MEETING OF EXECUTIVE CABINET

31 August 2016

Commenced: 2.00 pm **Terminated: 2.55 pm**

Present: **Councillor K. Quinn (Chair)**

Councillors Cooney, J. Fitzpatrick, Gwynne, Robinson, Taylor, L Travis and Warrington

15. DECLARATIONS OF INTEREST

There were no declarations of interest submitted by Members of the Executive Cabinet.

16. MINUTES

(a) Executive Cabinet

Consideration was given to the Minutes of the meeting of Executive Cabinet held on 29 June 2016.

RESOLVED
That the Minutes of the meeting of Executive Cabinet held on 29 June 2016 be taken as read and signed by the Chair as a correct record.

(b) Strategic Planning and Capital Monitoring Panel

Consideration was given to the minutes of the meeting of the Strategic Planning and Capital Monitoring Panel held on 11 July 2016 together with the recommendations therein and it was:

RESOLVED

Asset Management Update

(i) That the list of properties for disposal but not yet completed identified in Appendix 1 to the report be approved.
(ii) That £175,126 be allocated to undertake building condition replacement / repair projects as detailed in the report.
(iii) That £20,000 be allocated to facilitate works at Silver Springs and Stamford Park.

Engineering Capital Programme

(i) That the Engineering Maintenance Block Allocation and the Highways Structural Maintenance Programme for 2016/17 as detailed in Appendix 1 to the report be approved.
(ii) That the use of grant funding from the GM Growth Deal Round 2 to procure improvements to Hattersley Rail Station in the financial year 2016/17 be supported.

Smart Tameside: Digital by Design – HBEN and CTAX Online Integrated Forms

That £90,000 be allocated from the Capital budget to purchase the intuitive online and integrated forms for a range of Exchequer Services on an invest to save basis.

(c) Single Commissioning Board

Consideration was given to the Minutes of the meeting of the Single Commissioning Board held on 2 August 2016.

RESOLVED
That the Minutes of the meeting of the Single Commissioning Board held on 2 August 2016 be received.

(d) Enforcement Co-ordination Panel

Consideration was given to the Minutes of the meeting of the Enforcement Co-ordination Panel held on 27 July 2016.

RESOLVED
That the Minutes of the meeting of the Enforcement Co-ordination Panel held on 27 July 2016 be received.

(e) Association of Greater Manchester Authorities / 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 AGMA Executive Board and Greater Manchester Combined Authority held on 30 June 2016 and 29 July 2016 and the Forward Plan of Strategic Decisions of the Greater Manchester Combined Authority and AGMA Executive.

RESOLVED
That the content of the report be noted.

17. FINANCIAL MONITORING

(a) Capital Outturn 2015/16

Consideration was given to a report of the First Deputy (Performance and Finance) and the Assistant Executive Director (Finance) summarising the capital outturn position for 2015/16. Members were informed that the Council had a capital programme totalling £47.539m and had spent £40.067m, resulting in the need to re-profile the capital programme by £7.472m.

Details of the variation were shown by service area in **Appendix 1** to the report, together with in year scheme variations, capital receipts, compulsory purchase orders, indemnities and potential liabilities, changes to the approved three year capital programme, requests for approval of re-profiling and the revised capital programme.

RESOLVED
(i) That the 2015/16 capital outturn position be noted.
(ii) That the capital financing statement for 2015/16 be approved.
(iii) That the revised capital programmed (including changes and re-profiling) be approved.
(iv) That the current position in regards to Compulsory Purchase Orders and Indemnities be noted.
(v) That the capital receipts position be noted.

(b) Capital Monitoring Quarter 1 2016/17

Consideration was given to a report of the First Deputy (Performance and Finance) and the Assistant Executive Director (Finance) summarising the capital monitoring position at 30 June

2016 based on information provided by project managers which showed that the current forecast was for service areas to spend £68.572m on capital investment by March 2017, which was £6.425m less than the current programmed spend. It was proposed therefore, that the capital investment programme be re-profiled to reflect current information and the re-phasing of £6.782m into the next financial year identified within the individual service areas as detailed in the report.

The projected outturn capital expenditure by service area was detailed and explanations were provided for capital projects with a projected variation of £0.100m or above over the life of the project. Schemes with an in-year variation in excess of £0.100m were highlighted and approval was being sought to re-profile the capital expenditure of these project.

The report also incorporated an update on Compulsory Purchase Orders, indemnities and potential liabilities and Prudential indicators.

RESOLVED
(i) That the current capital budget monitoring position be noted.
(ii) That the resources currently available to fund the capital programme be noted.
(iii) That approval be given to the rephrasing to reflect up-to-date investment profiles.
(iv) That the current position in regards to Compulsory Purchase Orders and Indemnities be noted.
(v) That the capital receipts position be noted.
(vi) That the updated Prudential Indicator position be approved.

(c) Revenue Monitoring – Quarter 1 2016/17

Consideration was given to a report of the First Deputy (Performance and Finance) and the Assistant Executive Director (Finance) which showed that at Quarter 1 the overall net service projected budget outturn revenue position was £1.830m under budget. Strong budget management was required across the Council to ensure that its financial plans were achieved and that the Council was therefore able to control budgetary pressures in the future.

The report detailed each Directorate's projected revenue outturn position for 2016/17 against budgets for the year and showed the net income and expenditure as a variation to the budget. Also included were details for those budgets that were held corporately and the projected outturn position. These budgets included the cost of capital financing, democracy and where service areas were unable to affect spend against budget, e.g. AGMA costs.

Separate tables breaking down the budgets into elements of expenditure and income were included in **Appendix 2** to the report, showing how Directorates were utilising their allocated funding.

Reference was made to a number of changes to the 2016/17 budget as set out in **Appendix 1** to the report. In summary, the budget had now moved from £168.6m to £162.3m. The changes in terms of value were in respect of:

- Allocation of balance brought forward from 2015/16 to service areas;
- Additional income as a result of the increase in Council Tax and Adult Social Care precept as agreed at the budget setting meeting in February 2016;
- Amendment of accounting treatment in respect of grants and airport dividend.

The most significant changes to budgets in service areas were reported as follows:

- Allocation of £4m to Children's and £8m to Adults' services for cost pressures, as previously approved and set out in the outturn revenue budget monitoring;
- Allocation of specific cost pressures to service budgets, including increased demographic costs and the financial impact of the Living Wage – total £4.331m;

- Budget allocation to service areas to fund the additional costs of the recent changes to pay costs including national insurance increases – total £2.642m.

In terms of Care Together, a single consolidated financial report was now being produced working towards financial sustainability across the whole health and social care economy. This was showing a forecast collective deficit of £30m in 2016/17 and this was forecast to grow in the following year. Short and medium term options were being worked upon to minimise this position and the latest consolidated report was included at **Appendix 4** to the revenue monitoring report.

One opportunity had been identified for the Council to pay in advance for some services that would be delivered during the current financial year, the main one being Community Services. By making these payments earlier, it would allow Tameside Hospital to defer use of an interim working capital support facility provided by the Department of Health, thereby saving interest costs. The saving to the Hospital was in the order of £0.060m from which the Council's lost investment opportunity of c£0.010m would be reimbursed.

RESOLVED
(i) That the changes to revenue budgets as set out at Appendix 1 to the report be approved.
(ii) That the projected revenue outturn positon be noted.
(iii) That the detail for each service area be noted.
(iv) That the proposed payment arrangements in respect of Tameside Hospital be approved as set out in section 6.4 of the report.

(d) Treasury Management Activities

Consideration was given to a report of the First Deputy (Finance and Performance) and the Assistant Executive Director (Finance) setting out the Treasury Management activities for the financial year 2015/16. It also provided initial commentary on the impact of the recent Referendum for treasury management activities. As investment rates were lower than external borrowing rates throughout the year, available cash reserves were used to fund internal borrowing on a temporary basis. This resulted in lower than anticipated borrowing costs with an external interest saving of £5.981m. Investment returns were £0.009m higher than estimated.

Details were also given of the following:

- Debt;
- Interest Rates;
- Activities 2015/16;
    - Borrowing
    - Rescheduling
    - Year-end position
    - Investments – managing cash flow
    - Interest payable and receivable in the year;
- Current Activities;
- Greater Manchester Metropolitan Debt Administration Fund;
- Prudential Limits.

RESOLVED
(i) That the treasury management activities undertaken on behalf of both Tameside MBC and the Greater Manchester Metropolitan Debt Administration Fund be noted.
(ii) That the outturn position for the prudential indicators in Appendix A to the report be approved.
(iii) That the early and emerging implications for treasury management of the recent Referendum be noted.

18. CORPORATE EQUALITIES SCHEME

Consideration was given to a report of the Executive Member (Adult Social Care and Wellbeing) and the Executive Director (Governance, Resources and Pensions) providing an update on the development of the Corporate Equality Scheme (CES) 2015-19 Year 1 review and its role and how the Council would fulfil its legal obligations under the Public Sector Equality Duty.

Following publication of the first scheme there had been a commitment to provide an annual update on progress made against the Council's equality objectives. Yearly updates to the CES act as an ongoing position statement and introduction to the Council's approach to equalities and provided an accessible introduction to some of the work being undertaken across the authority and together with partners.

The Year 1 progress report built upon the work outlined in the CSE 2015-19, as well as providing new examples and evidence sources of notable achievements in respect of equality and diversity and had been compiled in conjunction with Equality Champions.

RESOLVED
(i) That the content of the report be noted.
(ii) That the Corporate Equality Scheme (CES) 2015-19 Year 1 update be approved for publication.

19. HOME TO SCHOOL TRANSPORT

Consideration was given to a report of the Executive Member (Lifelong Learning) and the Interim Assistant Executive Director (Education) outlining how the current Home to School Transport Policy went beyond the statutory requirements in that it provided discretionary financial assistance to pupils attending denominational schools. The current policy made provision for the Council to provide discretionary financial assistance to parents of pupils attending a denominational school because of their faith, regardless of where there was a nearer non-denominational school with places available and regardless of whether the low income criteria was met. There was an increasing opportunity for other faith schools to be established as Free Schools both within and outside of the Borough due to the current government's Academisation and Free School expansion programme which, over time, was likely to increase the number of pupils travelling to faith schools.

An Executive Decision was made on 18 May 2016, giving approval to consult interested parties in respect of a proposed review of the Home to School Transport Policy to cease the discretionary provision of free transport for pupils attending denominational schools on an immediate basis (Option 1) or phased basis (Option 2) from September 2017. The savings that would be achieved for the two options were outlined in Section 3 of the report.

A consultation exercise had been undertaken involving direct mailing to over 750 consultees and via schools and the Big Conversation. Disappointingly, less than 100 responses were received. Most responses confirmed that consultees did not want any change to the existing policy and the key findings were summarised in the report.

Both of the options on which the Council had consulted enabled the Council to meet its statutory duties. However, Option 2 would perpetuate an identified potential for inequality until July 2021 as pupils currently eligible worked their way through school and Option 1 would allow the Council to meet its legal and statutory obligations from September 2017.

It was emphasised that any proposed changes to the policy would not affect the entitlement to free transport for families with low income as they would continue to receive a pass if their families met the criteria. The proposed changes were intended to ensure that all pupils were treated equitably regardless of whether they attended a denominational or non-denominational school.

In closing the discussion, the Chair made reference to the school bus service contracts and in particular fare discrepancies due to some schools having different contractors for morning and afternoon journeys. Executive Cabinet requested that discussions take place with Transport for Greater Manchester on this matter and an update report be submitted to a future Cabinet meeting.

RESOLVED

(i) That the Home to School Transport Policy 2008 be amended to cease the issue of all discretionary bus passes with effect from 1 September 2017 for all pupils as described in the report (Option1).

(ii) That discussions take place with Transport for Greater Manchester regarding school bus service contracts and an update report be submitted to a future Executive Cabinet meeting.

20. GREATER MANCHESTER STRATEGIC ESTATES – MEMORANDUM OF UNDERSTANDING

Consideration was given to a report of the First Deputy (Performance and Finance) and the Executive Director (Place) providing an update on progress with the Estates work stream which formed part of the Enabling Better Care priority of the Health and Social Care Strategic Plan. It was explained that the Greater Manchester (GM) Health and Social Care Strategic Plan ‘Taking Charge’ would require a reconfiguration of the health and social care estate in order to ensure that the shared vision from a property base could be delivered and that was fit for purpose in terms of location, configuration and specification. It would be key to the delivery of clinical and financial sustainability by 2021.

Implementation of the transformation themes and locality plans would have significant capital and estates requirements. As an example, the Healthier Together (Acute Standardisation) transformation these required an estimated £63m capital.

It was explained that a national Memorandum of Understanding (MOU) between GM and the Department of Health / NHS Improvement / NHS England / Treasury / Department for Communities and Local Government had been agreed. A second GM MOU would help create a robust consultative process for delivering the estates strategy. The MOUs would create new co-ordinating governance and capacity to overcome the fragmentation and complexity of health estate ownership and management. The final MOUs were included at **Appendix 1 and 2** to the report and an executive summary of their content was included at **Appendix 3** to the report.

Executive Cabinet was asked to approve the MOUs which were being presented to the governance bodies of the GM organisations that were party to the agreements. In parallel the Department of Health would agree the national MOU though the relevant government departments.

Work continued on the development of a Capital Finance Strategy showing how capital investment needed to support Health and Social Care transformation in GM might be funded. This had been informed by consideration of a number of illustrative case studies, discussions with stakeholders and potential funders and next steps to address identified challenges were highlighted in the report.

RESOLVED

(i) That the contents of the report be noted.

(ii) That the Memorandums of Understanding be approved.

(iii) That officers, through the governance process, seek to engage the relevant parties for maximum capital receipt to the benefit of the local Health and Social Care economy.

(iv) That officers in the Tameside and Glossop Health and Social Care economy consult in order to deliver a joint and combined Estates Strategy and Delivery Team.

21. STATEMENT OF COMMUNITY INVOLVEMENT

Consideration was given to a report of the Deputy Executive Leader and the Assistant Executive Director (Development, Growth and Investment) explaining that the current Statement of Community Involvement (SCI) was adopted by the Council in 2006 as a result of changes brought in by the Planning and Compulsory Purchase Act 2004. Since that version of the document was adopted, there had been a number of procedural changes to how planning documents were prepared. It was now important to publish a revised SCI that reflected these changes to the statutory process.

Executive Cabinet on 29 June 2016 had approved a four week consultation period on a draft SCI. Reference was made to **Appendix 2** of the report detailing the methodology used to publicise the consultation draft SCI, a precis schedule of all representations received and the Council's response to these. In summary, the following modifications were made to the draft SCI as a result of the consultation:

- Addition of a Glossary;
- Manchester Airport has been added as a discretionary Specific Consultation body at **Appendix 1**.
- Greater clarity had been given as to how representations were expected to be made in relation to planning policy document consultations and how they would be treated once submitted.
- A note to taking a pragmatic approach to assisting established groups in relation to Neighbourhood Planning consultation had been added.

Approval was now sought for the adoption of the final Statement of Community Involvement 2016 attached as **Appendix 1** to the report following the 4 week period of public consultation and consideration of representations received.

RESOLVED
(i) That the content of the report be noted.
(ii) That approval be given to formally adopt the Statement of Community Involvement 2016.

22. HONOUR OUR FALLEN PLEDGE – STREET NAMING AND PROTOCOL CRITERIA

Consideration was given to a report of the Deputy Executive Leader and the Executive Director (Governance, Resources and Pensions) setting out the protocol, criteria and format to be followed for naming streets in honour of Tameside veterans under the Honour Our Fallen pledge (Tameside Pledges 2016).

It was explained that an Honour Our Fallen Working Group had been established to lead on the co-ordination of the pledge and to steer the work of the two responsible services – Environmental Services and Stronger Communities. The Tameside Armed Services Community and the Royal British Legion would be engaged and consulted throughout the delivery of the pledge.

RESOLVED
(i) That the content of the report be noted.
(ii) That the process, protocol and criteria to be followed when naming streets in Tameside under the Honour Our Fallen pledge be approved.
(iii) That the Honour Our Fallen Working Group would have responsibility for delivery of the pledge with the Director of place who has responsibility for Highways and Planning.

23. ASHTON OLD BATHS

Consideration was given to a report of the First Deputy (Finance and Performance) and the Assistant Executive Director (Development, Growth and Investment) seeking approval of proposals for the final fit out of the Ashton Old Baths innovation centre and the appointment of an operator. It further provided a progress update on the ongoing feasibility work on the redevelopment of the annex to the building.

It was explained that the building was now back in the Council's ownership in line with the legal agreement with the former private sector owner and the main refurbishment and renovation works to the main pool hall had been completed with a free standing timber pod installed to shell and core. Structural repairs to the annex were also completed as part of the main works.

The final fit out proposals had been designed in consultation with the operator and the design team and the key aspects of the fit out proposals, procurement process, programme of works and budget costs were detailed in the report.

In relation to the appointment of an operator, terms for a management agreement had been approved by officers for the OJEU procurement and Oxford Innovation had confirmed acceptance. The management agreement was for an operator model with incentives to outperform the initial business plan. It would run for five years and it was intended that the operator would provide an annual business plan based on the previous year's performance against an agreed set of performance indicators. A copy of the 5-Year Business Plan was included in the report at **Appendix 1**.

As the Council owned the building and engaged the operator as a managing agent, it was required to make provision to cover any deficit in the initial years. Costs would be incurred in advance of the centre becoming operational (Year 0) and included costs such as marketing. This was essential to ensure that the development was effectively promoted to prospective tenants, maintaining Oxford Innovation input throughout the fit out stage and ensuring all necessary systems and processes were in place and mobilised for the centre's opening. These set up costs for the operator prior to opening amounted to £82,434 and were included in the annual revenue contribution requirements. Due to these initial higher operational costs the operator required working capital funding to cover these costs and Oxford Innovation had identified the maximum revenue contribution requirement for the operation of the centre as shown in the business plan. It was forecast that the working capital requirement would reduce every year until the centre was able to operate without financial assistance from the Council. Approval was therefore sought to provide a maximum revenue contribution to the operator as revenue costs of £110,000 (Year 1) to assist in their cash flow.

Regular reports on the operator's performance against the business plan and key performance indicators would be set out in the Council's regular quarterly monitoring reports on the budget received by Executive Cabinet.

In terms of the redevelopment of the annex, an initial high-level appraisal of the options available for its future use had been undertaken and identified as follows:

- Option 1 – mothballing the annexe for the foreseeable future;
- Option 2 – Refurbishment and use of the annex for office accommodation;
- Option 3 – Refurbishment and use of the annex for office accommodation and data / disaster recovery centre.

A vision and business case for Option 3 was currently being developed. The requirement for grade A office space was informed by strong private sector occupier demand in St Petersfield. The data / disaster recovery centre proposal was being driven by public and private sector requirements which were still being assessed.

In conclusion, it was stated that the redevelopment of Ashton Old Baths was a unique, once in a generation opportunity that brought an iconic Greater Manchester heritage asset in Tameside back into sustainable use. It would also act as a catalyst for the completion of the regeneration of St Petersfield resulting in significant economic, social and environmental benefits and increased growth. Completion of the final fit out works and appointment of an operator would enable the Council to operationalise the innovation centre and achieve these benefits.

RESOLVED

(i) That the overall progress to date with the Ashton Old Baths project be noted.

(ii) That Council be RECOMMENDED to approve the proposals for final fit out works for the Ashton Old Baths Innovation Centre at a cost of £871,059 as set out in section 3 of the report and the Capital Programme be amended accordingly.

(iii) That the Executive Director (Place), in consultation with the Executive Director (Governance, Resources and Pensions), be authorised to agree and complete the Management Agreement for the appointment of Oxford Innovation to operate the Ashton Old Baths Innovation Centre to protect the Council's interests so far as possible given the Council was retaining a significant level of risk and to agree Annual Business Plans during the term of the contract.

(iv) That the maximum revenue contribution of £82,434 in Year 0 and £110,000 in Year 1 as identified in the business plan be approved and that regular reporting on this issue be set out in the quarterly revenue monitoring report.

(v) That the progress to date with the feasibility work on the redevelopment of the annex be noted.

24. URGENT ITEMS

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

CHAIR