academies, but as with the DSG the majority of Pupil Premium grant is paid to Academies directly by the EFA.

5.20 The DSG and Pupil Premium must be allocated to schools and used to support the improvement of educational outcomes for the children it is allocated for. From September 2013, schools are expected to publish details about how they have used their Pupil Premium funding allocations and OFSTED inspection processes have been amended to place greater scrutiny on the use of this grant. The DfE will also include new measures in performance tables to report the attainment of pupils who are eligible for the Pupil Premium.

6. BUDGET IMPLICATIONS FOR 2016-17 AND 2017-20

6.1. The Local Government Act 2003 requires the Council to take into consideration the implications for revenue spending in future years arising from decisions taken in respect of the 2016-17 budget. A three year revenue projection is specifically required and this has been considered as part of our forward service and financial planning.

6.2. This is to ensure that decisions taken in respect of the 2017-20 budget are sustainable and deliverable in the medium term, from both a service and financial perspective, and that they are considered to be affordable to the taxpayer. In addition, many of the savings needed for future years require actions to be taken in previous financial years and therefore Council approval is sought on future year's savings to enable Chief Officers to put in place the necessary programmes of work required to deliver these.

6.3. The forecast for 2017-20 has been revised following the Government funding announcements and the impact of service cost pressures. The cost pressures identified will be subject to further review and challenge prior to allocation. Together with identified savings and taking into consideration Cabinet Committee recommendations on the 2016-17 Revenue Budget, it is now estimated that the Council has a remaining budget shortfall of £51.1m for the years 2017-18 to 2019-20. This excludes any income from Council Tax increase. This budget shortfall could potentially reduce to £39.3m if the proposed Council Tax increases are approved.

6.4. The projected additional costs, including inflation, and forecast reduction in Government grant funding for the following 3 years, 2017-18 to 2019-20 are set out in table 6 below.

Table 6: Provisional medium term financial forecast with no increase in Council Tax

	2017-18	**2018-19**	**2019-20**
	£	£	£
Total Service Cost	173,624,000	180,319,000	192,732,000
Total Resources	157,574,000	146,749,000	141,639,000
Budget shortfall	**16,050,000**	**33,570,000**	**51,093,000**

6.5. It is the view of the S151 officer, that whilst we can balance the 2016-17 budget, the shortfall for 2018-19 and 2019-20 is a high risk.

6.6. Were the Council to agree the cumulative increase in both Council Taxes, as set out in Table 2 above, the budget shortfall would fall as follows:

Table 7: As Table 6 but with an increase in Council Tax (see Table 2)

	2017-18	2018-19	2019-20
	£	£	£
Total Service Cost	173,624,000	180,319,000	192,732,000
Total Resources	163,333,000	155,474,000	153,389,000
Budget shortfall	**10,291,000**	**24,845,000**	**39,343,000**

6.7. Member workshops will be taking place in March and April to review Council services and develop strategy. Reports setting out the changing planning context for both service delivery and the Council's finances will be reported to future Cabinet meetings, along with additional savings plans and will form part of the detailed planning approach for reviewing and recommending final budgets.

6.8. As part of our ongoing financial planning, services will keep under review all aspects of future cost pressures and inflation. The Assistant Executive Director of Finance keeps under ongoing review, all aspects of financial planning and the financial standing of the Council, including levels of reserves and provisions, and reports regularly to Cabinet on financial management performance.

7. MEMBERS ALLOWANCES

7.1. The actual cost of Tameside members Allowances in 2014/15 was £1,116,090 (excluding Carers allowances, claimed expenses and Greater Manchester Appointments) as set out in **Appendix E** and published on the website.

8. EQUALITY IMPACT ASSESSMENT

8.1 An Equalities Impact Assessment has been prepared for the budget report as a whole. This shows that a number of people who share protected characteristics under the Equality Act 2010 are more likely to be affected by the budget proposals, but that this is inevitable due to the nature of the people in the Borough and those that the Council looks after on a day to day basis. However, the impact of these proposals will continue to be monitored to ensure that protected groups are not disproportionately affected and that, where possible, mitigating actions are put in place. Specifically, this will be kept under review through the preparation of individual EIA's for each specific budget proposal.

9. RISK IMPLICATIONS

9.1 The risks associated with the budget proposals were reported to Service Committees in January 2015 and the separate report on the robustness of the estimates. Reports on robustness of estimates and the adequacy of reserves and balances also set out financial risks that have been identified as part of the assessment of the level of reserves and provisions in order to evaluate the minimum level of General Balances.

10. LEGAL POSITION

9.1 The obligation to make a lawful budget each year is shared equally by each individual Member. In discharging that obligation, Members owe a fiduciary duty to the Council

Taxpayer. The budget must not include expenditure on items which would fall outside the Council's powers. Expenditure on lawful items must be prudent, and any forecasts or assumptions such as rates of interest or inflation must themselves be rational. Power to spend money must be exercised bona fide for the purpose for which they were conferred and any ulterior motives risk a finding of illegality. In determining the Council's overall budget requirement, Members are bound to have regard to the level of Council Tax necessary to sustain it. Essentially the interests of the Council Taxpayer must be balanced against those of the various service recipients.

9.2 Within this overall framework, there is of course considerable scope for discretion. Members will bear in mind that in making the budget; commitments are being entered which will have an impact on future years. Some such commitments are susceptible to change in future years, such as staff numbers which are capable of upward or downward adjustment at any time. Other commitments however impose upon the Council future obligations which are binding and cannot be adjusted, such as loan charges to pay for capital schemes. Only relevant and lawful factors may be taken into account and irrelevant factors must be ignored.

9.3 Under the Member Code of Conduct members are required when reaching decisions to have regard to relevant advice from the statutory Chief Finance Officer, and the Monitoring Officer. Section 114 of the Local Government Finance Act 1988 obliges the Chief Financial Officer to prepare a report (to full Council) if it appears that the expenditure the Authority proposes to incur in a financial year is likely to exceed its resources available to meet that expenditure.

9.4 Similarly, the Council's Monitoring Officer is required to report to Full Council if it appears that a decision has been or is about to be taken which is or would be unlawful or would be likely to lead to maladministration. Under section 25 of the Local Government Act 2003 the Chief Financial Officer is now required to report to the authority on the robustness of the estimates made for the purposes of the calculations required to be made by the Council.

9.5 Section 91 of the Local Government Act 2000 provides that an External Auditor may issue an "Advisory Notice" if s/he has reason to believe that an Authority is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency. This power is to be used where the matter is significant either in amount or in principle or both. A local authority must budget so as to give a reasonable degree of certainty as to the maintenance of its services. In particular local authorities are required by section 32 of the Local Government Finance Act 1992 to calculate as part of their overall budget what amounts are appropriate for contingencies and reserves. The Council faces various contingent liabilities set out in the main budget report. Furthermore the Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year. In addition to advising on the robustness of the estimates as set out above, the Chief Financial Officer is also required to report on the robustness of the proposed financial reserves.

9.6 Apart from statutory duties relating to specific proposals the Council must consider its obligations under the Equality Act. In broad terms this means that the Council has a duty to have due regard to the need to eliminate discrimination and advance equality of opportunity between all irrespective of whether they fall into a protected category such as race, gender, religion, etc. Having due regard to these duties does not mean that the Council has an absolute obligation to eliminate discrimination but that it must consider how its decisions will contribute towards meeting the duties in the light of all other relevant circumstances such as economic and practical considerations. In carrying out the work to identify proposals for 2013/15 officers will have due regard to how the equality duty can be fulfilled in relation to the proposals overall. Detailed consultation processes and equality impact assessments will be carried out for specific proposals prior to final decisions being made where required.

9.7 The Localism Act and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 introduced "Disclosable Pecuniary Interests" and new rules on the grant of dispensations to allow Council Members to take part in or vote on matters in which they have a Disclosable Pecuniary Interest ("DPI"). Where a Member has a DPI, they cannot speak and/or vote on a matter in which they have such an interest, unless they have obtained a dispensation in accordance with the requirements of section 33 of the Localism Act. The grounds for the grant of a dispensation under section 33(2) of the Localism Act are, if, after having regard to all relevant circumstances, the Council considers that:

(a) Without the dispensation the number of Members prohibited from participating/voting in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business.

(b) Without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business.

(c) The grant of the dispensation would be in the interests of the inhabitants of the borough.

(d) Without the dispensation every Member of the Executive would have a DPI prohibiting them from participating/voting in any particular business to be transacted by the Executive.

(e) It is otherwise appropriate to grant the dispensation.

9.8 At its meeting on 18 September 2012, the Council delegated to the Monitoring Officer the power to grant dispensations. Any grant of a dispensation must specify how long it lasts for, up to a maximum period of four years. Previously, the old "national" model Code of Conduct for Members specifically stated that Members would not have a prejudicial interest in certain circumstances that potentially affected the majority or a large number of Members. These general exemptions included an interest in any business of the Council which related to setting Council Tax or a precept under the Local Government Finance Act 1992. The new arrangements on DPIs introduced by the Localism Act do not reproduce any of the "general exemptions".

9.9 All Members are likely to have a pecuniary interest in relation to the setting of the Council Tax through their ownership / occupation of property in Tameside in common with any resident of the Borough or indeed anyone who stands as a Councillor. In the Monitoring Officer's opinion, the transaction of business relating to these matters would be impeded unless a dispensation was granted.

9.10 In these circumstances, the Monitoring Officer granted dispensations to all members in February 2012 and these are intended to last until 2016 budget setting to allow members to participate in and vote on the setting of the Council Tax or a precept (and matters directly related to such decisions including the budget calculations). It will be necessary for any newly appointed Members in May 2015 to apply for dispensations to take part in the meeting at Full Council.

List of key grants and funding

APPENDIX A

Grants/Funding	2016-17 Provisional (£)
Homelessness Prevention	86,332
Learning Disability and Health Reform	5,873,404
Care Act: Funding Reform (including Deferred Payments)	529,195
Care Act: Carers etc	897,263
Local Welfare Provision	809,361
Early Intervention	6,665,706
Lead Local Flood Authorities	141,492
Sustainable Drainage Systems	9,379
PFI Revenue Grant	14,196,207
Public Health	15,722,000
Dedicated Schools Grant	178,066,000
Pupil Premium Grant	13,393,000
Baseline Business rates	27,480,600
Business rates top up	24,042,530
Revenue Support Grant	34,492,920
Small Business rates relief (Estimate)	1,000,000
New Homes Bonus (Estimate)	4,479,000
Council Tax	71,482,000
NHS Funding (incl. Better Care Fund)	15,330,000

Note 1: The Dedicated Schools Grant & Pupil Premium Grant figures are before any reductions for Academy Schools.

Service Data Summary

APPENDIX B

DIRECTOR OF PEOPLE: 4 YEAR BUDGET PLAN

Head of Service	2016/17	2017/18	2018/19	2019/20
Adult Social Care	28,382,460	28,382,460	28,382,460	28,382,460
Children's Services	20,768,730	20,768,730	20,768,730	20,768,730
Education	2,998,050	1,686,950	1,686,950	1,686,950
Individual Schools Budget	0	0	0	0
Stronger Communities	6,543,980	6,457,650	6,457,650	6,457,650
Total Directorate of People	**58,693,220**	**57,295,790**	**57,295,790**	**57,295,790**

Subcipfa(T)	2016/17	2017/18	2018/19	2019/20
Employees	43,232,150	42,614,870	42,614,870	42,614,870
Premises Related Expenditure	1,896,825	1,564,000	1,564,000	1,564,000
Supplies and Services	-12,605,663	11,193,647	11,193,647	11,193,647
Transport Related Expenditure	2,886,113	2,495,463	2,495,463	2,495,463
Third Party Payments incl. Levies	76,048,425	67,637,220	67,637,220	67,637,220
Recharge Expenses	667,865	668,150	668,150	668,150
Transfer Payments	6,642,301	6,570,226	6,570,226	6,570,226
Capital Financing Costs	0	0	0	0
Capital Items & Reserve Movements	-37,823	-34,633	-34,633	-34,633
Total Expenditure	**118,730,193**	**132,708,943**	**132,708,943**	**132,708,943**
Government Grant Income	-19,168,431	-19,121,321	-19,121,321	-19,121,321
Other Income	-2,841,510	-17,903,230	-17,903,230	-17,903,230
Other Grants Reimbursements and Contributions	-3,985,940	-4,161,640	-4,161,640	-4,161,640
Customer and Client Receipts	-18,510,922	-18,756,072	-18,756,072	-18,756,072
Recharge Income	-3,005,170	-2,945,890	-2,945,890	-2,945,890
Interest Income	0	0	0	0
Better Care Fund	-12,525,000	-12,525,000	-12,525,000	-12,525,000
Total Income	**-60,036,973**	**-75,413,153**	**-75,413,153**	**-75,413,153**
Total Directorate of People	**58,693,220**	**57,295,790**	**57,295,790**	**57,295,790**

Public Health: 4 YEAR BUDGET PLAN

Service Area	2016/17	2017/18	2018/19	2019/20
Public Health	17,292,800	17,292,800	17,292,800	17,292,800
Public Health Grant	-15,722,180	-15,722,180	-15,722,180	-15,722,180
Total Public Health	**1,570,620**	**1,570,620**	**1,570,620**	**1,570,620**

Subcipfa(T)	2016/17	2017/18	2018/19	2019/20
Employees	1,037,010	1,037,010	1,037,010	1,037,010
Premises Related Expenditure	291,690	291,690	291,690	291,690
Transport Related Expenditure	8,850	8,850	8,850	8,850
Supplies and Services	14,329,880	14,329,880	14,329,880	14,329,880
Third Party Payments incl. Levies	1,465,000	1,465,000	1,465,000	1,465,000
Recharge Expenses	1,002,800	1,002,800	1,002,800	1,002,800
Total Expenditure	**18,135,230**	**18,135,230**	**18,135,230**	**18,135,230**
Capital Items & Reserve Movements	35,760	35,760	35,760	35,760
Customer and Client Receipts	-528,190	-528,190	-528,190	-528,190
Other Grants Reimbursements and Contributions	-15,722,180	-15,722,180	-15,722,180	-15,722,180
Other Income	-350,000	-350,000	-350,000	-350,000
Recharge Income	0	0	0	0
Total Income	**-16,564,610**	**-16,564,610**	**-16,564,610**	**-16,564,610**
Total Public Health	**1,570,620**	**1,570,620**	**1,570,620**	**1,570,620**

PLACE DIRECTORATE: 4 YEAR BUDGET PLAN

Service Area	2016/17	2017/18	2018/19	2019/20
Asset & Investment Partnership Management	5,168,030	4,717,440	4,217,440	4,217,440
Development Growth & Investment	1,717,330	1,665,790	1,665,790	1,665,790
Environmental Services	46,062,650	46,062,650	46,068,650	46,068,650
Digital Tameside	1,828,200	1,828,200	1,828,200	1,828,200
Total Director of Place	**54,776,210**	**54,274,080**	**53,780,080**	**53,780,080**

Subcipfa(T)	2016/17	2017/18	2018/19	2019/20
Employees	20,901,330	20,808,310	20,808,310	20,808,310
Premises Related Expenditure	9,841,260	7,481,940	6,981,940	6,981,940
Transport Related Expenditure	6,100,580	5,958,062	5,958,062	5,958,062
Supplies and Services	37,148,520	17,158,566	17,158,566	17,158,566
Third Party Payments incl. Levies	36,123,370	36,123,370	36,123,370	36,123,370
Transfer Payments	10,900	10,900	10,900	10,900
Recharge Expenses	1,846,230	1,836,230	1,836,230	1,836,230
Capital Items & Reserve Movements	-102,150	1,063,350	1,063,350	1,063,350
Total Expenditure	**111,870,040**	**90,440,728**	**89,940,728**	**89,940,728**
Government Grant Income	-15,227,480	-1,031,270	-1,031,270	-1,031,270
Other Grants and Contributions	-217,760	-217,760	-217,760	-217,760
Customer and Client Receipts	-14,711,880	-13,909,520	-13,909,520	-13,909,520
Recharge Income	-25,426,650	-19,514,628	-19,514,628	-19,514,628
Other Income	-1,510,060	-1,493,470	-1,487,470	-1,487,470
Total Income	**-57,093,830**	**-36,166,648**	**-36,160,648**	**-36,160,648**
Total Director of Place	**54,776,210**	**54,274,080**	**53,780,080**	**53,780,080**

Director of Governance & Resources: 4 YEAR BUDGET PLAN

Service Area	2016/17	2017/18	2018/19	2019/20
Exchequer	1,699,970	1,699,970	1,699,970	1,699,970
Finance	2,075,780	2,075,780	2,075,780	2,075,780
Governance	5,840,720	5,840,720	5,840,720	5,840,720
Democratic Core	1,509,980	1,509,980	1,509,980	1,509,980
Total Director of Governance & Resources	**11,126,450**	**11,126,450**	**11,126,450**	**11,126,450**

Subcipfa(T)	2016/17	2017/18	2018/19	2019/20
Employees	12,818,340	12,818,340	12,818,340	12,818,340
Premises Related Expenditure	73,720	73,720	73,720	73,720
Supplies and Services	5,431,620	5,431,620	5,431,620	5,431,620
Transport Related Expenditure	63,810	63,810	63,810	63,810
Third Party Payments incl. Levies	98,500	98,500	98,500	98,500
Recharge Expenses	0	0	0	0
Transfer Payments	94,120,730	94,120,730	94,120,730	94,120,730
Capital Financing Costs	0	0	0	0
Capital Items & Reserve Movements	0	0	0	0
Total Expenditure	**112,606,720**	**112,606,720**	**112,606,720**	**112,606,720**
Government Grant Income	-95,228,810	-95,228,810	-95,228,810	-95,228,810
Other Income	-895,240	-895,240	-895,240	-895,240
Other Grants Reimbursements and Contributions	0	0	0	0
Customer and Client Receipts	-4,674,810	-4,674,810	-4,674,810	-4,674,810
Recharge Income	-681,410	-681,410	-681,410	-681,410
Interest Income	0	0	0	0
Total Income	**-101,480,270**	**-101,480,270**	**-101,480,270**	**-101,480,270**
Total Director of Governance & Resources	**11,126,450**	**11,126,450**	**11,126,450**	**11,126,450**

Council Tax Options

APPENDIX C

Option 1 - 0% Social Care Precept and 0% Council Tax Referendum

Strategic Directorate	2016/17	2017/18	2018/19	2019/20
Director of People	58,693,220	57,295,790	57,295,790	57,295,790
Public Health	1,570,620	1,570,620	1,570,620	1,570,620
Director of Place	54,776,210	54,274,080	53,780,080	53,780,080
Director of Governance & Resources	11,126,450	11,126,450	11,126,450	11,126,450
Capital, Corporate & Financing	42,398,394	49,357,060	56,546,060	68,959,060
Total Service Cost	**168,564,894**	**173,624,000**	**180,319,000**	**192,732,000**
Total Resources	**168,564,894**	**157,574,000**	**146,749,000**	**141,639,000**
Funding Gap - Cumulative	**0**	**16,050,000**	**33,570,000**	**51,093,000**

Option 2 – 2% Social Care Precept and 0% Council Tax Referendum

Strategic Directorate	2016/17	2017/18	2018/19	2019/20
Director of People	58,693,220	57,295,790	57,295,790	57,295,790
Public Health	1,570,620	1,570,620	1,570,620	1,570,620
Director of Place	54,776,210	54,274,080	53,780,080	53,780,080
Director of Governance & Resources	11,126,450	11,126,450	11,126,450	11,126,450
Capital, Corporate & Financing	42,398,394	49,357,060	56,546,060	68,959,060
Total Service Cost	**168,564,894**	**173,624,000**	**180,319,000**	**192,732,000**
Total Resources	**169,986,894**	**160,446,000**	**151,100,000**	**147,499,000**
Funding Gap - Cumulative	**-1,422,000**	**13,178,000**	**29,219,000**	**45,233,000**

Option 3 - 2% Social Care Precept and 1.99% Council Tax Referendum

Strategic Directorate	2016/17	2017/18	2018/19	2019/20
Director of People	58,693,220	57,295,790	57,295,790	57,295,790
Public Health	1,570,620	1,570,620	1,570,620	1,570,620
Director of Place	54,776,210	54,274,080	53,780,080	53,780,080
Director of Governance & Resources	11,126,450	11,126,450	11,126,450	11,126,450
Capital, Corporate & Financing	42,398,394	49,357,060	56,546,060	68,959,060
Total Service Cost	**168,564,894**	**173,624,000**	**180,319,000**	**192,732,000**
Total Resources	**171,415,894**	**163,333,000**	**155,474,000**	**153,389,000**
Funding Gap - Cumulative	**-2,851,000**	**10,291,000**	**24,845,000**	**39,343,000**

APPENDIX D

Pay Policy Statement for the Year 2016/17

The Pay Policy Statement sets out the Council's approach to pay policy in accordance within the requirements of Section 38 of the Localism Act 2011. The Pay Policy Statement has also been revised to take into account the Council's approach to approval by Full Council for severance payments in excess of £100k in line with guidance received from the Department for Communities and Local Government (DCLG). This pay policy applies for the year 2016/17 unless replaced or varied by Full Council.

It does not cover teaching staff whose salaries and terms and conditions of employment are set by the Secretary of State. Academy Schools are an entirely separate legal entity from the Council and are covered by Academies Act 2010 and as a separate employer are responsible for setting salaries for their employees.

The purpose of the Pay Policy Statement is to ensure transparency and accountability with regard to the Council's approach to setting pay. The Pay Policy Statement has been approved by Council and is publicised on the Council's website in accordance with the requirements of the Localism Act 2011 in March each year.

Underlying Principles

The Council is committed to and supports the principle of equal pay for all our employees. Equal pay between men and women is a legal right under both United Kingdom and European Law. The Equality Act 2010 requires employers not to discriminate on grounds of race and disability and similar rules apply to sexual orientation, religion and age.

The Council applies terms and conditions of employment that have been negotiated and agreed through appropriate collective bargaining mechanisms (national or local) or as a consequence of authority decisions, these are then incorporated into contracts of employment.

The Pay Policy Statement identifies:

- The method by which salaries and severance payment are determined.
- The detail and level of remuneration of the Council's most senior managers i.e. Chief Executive and Executive Leadership Team, which accords with the requirements of the Localism Act 2011.
- The process for ensuring that the Pay Policy Statement is applied consistently, including the Staffing Panel which has delegated powers in relation to senior manager pay and employment.
- The detail and level of remuneration for the lowest level of employee.
- The ratio of pay of the top earner and that of the median earner.

It should be noted that the Pay Policy Statement does not include information relating to the pay of Teachers or Support Staff in schools who are outside the scope of the Localism Act 2011.

Responsibility for Public Health transferred to the Council on 1 April 2013. Those NHS employees, including the Director of Public Health transferred to the employment of the Council on their current terms and conditions of employment including salary and membership of the NHS Pension Scheme. The Director of Public Health is a statutory appointment.

This Statement complies with all statutory and legal requirements.

In this policy we use the term “Senior Manager” to mean the same as “chief officer” as described in the Localism Act 2011. The Council already separately publishes information about pay and average pay which we thought would be helpful to set out here.

Highest Pay (per annum)	£166,929 p.a. (fte)
Average Pay (per annum)	£22,048.69 p.a. (fte) (based on mean) £20,400 p.a. (fte) (based on median)
Pay difference (between average & highest pay)	£144,880.31 (based on mean) £146,529 (based on median)
Pay Multiple (ratio between the average and the highest pay)	7.6:1 (based on mean) 8.2:1 (based on median)
Pay Multiple (ratio between the lowest and the highest pay)	12:1

1. Policy on the remuneration of its Senior Managers

Chief Executive and Chief Officers conditions of service are in line with the Joint Negotiating Committees for Chief Executives and Chief Officers. The pay levels for the Chief Executive and Executive Directors are determined by the Council’s Senior Staffing Panel on appointment, having regard to the Council’s duty to ensure best value and after taking professional advice on pay levels, market conditions and other relevant employment factors.

For Assistant Executive Director pay this is determined by a job evaluation process, which was undertaken in 2011. The scheme used was one designed by the Local Authority Employers Organisation, which advises Councils at a national and regional level on employment and pay issues.

The level of remuneration is determined as set out above. Other than allowable out of pocket expenses, the Council does not make other payments to Senior Managers in addition to basic salary for undertaking their core role. Overtime is not payable to Senior Managers.

2. Policy on the remuneration of its lowest paid employees

In this policy we use the definition of lowest paid employee as being those paid on spinal column point 6 of the National Joint Council for Local Government Services. We use this because it is the lowest substantive pay grade used for local authority employees.

Our policy is that an employee would normally only be paid at this rate if they were in the first year of appointment to a post which has been evaluated under the national scheme for evaluating local authority jobs. The Council uses the nationally agreed job evaluation scheme for employees of local authorities which is used by a large proportion of other local authorities.

Once someone has been in post a year they will, subject to satisfactory performance, move to the next increment in the pay scale. Increments are payable each year on 1 April, until the maximum point of the grade is reached.

The Council’s pay structure is available on the website at http://www.tameside.gov.uk/paystructure

3. Policy on the relationship between -
(i) the remuneration of its Senior Managers, and
(ii) the remuneration of its employees who are not Senior Managers.

The Council has no formal policy on the relationship between the remuneration of Senior Managers. The Hutton review entitled Fair Pay in the Public Sector considered the multiple should be no greater than 20 to 1 (lower is better) and based on the current situation the Council falls well below this threshold. The authority does not have a policy on maintaining or reaching a specific 'pay multiple', however the authority is conscious of the need to ensure that the salary of the highest paid employee is not excessive and is consistent with the needs of the authority. These pay rates may increase in accordance with any pay settlements which are reached through their respective national negotiating bodies.

At Tameside, the pay multiple between the Chief Executive's pay and the lowest paid employee in the organisation is 12.2 and is therefore well within this recommended range.

4. Policy relating to the remuneration of Senior Managers on recruitment

All posts are subject to the Council's recruitment and selection process for job appointments, including promotion. Appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied if it is necessary to secure the best candidate. When recruiting to all posts the Council will take full and proper account of all provisions of relevant local government, employment and equalities legislation.

On occasions, the Council may need to consider market forces supplements for employees, which might include Senior Management posts. Authorisation arrangements for market forces supplements would be subject to approval by the Senior Staffing Panel. No such supplements are currently in place.

The Council will ensure that before an offer of appointment is made, any salary package for any post that is in excess of £100,000 is considered by full Council.

5. Policy relating to increases and additions to remuneration for each Senior Manager

Senior Managers are paid at a spot rate salary. The majority of Council staff receive nationally agreed pay awards when they are applied. These do not apply to Senior Managers at Assistant Executive Director level and above. The Senior Staffing Panel make the determination as to whether and when there is to be an increase in the current spot rate salaries. No increase to spot rate salaries has been agreed and put in place since 2009 for Executive Director level and above. Assistant Executive Director level received a 1% pay increase to reflect the national pay award in 2015/16.

6. Policy relating to the use of performance related pay for Senior Managers

The Council does not pay performance related pay to Senior Managers or any other member of the workforce. The Council believes that it has sufficiently strong performance management arrangements in place to ensure high performance. Any areas of under-performance would be addressed through the capability procedure.

7. Policy relating to the use of bonuses for Senior Managers

The Council does not pay bonuses to Senior Managers or any other member of the workforce and does not intend to introduce any bonus schemes.

8. The approach to the payment of Senior Managers on their ceasing to hold office under or to be employed by the Authority

The approach to payment of Senior Managers is the same as those which apply to all Council employees.

Currently, the Council operates a scheme where employees may apply for voluntary severance. Payments under the scheme are capped at a maximum of 30 weeks' pay (based on the rate of pay set in 2013) for all employees, including Senior Managers. Any applications within this scheme are subject to approval by Executive Director (Governance & Resources). As indicated within the Voluntary Severance Scheme, the Executive Director (Governance& Resources) is authorised to consider any exceptions where a robust business case exists to do so in the interests of the organisation.

Employees who take severance under the scheme are advised that they do so on the basis that the Council will not re-employ them and they contractually commit to returning any severance costs should they apply for any jobs with the Council, including any Community School or Voluntary Controlled School, within 12 months of their leaving date.

Compensation payments for loss of office are considered in situations where an employee's post becomes at risk and/or the employment relationship is no longer tenable. A maximum payment of 12 weeks applies to all employees, including Senior Managers.

The Council's approach is to treat each case on its individual merits, taking professional advice on the appropriateness, and ensuring that all payments represent value for money to the taxpayer.

Employees who are 'at risk', having been displaced from their role, currently have a 4 week period from the date they are notified to access the Voluntary Severance Scheme, with the additional loss of office payment in some circumstances. If an employee does not choose to access the Voluntary Severance Scheme they will be supported in securing alternative employment. If the secured employment is at a grade lower than their previous post they will be assimilated to the new grade at the top spinal column point and receive pay protection up to their previous salary rate for a maximum period of 6 months.

If the Council intends to provide a severance payment to the value of £100k or more to any employee, the decision as to whether such a payment should be made will be taken by Full Council. The components of any such package will be clearly set out and will include pay in lieu of notice, redundancy payment, pension release costs, settlement payments, holiday pay and any fees or allowances paid.

9. Transparency

The Council meets its requirements under the Localism Act, the Code of Practice on Data Transparency and the Accounts and Audit Regulations in order to ensure that it is open and transparent regarding senior officer remuneration.

Senior Managers' pay is published on the Council's website each year.

The current pay rates for senior managers are available at http://www.tameside.gov.uk/transparency

10. Commitment To The Living Wage

The Council is committed to becoming a Living Wage Employer. The Living Wage is a rate of pay per hour, which is enough to make sure workers and their families can live free from poverty.

The Council will ensure that all its employees are paid a Living Wage (excluding apprentices, workplacements and traineeships, which have been created to enable access to the work place training and job opportunities).

The Council will encourage and promote all employers, both directly and through their subcontractors, to pay a Living Wage, and promote the Living Wage principles when there are opportunities to so do in the Borough.

The Council strives to make Tameside a better place and is of the view that payment of a Living Wage can have a positive impact on the delivery of services as well as economic and social benefits in the Borough.

The Council is committed to providing better quality value for money services and feels the payment of a Living Wage will contribute to this goal.

The Council is currently consulting on reviewing terms and conditions including introducing the National Living Wage by means of a pay supplement applied to Council employees whose hourly rate of pay falls below the nationally set rate. This rate will be reviewed in line with the nationally negotiated NJC pay award.

11. Pension Enhancement

The Council has agreed policies in place on how it will apply any discretionary powers it has under Pensions regulations. It is not Council policy to apply the available discretions to award additional pension to any members of the pension scheme (regulation 31).

12. Re-employment of Staff

The Council is under a statutory duty to appoint on merit and has to ensure that it complies with all appropriate employment and equalities legislation. The authority will always seek to appoint the best available candidate to a post who has the skills, knowledge, experience, abilities and qualities needed for the post.

In recent years significant numbers of individuals have left the Council voluntarily on enhanced exit payments owing to the significant reduction in its budget. These exit payments have helped unlock substantial reductions in staff costs in the medium to longer term and have helped in meeting the challenge of reducing the deficit. However, given the scale of the costs associated with exit payments it is vital that they offer value for money to the taxpayer who funds them.

As it would be reputationally damaging to the Council to use public funds for employees to receive exit payments and then quickly returned to public sector roles, the Council has a policy that any employee who returns to the Tameside public sector or on public sector contracts or agency work within 12 months of exit are required to repay their exit payment. This is in line with government guidance to ensure that the taxpayer is not unduly compensating an individual for loss of employment only for them to return to the public sector after a short period of time hence getting a windfall. Employees who have received an enhanced exit package can accept employment with the Council but where they do this within 12 months of signing a compromise agreement they are will be obliged to repay their exit package.

If a candidate is a former employee in receipt of an LGPS pension or a redundancy payment this will not rule them out from being re-employed by the Council. Clearly where a former employee left the authority on redundancy terms then the old post has been deleted and the individual cannot return to the post as it will not exist.

The Council will also apply the provisions of the Statutory Redundancy Payments Modification Order regarding the recovery of redundancy payments if this is relevant and appropriate. Pensions Regulations also have provisions to reduce pension payments in certain circumstances to those who return to work within the local government service.

The authority will apply the provisions of the Recovery of Public Sector exit payments when legislation under the Small Business Enterprise and Employment bill comes into force.

13. Policy Amendment

The Council may seek to change elements within the pay policy as part of any necessary efficiency review or as other circumstances dictate.

This policy statement will be reviewed each year and will be presented to full Council each year for consideration in order to ensure that a policy is in place for the authority prior to the start of each financial year.

14. Pay Policy References

- Agency workers directive 2011
- Hutton Fair Pay in the Public Sector Final Report (March 2011)
- Joint Negotiating Committee for Local Authority Chief Executives
- Joint Negotiating Committee for Chief Officers of Local Authorities
- Local Government (Early Termination of Employment)(Discretionary Compensation)
- (England and Wales) Regulations 2006
- Local Government Pension Scheme (Benefits, Membership & Contributions) Regulations
- 2007
- Localism Act 2011
- National Joint Council for Local Government Services
- Tameside Borough Council Scheme of Delegation
- The Accounts and Audit (England) Regulations (2011)
- The Equality Act 2010
- The Secretary of State for CLG Code of Recommended Practice for Local Authorities on
- Data Transparency
- Local Government Transparency Code 2014
- HM Treasury Recovery of Public Sector exit payments consultation response

APPENDIX E

Members Allowances paid 2014/15

COUNCILLOR	SPECIAL RESPONSIBILITY	SRA AMOUNT PAYABLE	TOTAL ALLOWANCES & EXPENSES
BAILEY M	Deputy Chair of Strengthening the Economy & Communities Scrutiny Panel	£3,194.00	**£14,834.00**
BALLAGHER E			**£11,640.00**
BEELEY B	Deputy Chair of Speakers Panel (Liquor Licensing)	£2,307.00	**£13,947.00**
BELL J S	Leader of the Opposition	£11,269.00	**£22,909.00**
BOWDEN H	Deputy Chair of Supporting People & Resources Scrutiny Panel	£3,194.00	**£14,834.00**
BOWERMAN J	Chair of Ashton-under-Lyne District Assembly	£9,581.00	**£21,221.00**
BRAY W	Chair of Speakers Panel (Licensing)	£6,198.00	**£17,838.00**
BUCKLEY, D			**£11,640.00**
BUCKLEY P L			**£11,640.00**
CARTEY Y	Deputy Chair of Health & Wellbeing Improvement Scrutiny Panel	£3,194.00	**£14,834.00**
COONEY G	Executive Member - Learning, Skills & Economic Growth	£20,099.00	**£31,739.00**
COOPER J	Deputy Chair of Hyde & Longdendale District Assembly	£3,194.00	**£14,834.00**
DICKINSON D			**£11,640.00**
DOWNS M			**£11,640.00**
DRENNAN L			**£11,640.00**
FAIRFOULL W	Assistant Executive Member- Performance & Finance	£8,352.00	**£19,992.00**
FITZPATRICK J	Executive Member - First Deputy (Performance and Finance)	£20,099.00	**£31,739.00**
FITZPATRICK P	Chair of Hyde & Longdendale District Assembly	£9,581.00	**£21,221.00**
FOWLER M	Deputy Chair of Denton District Assembly	£3,194.00	**£14,834.00**
FRANCIS C	Deputy Chair of Speakers Panel (Licensing)	£2,307.00	**£13,947.00**
GWYNNE A	Executive Member - Children & Families	£20,099.00	**£31,739.00**
HOLLAND A	Assistant Executive Member - Neighbourhoods & Partnerships	£8,352.00	**£19,992.00**

COUNCILLOR	SPECIAL RESPONSIBILITY	SRA AMOUNT PAYABLE	TOTAL ALLOWANCES & EXPENSES
HOLLAND B	Assistant Executive Member - Carbon & Waste Reduction	£8,352.00	**£19,992.00**
JACKSON J	Deputy Chair of Carbon & Waste Reduction Panel	N/a	**£11,640.00**
KINSEY A			**£11,640.00**
KITCHEN J	Chair of Council Business	£11,269.00	**£22,909.00**
LANE D	Assistant Executive Member - Sport Engagement & Participation	£8,352.00	**£36,389.00**
	Mayor	£16,397.00	
LANE J	Assistant Executive Member - Culture, Heritage &Tourism	£8,352.00	**£19,992.00**
	Deputy Chair - Dukinfield District Assembly	n/a	
MCNALLY DH	Chair of Speakers Panel (Planning)	£9,581.00	**£21,221.00**
MIAH I			**£11,640.00**
MIAH R			**£11,640.00**
MIDDLETON J	Chair of Droylsden & Audenshaw District Assembly	£9,581.00	**£21,221.00**
PEET G	Chair of Supporting People & Resources Scrutiny Panel	£9,581.00	**£21,221.00**
PIDDINGTON CM	Executive Member - Sustainable Environment	£20,099.00	**£31,739.00**
QUINN K	Executive Leader Chair of Strategic Planning & Capital Monitoring Panel	£36,036.00	**£47,676.00**
QUINN S	Assistant Executive Member - Governance	£8,352.00	**£19,992.00**
REYNOLDS C	Deputy Chair of Speakers Panel (Planning)	£3,194.00	**£14,834.00**
RICCI V	Chair of Overview (Audit) Panel	£9,581.00	**£21,221.00**
ROBERTS G	Chair of Mossley and Stalybridge District Assembly	£9,581.00	**£21,221.00**
ROBINSON P	Executive Member - Transport & Land Use	£20,099.00	**£31,739.00**
RYAN O			**£11,640.00**
SHEMBER - CRITCHLEY E			**£11,640.00**
SIDEBOTTOM M			**£11,640.00**

COUNCILLOR	SPECIAL RESPONSIBILITY	SRA AMOUNT PAYABLE	TOTAL ALLOWANCES & EXPENSES
SMITH M J	Lead Member (Policy)	£8,352.00	**£19,992.00**
SMITH T	Deputy Chair of Droylsden & Audenshaw District Assembly	£3,194.00	**£14,834.00**
SULLIVAN J B	Chair of Health & Wellbeing Improvement Scrutiny Panel	£9,581.00	**£21,221.00**
SWEETON D	Deputy Chair of Mossley and Stalybridge District Assembly	£3,194.00	**£14,834.00**
TAYLOR J	Deputy Executive Leader	£23,495.00	**£35,135.00**
TRAVIS F			**£11,640.00**
TRAVIS L	Executive Member - Health & Neighbourhoods	£20,099.00	**£31,739.00**
WARD DA	Chair of Denton District Assembly	£9,581.00	**£25,061.00**
	Deputy Mayor	£3840.00	
WARRINGTON B	Executive Member - Adult Social Care & Wellbeing	£20,099.00	**£31,739.00**
WELSH K	Chair of Speakers Panel (Liquor Licensing)	£6,198.00	**£17,838.00**
WHITE A			**£11,640.00**
WHITEHEAD A	Chair of Strengthening the Economy & Communities Scrutiny Panel	£9,581.00	**£21,221.00**
WHITLEY M	Deputy Chair of Ashton-under-Lyne District Assembly	£3,194.00	**£14,834.00**
WILD B	Chair of Dukinfield District Assembly	£9,581.00	**£21,221.00**
		£452,610.00	
	Total Members Allowances Paid		**£1,116,090.00**
	Total expenses claimed	**0**	
	Total costs incurred for Council duties		**£1,116,090.00**

Greater Manchester Statutory Allowances payable by the Council		
BRAY, W	Member of TfGMC Committee	£3825.00
DICKINSON, D	Vice Chair of TfGMC Committee	£14,125.00
FITZPATRICK, P	Member of Greater Manchester Waste Disposal Authority	£2,100.00
PIDDINGTON, CM	Chair of Greater Manchester Waste Disposal Authority	£12,000.00
ROBINSON, P	Member of TfGMC Committee	£3,825.00
	Total:	**£35,875.00**

FULL COUNCIL MEETING 23 FEBRUARY 2016

Council Tax 2016/17

Report of: the Executive Leader, First Deputy (Performance and Finance) and Interim Assistant Executive Director for Finance (Section 151 Officer)

1 Background

1.1 The purpose of this report is to enable the Council to calculate and set the Council Tax for 2016/17. The Council, in its role as a billing authority, is required to set amounts of Council Tax before 11 March in the financial year preceding that for which it is set.

1.2 The relevant sections of the Local Government Finance Act 1992 that govern the setting of Council Tax in England (Chapter 14, Part I, Chapter III, Sections 30-37) have been amended by the Localism Act 2011 (Chapter 20, Part 5, Chapter 1, Sections 74 and 78) and the Local Government Finance Act 2012 (Chapter 17, Sections 9-16). The amended Local Government Finance Act 1992 is referred to as "the Act" in this report.

1.3 The Secretary of State for Communities and Local Government has made an offer to adult social care authorities (Statutory Instrument No.188 2016). The offer is the option of an adult social care authority being able to charge a "precept" of up to 2% on its council tax for the financial year beginning in 2016 without holding a referendum, to assist the authority in meeting expenditure on adult social care. The Council proposes to take up this option, being 2% for 2016/17.

1.4 The precept levels for the Office of the Police and Crime Commissioner for Greater Manchester and the Greater Manchester Fire and Rescue Authority, as well as Mossley Parish Council, have been confirmed and are detailed below:

Office of the Police and Crime Commissioner for Greater Manchester

1.5 The Office of the Police and Crime Commissioner for Greater Manchester met on 16 February 2016 and set their precept at £9,118,524 for the financial year 2016/17. This results in a Band D Council Tax equivalent figure of £157.30.

Greater Manchester Fire and Rescue Authority

1.6 The Greater Manchester Fire and Rescue Authority met on 11 February 2016 and set their precept at £3,407,477 for the financial year 2016/17. This results in a Band D Council Tax equivalent figure of £58.78.

Mossley Parish Council

1.7 Mossley Parish Council met on 19 January 2016 and resolved to set a parish precept for the financial year 2016/17 of £31,000. This results in a Band D equivalent figure of £9.82.

2 Recommendations

It is recommended that:

1. The formal Council Tax Resolution set out at **Appendix 1** is adopted;
2. The calculation of aggregate amounts as set out at **Appendix 2** is noted;
3. All fees and charges of the Council are raised by 2% (this reflects increases in staffing costs, including pay rises, pension costs and National Insurance changes as well as reflecting inflationary increases in goods and services charged to the Council) unless where otherwise a higher increase is agreed by the Council.

Appendix 1

Council Tax Resolution 2016/17

Council is recommended to resolve the following:

1. That it be noted that a Key Decision was taken on 28 January 2016 by the First Deputy (Performance and Finance) that the relevant Council Tax bases for 2016/17 be as follows:

    (a) 57,969.5 for the whole Council area (including the Mossley Parish area) [item T in the formula in Section 31B(1) of “the Act”].

    (b) 3,156.3 for the Mossley Parish area to which a local precept relates.

2. That the Council approves the Council Tax Requirement for the Council’s own purposes for 2016/17 (excluding the Mossley Parish precept) as being £74,333,000.

3. That the following amounts be calculated by the Council for the year 2016/17:

(a)	£412,734,740	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of “the Act” taking into account the precept issued for the year by Mossley Parish Council (Appendix 2).
(b)	£338,401,740	being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of “the Act” (Appendix 2).
(c)	£74,333,000	being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of “the Act”, as its Council Tax Requirement for the year [item R in the formula in Section 31B(1) of the “the Act”].
(d)	£1,282.28	being the amount at 3(c) above, divided by item T (1(a) above), calculated by the Council, in accordance with Section 31B(1) of “the Act”, as the basic amount of Council Tax for the year (including the Mossley Parish precept).
(e)	£26,234	being the aggregate amount of all special items referred to in Section 34(1) of “the Act”, being the Mossley Parish precept.
(f)	£1,281.83	being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of “the Act”, as the basic amount of tax for the year for dwellings in those parts of its area to which no special items relate.
(g)	£1,290.14	being the amounts given by adding to the amount at 3(f) above the amount of the special item or items relating to dwellings in those parts of the Council's area mentioned at 3(e) above divided by the amount at 1(b) above, calculated by the Council, in accordance with Section 34(3) of “the Act”, as the basic amount of Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

4. That it be noted that for the year 2016/17 the Office of the Police and Crime Commissioner for Greater Manchester and the Greater Manchester Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of "the Act", for each category of dwelling in the Council's area as indicated in the tables below.

5. That the Council, in accordance with "the Act", hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings.

VALUATION BANDS - TAMESIDE METROPOLITAN BOROUGH COUNCIL (EXCLUDING MOSSLEY PARISH COUNCIL)								
	A	B	C	D	E	F	G	H
Tameside Metropolitan Borough Council	838.12	977.81	1,117.49	1,257.18	1,536.55	1,815.92	2,095.30	2,514.36
Precepts								
Adult and Social Care Precept	16.43	19.17	21.91	24.65	30.13	35.61	41.08	49.30
Police & Crime Commissioner for Greater Manchester (calculated figures)	104.87	122.34	139.82	157.30	192.26	227.21	262.17	314.60
Greater Manchester Fire and Rescue Authority (calculated figures)	39.18	45.71	52.24	58.78	71.84	84.90	97.96	117.56
Aggregate of the Council Tax requirement (including Precepts)								
Tameside Metropolitan Borough Council (excluding Mossley)	998.60	1,165.03	1,331.46	1,497.91	1,830.78	2,163.64	2,496.51	2,995.82

VALUATION BANDS - TAMESIDE METROPOLITAN BOROUGH COUNCIL (INCLUDING MOSSLEY PARISH COUNCIL)								
	A £0.00	B £0.00	C £0.00	D £0.00	E £0.00	F £0.00	G £0.00	H £0.00
Tameside Metropolitan Borough Council	838.12	977.81	1,117.49	1,257.18	1,536.55	1,815.92	2,095.30	2,514.36
Precepts								
Adult and Social Care Precept	16.43	19.17	21.91	24.65	30.13	35.61	41.08	49.30
Mossley Parish Council	6.55	7.64	8.73	9.82	12.00	14.18	16.37	19.64
Police & Crime Commissioner for Greater Manchester (calculated figures)	104.87	122.34	139.82	157.30	192.26	227.21	262.17	314.60
Greater Manchester Fire and Rescue Authority (calculated figures)	39.18	45.71	52.24	58.78	71.84	84.90	97.96	117.56
Aggregate of the Council Tax requirement (including Precepts)								
Mossley Parish Council Boundary	1,005.15	1,172.67	1,340.19	1,507.73	1,842.78	2,177.82	2,512.88	3,015.46

Appendix 2

CALCULATING THE COUNCIL TAX REQUIREMENT

Calculations included in Section 31A of "the Act"

1. Section 31A of the "the Act" requires the Council to make three calculations as set out below:

    (i) an estimate of the Council's required gross revenue expenditure - Section 31A(2) of "the Act", £412,734,740

    (ii) an estimate of its anticipated income (excluding that from council tax) and of reserves to be used to aid the revenue account - Section 31A(3) of "the Act", £338,401,740.

    (iii) a calculation of the difference between (i) and (ii) above, known as the Council Tax Requirement - Section 31A(4) of "the Act", £74,333,000.

2. The calculation in (i) above requires the Council to calculate the aggregate of:

    Section 31A(2)(a) - the expenditure the Council estimates it will incur in the year in performing its functions and will charge to a revenue account, for the year in accordance with proper practices;

    Section 31A(2)(b) - such allowance as the Council estimates will be appropriate for contingencies in relation to amounts to be charged or credited to a revenue account for the year in accordance with proper practices;

    Section 31A(2)(c) - the financial reserves which the Council estimates it will be appropriate to raise in the year for meeting estimated future expenditure;

    Section 31A(2)(d) - such financial reserves as are sufficient to meet so much of the amount estimated by the Council to be a revenue account deficit for any earlier financial year as has not already been provided for;

    Section 31A(2)(e) - any amount estimated to be transferred from the General Fund to the Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988, i.e. the Council's share of any Collection Fund deficit, and

    Section 31A(2)(f) - any amounts estimated to be transferred in the year from the General Fund to the Collection Fund pursuant to a direction under Section 98(5) of the Local Government Finance Act 1988 and charged to a revenue account for the year.

3. The calculation in (ii) above requires the Council to calculate the aggregate of:

    Section 31A(3)(a) - the income which the Council estimates will accrue to it in the year and which it will credit to a revenue account, for the year in accordance with proper practices;

    Section 31A(3)(b) - any amounts which the Council estimates will be transferred in the year from the Collection Fund to the General Fund in accordance with Section 97(3) of the Local Government Finance Act 1988, i.e. the Council's share of any Collection Fund surplus;

Section 31A(3)(c) - any amounts which the Council estimates will be transferred from the Collection Fund to the General Fund pursuant to a direction under Section 98(4) of the Local Government Finance Act 1988 and will be credited to a revenue account for the year; and

Section 31A(3)(d) - the amount of financial reserves/balances which the Council intends to use towards meeting its revenue expenditure.

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Report To:	**COUNCIL**
Date:	23 February 2016
Executive Member / Reporting Officer:	Cllr Jim Fitzpatrick – First Deputy (Performance and Finance) Peter Timmins – Assistant Executive Director of Finance
Subject:	**CAPITAL STRATEGY AND PROGRAMME 2016/17**
Report Summary:	The report sets out the Council's Capital strategy for 2016/17 and the three year Capital Programme.
Recommendations:	a) That the Capital Programme report as set out in **Appendix 1** (and detailed at **Appendix 5**) is approved and continuing action is taken to achieve additional sources of funding for capital development. b) That the Disposals schedule and estimated Capital receipts position in section 3 of **Appendix 1** is noted. c) That the additional revenue budget required as a result of the proposed take up of unsupported borrowing detailed in section 4.9 of **Appendix 1** be noted. d) That the Capital Strategy in **Appendix 2** is noted. e) That the Prudential Limits and indicators set out in **Appendix 3** to this report be approved with Members to receive monitoring reports during the coming year to demonstrate compliance. f) That authorised borrowing limits for 2016/17 for Tameside and for the Greater Manchester Metropolitan Debt Administration Fund (GMMDAF) are agreed as set out in **Appendix 3.** g) That the Minimum Revenue Provision statement as set out at **Appendix 4** be approved. h) That the inclusion within the proposed capital programme of the estimated investment in Active Tameside and future potential demands on the Capital Programme be noted. i) That the level of unsupported borrowing not exceed **£35.884** million in 2016/17.
Links to Community Strategy:	The Capital Strategy and programme are formulated based on the priorities of the Council outlined in the Community Strategy.
Policy Implications:	In line with Council Policies.
Financial Implications: **(Authorised by the Section 151 Officer)**	The Capital Strategy is formulated in line with the Councils priorities and the Community Strategy. It is an integral aspect of the Council's medium term service and financial planning process as reflected in the Medium Term Financial Strategy (MTFS). The three year Capital Programme has been produced incorporating new and existing grant settlements from Government along with schemes funded by Capital Contributions, Prudential Borrowing and Capital Receipts. The report sets out the proposed amount of Prudential Borrowing, the Council pays from future revenue budgets the interest and repayment costs of the borrowing. The Council's ability to prudentially borrow to fund future schemes is limited by the

	budgetary pressures which the Council faces over the coming three years and beyond. Close monitoring of resources available to fund capital expenditure is essential and is an integral part of the financial planning process.
Legal Implications: **(Authorised by the Borough Solicitor)**	The report complies with the Council's financial regulation 17.3. The Council is required by statute to set and maintain a balanced budget, careful management of the finances allows the Council to achieve this and this report provides a means for Members to carefully monitor the situation.
Risk Management:	Failure to properly manage and monitor the Council's loans and investments could lead to service failure and financial loss.
Access to Information:	The background papers relating to this report can be inspected by contacting Peter Timmins, Assistant Executive Director of Finance, by: phone: 0161 342 3864 e-mail: peter.timmins@tameside.gov.uk

1. INTRODUCTION

1.1 The attached report introduces the proposed capital programme for 2016-19, to be considered and recommended for approval at Full Council.

1.2 The proposed programme consists of schemes funded through borrowing, capital receipts or grants and other anticipated contributions from third parties.

1.3 The size of the capital programme reflects capital grant settlements that have been announced by central government, forecast capital receipts, other external and internal funding sources and proposed borrowing as set out in **Appendix 1**

1.4 The Council's ability to prudentially borrow to fund future schemes is limited by the budgetary pressures which the Council continues to face. Information regarding the revenue implications of prudential borrowing is also provided in **Appendix 1**.

2. CAPITAL PROGRAMME, FUNDING AND FINANCING

2.1 **Appendix 1** summarises the development of the proposed Capital Programme as well as providing details of the following.

- New capital grant allocations.
- New schemes approved since the quarter two Capital Monitoring report.
- Capital receipts and potential property sales
- The revenue implications of prudential borrowing.

3. CAPITAL STRATEGY

3.1 The Capital Strategy has been developed as a key document that determines the council's approach to capital, the details are provided in **Appendix 2**.

4. RISK IMPLICATIONS

4.1 There is a long term risk to the Council's ability to deliver services without sufficient investment in maintaining its assets. To mitigate this, the capital programme is aligned to the Council's asset management plans and property client function ensuring that assets are well-maintained or disposed of if surplus to requirements.

4.2 The programme requires regular monitoring, management and budgetary control to deliver schemes on time and within budget. This is addressed through quarterly capital monitoring reports to Cabinet.

4.3 The capital programme is set on the basis of best estimates of cost. Through good procurement practice, the Council will continue to manage down the costs of capital schemes where possible.

4.4 There is a risk of incurring additional borrowing costs affecting the revenue budget whenever schemes are not fully funded, or if disposal values are not realised. New unfunded schemes are being kept to a minimum. For these schemes a forecast of capital receipts has been created to ensure that capital expenditure has minimum adverse effect on the Council's revenue budget.

4.5 There is a risk that anticipated grants and other third party contributions will not be received for reasons out of the authority's control. In these circumstances, the programme will be amended to reflect the reduced funding.

5. PRUDENTIAL INDICATORS

5.1 First introduced in 2004, the Prudential Code (the Code) for local government capital investment replaced the complex regulatory framework which only allowed borrowing if specific government authorisation had been received. The Prudential system is one based on self-regulation by local authorities. All borrowing undertaken is self-determined under the Code.

5.2 Under Prudential arrangements, local authorities can determine their own borrowing limits for capital expenditure. The Government does retain reserve powers to restrict borrowing if that is required for national economic reasons.

5.3 The Code supports the framework of strategic planning, local asset management and options appraisal, ensuring that capital investment plans of local authorities are affordable, prudent and sustainable. The Code specifies indicators that must be used and factors that must be taken into account. The Code requires the Council to set and monitor performance on:

- capital expenditure
- affordability & prudence
- external debt
- treasury management

5.4 A number of specific Treasury Management prudential indicators are found in **Appendix 3**.

6. RECOMMENDATIONS

6.1 As set out on the front of the report.

APPENDIX 1

CAPITAL PROGRAMME, FUNDING AND FINANCING

1. CAPITAL GRANT ALLOCATIONS

1.1 The Single Capital Pot includes all non-ring-fenced capital allocations. The capital allocations included in the Single Capital Pot are not ring-fenced and can be spent according to authorities own priorities. However, the Council's policy has been that the relevant service areas use the allocations.

The Council has received confirmation for some of the capital allocations for 2016/17. All allocations will be made by direct grant. There will be no supported borrowing for 2016/17, so any allocations the Council makes above and beyond the direct grant allocations must be funded locally (from capital receipts, or corporate prudential borrowing, or other internal sources).

The Council is awaiting the notification of the following grant allocations for 2016/17:

- Disabled Facilities Grant.(Included in Better Care Fund)
- Capital Maintenance for Schools.
- Devolved Formula for Schools
- Community Capacity Grant (Included in Better Care Fund)

The table below shows details of the announced/estimated Capital allocations for 2016/17, compared to the corresponding figures for 2015/16. It sets out a decrease in available resources of £0.768 million, a decrease of 6%.

Table 1: Capital allocations 2015/16 and 2016/17

Capital Allocations	2015/16 Grant £000	2016/17 Grant £000	Variation £000
Children's Services			
Capital Maintenance*	1,920	1,400	-520
Devolved Formula*	487	350	-137
Basic Need	5,663	5,946	283
	8,070	**7,696**	**-374**
Adult Services			
Community Capacity Grant*	643	650	7
Local Reform Grant	208	0	-208
	851	**650**	**-201**
Transport			
Challenge Funding	1,000	1,000	0
Highways Maintenance	2,322	2,129	-193
	3,322	**3,129**	**-193**
Housing			
Disabled Facilities Grant (BC	1,158	1,158	0
	1,158	**1,158**	**0**
Total Capital Allocations	**13,401**	**12,633**	**-768**

*Estimate

2. CAPITAL RECEIPTS

2.1 Where capital receipts are generated through the sale of assets or repayments of loans by third parties, these may be: (a) used to reduce the borrowing requirement of the Council's capital programme in that year, (b) held to offset against future capital borrowing requirements or (c) used to repay existing borrowing.

2.2 The Council continues to review its assets seeking to ensure that their ongoing use supports the Council's future priorities. Assets that do not meet this need have been identified and form the basis of a draft disposal schedule.

2.3 The figures included in the schedule are currently the best estimate of the value of properties available for disposal, pending formal valuations. More detailed valuations will become available as the properties are prepared for market.

2.4 The schedule is also only an indication of the phasing of disposals. Some sales will take place later than forecast, for example when planning or legal issues arise, whereas others may be accelerated

2.5 The target for Capital receipts was set at £45m over 3 years, commencing in 2015/16.

2.6 Quarterly updates on the Capital receipts position are provided through the Capital Monitoring report and the Asset Management Update tabled at Strategic Planning and Capital Monitoring Panel.

2.7 A balance of £11.3m is owed corporately from receipts relating to former Building Schools for the Future (BSF) sites to repay temporary corporate funding of the Schools Capital Programme.

2.8 Below is a summary of the draft schedule of the assets expected to be disposed of in 2015/16 and the next two financial years.

Table 2: Capital Receipts

Category	2015/16 Capital Receipts Received £	2015/16 Estimated Total Capital Receipts to 31/3/16 £	2016/17 Estimated Capital Receipt £	2017/18 Estimated Capital Receipt £	Total £
Current Operational Property	0	0	1,140,000	650,000	1,790,000
Former School Site	4,750,000	250,000	12,995,000	0	17,995,000
Freehold Reversion	122,000	1,830,900	1,280,000	7,200,000	10,432,900
Garage Site	201,500	0	125,000	125,000	451,500
Land	890,098	3,125,085	4,165,000	3,200,000	11,380,183
Shared Equity	0	25,500	0	0	25,500
Vacant Building	532,000	156,400	1,850,000	0	2,538,400
Total Identified	**6,495,598**	**5,387,885**	**21,555,000**	**11,175,000**	**44,613,483**

3. CAPITAL PROGRAMME

3.1 A three year capital programme for 2015-16 was agreed by the Council in February 2015. This was prepared using information from the Government on known and forecast funding levels available at that time.

3.2 The proposed capital programme includes all funding re-profiled from 2015-16 as regularly reported to Strategic Planning and Capital Monitoring Panel. The 2016-17 programme reflects all amounts re-profiled up to and including month 8

3.3 The new capital programme also reflects government grant settlements for 2016-17 and beyond. These have been revised, where applicable, from indicative settlements provided in the 2015-16 programme. The programme also sets out borrowing to be approved and other funding sources identified.

3.4 A schedule of the schemes included in the capital programme is provided below along with a high level summary and the planned use of resources. Also included is an estimated amount for investment in Active Tameside.

3.5 It is also important to note that the Capital Programme will change throughout the year due to the re-profiling of Capital schemes from 2015/16 into 2016/17 and future years. The amount of re-profiling required will not be confirmed until the Capital Outturn report is produced.

3.6 The Council is aware of a number of potential new demands on the Capital Programme that may arise in the 2016/17 financial year. However there is insufficient information available at present in order to estimate the level of expenditure to be required. The Capital Programme will be revised accordingly when full details are available and proposals have been agreed with our External Auditors.

3.7 The following potential demands are anticipated on the 2016/17 Capital Programme;

- Acquisition of Guardsman Tony Downes House.
- Resolution to Plantation Industrial Estate Lease.
- Acquisition of Building Schools for Future shares.

Table 3: Capital Programme high level summary

CAPITAL PROGRAMME 2016/17 - 2018/19	ESTIMATE 2016/17 £000	ESTIMATE 2017/18 £000	ESTIMATE 2018/19 £000	TOTAL £000
Adult and Health Services	650	0	0	650
Asset Investment Partnership	17,306	20,424	0	37,730
Community Services	573	0	0	573
Development & Investment	3,758	0	0	3,758
Education	8,100	6,543	0	14,643
Engineering Services	12,199	10,373	0	22,572
Environmental Services	1,107	0	0	1,107
Public Health	5,203	9,072	2,891	17,166
Resources	4,392	5,000	5,000	14,392
Total	**53,288**	**51,412**	**7,891**	**112,591**

Table 4: Resources allocated to fund the Capital Programme

RESOURCES	2016/17 £000	2017/18 £000	2018/19 £000	TOTAL £000
Capital grants and other contributions	16,317	15,607	0	31,924
Capital receipts	480	1,309	0	1,789
Revenue contributions and reserves	607	721	0	1,328
Unsupported capital expenditure i.e. borrowing	35,884	33,775	7,891	77,550
TOTAL RESOURCES	**53,288**	**51,412**	**7,891**	**112,591**

3.8 As part of producing the Medium Term Financial Strategy (MTFS) in summer 2017, the capital programme for 2017-20 will be incorporated. It will ensure a fit to the revenue costs and opportunities for investment to reduce revenue spend.

4. REVENUE IMPLICATION OF THE CAPITAL PROGRAMME

4.1 Where the Council uses borrowing to support the capital programme, it must set aside revenue funds on an annual basis to repay the capital borrowed. This is required by statute and is known as Minimum Revenue Provision (MRP). The cost of MRP depends on the life of the underlying asset. Further information can be found in the proposed MRP policy in section 6 in the main body of the report.

4.2 In addition to MRP, the Council must fund the interest costs of the borrowing through future revenue budgets. The Council primarily borrows funds from the Public Works Loan Board (PWLB) and interest rates for 2016-17 are projected to be 5%

4.3 In preparing future revenue budgets, the cumulative revenue costs of borrowing have been included in the calculations of interest and MRP costs provided for in those budgets.

4.4 If the Council chooses to utilise reserves or Capital Receipts to fund Capital expenditure then the revenue costs are reduced.

4.5 The 2016/17 Capital Financing budget has assumed that the Council will not utilise reserves and will take up unsupported borrowing to fund unfunded schemes. The budget for 2016/17 has been set at £15.9m.

4.6 The table below provides the breakdown of the movement from the 2016/17 Capital Financing budget set at February 2015 and the revised budget as at February 2016. The Council is to achieve savings of £2.5m from the changes made to the MRP policy and a further £0.974m from a reduction in the forecast interest payments associated with Prudential Borrowing.

Table 5: Base Budget movement

	£
2016/17 Original Base Budget Feb 2015	**19,405,618**
MRP Savings	(2,500,000)
Net Savings on Interest Payable	(973,952)
Revised Base Budget Feb 2016	**15,931,666**

4.7 The table below provides a breakdown of the 2016/17 Capital Financing budget based upon assumed borrowing of £35.884m.

Table 6: Capital Financing Budget 2016/17

Funding	Amount £
Amounts take to funds/reserves	175,000
Discounts received	(205,000)
GM Debt Interest	312,526
GM Debt Principal	893,493
Interest payable	11,610,897
Interest received	(1,218,000)
MRP Post 2015/16	658,750
MRP Pre 2015/16	3,704,000
Total	**15,931,666**

4.8 It has been assumed that the Council will borrow £35.884m in 2016/17 to fund Capital Expenditure and the Capital Financing budget has been produced on this basis. The Revenue costs of this are shown in the table at section 3.9 along with a projection for 2017/18 and 2018/19.

4.9 The cumulative revenue impact of schemes funded from borrowing is set out below, assuming future revenue costs of £100,000 per annum for every £1m borrowed:

Table 7: Revenue Impact of Prudential Borrowing

	2016-17	2017-18	2018-19
Unfunded borrowing	35,884,000	33,775,000	7,891,000
Cumulative Revenue Cost (10%)	**3,588,400**	**6,965,900**	**7,755,000**

4.10 The above table shows the required demand upon the revenue budget due to the take up of unsupported borrowing to fund capital expenditure. If the Council funds the Corporate Capital Expenditure by Capital Receipts or Reserves then the impact on the Revenue budget will be reduced.

APPENDIX 2

1. CAPITAL STRATEGY

1.1 The Capital Strategy has been developed as a key document that determines the council's approach to capital. It is an integral aspect of the Council's medium term service and financial planning process as reflected in the Medium Term Financial Strategy (MTFS).

1.2 The Capital Strategy is concerned with, and sets the framework for:

- all aspects of the Council's capital expenditure over the 3 year period 2016/17 to 2019/20
- planning, prioritisation, management and funding. It is closely related to, and informed by
- the Council's priorities
- the Council's Asset Management Plans and
- capital funding grants and debt facilities provided by central government.

1.3 The Capital Strategy is reviewed on an annual basis to ensure it continues to reflect the changing needs and priorities of the Council, and its partners throughout Tameside and the region.

1.4 The key aims of the Capital Strategy are:

- how the Council identifies, programmes and prioritises capital requirements and proposals;
- provide a clear context within which proposals are evaluated to ensure that all capital investment is targeted at meeting the Council's priorities;
- consider options available to maximise funding for capital expenditure whilst minimising the impact on future revenue budgets;
- identify the resources available for capital investment over the three year planning period.

1.5 The Capital Strategy provides a framework for the allocation of resources to support the Council's objectives. The approval of new capital schemes and the allocation of available funding is undertaken when the capital programme is approved as part of the wider budget setting process.

2. INFLUENCES ON CAPITAL STRATEGY

2.1 The Council continues to be faced with significant changes and uncertainty which affects all of the public sector and the following are some of the major influences on our Capital Strategy.

2.2 The Government has put in place stringent reductions in revenue and capital grant funding for public services, with a strong drive towards austerity and value for money. Local authorities are facing rising demand and expectations for Council services. The Council is seeking creative new ways of providing services which may require capital investment to deliver best value for our communities and taxpayers.

2.3 The success of any Capital Programme is delivery to anticipated timescales and budgets. Failure to achieve either results in increases in capital costs and additional revenue pressures.

In a challenging financial environment, effective procurement, robust contract management and constant oversight are essential to manage costs and ensure all spend delivers the intended outcomes.

2.4 Formation and delivery of asset management plans are vital to the implementation of the Capital Strategy and to the delivery of the Capital Programme.

2.5 In order to minimise the impact of additional borrowing on future revenue budgets, and to reduce the cost of maintaining under-used or inefficient properties, the Council has a programme of asset disposals. The asset rationalisation and disposals policy is now a key element of delivering funding for future capital schemes.

3 CAPITAL EXPENDITURE

3.1 Capital expenditure and investment is vital for a number of reasons:

- As a key component in the transformation of service delivery and flexible ways of working
- A catalyst for economic growth
- To maintain or increase the life of existing assets
- To address the issues resulting from increasing numbers of service users
- As a lever to generate further government or regional capital investment in Tameside.

3.2 With a challenging financial environment for the foreseeable future that is influenced by a variety of external factors, there will only ever be a limited amount of capital resources available. Therefore, it is vital that we target limited resources to maximum effect with a new focus on our strategic and financial priorities.

3.3 Capital funding is limited. External capital grants can only be spent on capital. Projects funded from revenue, revenue reserves or borrowing all affect revenue budgets. Borrowing in particular has long term revenue consequences. Two costs are incurred when a capital scheme is funded from borrowing:

- A Minimum Revenue Provision – the amount we have to set aside each year to repay the loan and this is determined by the life of the asset associated with the capital expenditure; and
- Interest costs for the period of the actual loan.

3.4 On present long term interest rates every £1 million of prudential borrowing costs approximately £0.090m pa in ongoing revenue financing costs for an asset with an assumed life of 25 years, or as much as £0.250m pa for an asset with a 5 year life. This is in addition to any ongoing maintenance and running costs associated with the investment.

3.5 Given the revenue cost pressures shown in the Council's Medium Term Financial Strategy the scope for unsupported capital expenditure (capital expenditure that generates net revenue costs in the short or medium term) is severely limited.

3.6 The budget planning process is designed to reflect both capital and revenue proposals such that the revenue consequence of capital decisions, particularly as a result of increased borrowing, are reflected in future revenue budgets such that any capital investments are prudent, affordable and sustainable for the Council.

4 CAPITAL FUNDING SOURCES

4.1 There are a variety of different sources of capital funding, each having different advantages, opportunity costs and risks attached.

Borrowing

4.2 The Prudential Capital Finance system allows local authorities to borrow for capital expenditure without Government consent provided it is affordable. Local Authorities must manage their debt responsibly and decisions about debt repayment should be made through the consideration of prudent treasury management practice.

4.3 As a guide, borrowing incurs a revenue cost of approximately 9% of the loan each year for an asset with a life of 25 years, comprising interest charges and the repayment of the debt (known as the Minimum Revenue Provision or MRP). The Council needs to be satisfied that it can afford this annual revenue cost i.e. for every £1 million of borrowing our revenue borrowing costs are around £0.090 million pa, or as much as £0.250m pa for an asset with a 5 year life
.

4.4 Local Authorities have to earmark sufficient revenue budget each year as provision for repaying debts incurred on capital projects.

Grants

4.5 The challenging financial environment means that national government grants are reducing, or changing in nature. A large proportion of this funding is currently un- ring-fenced which means it is not tied to particular projects. However, capital grants are allocated by Government departments which clearly intend that the grants should be used in certain areas such as education or highways. So although technically the grants are un- ring-fenced, the political reality is not as clear cut.

4.6 Sometimes grant funding is not sufficient to meet legislative obligations and other sources of funding will be sought to fund the gap.

Capital Receipts

4.7 Capital receipts are estimated and are based upon the likely sales of assets as identified under the developing Asset Management Plan. These include development sites, former school sites and other properties and land no longer needed for operational purposes. Receipts are critical to delivering our capital programme and reducing the level of borrowing.

Revenue / Other Contributions

4.8 The Prudential Code allows for the use of additional revenue resources within agreed parameters. Contributions are received from other organisations to support the delivery of schemes with the main area being within the education programme with contributions made by individual schools and by developers.

5. LOCAL INVESTMENT

5.1 The current capital programme demonstrates the local investment that is taking place that adds value and economic benefit to the area. Examples of local investment are as follows:-

Greening Tameside - LED Street Lighting

The Council has agreed to replace all residential street lanterns with LED units. The Council faces many challenges in this area such as:

- Increasing energy costs, above the rate of inflation.
- Future carbon costs.
- Reduce carbon emissions targets.

- Reduce maintenance and operating costs.
- Achieve year on year savings.

This project is set to deliver all of the above targets and provide the residents of Tameside with state of the art lighting technology for the future.

The energy market is forecast to continue to rise above the rate of inflation, by installing LED technology we are reducing our energy consumption and therefore significantly reducing our exposure to this volatile market. Also, it is anticipated that street lighting energy will be subject to a CO_2 emissions levy. In terms of financial savings, it is envisaged that for each lantern change the Council will save between 50% - 60% in energy costs and CO_2 emissions per annum. In addition, further savings will accrue through the reduction of some cyclic and reactive maintenance activities and reduced demand for the purchase of materials such as lamps, control gear etc.

5.2 **Improving Transport Infrastructure**

After many years of campaigning and lobbying £170 million of investment has been announced to improve the Trans-Pennine road links between Manchester and Sheffield. This will include investment directly in Tameside on a new Mottram Moor dual carriageway and a single carriageway link road towards Glossop that will ease congestion in and around Mottram.

In March 2014 the Greater Manchester Local Enterprise Partnership and GMCA submitted a Growth and Reform Plan to Government setting out its aim to become "a financially self-sustaining city region". The plan seeks a £400 million share of the Local Growth Fund to support the region's transport and infrastructure requirements and within this, £32.7 million for a new Ashton Town Centre Interchange. It was announced in the summer of 2014 that this bid was successful.

The plans anticipate the old and dated bus station being completely rebuilt and moved closer to the new Metrolink tram stop, providing better access between the two by the end of 2017.

The completion of the interchange will enable the realisation of the full transport and economic benefits of the Metrolink extension to Ashton-under-Lyne and ongoing improvements to local rail services as a result of the continuing electrification of the Trans-Pennine line through Ashton-under-Lyne.

5.3 **Vision Tameside**

Tameside's economic success is dependent on a step change in the approach to tackling the skills position of the Borough and the transformation of the Borough as a place for businesses to invest.

Recent work by GMCA and the Council has identified that the two key investment priorities for Tameside are our town centres, and improving and addressing the skills levels in the Borough.

Vision Tameside has the objectives of:

- Bringing Tameside College to the heart of Ashton – helping provide a basis for a robust retail and commercial core and generating significant economic impact.
- Revolutionising the delivery of higher level skills in the Borough, increasing aspiration and creating a solid base for future investment and prosperity in Tameside.
- Making cost savings to the Council's revenue budget.
- Creating investment in other key town centres.

5.4 **Schools Investment**

The Council has successfully secured investment of £25 million to rebuild four other primary schools in the Borough through the Priority School Building Programme, which will address the forecast shortage of places for 5 year olds and support the Council's commitment to improving educational achievement in the Borough. These four schemes will be delivered by the Education Funding Agency (EFA) and will not be part of the Council's Capital Programme. However, the schools will be recognised on the Council's Balance Sheet following completion of the work.

5.5 **Ashton Old Baths**

Ashton Old Baths is a unique project to repair the external and internal fabric of the Grade II listed building. The building, built in 1870 and previously used as a Municipal Baths until the 1970s, has a domineering presence at the heart of the St Petersfield Business Quarter in Ashton and is currently in poor condition and on English Heritage's 'Heritage at Risk' register.

After 40 years of lying the Ashton Old Baths has been transported into a digital hub for small businesses and start-ups, providing them with some of the most powerful broadband connections in the country.

The Ashton Old Baths project aims to:

- Restore the derelict grade II listed major Tameside heritage asset to BREEAM "Very Good" standard and thereby securing its removal from English Heritage's 'Heritage at Risk" register.
- Secure the long-term future of Ashton Old Baths through the development of a business incubation centre with an operational structure in place for the sustainable use, management and maintenance of the building.
- Generate new business and over 60 new jobs (including 2 apprentices during the delivery phase) and help emerging businesses to grow.
- Create 605 sqm of flexible office accommodation for small to medium sized enterprises (SMEs) primarily in the creative, digital, and media sectors to encourage and support the growth and development of these sectors within Tameside.
- Provide high quality office space in flexible units with 136 sqm meeting room/conference space plus additional networking space.
- Create critical business space required to drive growth in the creative, digital, and media sectors of Tameside's economy.
- Create an innovation hub and creative hub that generates business to business activity, collaborations and new intellectual property.
- Enables Tameside to provide a ladder of progression for businesses in Tameside's creative, digital, and media sectors from start-up to high growth.

5.6 **Active Tameside Investment**

On 4 February 2015, at a joint meeting of the Executive Cabinet and the Overview (Audit) Panel, it was agreed that a planned reduction in the Active Tameside management fee for 2015/16 would be deferred until 2016/17 to enable a full strategic review to be undertaken to determine opportunities and options for the development of a financially and operationally sustainable long-term business model. In addition, other options available to the Council for the operation of sport and leisure facilities were to be explored as part of the strategic review.

Active Tameside has been embarking on a transformational journey with the Tameside Council Public Health Team to enhance the contribution they make to improving health outcomes and reducing health inequalities within Tameside. This has been underpinned by increased recurrent and non-recurrent investment from the Tameside Council Public Health

Grant, and through a successful funding bid to the Sport England ‘Get Healthy, Get Active’ Fund.

The development of an iconic new Wellness Centre which combines a traditional sports centre offer with a wider range of services to encourage local residents to lead healthier lifestyles is viewed as a cornerstone of such an approach.

Such a facility could potentially incorporate:

- A conventional sports and leisure offer including swimming, gym, court and studio facilities;
- New and emerging sports and fitness facilities;
- Services to support wider lifestyle changes such as smoking cessation, weight loss and alcohol reduction;
- Health and Social Care services;
- Early Years provision and Children’s Activities;
- A ‘hub’ for the borough-wide sports and leisure ‘offer’;
- Functional spaces for community groups and voluntary and community sector partners.

Provisional costs of the estimated budget for investment in the Active Tameside portfolio are included within the proposed capital programme to ensure funding is available and provided following the consultation.

APPENDIX 3

PRUDENTIAL INDICATORS AND LIMITS

1.1 Prudential Borrowing

The key objectives of the Prudential Code are to ensure, within a clear framework, that the capital plans of local authorities are affordable, prudent and sustainable and to ensure that treasury management decisions are taken in accordance with good professional practice and in a manner that supports these objectives.

To demonstrate that local authorities have fulfilled these objectives the Prudential Code sets out the indicators that must be used, and the factors that must be taken into account. The Code does not include suggested indicative limits or ratios as these are for the local authority to set itself. The Prudential Indicators required by the Code are designed to support local decision making and are not comparative indicators.

This report recommends specific indicators for approval and an affordable borrowing limit for 2016/17. It also recommends an affordable borrowing limit for the Greater Manchester Metropolitan Debt Administration Fund.

Where appropriate the Council may undertake borrowing for external organisations, and this will be on the basis that the revenue costs are fully reimbursed. This will be done purely for policy reasons.

1.2 Matters to be taken into account

Prudential Indicators have been set having regard to: affordability, prudence, sustainability, value for money, stewardship of assets, service objectives and practicality.

Local authorities are required to encompass all aspects of the Prudential Code that relate to affordability, sustainability and prudence. When making a decision to invest in capital assets, the Council must ensure that it can meet both the immediate and long-term costs to ensure the long-term sustainability.

The Prudential Code requires local authorities to consider wider management processes i.e. option appraisal, asset management planning, strategic planning and achievability in accordance with good professional practice. The Strategic Planning and Capital Monitoring Panel together with the Asset Management Group is responsible for these areas.

1.3 Setting of Prudential Indicators

The Prudential Indicators for 2016/17 and the following two years must be set before the beginning of the forthcoming year and requires approval by Council as part of the budget approval process. The Section 151 Officer is responsible for ensuring that all matters required to be taken into account are reported to the Council for consideration.

The system requires a process for controlling unsupported borrowing. This ensures that all council borrowing remains affordable. The Section 151 Officer is responsible for this centralised control and has recommended approval of £35.884 million of unsupported borrowing in 2016/17, £33.775 million in 2017/18 and £7.891 million in 2018/19.

The Prudential Borrowing proposal is provisional as the Council will review its available resources at the end of each financial year. An assessment of the capital grants, contributions and capital receipts at year end may provide a more cost effective method of financing the Council's capital expenditure. The Council will endeavour to keep Prudential Borrowing and the associated costs to a minimum by utilising other available resources.

1.4 Required indicators

The required Prudential Indicators are:

- Ratio of Financing Costs to Net Revenue Stream.
- Capital Financing Requirement.
- Capital Expenditure.
- Incremental impact of capital investment decisions.
- Operational Boundary and Authorised Limit on External Debt and other long term liabilities.
- Gross debt and the capital financing requirement.
- Upper and lower limits on interest rate exposures.
- Maturity structure of borrowing for the forthcoming financial year.
- Limit for total principal sums invested for periods longer than 364 days.
- Borrowing Limits in respect of Greater Manchester Metropolitan Debt Administration Fund (GMMDAF).

The actual indicators and the methodology used to arrive at them are set out below.

1.5 Monitoring, revising and reporting Prudential Indicators

The monitoring frequency for each Prudential Indicator is determined individually. Some are monitored daily as treasury management transactions take place and others less frequently. For some indicators e.g. net external borrowing, trigger points will be set within the monitoring process to highlight when the indicator limits could be breached and allow corrective action to be taken. The Section 151 Officer receives a monthly monitoring report reviewing all indicators.

The Section 151 Officer will report to Members on the performance of all Prudential Indicators as part of the Capital Programme monitoring process. Some of the Prudential Indicators may need to be revised during the year and these will require approval by the Overview (Audit) Panel. The indicators will continually change due to factors other than the level of borrowing e.g. – capital expenditure will change when additional grant resources are received.

1.6 Ratio of Financing Costs to Net Revenue Stream

Limit/indicator	2016/17 %	2017/18 %	2018/19 %
Ratio of financing costs to net revenue stream	8	9	10

This ratio represents the total of all financing costs e.g. interest payable and minimum revenue provision (MRP) that are charged to the revenue budget as a percentage of the amount to be met from Government grants and taxpayers (net revenue stream).

This ratio has been calculated based on the future year's level of borrowing set out at **Appendix 3** section 1.3.

1.7 Capital Financing Requirement (CFR)

The CFR is aimed to represent the underlying need to borrow for a capital purpose and is calculated from the aggregate of specified items on the balance sheet. The opening balance at the 01/04/16 has been estimated together with the movement in the CFR for future years.

Following accounting changes the CFR now includes any other long term liabilities (e.g. PFI schemes and finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

The CFR increases by the value of capital expenditure not immediately financed (i.e. borrowing) and is reduced by the annual MRP repayment. The estimated CFR is based on the same borrowing assumptions set out at Appendix 3 section 1.3.

1.8 Capital Expenditure

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Capital expenditure	53,288	51,412	7,891

This is the estimate of the total capital expenditure to be incurred (from all funding sources) for future years and recommended for approval. This aligns to the total estimates for the capital programme as reported in **Appendix 2a**.

This estimate will continue to be updated as part of the monitoring process as new resources are subsequently notified.

1.9 Incremental Impact of Capital Investment Decisions

Limit/indicator	2016/17 £	2017/18 £	2018/19 £
For the Band D Council Tax	15	61	94

This is the estimate of the net incremental impact of the capital investment decisions, based on the level of borrowing set out in the report at Appendix 3 section 1.3 and reflects the total cost of this additional borrowing (interest payments and minimum revenue provision) less government supported borrowing, as a cost on Council Tax. The actual cost will depend on final funding.

1.10 Operational Boundary and Authorised Limit on External Debt and Other Long Term Liabilities

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Operational Boundary for external debt	268,312	278,094	276,890
Authorised Limit for external debt	288,312	298,094	296,890

These limits include provision for borrowing in advance of our requirement for future capital expenditure. This may be carried out if it is thought to be financially advantageous to the Council.
The limits are made up as follows:

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Estimated 31 March 2016	119,760		
Previous year Operational Boundary		268,312	278,094
Add debt maturing in year	54	5,096	0
Add borrowing for 2016/17 and previous years requirement not taken up	119,122		
Add borrowing in advance for 2017/18 and future years	33,739	10,000	10,000
Less already borrowed in advance for future years			
Less previous year maturing fall out		(54)	(5,096)
Less MRP	(4,363)	(5,260)	(6,108)
Operational Boundary - borrowing	**268,312**	**278,094**	**276,890**
Add allowances for cash flow etc.	20,000	20,000	20,000
Authorised Limit - borrowing	**288,312**	**298,094**	**296,890**

The allowance for cash flow is made up of 2 elements. (a). it is possible that a rescheduling exercise where we borrow prior to repayment could take place. We have allowed £10 million for this. (b). Normally the amount of investments that we currently hold would mean that there would be no need to borrow, however, an allowance of £10 million has been made for liquidity purposes.

We are also required to set operational boundaries and authorised limits for Other Long Term Liabilities (e.g. PFI schemes and finance leases), which are now shown on balance sheet, following recent accounting changes. The table below includes all current PFI schemes and finance leases in place, with an allowance of £1 million for any new agreements that may arise.

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Operational Boundary for other long term liabilities	110,388	107,796	104,923
Add allowance for new agreements	1,000	1,000	1,000
Authorised Limit for other long term liabilities	111,388	108,796	105,923

The total authorised limit of £400 million (including both external borrowing and other long term liabilities should be set as the Council's affordable borrowing limit for 2016/17) as required under the provisions of the Local Government Act 2003.

1.11 Gross Debt and the Capital Financing Requirement.

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Core capital financing requirement	199,173	230,911	259,643
Gross borrowing	199,173	230,911	259,643

To ensure that medium term debt will only be for a capital purposes, the Council will ensure that the gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement (CFR).

1.12 Upper and lower limits on Interest Rate Exposures

Limit/indicator	2016/17 £000	2017/18 £000	2018/19 £000
Upper limit for fixed interest rate exposure	199,173	230,911	259,643
Upper limit for variable interest rate exposure	66,391	76,970	86,548

These limits are in respect of our exposure to the effects of changes in interest rates. The limits reflect the net amounts of fixed/variable rate debt (i.e. fixed/variable loans less fixed/variable investments).

1.13 Maturity Structure of Borrowing for the Forthcoming Financial Year

These limits set out the amount of projected borrowing that is fixed rate maturing in each period expressed as a percentage of total projected borrowing that is fixed rate.

		Upper	Lower
Upper/lower limit for maturity structure	Under 12 months	15	0
	12 months and within 24 months	15	0
	24 months and within 5 years	30	0
	5 years and within 10 years	40	0
	10 years and above	100	50

Future fixed rate borrowing will normally be for periods in excess of 10 years, although if longer term interest rates become excessive, shorter term borrowing may be used. Given the low current long term interest rates, we feel that it is acceptable to have a long maturity debt profile.

1.14 Limit for Total Principal Sums Invested for Periods Longer than 364 days

2016/17 £m	2017/18 £m	2018/19 £m
30	20	10

At present we have no long term investments maturing in 2016/17 or beyond. Whilst we do not have any specific plans for more investments of this type, if interest rates and the security of the investment were favourable, it is possible that we might decide that maturities of greater than 1 year were prudent. However, it is felt that the amounts shown above should be the limits maturing in 2016/17, 2017/18 or 2018/19.

1.15 Borrowing Limits in Respect of GMMDAF

Operational Boundaries and authorised Limits must also be set for the Greater Manchester Debt Fund. The recommended limits are:

	2016/17 £000	2017/18 £000	2018/19 £000
Operational Boundary - borrowing	109,666	93,595	76,699

Authorised Limit - borrowing	124,666	108,595	91,699

The difference between the operational boundary and authorised limit allows for temporary cash flow shortages and debt rescheduling where loans are borrowed in advance. The authorised limit of £124.7 million should be set as the affordable borrowing limit for the GMMDAF for 2016/17 as required under the Local Government Act 2003.

The Code also requires compliance with the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has adopted and adheres to this Code.

APPENDIX 4

MINIMUM REVENUE PROVISION STATEMENT (MRP)

1.1 Regulations issued by the Department of Communities and Local Government in 2008 require the Council to approve a Minimum Revenue Provision (MRP) statement in advance of each year.

1.2 MRP is the provision made in the Council's revenue budget for the repayment of borrowing used to fund capital expenditure - the Council has a statutory duty to provide for an amount of MRP which it considers to be prudent. This provision must take into consideration the period over which the capital expenditure is likely to provide benefits to the authority.

1.3 Members must approve the MRP statement annually to confirm that the means by which the Council plans to provide for repayment of debt are satisfactory.

1.4 For 2016-17, the Council has adopted the following policy in relation to calculating the Minimum Revenue Provision:

- Borrowing taken up prior to 01/04/2015 will be provided for using a straight-line method of calculating MRP. £185,215,128 will be provided for in equal instalments over 50 years which will result in an annual charge of £3.704m. The debt will be extinguished in full by 31 March 2065. If the Council elects to make additional voluntary MRP then the annual charge will be adjusted accordingly.

- The following will be required in relation to borrowing taken up on or after 01/04/2015. 'MRP is to be provided for based upon the average expected useful life of the assets funded by borrowing in the previous year. The debt will be repaid on a straight-line basis over the average useful life calculated; the debt will be fully extinguished at the end of period. If the Council elects to make additional voluntary MRP then the annual charge will be adjusted accordingly.

APPENDIX 5

CAPITAL PROGRAMME 2016/17 - 2018/19 - detail

CAPITAL PROGRAMME 2016/17 - 2018/19	ESTIMATE 2016/17 £000	ESTIMATE 2017/18 £000	ESTIMATE 2018/19 £000	TOTAL £000
ADULT AND HEALTH SERVICES				
BCF ADULTS CAPITAL GRANT	650	0	0	650
ADULT AND HEALTH SERVICES Total	**650**	**0**	**0**	**650**
AIPM				
OPPORTUNITY PURCHASE FUND (INDIVIDUAL APPROVAL REQUIRED)	500	500	0	1,000
VISION TAMESIDE	16,806	17,293	0	34,099
PUBLIC REALM	0	2,631	0	2,631
AIPM Total	**17,306**	**20,424**	**0**	**37,730**
COMMUNITY SERVICES				
LIBRARIES IN THE 21ST CENTURY	573	0	0	573
COMMUNITY SERVICES Total	**573**	**0**	**0**	**573**
EDUCATION				
BASIC NEED - FUNDING STREAM	4,045	6,543	0	10,588
ALDER BUY OUT FITNESS CENTRE	1,000	0	0	1,000
HYDE TARGETED BASIC NEED NEW SCHOOL	608	0	0	608
ALDWYN PRIMARY ADDITIONAL ACCOMMODATION	1,477	0	0	1,477
DISCOVERY ACADEMY - REMODELLING/FURNITURE	115	0	0	115
MILTON ST JOHN CREATION OF BULGE CLASS	40	0	0	40
LIVINGSTONE REMODELLING/EXTENSION	345	0	0	345
ST JAMES' HATTERSLEY - ADDITIONAL CLASSROOM	220	0	0	220
ST DAMIAN'S CLASSROOM ALTERATIONS	250	0	0	250
EDUCATION Total	**8,100**	**6,543**	**0**	**14,643**
ENGINEERING SERVICES				
ASHTON NORTHERN BYPASS - STAGE 2	230	0	0	230
PINCH POINT SCHEMES	150	0	0	150
JUNCTION IMPROVEMENTS ON/OFF AT J23 M60	250	0	0	250
ASHTON TOWN CENTRE ACCESS IMPROVEMNTS	181	0	0	181
LED STREET LIGHTING INVESTMENT	4,470	0	0	4,470
HIGHWAYS MAINTENENANCE FUNDING	2,129	2,064	0	4,193
THE LONGDENDALE INTEGRATED TRANSPORT STRATEGY	480	0	0	480
THE LONGDENDALE INTEGRATED TRANSPORT STRATEGY NOTIONAL ELEMENT	0	7,809	0	7,809
POTHOLE FUNDING	1,000	0	0	1,000
ASHTON-STALYBRIDGE CYCLE ROUTE	400	0	0	400
DENTON LINK ROAD	1,159	0	0	1,159
CHALLENGE FUNDING	1,750	500	0	2,250
ENGINEERING SERVICES Total	**12,199**	**10,373**	**0**	**22,572**
ENVIRONMENTAL SERVICES				
CARBON REDUCTION - INVEST TO SAVE SCHEMES APPROVAL REQUIRED	311	0	0	311
GUIDE LANE FORMER LANDFILL SITE	469	0	0	469
RETROFIT (BASIC MEASURES)	327	0	0	327
ENVIRONMENTAL SERVICES Total	**1,107**	**0**	**0**	**1,107**
CONTINGENCY FOR ADDITIONAL CAPITAL SCHEMES				
ESTIMATED FUTURE BORROWING APPROVALS / RECEIPTS	3,785	4,279	5,000	13,064
REPAYMENT OF PRUD BORROWING	607	721	0	1,328
CONTINGENCY FOR ADDITIONAL CAPITAL SCHEMES Total	**4,392**	**5,000**	**5,000**	**14,392**
DEVELOPMENT AND INVESTMENT				
ASHTON TOWN CENTRE AND CIVIC SQUARE	2,600	0	0	2,600
DISABLED FACILITIES GRANTS	1,158	0	0	1,158

DEVELOPMENT AND INVESTMENT Total	**3,758**	**0**	**0**	**3,758**
PUBLIC HEALTH				
HYDE LEISURE PHASE 2	355	0	0	355
ACTIVE TAMESIDE WELLNESS CENTRE & WIDER INVESTMENT	4,848	9,072	2,891	16,811
PUBLIC HEALTH Total	**5,203**	**9,072**	**2,891**	**17,166**
Total	**53,288**	**51,412**	**7,891**	**112,591**

Report To:	**COUNCIL**
Date:	23 February 2016
Executive Member / Reporting Officer:	Cllr Jim Fitzpatrick – First Deputy (Performance and Finance) Peter Timmins – Assistant Executive Director of Finance
Subject:	**TREASURY MANAGEMENT STRATEGY 2016/17**
Report Summary:	The report sets out the Council's borrowing strategy for 2016/17 and the Annual Investment Strategy.
Recommendations:	1. That the report be noted and the proposed borrowing strategy be supported 2. That the Annual Investment Strategy be approved.
Links to Community Strategy:	The Treasury Management function of the Council underpins the ability to finance the Council's priorities.
Policy Implications:	In line with Council Policies.
Financial Implications: (Authorised by the Section 151 Officer)	The achievement of savings on the cost of financing the Council's debt through repayment, conversion and rescheduling, together with interest earned by investing short term cash surpluses, is a crucial part of the Council's medium term financial strategy. This has to be carefully balanced against the level of risk incurred. The PWLB operates a scheme to allow a 0.20% reduction on the published borrowing rates, known as the "certainty rate", for Councils that provide indicative borrowing requirements for the next 3 years. The Council has provided this information and has therefore protected it's eligibility for the "certainty rate". This does not however commit the Council to a particular course of action.
Legal Implications: (Authorised by the Borough Solicitor)	The report complies with the Council's financial regulation 17.3. The Council is required by statute to set and maintain a balanced budget, careful management of the finances allows the Council to achieve this and this report provides a means for Members to carefully monitor the situation.
Risk Management:	Failure to properly manage and monitor the Council's loans and investments could lead to service failure and financial loss.
Access to Information:	The background papers relating to this report can be inspected by contacting Beverley Stephens, Head of Resource Management, by: phone: 0161 342 3887 e-mail: beverley.stephens@tameside.gov.uk

1. INTRODUCTION

1.1 The Treasury Management service is an important part of the overall financial management of the Council's affairs. At 31 March 2015 the Council had £151m of investments which need to be safeguarded, and £131m of debt. The Council is also the lead authority responsible for the administration of the debt of the former Greater Manchester County Council on behalf of all ten Greater Manchester Metropolitan Authorities. As at 31 March 2015, this was a further £125m of debt. The significant size of these amounts requires careful management to ensure that the Council meets its balanced budget requirement under the Local Government Finance Act 1992.

1.2 Under the Local Government Act 2003, the Department for Communities and Local Government issued in March 2010 revised "Guidance on Local Government Investments". The 2003 Act requires an authority "to have regard" to this guidance. Part of this guidance is that "A local authority shall, before the start of each financial year, draw up an Annual Investment Strategy for the following financial year, which may vary at any time. The strategy and any variations are to be approved by the full Council and are to be made available to the public. This strategy is set out in **Appendix A**.

1.3 A revised edition of the CIPFA Prudential Code and CIPFA Treasury Management Code of Practice was produced in November 2011. The guidance arising from this Code has been incorporated within this report.

1.4 This report also sets out the estimated borrowing requirement for both Tameside and the Greater Manchester Metropolitan Debt Administration Fund (GMMDAF), and the strategy to be employed in managing the debt position.

1.5 The Local Government Act 2003 is the major legislation governing borrowing and investments by local authorities. Under the Act a Local Authority may borrow money –

(a) For any purpose relevant to its functions under any enactment; or
(b) For the purposes of the prudent management of its financial affairs.

1.6 However, an authority has a duty to ensure that its borrowing is affordable, and must set its own limits on how much it may borrow. The method of doing this is set out in the Prudential Code for Capital Finance in Local Authorities. This is covered in the Capital Strategy and Programme, and the limits imposed by the Council will be adhered to within the Treasury strategy.

1.7 The limits set by the Council are based on the possibility of borrowing in advance of our needs, should interest rates be such that it is advantageous to do so. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash balances have been used. This strategy is prudent as investment returns are low and interest rates are comparatively high, thus creating a high cost of carry for any borrowing taken up. The Council, along with its advisors, Capita, will closely monitor rates and take up borrowing at the most advantageous time possible.

1.8 Against this background and the continuing risks within the economic forecast, caution will be adopted with the 2016/17 treasury operations. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach in changing circumstances. Borrowing will be undertaken on an assessment of the situation at the time.

2. CODE OF PRACTICE

2.1 The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management – revised November 2011). The Council has adopted the revised Code of Practice on Treasury Management.

2.2 Part of this code is for the Council to set out Treasury Management Practices (TMPs). These are in place and are being adhered to.

3. NEED TO BORROW

3.1 The Council's long term borrowing requirement in any year depends on the following factors:-

(a) Existing loans which are due to mature during the year. These will include external loans, and any reduction of internal resources that are temporarily being used to finance capital expenditure.

(b) The amount of capital expenditure that the Council has determined should be financed by borrowing. Under the "Prudential Code on Borrowing" the Council may determine its own levels of borrowing and is set by the Council as part of the main budget process. The Council is able to borrow in advance of its requirements, when it is considered beneficial to do so.

(c) The amount of outstanding debt required to be repaid during the year, including the "Minimum Revenue Provision" (MRP) and additional voluntary MRP to repay prudential borrowing and borrowing taken up to fund other capital commitments.

3.2 The Council has some flexibility to borrow funds this year for use in future years. The Section 151 Officer may do this under delegated power where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial or meet budgetary constraints. Whilst the Section 151 Officer will adopt a cautious approach to any such borrowing to ensure the security of such funds, where there is a clear business case for doing so borrowing may be undertaken to fund the approved capital programme or to fund future debt maturities.

Any borrowing in advance undertaken will be made within the constraints that:

- It will be limited to no more than 75% of the expected increase in borrowing need (CFR) over the three year planning period; and

- Borrowing would not be undertaken more than 24 months in advance of need.

Risks associated with any advance borrowing activity will be subject to appraisal in advance and subsequent reporting through the annual reporting mechanism.

The Council may also borrow on a short term basis to finance temporary shortfalls in cash flow.

3.3 In addition to this, the Council will fund capital expenditure by using internal cash balances. Although we do not borrow to meet this expenditure, it has the effect of reducing our investments, and therefore changing the net interest payable.

4. TYPES AND DURATION OF LOANS

4.1 There are various types of loan available:-

(a) Short term fixed.
These are loans of less than one year duration where the interest rate is agreed at the start of the loan and remains the same until the loan matures. The duration may last from 1 day to 364 days.

(b) Short term variable.
Less than one year, but the interest rate may change during the life of the loan.

(c) Long term fixed
As (a), but greater than one year. (may be up to 50 years)

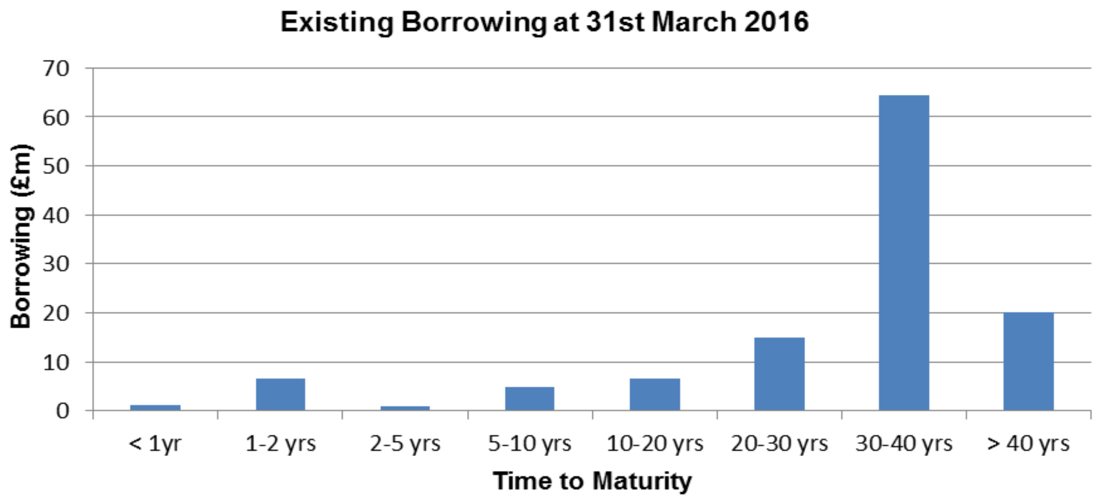
(d) Long term variable
As (b), but life normally between 1 and 10 years.

(e) LOBOs (Lender's Option Borrower's Option)
These are bank loans where the interest rate is fixed for a number of years (often with an automatic increase built in). At the end of this fixed rate period, the bank may (at pre set anniversaries) take up an option to increase the rate. The borrower (Tameside) then has the option to repay the loan if we do not want to pay the higher interest rate. We can only repay the loan prior to the maturity date if the lender has taken up their option.

4.2 Interest rates are continually changing and are determined by economic and market conditions. Short term variable rates tend to reflect the current Bank of England Minimum Lending Rate (Bank Rate), but can vary (sometimes by more than 1%) due to market conditions. The on-going turmoil in the financial markets has caused considerable volatility.

4.3 Long term fixed rates are based on Government Gilts (Bonds issued by the Government which pay a fixed rate of interest) and reflect the future expectations of base rates, inflation and risks within the general economy. They may be markedly different from short term rates, and they may also be volatile. At present interest rates on longer term loans are higher than short term rates due to the relatively low Base Rate, implemented by the Monetary Policy Committee of the Bank of England. The programme of "quantitative easing" undertaken by the Bank of England and the "safe haven" status of the UK continues to restrict gilt interest rates.

4.4 Tameside's loan portfolio as at 31 March 2016 is estimated to contain £80m long term fixed loans from the PWLB and £40m of LOBOs. The following graph outlines the maturity profile:



5. SOURCES OF BORROWING

5.1 Loans to fund the borrowing requirement may be raised from any source approved by the Local Government Act 2003.

The main sources currently available to Tameside are:-

a. The Public Works Loan Board (PWLB) (£80m at 31 March 2016)
b. European Investment Bank (EIB) (no current borrowing)
c. Banks, Building Societies and other financial institutions (£40m at 31st March 2016)
d. Internal cash funds and balances.

Of these, by far the greatest proportion is normally obtained from the PWLB.

5.2 The PWLB is, in effect, the Government, and loans raised from this source are generally the cheapest available for their type and duration. Although loans from the PWLB may be obtained at a variable rate of interest, they are normally borrowed at fixed rates.

5.3 Whilst the Public Works Loan Board, part of HM Treasury, is the primary lender to local authorities, the European Investment Bank (EIB) will also provide support for funding infrastructure projects throughout the EU. This source of funding is priced in a similar way to the PWLB, but requires applications for specific projects. These projects must further EU policy requirements and be financially, technically and environmentally viable. They are particularly aimed at regional development issues. The Association of Greater Manchester Authorities (AGMA) has negotiated a borrowing facility with the EIB, which could be available to the council in due course if appropriate.

5.4 Borrowing for fixed periods means that the average rate payable is not subject to large year on year volatility which could occur if rates were in line with the "base" rate of interest.

5.5 Internal funds, such as the Insurance Fund, are paid interest in line with short term rates.

5.6 Traditionally the strategy employed by Tameside and most other Local Authorities is to borrow long term at fixed rates of interest.

5.7 Where appropriate the Council may undertake borrowing for external organisations for policy reasons, and this will be on the basis that the revenue costs are fully reimbursed.

6. RESCHEDULING

6.1 Rescheduling involves the early repayment and re-borrowing of longer term PWLB loans, or converting fixed rate loans to variable and vice versa. This can involve paying a premium or receiving a discount, but is intended to reduce the overall interest burden, since the replacement loan (or reduction of investment) is normally borrowed at a lower interest rate.

6.2 The use of rescheduling is a valuable tool for the Council, but its success depends on the frequent movement of interest rates, and therefore it cannot be estimated for. It will continue to be used when suitable opportunities arise, in consultation with our treasury management advisors, although such opportunities may not occur.

6.3 The changes made by the PWLB to introduce separate rates for the premature repayment of debt and the increase in the cost of new PWLB borrowing by approximately 1%, has significantly reduced the ability to re-schedule debt.

6.4 However, the PWLB has continued a scheme to allow a 0.20% reduction on the published borrowing rates, known as the "certainty rate", for Councils that provide indicative borrowing requirements for the next 3 years. The Council has provided this information and has therefore protected it's eligibility for the "certainty rate". This does not however commit the Council to a particular course of action.

6.5 With the current yield curve, debt restructuring is likely to focus on switching from longer term fixed rates to cheaper shorter term debt, although the Section 151 Officer and our treasury management advisors will monitor prevailing rates for any opportunities during the year.

6.6 Although a pro-active approach is taken to identify opportunities to re-schedule debt, no such an opportunities have arisen so far in 2015/16.

6.7 Consideration will also be given to identify if there is any potential for making savings by utilising cash balances to repay debt prematurely, as short term rates on investments are likely to be lower than rates paid on current debt.

7. CURRENT POSITION – 2015/16

7.1 The original estimate of interest payable for the current year was £8.929m. Of this £8.826m will be paid externally and the remainder will be paid to various Council funds such as the Insurance Fund. It is anticipated that the outturn position for the year will be in line with this budget.

8. TAMESIDE'S ESTIMATED POSITION AT 31 MARCH 2016

8.1 Following transactions and activity expected prior to the financial year end it is anticipated that at the end of the current financial year, Tameside's net borrowing position will be:-

	March 2015	March 2016
	£m	**£m**
PWLB	90.603	79.585
Market Loans (LOBOs)	40.000	40.000
Less Sports Trust debt	-2.816	-2.545
Less Airport Terminal 2 debt	-3.103	-2.340
Net Tameside Long term loans	124.684	114.700
Trust Funds, Contractor Deposits etc	0.121	0.132
Total external borrowing	124.805	114.832
Internal cash balances	138.516	165.841
Less Investments	-131.985	-161.142
Net Debtor/(Creditor) position	-1.483	5.469
Net Debt outstanding	129.853	125.000

8.2 The estimated position assumes the Council will not take up any borrowing during 2015/16, to meet the forecast outstanding borrowing requirement as at 31 March 2016 (£87.539m) and no advanced borrowing for 2016/17 or future years. By postponing borrowing and utilising cash balances, the Council reduces counterparty risk and the financial impact of the current low level of investment returns.

8.3 The PWLB figure includes an outstanding amount of £2.340m, of an original amount of £10.02m taken over from Manchester Airport on 31st March 1994 to facilitate Terminal 2. The Airport fully reimbursed the Council with both the principal and interest repayments in respect of these loans until 9 February 2010, when it re-negotiated the terms of this agreement with the 10 Greater Manchester Districts. The Airport now pays the Council an annual fixed interest of 12% on the outstanding balance at 9 February 2010 (£7.295m) and agreed to repay the loan by 2055.

8.4 Prudential borrowing of £4.280m was taken up on 25 July 2008 from the PWLB on behalf of the Tameside Sports Trust, to enable facility improvements. The costs related to this borrowing are met by reducing the annual Council's grant paid to the Sports Trust by an equal amount. The outstanding amount at 31 March 2016 will be £2.545m.

8.5 The total amount of the Council's gross external debt (excluding Airport and Sports Trust debt) is £125.000m.

9. 2016/17 BORROWING REQUIREMENT

9.1 As stated earlier the authorised limits for debt under the Prudential Code allow for borrowing in advance. This will only be done if interest rates for longer term loans are advantageous to the Council and the counterparty risk to the Council on investments is acceptable, or such borrowing will afford an opportunity for debt rescheduling.

9.2 During 2016/17 it is estimated that the following requirement will be needed in respect of the general fund:-

	£m
Capital expenditure (financed by loan)	35.884
Loans maturing	0.054
	35.938

Less Debt repayments	-4.363
Total potential borrowing requirement	31.575

9.3 Therefore the additional outstanding capital borrowing need of the Council will be £31.575m (capital expenditure less debt repayments) during 2016/17.

9.4 The budget for 2016/17 shows that loans and investments outstanding during the year will generate estimated net interest charges of £8.881m, of this £8.778m will be paid externally and the remainder will be paid to various Council funds. Under current Local Government accountancy rules no interest is payable in respect of the Councils capital receipts and revenue balances. This has no net effect on the overall finances of the Council.

9.5 During 2017/18 it is estimated that the following requirement will be needed in respect of the general fund:-

	£m
Capital expenditure (financed by loan)	33.775
Loans maturing	5.096
	38.871
Less Debt repayments	-5.260
Total potential borrowing requirement	33.611

9.6 Therefore it is estimated that there will be an additional borrowing requirement during 2017/18 of £33.611m

10. GREATER MANCHESTER METROPOLITAN DEBT ADMINISTRATION FUND (GMMDAF) REQUIREMENT

10.1 Unlike Tameside the GMMDAF incurs no capital expenditure, and therefore the total debt outstanding reduces annually by the amount of debt repaid by the constituent authorities. However, loans are raised to replace those maturing during the year, and for cashflow purposes.

10.2 At 31 March 2016 it is expected that the fund will have the following outstanding debt:

	£millions
PWLB	99.926
Other Balances	9.681
Total Debt	109.607

10.3 The fund's borrowing requirement for 2016/17 is estimated to be:

	£millions
Long term debt maturing	
PWLB	31.963
Other	0.032
	31.995
Less principal repayments	-16.072
	15.923

10.4 During 2016/17 it is estimated that the total interest payments will be £5.622m at an average interest rate of 5.13%. This compares with 5.58% in 2013/14, 5.73% in 2014/15 and a revised estimate of 5.30% in 2015/16.

10.5 Further loans may be taken up for either re-scheduling or borrowing early for future years, if prevailing rates are considered attractive.

10.6 During 2009/10, Manchester Airport re-negotiated the terms of its loan arrangement with the 10 Greater Manchester Districts, as a result of this agreement the 10 Districts have taken responsibility to service the former Manchester Airport share of the GMMDAF. The Airport has agreed to pay the Districts an annual fixed interest of 12% on the outstanding balance at 9 February 2010, and repay the loan in 2055. Previously, this element of GMMDAF debt was serviced by the Airport themselves.

11. BORROWING STRATEGY

11.1 The Council has the following anticipated borrowing requirement:-

	Annual Requirement (£m)	Total Required (£m)	Estimated Annual Cost* (£m)
Pre 2014/15		54.430	1.606
Actual 2014/15	1.429	54.859	1.618
Estimate 2015/16	32.680	87.539	2.582
Estimate 2016/17	31.575	119.114	3.514
Estimate 2017/18	33.611	152.725	4.505

*calculated as annual interest charge on total requirement if borrowing taken up at estimated March 2016 25 year PWLB rate (3.40%), less current interest rate on investments (0.45%).

The GMMDAF has a borrowing requirement of £6.836m for 2015/16 and an estimated requirement of £15.923m for 2016/17.

11.2 As shown above, the Council is currently maintaining an under-borrowed position estimated to be £87.539m at 31st March 2016. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash has been used. This strategy is prudent as investment returns are low and counterparty risk is high. The Council continues to have a high level of investments, and it is expected that these will continue during the next financial year. The Council will seek to maintain levels of external debt as low as possible, consistent with a consideration of wider risks and benefits.

11.3 The uncertainty over future interest rates and concerns over counterparty credit worthiness increases the risks associated with treasury activity. The Section 151 Officer will monitor interest rates in financial markets and adopt a pragmatic approach in changing circumstances. PWLB loans may be borrowed in order to reschedule debt or meet the outstanding borrowing need as is felt to be appropriate. The possibility of deferring borrowing until later years to reduce our level of investments and associated counterparty risk will be considered.

11.4 As a result the Council will take a cautious approach to its borrowing strategy and all opportunities explored in conjunction with our treasury management advisors. Borrowing decisions will be based on the circumstances prevailing at the time.

11.5 Long-term fixed interest rates are at risk of being higher over the medium term, and short term rates are expected to rise, although more modestly. The Section 151 Officer, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks outlined above. It is likely that shorter term fixed rates may provide lower cost opportunities in the short/medium term.

11.6 The borrowing rules for the PWLB mean that we are able to borrow our full requirement from them. However, if interest rates in respect of LOBOs are sufficiently attractive, these may be used for Tameside. The length of loans required for LOBOs mean they are unsuitable for the GMMDAF.

11.7 It is likely that the Municipal Bond Agency, currently in the process of being set up, will be offering loans to local authorities in the near future. It is also hoped that the borrowing rates will be lower than those offered by the Public Works Loan Board (PWLB). This Authority would make use of this new source of borrowing as and when appropriate.

12. INTEREST RATES

12.1 The borrowing and investment strategy outlined in the report is based on the following central view forecast, provided by our treasury management advisors (Capita), showing the movement in longer term interest rates for borrowing and movement in shorter term interest rates for investments.

	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Bank rate	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%
5yr PWLB rate	2.00%	2.10%	2.20%	2.30%	2.40%	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%
10yr PWLB rate	2.60%	2.70%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.50%	3.60%	3.60%	3.70%
25yr PWLB rate	3.40%	3.40%	3.50%	3.60%	3.70%	3.70%	3.80%	3.90%	4.00%	4.00%	4.10%	4.10%	4.10%
50yr PWLB rate	3.20%	3.20%	3.30%	3.40%	3.50%	3.60%	3.70%	3.80%	3.90%	3.90%	4.00%	4.00%	4.00%

12.2 UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were the strongest growth rates of any G7 country; the 2014 growth rate was also the strongest UK rate since 2006 and although the 2015 growth rate is likely to be a leading rate in the G7 again, it looks likely to disappoint previous forecasts and come in at about 2%. The November Bank of England Inflation Report included a forecast for growth to remain around 2.5 – 2.7% over the next three years, driven mainly by strong consumer demand as the squeeze on the disposable incomes of consumers has been reversed by a recovery in wage inflation at the same time that CPI inflation has fallen to, or near to, zero since February 2015. Investment expenditure is also expected to support growth. However, since the August Inflation report was issued, most worldwide economic statistics have been weak and financial markets have been particularly volatile. The November Inflation Report flagged up particular concerns for the potential impact of these factors on the UK.

12.3 The weakening of UK GDP growth during 2015 and the deterioration of prospects in the international scene, especially for emerging market countries, have consequently led to forecasts for when the first increase in Bank Rate would occur being pushed back to quarter 4 of 2016. There is downside risk to this forecast i.e. it could be pushed further back.

12.4 The American economy made a strong comeback after a weak first quarter's growth at +0.6% (annualised), to grow by no less than 3.9% in quarter 2 of 2015, but then pulled back to 2.0% in quarter 3. The run of strong monthly increases in nonfarm payrolls figures for growth in employment in 2015 prepared the way for the Fed. to embark on its long awaited first increase in rates of 0.25% at its December meeting. However, the accompanying message with this first increase was that further increases will be at a much slower rate, and to a much lower ultimate ceiling, than in previous business cycles, mirroring comments by our own MPC

12.5 The current economic outlook and structure of market interest rates and government debt yields have several potential treasury management implications. These will be carefully monitored with our treasury management advisors.

12.6 Investment returns are considered likely to remain relatively low during 2016/17 and beyond, and it is likely that there will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

12.7 Borrowing interest rates have been highly volatile during 2015 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Gilt yields have continued to remain at historically phenomenally low levels during 2015. The policy of avoiding new borrowing by running down spare cash balances, has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;

12.8 As documented in previous reports, the Council has recently taken part in a Greater Manchester wide collaborative tender for banking services, led by Bury MBC, following the Co-operative Bank's decision to leave the Local Authority market. The successful tenderer was Barclays Bank, and Tameside has moved to Barclays from 1st December 2015.

13. INVESTMENTS

13.1 The primary objectives of the Council's investment strategy are safeguarding the re-payment of the principal and interest of its investments on time, then ensuring adequate liquidity, with the investment rate of return being the final consideration. The current investment climate continues to have one over-riding risk, counterparty risk. As a result of these underlying concerns officers are implementing a risk adverse operational investment strategy.

13.2 The 2011 revised CIPFA Treasury Management Code and the CLG Investment Guidance requires the consideration and approval of security and liquidity benchmarks. Yield benchmarks are currently widely used to assess investment performance. Discrete security and liquidity benchmarks are a requirement to Member reporting, although the application of these is more subjective in nature. Additional background on the approach taken is attached at **Appendix C**.

13.3 These benchmarks are simple targets (not limits) and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that officers will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported, with supporting reasons in the Annual Report.

Security - The Council's maximum security risk benchmark for the current portfolio, when compared to these historic default tables, is:

- 0.03% historic risk of default when compared to the whole portfolio.

Liquidity – In respect of this area the Council seeks to maintain:

- Bank overdraft - £1.60m
- Liquid short term deposits of at least £5m available with a week's notice.
- Weighted Average Life benchmark is expected to be 0.25 years, with a maximum of 0.625 years

Yield - Local measures of yield benchmark is:

- Investments – Internal returns above the 7 day LIBID rate
- And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.081%	0.198%	0.371%	0.554%	0.772%

Note: This benchmark is an average risk of default measure, and would not constitute an expectation of loss against a particular investment.

13.4 Normally when the Council has surplus cash, this is invested to try to ensure that interest earned is optimised with minimal risk of capital loss. Higher interest rates are earned by investing any large amounts on the London money markets, rather than by leaving such sums with the Council's own bank. The Investment Strategy sets out the type of institutions with which the Council may deposit funds for this purpose. The list has been compiled to reflect the creditworthiness of these banks and building societies, rather than the rates of interest payable, as the safety of the asset is the most important consideration. Nonetheless, the interest received from these institutions is competitive.

13.5 The ongoing financial uncertainty has reinforced the need for the Council to ensure it adopts a security based approach to investment strategy.

13.6 Due to concerns over the risk of counterparties in the financial markets, the Council has acted to ensure investments are only placed for short durations. By keeping to a short duration the Council is reducing the risk that it holds an investment with a bank that no longer meets its minimum credit rating criteria and ensuring that the security of the investment is the Council's highest priority.

13.7 If market conditions significantly improve, we could make strategic investments up to £30m for more than 12 months, as reported in the Capital Strategy and Programme 2016/17 - Prudential Indicators and Limits (**Appendix 3**). Any strategic investments would only be placed with UK based banks with the highest credit rating or other UK Local Authorities.

13.8 In recent years the Council has had a high level of investments and therefore the investment strategy has been aligned with our debt strategy. The strategy for repayment of debt has been dependent on the movement of long term interest rates, and in favourable circumstances this could mean the repayment of tranches of debt. Investments have therefore been managed in-house in order to finance any repayments if necessary. It is expected that this strategy will continue.

13.9 As established in the Mid-Year Treasury Management Activities Report, the Council applies the creditworthiness service provided by its advisors, Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- Credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

13.10 The Council also holds investments in Money Market Funds which are AAA rated and act, in a similar way to unit trusts, to spread the risk of default across a number of underlying institutions. This type of fund is tightly regulated and viewed as a relatively safer investment.

13.11 The Council has a deposit account with the Government Debt Management Office (DMO). As this facility is underwritten by the government, the rates of interest offered by the DMO are substantially below the current market rates.

13.12 If concerns over counterparty risk reduce and market conditions are judged suitable, long term borrowing may be taken up by the Council in advance of when it is required for capital purposes. In these circumstances the excess cash will be invested in line with the Council's prudent investment objectives, with security of the asset the highest priority. However, the Council is not allowed to borrow for the express purpose of reinvesting this cash to make a return.

13.13 Although security and liquidity are both given priority over yield, the Council still manages to achieve a higher rate of return than the 7 day LIBID benchmark. In 2014/15 the Council achieved a return of 0.47% versus a LIBID of 0.35%. This equated to £694k of interest, against £514k at LIBID, a difference of £180k. If all of the Council's cash had simply been placed with the DMO then only an estimated £367k of interest would have been earned.

14 TREASURY MANAGEMENT ADVISORS

14.1 The Council uses Capita as its treasury management advisors. The company provides a range of services which include:

- Technical support on treasury matters and capital finance issues;
- Economic and interest rate analysis;
- Debt services which includes advice on the timing of borrowing;
- Debt rescheduling advice surrounding the existing portfolio;
- Generic investment advice on interest rates, timing and investment instruments; and
- Credit ratings/market information service comprising the three main credit rating agencies.

14.2 Whilst the advisers provide support to the internal treasury function, under current market rules and the CIPFA Code of Practice, the final decision on treasury matters remains with the Council. This service is subject to regular review.

14.3 Tameside MBC and Capita recently agreed a new 4 year contract which runs to September 2019.

15. RECOMMENDATIONS

15.1 As set out on the front of the report.

APPENDIX A

ANNUAL INVESTMENT STRATEGY: FINANCIAL YEAR 2016-17

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, and then return.

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

Investment Objectives:

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

All investments will be in sterling. The general policy objective for this Council is the prudent investment of its treasury balances. This includes monies borrowed for the purposes of expenditure in the reasonably near future (i.e. borrowed 12-18 months in advance of need). The Council's investment priorities are

(a) the **security** of capital and
(b) **liquidity** of its investments.
(c) **optimum return** on its investments commensurate with (a) and (b).

The former ODPM regulations stated that the borrowing of monies purely to invest or on-lend and make a return is unlawful, and therefore this Council will not engage in such activity.

Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit Watches and credit Outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the suggested duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years (UK Government debt or equivalent.
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

Y	Pi1	Pi2	P	B	O	R	G	N/C
1	1.25	1.5	2	3	4	5	6	7
Up to 5yrs	Up to 5yrs	Up to 5yrs	Up to 2yrs	Up to 1yr	Up to 1yr	Up to 6mths	Up to 100days	No Colour

The Capita Asset Services' creditworthiness service uses a wider array of information than just primary ratings. Furthermore, by using a risk weighted scoring system, it does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a Short Term rating (Fitch or equivalents) of F1 and a Long Term rating of A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services' creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in credit default swap spreads against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Capita Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on any external support for banks to help support its decision making process.

All institutions which meet the criteria **may** be included on our lending list at the discretion of the Section 151 Officer, although meeting the criteria does not guarantee this.

The criteria may only be changed by the Executive Cabinet.

Monitoring of credit ratings and other market information:

All credit ratings will be monitored regularly. The Council is alerted to changes to ratings of all three agencies through its use of Capita's creditworthiness service.

If a counterparty or investment scheme's rating is downgraded with the result that it no longer meets the Council's minimum criteria or other market information leads the concerns over the credit quality of that entity, then the further use of that counterparty/investment scheme as a new investment will be withdrawn immediately (however, existing fixed investments must remain in place until they mature).

If a counterparty is upgraded so that it fulfils the Council's criteria, its inclusion may be considered by the Section 151 Officer for approval.

Institutional Limits for Investments:
The Council has previously set limits on investments with individual institutions. These have been set for the Council and the Pension Fund combined. These limits (which will remain in force unless changed by the Executive Cabinet) are:

The overall limit invested by Tameside, the GM Pension Fund and the GMMDAF in one institution should not exceed a combined amount of £70m. Of this £70m, a maximum of £50m may be invested by the Pension Fund, £15m by Tameside and £5m by the GMMDAF.

At any time the maximum should not exceed 20% of the total amount available for investment (at the time of the investment - individually for the Council and the Pension Fund), or the above limits, whichever is less. However, where total investments are less than £100m for the Pension Fund and £25m for Tameside, the upper limits will be £20m and £5m respectively.

Investments defined as capital expenditure:
The acquisition of share capital in any body corporate is defined as capital expenditure under Section 16(2) of the Local Government Act 2003. Such investments will have to be funded out of capital or revenue resources and will be classified as 'non-specified investments'. The acquisition of loan capital in a body corporate has recently been relaxed so that it is not treated as capital expenditure and can be used for treasury management activities.

A loan or grant by this Council to another body for capital expenditure by that body is also deemed by regulation to be capital expenditure by this Council. It is therefore important for this Council to clearly identify if the loan has made for policy reasons (e.g. to a registered social landlord for the construction/improvement of dwellings) or an investment for treasury management purposes. The latter will be governed by the framework set by the Council for 'specified' and 'non-specified' investments.

The Council provided a loan of £4.280m (funded by Prudential Borrowing) to the Tameside Sports Trust in 2008/09, to invest in the refurbishment of three existing Leisure Centres within the Borough. This loan was for policy reasons and not for treasury management purposes. The Council also has an investment in Manchester Airport shares of £10.215m. These investments were not part of the Treasury Management strategy.

During 2009/10, Manchester Airport re-negotiated the terms of its loan arrangement with the 10 Greater Manchester Districts, as a result of this agreement the 10 Districts have taken responsibility to service the former Manchester Airport share of the GMMDAF and Terminal 2 Loan Debt. The Airport pays the Districts an annual fixed interest of 12% on the outstanding balance at 9 February 2010. The Airport has agreed to repay the loan to the Council by the end of the agreement in 2055. The re-negotiated loan arrangement was not for treasury management purposes.

The Council participates in the Local Authority Mortgage Scheme. Under this scheme the Council is required to place funds of £1m, with Lloyds Banking Group for a period of 5 years. This is classified as being a service investment, rather than a treasury management investment, and is therefore outside of the specified / non specified investment categories.

Manchester Airport
Tameside MBC holds a 3.22% equity share in Manchester Airports Group (MAG). The fair value of the Council's 3.22% shareholding at 31 March 2015 has been estimated at £41.0m (£36.7m as at 31 March 2014).

Dividends of £3m were received in 2015/16 from the Council's investment in MAG. This revenue is included in the Council's Medium Term Financial Strategy as a key item of income.

Provisions for Credit-related losses
If any of the Council's investments appeared at risk of loss due to default (i.e. a credit-related loss, and not one resulting from a fall in price due to movements in interest rates) the Council will make revenue provision of an appropriate amount.

Investment Strategy to be followed:
Based on its cash flow forecasts, the Council anticipates its fund balances in 2016/17 to range between £90m and £210m.

Use of investments for rescheduling purposes, or deferring borrowing could substantially reduce these holdings, whereas borrowing earlier than required could increase them.

The minimum percentage of its overall investments that the Council will hold in short-term investments is 75%.

The current financial climate provides operational difficulties. Ideally investments would be invested longer to secure better returns, however uncertainty over counterparty creditworthiness suggest shorter dated investments would provide better security.

The money market interest rates will be constantly monitored, and with the advice of our treasury advisors, the length of investments will be determined in accordance with our own views of future rate movements. In this way we would hope to optimise our investment returns.

Use of Specified and Non-Specified Investments during the Financial Year

There are a number of types of investments which the Council could use. These are outlined in the following tables

Specified investments:
All such investments shall be in sterling with a maximum maturity of 1 year with institutions of high credit quality.

	Minimum Credit Criteria
Term Deposits (including bank cancellable deposits and certificates of deposit) with credit – rated deposit takers (banks and building societies) *	Per Capita Asset Services
Term Deposits with the UK Government including Treasury Bills or other Local Authorities	N/A
Money Market Funds	AAA
Debt Management Agency Deposit Facility	N/A

*If forward deposits are made, these will be for a maximum of 1 year from the date of the deal.

Bank cancellable deposits cover a variety of bank deposits where the bank holding the deposit, has the option of repaying at pre-specified times. Such investments normally attract a higher original interest rate.

Non – Specified Investments:
A maximum of 25% (at the time the investments are made) will be held in aggregate in non – specified investments The only types of non-specified investments, with high credit quality, that the Council may use during 2016/17 are:

	Minimum Credit Criteria
Term Deposits exceeding 1 year (including bank cancellable deposits) with credit – rated deposit takers (banks and building societies)	Per Capita Asset Services
Term Deposits with the UK Government or other Local Authorities exceeding 1 year	N/A
UK nationalised and part nationalised banks (currently Lloyds Banking Group and Royal Bank of Scotland Group) – investments will be limited to a maximum period of 12 months	N/A
The Council's own bankers if they fail to meet the basic credit criteria.	N/A

Investments of this nature will only be made with the approval of the Section 151 Officer and in line with our treasury management advisors (Capita) investment recommendations.

APPENDIX B

Credit and Counterparty Risk Management

Specified Investments:
All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' quality criteria where applicable.

Non-Specified Investments:
These are any investments which do not meet the specified investment criteria or exceeding one year, as outlined in the body of the report. A maximum of 25% will be held in aggregate in non-specified investment

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made it will fall into one of the above categories.

The criteria, time limits and monetary limits applying to institutions or investment vehicles are:

	Minimum credit criteria / colour band	**Max. maturity period**
DMADF – UK Government	N/A	**6 months**
UK Government gilts	UK sovereign rating	12 months
UK Government Treasury bills	UK sovereign rating	12 months
Bonds issued by multilateral development banks	AAA	6 months
Money market funds	AAA	Liquid
Enhanced money market funds with a credit score of 1.25	AAA	Liquid
Enhanced money market funds with a credit score of 1.5	AAA	Liquid
Local authorities	N/A	12 months
Term deposits with banks and building societies	Blue Orange Red Green No Colour	12 months 12 months 6 months 100 days Not for use
CDs or corporate bonds with banks and building societies	Blue Orange Red Green No Colour	12 months 12 months 6 months 100 days Not for use
Gilt funds	UK sovereign rating	

APPENDIX C

Security, Liquidity and Yield Benchmarking

These benchmarks are targets and so may be breached from time to time. Any breach will be reported, with supporting reasons in the Annual Treasury Report.

Yield – This benchmarks is currently widely used to assess investment performance.

- Investments – Internal returns above the 7 day LIBID rate

Security and liquidity benchmarks are already intrinsic to the approved treasury strategy through the counterparty selection criteria and some of the prudential indicators.

Liquidity – This is defined as "having adequate, though not excessive cash resources, borrowing arrangements, overdrafts or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives" (CIPFA Treasury Management Code of Practice). In respect of this area the Council seeks to maintain:

- Bank overdraft - £1.600m
- Liquid short term deposits of at least £5m available with a week's notice.

The availability of liquidity and the term risk in the portfolio can be benchmarked by the monitoring of the Weighted Average Life (WAL) of the portfolio – shorter WAL would generally embody less risk.

- WAL benchmark is expected to be 0.25 years, with a maximum of 0.625 years.

Security of the investments – In context of benchmarking, assessing security is a much more subjective area to assess. Security is currently evidenced by the application of minimum credit quality criteria to investment counterparties, primarily through the use of credit ratings supplied by the three main credit rating agencies (Fitch, Moody's and Standard and Poors). Whilst this approach embodies security considerations, benchmarking levels of risk is more problematic. One method to benchmark security risk is to assess the historic level of default against the minimum criteria used in the Council's investment strategy. The table beneath shows average defaults for differing periods of investment grade products for each Fitch/Moody's Standard and Poor's long term rating category within each year according to the maturity of the investment.

Years	1	2	3	4	5
AAA	0.04%	0.09%	0.17%	0.25%	0.34%
AA	0.03%	0.06%	0.11%	0.22%	0.33%
A	0.08%	0.20%	0.37%	0.55%	0.77%

As set out earlier, the Council's minimum long term rating will typically be "A-" meaning the average expectation of default for a one year investment in a counterparty with a "A" long term rating would be 0.08% of the total investment (e.g. for a £1m investment the average loss would be £800). This is only an average - any specific counterparty loss is likely to be higher - but these figures do act as a proxy benchmark for risk across the portfolio.

The Council's maximum security risk benchmark for the whole portfolio, when compared to these historic default tables, is:

- 0.03% historic risk of default when compared to the whole portfolio.

And in addition that the security benchmark for each individual year is:

	1 year	2 years	3 years	4 years	5 years
Maximum	0.081%	0.198%	0.371%	0.554%	0.772%

These benchmarks are embodied in the criteria for selecting cash investment counterparties and these will be monitored and reported to Members in the Investment Annual Report. As this data is collated, trends and analysis will be collected and reported.

APPENDIX D

2015/16 Counterparty List

1 January 2016

Current Lending List

Australia & New Zealand Banking Group
Bank of Montreal
Bank of Nova Scotia
Barclays Bank Plc
Canadian Imperial Bank of Commerce
Commonwealth Bank of Australia
Development Bank of Singapore (DBS)
HSBC
Lloyds TSB
National Australia Bank
National Westminster Bank
Royal Bank of Canada
Royal Bank of Scotland
Svenska Handelsbanken
Toronto-Dominion Bank
Westpac Banking Corporation

<u>Money Market Funds: -</u>
Blackrock MMF
Blackrock Govt MMF
Fidelity MMF
Goldman Sachs MMF
DB Advisors MMF
Federated MMF
HSBC MMF
Insight Investment MMF
Invesco Aim (STIC) MMF *
JP Morgan MMF
LGIM MMF
Morgan Stanley MMF
Royal Bank of Scotland Global Treasury
Funds MMF
Standard Life MMF
State Street Global Advisors MMF

Report To:	**COUNCIL**
Date:	**23 February 2016**
Executive Member / Reporting Officer:	Cllr Kieran Quinn, Executive Leader Steven Pleasant, Chief Executive
Subject:	**CALENDAR OF MEETINGS 2016/2017**
Report Summary:	Attached is a draft of the Calendar of Meetings for 2016/2017 Municipal Year. The calendar does not include District Assemblies, which are currently under review. The calendar now refers to two Scrutiny Panels rather than the current three following the decision taken by Council on 21 May 2013 to reduce the number of Scrutiny Panels from 3 to 2 once changes to public health had been embedded and integrated within the Council. The Integrated Care and Wellbeing Panel would have responsibility for undertaking the statutory health scrutiny function and the Place and External Relations Panel would undertake the statutory crime scrutiny function,
Recommendations:	That Members agree the Calendar of Meetings for the 2016/2017 Municipal Year.
Links to Community Strategy:	The Constitution and democratic framework provides an effective framework for implementing the Community Strategy.
Policy Implications:	There are no policy implications
Financial Implications: (Authorised by the Section 151 Officer)	There are no budgetary implications
Legal Implications: (Authorised by the Borough Solicitor)	Achieves compliance with Procedural Standing Orders.
Risk Management:	Publication of the Meetings Calendar allows for transparent and inclusive decision-making and complies with the Freedom of Information Act 2000.
Access to Information	The background papers relating to this report can be inspected by contacting Robert Landon, Head of Democratic Services by: phone: 0161 342 2146 e-mail: robert.landon@tameside.gov.uk

MEETINGS	DATE/TIME						
Council	**Tuesday 5.00pm**	24 May 2016	12 July 2016	11 October 2016	29 November 2016	24 January 2017	28 February 2017
		23 May 2017					
Executive Cabinet	**Wednesday 2.00pm**	30 June 2016	31 August 2016	19 October 2016	14 December 2016 (Jt meeting with Audit Panel)	8 February 2017 (Jt meeting with Overview (Audit) Panel)	22 March 2017
Board	**Wednesday 10.00am**	1 June 2016	13 July 2016	17 July 2016	17 August 2016	14 September 2016	12 October 2016
		9 November 2016	6 December 2016 (Tuesday)	11 January 2017	22 February 2017	15 March 2017	19 April 2017
Overview (Audit) Panel	**Monday 2.00pm**	18 July 2016		12 September 2016	21 November 2016	8 February 2017 (Jt meeting with Executive Cabinet)	
Audit Panel	**Tuesday 2.00pm**	31 May 2016		1 November 2016	14 December 2016 (Jt meeting with Executive Cabinet)	7 March 2017	
Speakers Panel (Planning)	**Wednesday 10.00am**	25 May 2016	22 June 2016	27 July 2016	7 September 2016	5 October 2016	16 November 2016
		14 December 2016	18 January 2017	15 February 2017	22 March 2017	26 April 2017	
Speakers Panel (Liquor Licensing)	**Monday 10.00am**		4 July 2016	5 September 2016	7 November 2016	16 January 2017	13 March 2017
Speakers Panel (Licensing)	**Tuesday 10.00am**	21 June 2016	2 August 2016	20 September 2016	22 November 2016	24 January 2017	21 March 2017
Scrutiny Panels:							
Place and External Relations	**Tuesday at 6.00pm**	7 June 2016	19 July 2016	13 September 2016	8 November 2016	10 January 2017	14 March 2017
Integrated Care and Wellbeing	**Thursday at 6.00pm**	9 June 2016	21 July 2016	15 September 2016	10 November 2016	12 January 2017	16 March 2017
Pension Fund and Working Groups:							
Pension Fund	**Friday 10.00am**	1 July 2016	7 October 2015 (AGM)		18 November 2016		10 March 2017
Policy and Development	**Thursday 2.30pm**	26 May 2015 (3.30pm)	6 October 2016			2 February 2017	23 March 2017
Pension Administration	**Friday 9.00am**	15 July 2016	14 October 2016			27 January 2017	7 April 2017
Ethics and Audit	**Friday 10.00am**	15 July 2016	14 October 2016			27 January 2017	7 April 2017
Alternative Investments	**Friday 9.30am**	22 July 2016	21 October 2016			3 February 2017	14 April 2017
Property	**Friday 11.00am**	22 July 2016	21 October 2016			3 February 2017	14 April 2017
Employer Funding Viability	**Friday 9.30am**	29 July 2016	28 October 2016			10 February 2017	21 April 2017

Other Panels and Working Groups:							
Standards Committee	**Tuesday 4.00pm**		6 September 2016		22 November 2016		4 April 2017
Strategic Planning and Capital Monitoring Panel	**Monday 2.00pm**	11 July 2016	5 September 2016		28 November 2016		13 March 2017
Enforcement Co-ordination Panel	**Wednesday 10.30am**	27 July 2016		26 October 2016		25 January 2017	29 March 2017
Democratic Processes Working Group	**Monday 4.00pm**	18 July 2016		10 October 2016	12 December 2016	27 February 2017	
Carbon and Waste Reduction Panel	**Thursday 10.00am**	30 June 2016	8 September 2016	17 November 2016	12 January 2017		16 March 2017
Health and Wellbeing Board	**Thursday at 10.00am**	30 June 2016		22 September 2016	10 November 2016	19 January 2017	9 March 2017
Education Attainment Board	**Tuesday at 3.30pm**	27 June 2016 (4.30pm)		25 October 2016		31 January 2017	28 March 2017
Children In Care Council	**Tuesday at 5.00pm**	20 July 2016					7 March 2017

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