Report To:	**Executive Cabinet and Overview (Audit) Panel**
Date:	8 February 2017
Cabinet Deputy/Reporting Officer:	Councillor Jim Fitzpatrick, First Deputy - Performance and Finance Ian Duncan Assistant Executive Director – Finance
Subject:	**COUNCIL BUDGET 2017/18**
Report Summary:	The report sets out the detailed revenue budget proposals covering 2017/18 - 2019/20 including the proposed council tax increases.
Recommendations:	Executive Cabinet is requested to RECOMMEND TO COUNCIL FOR APPROVAL the recommendations outlined in Section 11 of the report and recommend it to Council.
Links to Community Strategy:	The Council Budget aligns with the priorities of the Corporate Plan.
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 Section 151 Officer)**	Subject of the report.
Legal Implications: **(Authorised by the Borough Solicitor)**	Legal considerations are set out in section 10 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. It will be necessary for all members of the Council to make the necessary application to take part in the decision. This will be undertaken by signing a form. 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:	A risk assessed approach has been a major part of ensuring the adequacy of the budget. The report makes reference to a number of risks and the approach taken in framing the budget.
Access to Information:	For background information contact the report author: Ian Duncan – Assistant Executive Director - Finance Telephone:0161 342 3864 e-mail:ian.duncan@tameside.gov.uk

Tameside MBC

Budget Report

2017/18

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1 INTRODUCTION

1.1 The purpose of this report is to set out and seek approval for the setting of the budget for the Council for the financial year 2017/18. This proposed budget is set in the context, once again, of cuts in Government funding to all councils. This will be the 8th year of reductions in funding with at least another two to follow.

1.2 This report reflects the Council's provisional Grant Settlement from the Government, announced on 15 December 2016. At the time of writing this report the final settlement is still awaited and will be reported to Members before final budget decisions are made on 28 February 2017.

1.3 The budget draws together the Council's many service plans and delivery strategies and sets out an overall plan in financial terms. The budget also ensures that we use our resources to deliver services to local people in line with the agreed priorities of the Council and its partners. Some key messages are:

- By the end of 2016/17 the Council will have had to make efficiency savings of £144.5 million, due to a combination of reductions in funding and an increase in the cost of providing services;

- The Council has managed this difficult challenge by taking tough decisions, early, and will continue to do this;

- The Council is committed to growing Tameside as outlined in the Corporate Plan – to building houses, attracting businesses, creating jobs and promoting better health, skills and education for our communities. By doing so we will seek to tackle the causes of service demand, and so continue to reduce the overall cost of Council services.

- The Council budget for 2017/18 has been prepared following an intense review of the resources required to support and deliver the services of the Council. It takes account of the pressures that services are facing as well as increasing demographic demands to enable the Council to achieve its desired outcomes;

- The Council continues to find new ways to deliver services that are sustainable and even more efficient;

- There will be step up in the partnership working with the NHS which will require a change in risk sharing in order to see transformational changes in service delivery in Health and Social Care. Funding of £23 million has been received from the GM Health and Social Care Partnership to assist with implementing some of these changes.

2 TAMESIDE'S CURRENT POSITION

Services the Council provides

2.1 When the budget is discussed and debated the focus can be on the inevitable savings that have to be made each year. However, what should not be overlooked are the important services that the budget pays for and what the Council will continue to provide next year. Some examples of the range of different services that the Council deliver include:

- Support 8,308 people outside of the adult social care system through provision of prevention based services;
- Support 3,000 people to live independently and remain in their own homes;
- 57.3% of pupils achieved 5 A*-C GCSEs including English and Maths.

- Support 479 looked after children (LAC), 344 on a child protection plan and a further 1,224 children in need;
- Collect approx. £92.5 million in Council Tax from over 100,000 housholds;
- Collect approx. £60 million in business rates from 7,374 businesses;
- Answer approximately 180,000 made to our call centre and receive nearly 33,000 visits to Customer Services;
- Maintain 8 libraries, 1 local studies and archive centre, 1 museum and 2 art galleries,
- Welfare Rights opened 3,252 cases last year, generating more than £3.5 million in extra benefits, tax credits and grants for Tameside residents and advised on more than £1.6 million of debt;
- Registration Services registered 2,591 births and 2,069 deaths. They conducted 400 civil ceremonies and 153 individuals attended a citizenship ceremony;
- 1,060 family events organised across the borough with 60,811 individuals attending;
- Dealt with 960 planning applications;
- Empty 75,000 domestic refuse bins and 150,000 recycling bins per week;
- Approximately 682 tonnes of waste recycled each week;
- Maintain 750km of roads across the borough;
- Helped over 1,700 people to stop smoking;
- Offered a health check to 4,078 people aged 40 to 74;
- Visited 2,627 new mothers to offer help and advice;
- Maintain 35 playgrounds, 23 play areas, 27 sports pitches and 26 parks;
- Maintain 25,779 street lights.

Financial Performance in 2016/17

2.2 The provisional forecast revenue position for Council services, reported during 2016/17 is shown below. The table shows that at September 2016, the Council's net expenditure was expected to be less than budget by £6.8 million by the end of March 2017. It is important, particularly in times of funding reductions, that a firm control is kept of expenditure so that no unplanned use of resources takes place and the following year's budgets can be built upon an existing solid foundation.

Table 1: Financial Performance Quarter 2 2016/17

Directorate	Service	2016/17 Budget £000	Outturn £000	Variation to Budget £000
People	Childrens Social Care	23,972	24,819	847
People	Strategy and Early Intervention	1,906	1,841	(65)
People	Education	3,313	3,226	(87)
People	Adult and Early Intervention Services	41,995	43,493	1,498
People	Stronger Communities	7,096	6,781	(315)
	Total Director of People	**78,281**	**80,159**	**1,878**
Place	Asset and Investment Partnership Management	5,087	5,806	719
Place	Environmental Services	46,988	45,730	(1,258)
Place	Development Growth and Investment	2,221	2,084	(137)
Place	Digital Tameside	1,817	1,817	0
	Total Director of Place	**56,113**	**55,437**	**(676)**
Public Health	Director of Public Health	1,400	1,521	121
Governance and Resources	Director of Governance and Resources	9,979	7,297	(2,682)
	Total Service Position	**145,773**	**144,414**	**(1,359)**
Directorate	**Corporate Budgets**	**2016/17 Budget £000**	**Outturn £000**	**Variation to Budget £000**
Other	Corporate Costs, Capital and Financing and Other Cost Pressures	16,528	11,017	(5,511)
	Total	**16,528**	**11,017**	**(5,511)**
	Overall Total	**162,301**	**155,431**	**(6,870)**

Budget Preparation

2.3 This budget report has been produced following an intense review of all budgets to accurately assess the requirement going forward for each service area, taking into account inflation, demographic, legislative and grant pressures.

2.4 Services have also been asked to identify efficiencies that can be made and to review how the service will look going forward based on the demand placed on them and new ways of working. Examples of this include the move from manned libraries to self-service, or reassessment of the demand pressures within Childrens service**.**

2.5 This budget reassessment is also influenced by local priorities, and consultation with local businesses, Government policies, performance information and external inspections. In the light of future financial constraints, it has become even more important that the Council continues to align limited revenue and capital resources with key policy priorities. This involves the Council focussing more clearly on core services and priorities, whilst making difficult decisions to reduce or cease activity in other areas.

2.6 The Council is committed to only doing what matters, by understanding what people need, designing services to meet this need and reducing any costs and duplications that may exist.

2.7 Individual service plans for each directorate area (**Appendix 3**) identify the current budget and any changes that are being recommended to produce their budget for 2017/18 and beyond. The changes include pressures, demographic demands, plans and priorities for that area and are linked with Corporate Plan priorities. Some issues worthy of note are set out below.

Forward planning and key challenges facing the Council

2.8 There are a number of key challenges facing the Council in 2017/18 and future years, these include:

- Continuing to review the delivery of sustainable services to local people from a much reduced level of resources; delivering the necessary further reduction in the overall size of the Council in the coming years and securing ongoing cost reductions in a timely manner. The report comments upon the scale of this challenge;

- The increasing number of people that need to access our adult social care services. We welcome the fact that people are living longer, and indeed, it is our ambition to for this improvement in health to continue. However, an increasing number of people living longer will mean the Council is exposed to additional financial demands on its constrained resources. Furthermore, the cost of care is increasing, in part as a result of the introduction of the New Living Wage, which adds to the pressure on the budget;

- There is increasing recognition nationally that the solution to many of the difficulties faced by the NHS is to invest more in social care. So far this has not resulted in any significant additional resources from the Government, although it is permitting some costs to be passed on to local council tax payers (comment on the grant settlement and council tax is made later in the report). Our response in Tameside has been to create a partnership approach operating under the banner of Care Together. This is commented on in section 2.10 below.

- Under Care Together, the three organisations will, for the first time, be taking shared financial risks which are seen as essential for the initiative to succeed. This will mean the Council being exposed to a greater degree of risk than it is currently;

- Demands on services are not restricted to Adults' Services. We are experiencing a surge in the number of children being referred to Children's services. This is commented upon later in the report (see section 5.12). The Council is responding to this demand by increasing significantly the budget for Children's care services so that vulnerable children are not put at risk;

- **Business Rates** are set nationally by the Government but collected locally by the Council. It is only since April 2013 councils have been able to share in any growth in business rates and whilst we support this move, it has meant at the same time that councils have had to share responsibility for losses in business rates. Tameside, like many others, has experienced losses arising from successful appeals against rateable values placed on properties. From April 2017 a completely new valuation list comes into force and the reaction of businesses is likely to be the start of a fresh round of appeals. This brings uncertainty into our financial planning and is likely to exist for a number of years.

- The Council has a significant capital investment programme over the medium term which can have a direct impact on residents, businesses and visitors to the borough. In the recent past spending performance has been disappointing and therefore improvements are needed in effective delivery of capital and infrastructure investment e.g. Vision Tameside.

Members and Officers must remain focused on these issues and key challenges if the Borough is to remain in a strong financial position at the end of the planning period. This budget report is a key document in ensuring that focus.

Current Initiatives

2.9 Details of some of the many initiatives being undertaken by the Council to improve outcomes and deliver vital services are included below:

2.10 **Care Together** is the transformational approach to significantly improving the health and wellbeing of the 250,000 residents of Tameside and Glossop. The programme comprises three key elements:

- Establishment of a Single Commissioning Function to ensure resources are aligned and distributed in a way that facilitates integration and most effectively meets need;
- Development of an Integrated Care Foundation Trust to ensure the traditional organisational silos and boundaries are eliminated;
- A new model of care to drive forward at pace and scale the changes to support the economy to achieve its ambitions in terms of improved outcomes for the population and also for a financially and clinically sustainable health and social care system.

2.11 In addition to delivering a sustainable health and social care economy, the programme has a significant expectation to improve the healthy life expectancy of the population. In doing this, the programme has three key ambitions which are wholly in line with both Greater Manchester and national policy:

- To support local people to remain well by tackling the causes of ill health, supporting behaviour and lifestyle change and maximising the role played by local communities.
- To ensure that those receiving support are equipped with the knowledge, skills and confidence to enable them to take greater control over their own care needs and the services they receive.
- When illness or crisis occurs, to provide high quality, integrated services designed around the needs of the individual and, where appropriate, provided as close to home as possible.

2.12 The programme comprises a series of interdependent transformation schemes that together will deliver a financially and clinically sustainable health and social care economy and improve the healthy life expectancy of the local population. The schemes focus on demand reduction and the absorption of growth and the reduction of acute and primary care activity.

2.13 The Tameside and Glossop health and social care economy has recently received approval of £23.2 million via the Greater Manchester Health & Social Care Partnership to support this transformation.

Greening Tameside – Increasing Recycling

2.14 Bin Swap has increased the amount of waste that is recycled, and decreased the amount of waste that is sent to landfill, it has already achieved significant savings. Disposal of none recyclable waste currently costs £350 per tonne in 2016/17, work is continuing to work on ways to reduce the amount of waste that isn't recycled and reduce the cost per tonne for processing the waste. To further improve the amount of waste diverted from landfill, (and the savings associated with this), the Council has to consider and deliver innovative ways of working using the resources we currently have.

2.15 The Waste Services team has spent its time since Bin Swap, reviewing the collection model and looking to find further improvements. The large shift in recycling tonnage presented means that we have had to review the collection rounds to ensure the work is balanced correctly throughout the week. (Bin Swap took us from a recycling rate of 42% to its current rate of 59%).

2.16 The Council has also taken the opportunity to increase the frequency of collection of paper and cardboard, as it has been fed back to us by service users as an improvement that would be welcomed. As with previous changes delivered by Waste Services, clear communication before the changes take place will be delivered to each home.

Improving Transport Infrastructure

2.17 The completion of the new-interchange in Ashton under Lyne will enable the realisation of the full transport and economic benefits of the Metrolink extension, and ongoing improvements to local rail services.

Vision Tameside

2.18 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. The delivery of the Vision Tameside project will deliver a new vitality to the town centre and improve the economic outlook for the Borough.

3 BUDGET CONSULTATION 2017/18

3.1 The Council has a statutory duty to consult with businesses and other representatives of non-domestic ratepayers on its annual spending proposals for 2017/18. The consultation with businesses and other representatives of non-domestic ratepayers on the Council's draft budget 2017/18 ran for two weeks between the 1 February and 16 February 2017. The Council utilised four channels for engaging with the target audience and these are detailed below:

- **Live Work Invest website**
  Tameside's 'Live Work Invest' website has been developed by Tameside Enterprise Board to facilitate the creation, development and growth of businesses in the area and is one of the Council's main routes for engaging with the business community. On the 18 January, a message was emailed to Live, Work and Invest members informing users them that the consultation on the Council's draft budget would begin on the 1 February.

- **Non-domestic ratepayers' database**
  Exchequer Services hold a database of non-domestic ratepayers email addresses. An email was sent on 18 January to all those listed on the database, informing them of the consultation on the Council's draft budget.

- **Business representative organisations**
  An email was sent on 18 January to all those listed on the database, informing them of the consultation on the Council's draft budget.

- **Town team chairs for onward distribution**
  An email was sent on 18 January to all those listed on the database, informing them of the consultation on the Council's draft budget.

3.2 Respondents have been asked to send any comments to a dedicated email address at the Council or to respond by post by 16 February 2017.

4 EXTERNAL RESOURCES AND FINANCIAL SETTLEMENT

The Finance Settlement

4.1 Whilst the current Government has eased back on the pace by which public expenditure has to come into balance with available resources it is still adopting a policy of spending constraints, no more so than in the support given to local government.

4.2 Last year the Government gave an offer of a fixed four year settlement on condition each authority published an efficiency plan for the period 2016-20. Our efficiency plan was published in October 2016, and we are now guaranteed our main financial settlement through to, and including, 2019-20. Altogether 97% of local authorities took up the offer of a fixed settlement and whilst it gives some certainty to help our planning it is still nevertheless a reduction in central government support.

4.3 On 15 December 2016, the Government set out the settlement for 2017/18. This is highlighted in the table below:

Table 2 – Fixed Settlement

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Revenue Support Grant	34,493	25,449	19,371	13,237
Business Rates Baseline	27,481	24,600	25,391	26,294
Business Rates Top-up Grant	24,043	27,975	28,876	29,903
Total Settlement Funding Assessment	**86,016**	**78,024**	**73,638**	**69,434**
Section 31 Grant*	1,960	1,960	1,960	1,960
Public Health Grant*	15,699	15,312	14,914	14,525
Total SFA and Public Health	**103,675**	**95,296**	**90,512**	**85,919**
Reduction in Year		**(8,379) 8.1%**	**(4,784) 5.0%**	**(4,593) 5.1%**
Cumulative Reduction				**(17,756) 17.1%**

*The section 31 and public health grants are not part of the four year fixed year settlement but have been presented to show a meaningful comparison with the table below.

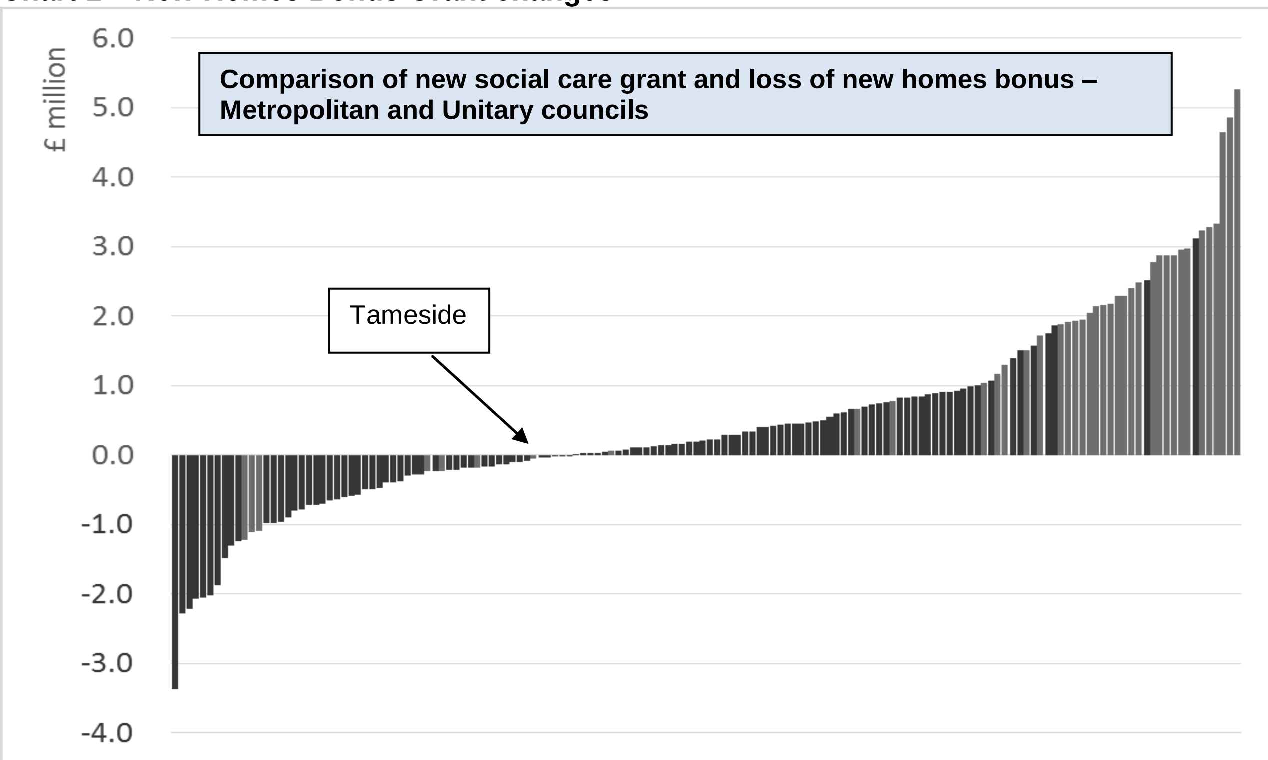
4.4 Greater Manchester (GM) is to participate in a pilot scheme to retain 100% of business rates, ahead of a national rollout of the scheme in 2020. Under the arrangement the 10 district councils in GM will no longer receive any revenue support grant or public health grant. This will be adjusted through the amount received in respect of business rates grants and therefore the settlement has been restated as follows:

Table 3 – Fixed Settlement (restated)

	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Revenue Support Grant	34,493	0	0	0
Business Rates Baseline	27,481	47,701	49,285	51,094
Business Rates Top-up Grant	24,043	43,635	37,267	30,865
Total Settlement Funding Assessment	**86,016**	**91,336**	**86,552**	**81,959**
Section 31 Grant	1,960	3,960	3,960	3,960
Public Health Grant	15,699	0	0	0
Total SFA and Public Health	**103,675**	**95,296**	**90,512**	**85,919**
Reduction in Year		**(8,379) 8.1%**	**(4,784) 5.0%**	**(4,593) 5.1%**
Cumulative Reduction				**(17,756) 17.1%**

4.5 Another aspect of the grant settlement was the introduction of a new grant for adult social care worth £241 million across England. The grant will last for one year only and our share of this grant is £1.159 million. However, to pay for this the Government has reduced the amount paid to authorities in New Homes Bonus (NHB). Tameside will lose £1.165 million in NHB and as a result is marginally worse off and therefore does not receive any benefit from this change. The graph below shows how Metropolitan and Unitary councils have been affected by this change in grant arrangements:

Chart 1 – New Homes Bonus Grant changes



4.6 There were other changes relating to New Homes Bonus. The grant was introduced in 2011 and a bonus (grant) is paid for six years for every newly built home, conversion and long term empty property brought back into use. Following a consultation, this mechanism will be amended as follows:

- a move to 5 year payments for both existing and future Bonus allocations in 2017/18 and then to 4 years from 2018/19; and
- The introduction of a national baseline of 0.4% for 2017/18 below, which allocations will not be made.

4.7 The Government will continue to pay the funding as an un-ringfenced grant and also retains the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth. It will also revisit the case for withholding New Homes Bonus from 2018-19 from local authorities that are not planning effectively, making positive decisions on planning applications and delivering housing growth. To encourage more effective local planning the Government will also consider withholding payments for homes that are built following an appeal.

4.8 As part of the finance settlement an announcement was also made about council tax, including options concerning the adult social care precept. This is commented upon in section 6.5.

4.9 The Council also receives other grants which are not included in the fixed settlement. A list of those grants over £100k is shown in **Appendix 2**.

4.10 In summary the Council is faced with a reduction in funding support of £8.4million for its budget. This reduction will increase by a further £9.4 million over the two subsequent years. This is before any cost pressures are taking into account, which is commented upon in section 5. The Council's response to this challenge will be to focus on delivering our Corporate Plan vision in the most effective way given the resources available. Moreover, we will seek to ensure that those services generate the best possible return on every pound that we spend.

5 MEDIUM TERM FINANCIAL STRATEGY (MTFS)

Background

5.1 The MTFS supports the Council's medium term policy and financial planning processes. Fundamentally the strategy is designed to help provide a stable financial base to support service delivery. The strategy also fits within a wider system of corporate planning.

5.2 As well as supporting the Council's legal responsibility to set a balanced budget, the aims of the MTFS are to:

- ensure resources are allocated to the Council's priorities;
- improve value for money;
- maintain financial stability by anticipating future year funding changes and cost pressures, and taking appropriate action;
- manage significant financial risks;
- Establish and maintain an adequate level of reserves and balances.

5.3 The MTFS is underpinned by the following key principles:

- Prudent assessment of future resources;
- The future cost of services has been fully reviewed and assessed. Provision within the MTFS has been included to take account of forthcoming pressures and investment requirements;
- Maximisation of income generated across all areas of the Council and prompt collection of all amounts owed to the Council / minimisation of bad debts;
- Prudent assessment of provisions required to mitigate potential future liabilities;
- Risk-assessed level of reserves and balances held corporately to mitigate potential financial risks;
- Maximisation of capital receipts from assets surplus to requirements;
- Maximisation of external grant funding that meets our priorities;
- Full integration of revenue and capital financial decision-making processes to ensure the revenue implications of capital projects are accurately reflected in the MTFS;
- Assurance of the implementation of all savings and efficiencies proposals.

Key assumptions

5.4 In line with these key principles, the following specific assumptions have been made in the development of the 2017/18 MTFS:

a) Government support in accordance with the four year fixed funding agreement (section 4.2 above);

b) Pay awards - 1%;

c) Employer's pension contribution rate increase of 1.3% in 2017/18 and maintained thereafter;

d) Inflation on running expenses - 2% per annum. Increased allowance for adult services contract costs due to New Living Wage;

e) Fees and charges - average increase of 2.5% unless costs are not being recovered or market conditions require a higher or lower level;

f) Allowance for demographic change in children and adults' service;

g) Average investment return on cash deposits of 0.5%;

h) The Council will remain in an under-borrowed position. A limited amount of new borrowing to take place at an average interest rate of 2.70%;

i) Increase in levies per guidance issue by GM Combined Authority and GM Waste Disposal Authority;

j) Provision of loss on business rates of £0.5 million per annum.

5.5 Funding has been allocated to services on the basis that it has been assessed as adequate to enable Executive Directors to deliver their services as outlined in **Appendix 1.** Executive Directors and Assistant Executive Directors will be accountable for containing service spending within these amounts. Generally, underspends will be retained by the service area; overspending will also be retained and will become the first call on resources in the next financial year. The cumulative level of underspends and overspends will be kept under review.

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5.6 There has been a detailed review of all budgets in line with service priorities and in some areas additional budget has been provided to ensure that the budgets are sustainable. For other services, efficiencies have been identified and these budgets have been amended. This results in an overall position and then options can be considered in respect of how the gap can be closed and a balanced budget produced.

5.7 The increase in cost that has been assessed is summarised in table 4 below. Comment on each component is also provided.

Table 4: Summary of Cost Increases

Cost Increases	2017/18 £000	2018/19 £000	2019/20 £000
Inflation	3,606	4,570	4,344
Levies	150	270	550
Legislative & Grant Changes	1,459	2,343	(58)
Demographic	9,185	3,567	3,751
Other Costs	4,282	(970)	(1,330)
Total Cost Increases	**18,682**	**9,780**	**7,257**

5.8 Inflation has been assessed using the assumptions set out in section 5.4 above.

5.9 The two main levies payable by the Council are for Passenger Transport and Waste Disposal. The headline increase for Tameside for waste disposal in 2017/18 is 0.15% but Greater Manchester Waste Disposal Authority is considering how savings can be made over the medium term and from this requires a one-off revenue spend of £77 million. Therefore the levy is expected to increase by substantially in 2017/18 and to reduce in subsequent years this will be funded from reserves. We are awaiting confirmation this change will occur but at this stage the revised levy is not included in the draft budget. This will be updated for the Council meeting on the 28 February 2017.

5.10 To help pay for this increase the levy for Passenger Transport will be reduced by the temporary use of transport reserves. The reserves of GM Combined Authority will need to be replenished via subsequent increases in the transport levy. It is anticipated this will be assisted by reductions in the waste disposal levy. This is not yet reflected in the 2017/18 draft budget.

5.11 As mentioned earlier, the Council receives a number of grants in support of its services which can vary from year to year. Mention has already been made to the new social care grant and new homes bonus.

5.12 **Increased Demand for Services** – each year the Council anticipates increased demand for services, particularly for Children and Adults' care services. In 2016/17 the Council has seen an unprecedented increase in the number of children coming into the purview of its care services. This is clearly illustrated in the table below:

Table 5: Children Services Caseloads

Caseloads	Apr2014	Apr2015	Apr 2016	Jul 2016	Sep 2016	Dec 2016
Children In Need	888	840	732	681	971	1,224
Children Looked After	423	417	435	437	446	479
Child Protection Plans	167	212	223	261	259	344
Total	**1,478**	**1,469**	**1,390**	**1,379**	**1,676**	**2,047**

5.13 Such demand results in costs in two main ways. One is for the additional staffing costs, mainly social workers, to deal with increased caseload whilst also keeping children safe. The second is the cost in providing care that each child has been assessed as needing; this can vary widely depending whether at one end of the range the child can be cared for safely in a home environment which may involve only modest or no cost or needs, to the extreme of a child needing a secure permanently staffed external placement external placement.

5.14 The Council is already addressing the situation and is facing increased costs in 2016/17 which will be managed within the overall budget envelope. For 2017/18 a recurrent budget provision of £6 million is being made to cope with this demand. In addition a non-recurrent sum is included in the childrens services budget as outlined in Para 5.17. Spending at this level is not sustainable in the context of declining resources and therefore managers will need to identify over the medium term how expenditure can be brought within available resources. The impact of this increased demand in terms of outcomes for children and also financial sustainability will be monitored by an independently chaired Improvement Board and also by a panel of elected Members.

5.15 For Adults' services, the number of people coming into the service should be easier to predict and consequently have less volatility in this budget. Having said that the Council is having to care for an increased number of people with a learning disability and there can be a wide range of costs depending on what their assessed needs are; for elderly people there are more with dementia who need more support.

Table 6: Adult Services Caseloads

					Projected		
Caseloads	**Apr 16**	**Jul 16**	**Sep 16**	**Dec 16**	**2017-18**	**2018-19**	**2019-20**
People in Care Home placements	793	789	800	800	807	820	832
Homecare hours provided p/w	9,543	9,283	8,982	9,467	9,459	9,600	9,744
Homecare - number of clients	948	945	916	960	956	971	985
Extract of Number of people helped to live at home;							
Day Care	439	446	462	462	459	466	473
Supported Accommodation (incl	400	399	411	411	411	417	424

Extra Care Housing)							
Shared Lives	150	141	140	141	145	147	150

Please note that the above growth projections are based on POPPI & PANSI demographic growth assumptions the numbers do not include the impacts of activity deflections from Acute services into community based settings arising from implementation of new models of care through Care Together. The prevalence rates for Dementia are also increasing, the extract below demonstrates the projected local trend

Table 7: Levels of Dementia

Dementia - all people	2016	2017	2018	2019	2020
People aged 65-69 predicted to have dementia	161	153	147	141	136
People aged 70-74 predicted to have dementia	266	293	310	328	347
People aged 75-79 predicted to have dementia	428	433	445	457	470
People aged 80-84 predicted to have dementia	597	610	657	708	762
People aged 85-89 predicted to have dementia	583	622	622	622	622
People aged 90 and over predicted to have dementia	508	508	536	566	597
Total Tameside population aged 65 and over predicted to have dementia	**2,543**	**2,619**	**2,717**	**2,822**	**2,934**

5.16 There are **other costs** included in the draft budget which are commented on below;

5.17 Alongside the increased service demand within Childrens Services, there will be also additional investment required within the service for 2017/18 of £2.6million funded from reserves. This is for the current demand faced by childrens services which is anticipated to decline over the medium term plus a non-recurrent sum to facilitate service improvement initiatives following the recent Ofsted inspection. These improvements include a review of service provision pathways and the associated business processes and system infrastructure together with additional capacity to improve the development of the service workforce.

5.18 The largest asset owned by the Council is the highway network and in order to try to prevent a decline in its condition it is proposed to allocate a budget of £0.5 million for annual maintenance; in addition Members will be asked in March 2017 to consider an investment in highways as part of the capital investment programme (see section 9.5).

5.19 In a similar vein there are a number of buildings within the Council's ownership, including some of historical importance, which require regular upkeep. An increase in the budget of £0.65 million is included within the financial plans.

5.20 The Tameside Resettlement Scheme is an initiative to provide emergency support in the form of rent deposits and second hand furniture to vulnerable people in the Borough. This is currently funded on a non-recurrent basis from reserves. A permanent budget of £0.34million for this support is now included within the proposed budget.

5.21 In order to bring the budget into line with available resources it is necessary to review and identify opportunities for savings and efficiencies across all services. In order to help care services have sufficient time to deal with the changing demographic profile (sections 5.12 – 5.15 above) and for *Care Together* to deliver transformational savings the priority in 2017/18 has been to identify the majority of savings away from care services.

Savings and Efficiencies

5.22 The savings and efficiencies identified to assist in balancing the budget must be set in the context of what the Council has already achieved over the last few years. By the end of

2016/17, the Council has had to make efficiency savings of £144.5 million. For 2017/18 the main areas of savings can been placed in two main themes.

Maximising the benefit of the Council's financial resource base

5.23 A separate report will be considered by the Executive Cabinet to make an advance payment of pension contributions, which will allow the pension fund to make investments and thereby generate additional income. This is expected to produce a benefit of around £0.8 million per annum over the three year period. It is only the Council's strong cash position which allows the advance payment (of £45 million) to be made. In addition the allowance in the contribution rate for the cost of early retirements will be reduced saving a further £0.24 million.

5.24 The Council has provided an equity loan to Manchester Airports Group following a restructuring of the Group. The loan attracts a coupon of 12% return but by its nature it carries a higher risk. However given the trading position of MAG it is reasonable to release this income stream of £1.040 million into the medium term financial plans.

5.25 The Council is able to borrow for its capital investment programme so long as it is able to afford the cost of interest and loan repayments from its revenue budget. The Council's cash position has meant that it can delay the taking up of new borrowings, thereby avoiding interest costs, and instead using available cash. Currently the Council is under-borrowing by nearly £70 million as regularly reported in the treasury management updates to Executive Cabinet. The assumption in the medium term financial plan will be that some limited borrowing will take place but overall there will still be an under-borrowed position throughout the three year planning period. This will result in a saving to the revenue budget of £5.1 million and will be included in the budget.

5.26 In previous budgets the Council has been faced with volatile increases in the waste disposal levy. To provide a cushion against these movements the Council has gradually increased the budget provision to get to a level that was forecast some years ago. Since then there have been a number of changes such as savings made by Greater Manchester Waste Disposal Authority (GMWDA), the Council's bin swap and now the intention by GMWDA to identify further savings. As a result it is possible to release £5 million budget provision to support current the resource constraints being faced.

Service Efficiencies

5.27 Over the past seven years of austerity the Council has removed substantial sums from both back office and service costs. Costs are kept under review and new initiatives for savings are constantly sought. For 2017/18 services have again identified measures to make further savings:

- **People Directorate (£0.336 million)** - There have been a number of services reviews within Adult Social Care which will achieve a £0.336m recurrent saving from 2017-18 onwards. Areas reviewed include Sensory Services, Learning Disabilities Day Services and Respite Provision. Further work is ongoing to ascertain the suitability of the Reablement service and invest to save proposals are currently being evaluated to expand the community based model for people with sub-threshold needs to enable them to live independently.
- **Public Health (£0.436 million)** - The Directorate has reviewed and recommissioned a number of contracts to deliver recurrent savings of £0.436 million from 1 April 2017. Contracts where savings will be delivered include the provision of support for residents with issues associated with drugs and alcohol and sexual health needs. Savings will also be realised within the contract for the provision of 0-19 public health services.
- **Place Directorate (£0.988milllion)** - These include staffing savings across environmental services following a whole service review.£0.531million, £0.200milioon from savings in street lighting energy as a result of the investment in LED lighting and various small efficiencies across the services.

- **Governance and Resources (£0.593 million)** - this will be achieved from a variety of initiatives included merging finance teams with Tameside and Glossop Clinical Commissioning Group, providing services to GM Pension Fund from within existing capacity and continued investment in digitisation to improve services.

5.28 Applying the total savings outlined, it still leaves a gap to be addressed of £8.1 million and £19.3 million in the following two years as shown below:

Table 8: Gap Analysis

Gap Analysis	**2017/18 £000**	**2018/19 £000**	**2019/20 £000**
Funding Changes			
Grant Settlement	8,379	4,784	4,593
Use of Reserves 2017/18	(2,600)	2,600	0
Use of Reserves 2018/19	0	(1,600)	1,600
Use of Reserves 2019/20	0	0	(300)
Total Funding Changes	**5,779**	**5,784**	**5,893**
Service Changes			
Cost Increases	18,682	9,780	7,257
Savings:			
- Financial Resource Base	(13,007)	(107)	(330)
- Efficiencies	(2,353)	(125)	(725)
Pump Priming Costs	0	250	0
New Income (mainly Better Care Fund)	(974)	(4,476)	(3,877)
Total Service Changes	**2,348**	**5,322**	**2,325**
Remaining gap to be addressed	**8,127**	**11,106**	**8,218**

Overall Summary

5.29 After incorporating all of the above, table 9 shows the full budget and the resources available to pay for it before decisions are made on council tax.

Table 9: Medium Term Financial Strategy 2016-20

	2016/17 £000	**2017/18 £000**	**2018/19 £000**	**2019/20 £000**
Resources				
Revenue Support Grant	(34,493)	0	0	0
Business Rates Baseline	(27,480)	(47,701)	(49,285)	(51,094)
Business Rates Top-up Grant	(24,043)	(43,635)	(37,267)	(30,865)
Collection Fund Surplus	(1,000)	(1,000)	(1,000)	(1,000)
Amount to be funded from Council Tax	(74,333)	(74,333)	(74,333)	(74,333)
Use of Reserves and Balances	(952)	(2,600)	(1,600)	(300)
Total Resources	**(162,301)**	**(169,269)**	**(163,485)**	**(157,592)**
Spending Plans				
Director of People	71,186	83,117	80,998	79,343
Public Health	1,400	16,707	16,740	16,548
Director of Places	63,211	58,595	59,783	60,079
Director of Governance and Resources	9,979	9,652	9,725	9,824
Corporate Costs	16,525	9,325	15,472	19,249
Total Spending	**162,301**	**177,396**	**182,718**	**185,043**
Remaining Gap to be addressed	**0**	**8,127**	**19,233**	**27,451**

6 CLOSING THE GAP: COUNCIL TAX

6.1 The previous coalition government had a policy on Council Tax whereby it provided financial incentives for local authorities to freeze their tax levels. There has been a marked difference with the current Government where council tax increases are expected to take place and have built such increases into their financial models included in the annual grant settlement. Furthermore the idea of a ‘precept’ for adult social care was introduced in 2016/17. In the absence of Government funding to deal with such issues and the need to provide statutory services, local authorities have to consider council tax increases. For these reasons this Council has agreed that it will have to raise the level of Council Tax over the next three years.

6.2 Before raising the tax the Council has taken actions to ensure the amount raised from Council Tax is maximised. A review of the single person discounts was carried out in 2016 and resulted additional income of £300k was available for collection. In addition the Council’s Tameside 500 is a policy to encourage 500 new homes to be built in the borough each year, which will increase the tax yield. Finally the Council is taking a firm approach on collection so that the maximum return can be achieved, which reduces the need to make reductions in services.

6.3 The main benefit of the increase in yield and collection rate increase to 96.5% is that a recurring sum of £2.3 million can be used to support the budget; this is before any increase in the level of Council Tax.

6.4 In addition there is a surplus on the Collection Fund which can be released to support the budget. A total of £3 million will be used to support the budget in 2017/18, which is £2 million more than planned. The amount available to support future years will be phased downwards to £1.5 million per year.

6.5 When the grant settlement was announced in December 2016 the Secretary of State set out his guidelines on Council Tax. He announced it would be permissible for the adult social care precept to be increased above the 2016/17 level of 2% (of the Council’s tax level) as follows:

2017/18:	maximum increase of 3%;
2018/19:	maximum increase of 3%;
2019/20:	maximum increase of 2%;

Over the three year period the maximum combined increase is 6%.

For general increases in Council Tax, the trigger point for a referendum to be called is 2% or more.

6.6 The table below illustrates the effect of increases in Council Tax on the affordability of the Council’s medium term plan. The budget for 2017/18 can be balanced with a 4.99% increase but there remains a shortfall in future years even after a tax increase:

Table 10: Medium Term Financial Strategy 2017-20 (including council tax)

	2017/18 £000	**2018/19 £000**	**2019/20 £000**
Resources			
Revenue Support Grant	0	0	0
Business Rates Baseline	(47,701)	(49,285)	(51,094)
Business Rates Top-up Grant	(43,635)	(37,267)	(30,865)
Collection Fund Surplus	(1,000)	(1,000)	(1,000)
Amount to be funded from Council Tax	(74,333)	(74,333)	(74,333)
Use of Reserves and Balances	(2,600)	(1,600)	(300)
Total Resources	**(169,269)**	**(163,485)**	**(157,592)**
Spending Plans			
Director of People	83,117	80,998	79,343
Public Health	16,707	16,740	16,548
Director of Places	58,595	59,783	60,079
Director of Governance and Resources	9,652	9,725	9,824
Corporate Costs	9,325	15,472	19,249
Total Spending	**177,396**	**182,718**	**185,043**
Council Tax Increases			
Council Tax Increase - 4.99% (1.99% in 2019/20)	**(3,824)**	**(7,871)**	**(9,597)**
Revised Tax Base & Collection Rate	**(2,303)**	**(2,612)**	**(2,922)**
Additional Collection Fund Surplus	**(2,000)**	**(500)**	**(500)**
Remaining Gap to be addressed	**0**	**8,250**	**14,432**

6.7 On a like for like basis[1] the proposed budget represents a decrease of £6.7 million (3.72%).

[1] Adjusted for :public health grant of £15.699million no longer payable in 2017/18;
Section 31 grant increase of £2.000million in respect of 100% business rates devolution
Non-recurrent budget for Place directorate of £0.952 million

7 SCHOOLS FUNDING

Dedicated Schools Grant

7.1 The Dedicated Schools Grant (DSG) provides revenue funding for allocation to education providers. The grant is calculated largely based on 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) Nurseries.

7.2 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 2017/18 is allocated by the Education Funding Agency (EFA) in three blocks.

Early Years – this block contains the DSG funding allocated by the EFA to support both the standard and extended entitlement to education for 3 and 4 year olds attending both school and PVI Nursery provision. It also contains funding allocated by the EFA to support 2 year olds attending PVI Nursery provision and the Early Years Pupil Premium.

High Needs - this block contains the DSG funding allocated by the EFA to support the education of children with High Needs which is sometimes referred to as Special Educational Needs or SEN. This includes the funding allocated for post 16 provision.

Schools – this block contains the remainder of the DSG funding allocated by the EFA which primarily supports Mainstream Schools. In 2017/18 this block now also contains funding to support some of the Council's retained duties in relation to Schools that was previously allocated through the Education Services Grant.

7.3 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 £179.288m in 2016/17. This figure is inclusive of Schools Block funding for Academies and place funding for non-Maintained Special Schools, which the EFA will subsequently deduct from the DSG paid to the Council. The estimated 2017/18 gross DSG allocation notified by the DfE in late December 2016 is £187.809m. The increase of £8.521m is due to a combination off: new funding; an increase in pupil numbers and; amounts previously paid via other funding streams (i.e. not increased funding). An analysis of the changes are set out below:

- £2.283m relates to an increase in directly comparable Early Years grant funding caused by a significant increase in the hourly funding rate for Tameside providers

- £0.722m relates to an increase in the amount allocated for High Needs

- £3.410m relates to increased numbers of children in Tameside (this element is not comparable to 2016/17)

- £1.561m relates to new elements of Early Years grant funding for the Extended Entitlement for working Parents and the Disability Access Fund (this element is not comparable to 2016/17)

- £0.545m of the increase relates to Council Retained Duties funding that was previously allocated via the Education Services grant. (this element is not comparable to 2016/17)

Table 11: Summary of Dedicated Schools Grant Funding

DSG Funding Element	2016/17 Estimate £m	2017/18 Estimate £m	Change £m
Early Years Block	10.605	14.449	3.844
High Needs block	18.313	19.035	0.722
Schools Block	150.370	154.325	3.955
Total	**179.288**	**187.809**	**8.521**

7.4 The national changes to the formula in 2013/14 combined with significant reductions in pupil numbers, has meant that some schools receive considerably lower levels of DSG funding when compared to previous years. The Minimum Funding Guarantee (MFG) helps to protect funding that would otherwise be removed from schools allocations. However, as the 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. In order to fund the MFG protection, schools which benefit from the funding reforms have their gains reduced through the use of a cap.

7.5 The Council will continue to calculate school budget allocations for Academy schools within the Borough. The Council's gross DSG will be reduced by these Academy budget allocations as the associated funding will be paid directly to each Academy by the EFA. The Council still funds Academies for Early Years and elements of High Needs funding. The Table below summarises the allocation by block and includes a restatement of the split of funding between the High Needs and Schools blocks in 2016/17 which resulted from a re-baselining exercise carried out by the EFA.

Pupil Premium

7.6 Schools will continue to receive Pupil Premium funding in 2017/18 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.

7.7 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.

7.8 The Pupil Premium grant funding allocated per child for Primary Aged FSM eligible children in 2017/18 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 2017/18. These are the same rates of funding that were used in 2016/17.

7.9 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 2017/18.

7.10 The DFE cannot release allocations of 2017/18 Pupil Premium funding at the time of writing this report, as they are in part based on the Spring School census process which is not yet completed. Therefore the current estimate is that the 2017/18 allocation including Academy schools will be at a similar level to the 2016/17 allocation of £13.594m. The actual 2017/18 allocation will be updated during the summer of 2017 following validation of the January 2017 pupil census by the DFE. The estimated value above includes Academies, but as with the DSG the majority of Pupil Premium grant is paid to Academies directly by the EFA.

7.11 The Pupil Premium must be used to support the improvement of educational outcomes for the children it is allocated for. Since 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 also include measures in performance tables to report the attainment of pupils who are eligible for the Pupil Premium.

National Funding Formula

7.12 The DFE carried out the first stage of a consultation during Easter 2016 in relation to arriving at a National Funding Formula to allocate the Dedicated Schools Grant. The DFE released the second stage of the consultation on 14 December with a closing date for responses of 22 March 2017. There is a proposed phased implementation of the associated changes that would start to take effect from 2018/19. The proposals affect all aspects of the grant other than the Early Years elements. The grant value descriptions shown throughout the consultation documents and in this section refer to:

- the 2016/17 funding amounts as a Baseline of what each local authority area receives now
- the Illustrative National Funding Formula (NFF) amounts as the target figures the DFE believe that each local authority area should receive in future
- the Illustrative NFF funding for the First Year amounts as the estimated grant values for 2018/19

7.13 The estimated total target funding to be allocated to Tameside at the end of the proposed changes is £172.242m. The estimated allocation of DSG funding for the first year of the National Funding Formula (NFF) of 2018/19 is £170.706m. The equivalent baseline value for the same elements of DSG funding in 2016/17 was £169.122m, which represents an estimated increase of £1.584m (0.94%) in the first year of the NFF and an increase of £3.120m (1.84%) being the ultimate target amount.

7.14 The Schools Block of the DSG is the area of funding that is intended to fund mainstream (non-special) Schools. The element of the total DSG figure within the consultation proposals that relates to the Schools Block is £149.472m for 2018/19, compared to the £148.328m baseline for 2016/17 which is an increase of £1.144m or 0.77%. This is a significant change from the Minimum Funding Levels exercise that the DFE conducted in 2014/15 which suggested that Tameside Schools were overfunded by approximately 3.52%. The above figures include the two recently opened academy schools Inspire and Discovery, but the figures below summarising the overall impact do not include their estimated budgets as the consultation did not provide the equivalent detail for those Schools. The proposals result in a net increase in funding through this block for the other mainstream Schools in Tameside of £ 1.174m which comprises**:**

- 43 Schools across Tameside will experience an estimated total reduction in funding of £0.658m per annum between them.
- 46 Schools will share an estimated increase in funding of £1.832m between them

7.15 The High Needs (often referred to as Special Education Needs (SEN)) element of the estimated DSG grant is £18.725m for 2018/19 under the new proposals, compared to £18.220m in the baseline year of 2016/17 which is an increase of £0.505m or 2.77%. The total potential gain in target funding in this area of £2.959m is based on the DFE's revised assessment of needs in Tameside and should eventually result in a total of £21.179m of High Needs funding. However, the annual gains are capped at 3% per year initially and therefore it results in an increase of £0.5m in additional funding in the first year 2018/19.

8 RISKS AND UNCERTAINTIES FACING THE COUNCIL

8.1 A critical element of the Medium Term Financial Strategy and budget is to ensure that the financial consequences of risk are adequately reflected in the Council's finances.

8.2 A risk-based assessment of issues which could have a major impact on the Council's finances provides a flexible and responsive approach that reflects the continuously changing environment within which local government has to work. A risk assessment of the overall 2017/18 budget has been undertaken covering the following areas:

- Performance against the current year's budget.
- Realistic income targets.
- 'At risk' external funding.
- Reasonable estimates of cost pressures.
- One-off cost pressures identified.
- Robust arrangements for monitoring and reporting performance.
- Reasonable provision to cover the financial risks faced by the Council.

Our risk-based approach takes into account relevant external factors such as changes in Government policy, the state of the local economy and the impact of this on the demand for council services, and any potential changes to the underlying financial assumptions within the period of this Budget Report.

8.3 It is clear that there are a number of risks that could impact upon the plans put forward in this report; some of the more significant ones are set out below.

- *Uncertainty over future Government funding levels* – reductions in Government grant levels could be greater than anticipated. This risk has been considerably reduced by opting for the four year fixed settlement but there are still other funding streams that could be cut.

- *Delivery of savings/efficiencies* – there is a risk that the delivery of savings plans set out by some service areas will materialise later or lower than planned given the scale and complexity of the task. This risk is managed by close scrutiny of the efficiency proposals and inclusion only where it is considered highly likely that they will be achieved.

- *Unforeseen increases in service expenditure* – the Council's system of budgetary control places personal responsibility on Executive Directors, Senior Management Team and Service Unit Managers to control spending within budget. Key risks arise where the driver of a spending increase is outside Council control, such as due to inflationary or demographic impacts. Thorough review of all potential pressures within service areas has been carried out and budget provision has been provided to enable these pressures to be contained within the allocated budget for that service area. This can be seen within the movements for individual service budget, for example demographic pressures in adults. Any variances will be reported at an early stage as part of the budget monitoring process.

- *Maintaining an effective control environment* – financial, procurement and governance controls will be tested as the organisation continues to undergo a period of profound change.

- *Waste Disposal Levy* – the levy of the Waste Disposal Authority (WDA) may vary with the tonnage of waste disposed of. Current experience indicates that this budget will be sufficient but efforts must continue to reduce waste tonnages reaching landfill. A smoothing reserve will be maintained in case of unforeseen demands on the levy.

- *Claims on the Council of an insurable nature* – these can take the form of public and employer's liabilities or damage to the Council's assets. Adequate cover against such risks is provided through a combination of external insurance and internal insurance via the Council's own insurance fund. The Council's insurance fund is actuarially assessed periodically to ensure that it is adequate for the potential liabilities it covers.

- *Council Tax collection* – any fall in the collection of Council Tax income will have a financial impact on the Council. The Council aims to collect 100% of all income due but we prudently budget to receive 96.5%. Arrears are actively pursued and recovery will continue over a period of years if required.

- *Business Rates appeals* – successful Business Rates appeals have a direct financial impact on the Council. The number of appeals, as well as the status of current appeals and the outcome of appeals is continually monitored to assess the adequacy of the Council's provision to mitigate this risk. The risk is heightened in 2017/18 with the introduction of a completely new valuation list which will inevitably lead to a fresh round of appeals.

- *Capital receipt generation* – the current process of asset rationalisation requires that many Council properties are being disposed of. Care is taken to secure the best price possible at the time. There is also a risk that delays could require the Council to borrow more to fund investment.

- *Investment income* – budgets have been based on a prudent estimate of likely future interest rates and returns with security of investment being a priority.

- *Care Together* – the aims of Care Together are explained in section 2.10 of this report. The Council will be exposed to risks it has not had to encounter previously relating to financial performance in the NHS. The risk sharing arrangements are still to be agreed and thereafter will require close monitoring.

Risk summary

8.4 The setting of a budget and the adoption of a Medium Term Financial Strategy for the following years are part of the embedded process of managing many risks of different magnitudes. Tameside, in common with other councils, currently faces a large number of complex risks. Clear leadership from Members and Officers is a vital first step in addressing these. Further mitigation is achieved through a strong internal control environment and strong strategic planning. As a result, many risks in the budget are either dealt with via systems and policies currently in place, by adequate levels of reserves and balances, or by specific budgetary provision where the risk is perceived to be significant.

Budget Assurance Statements

8.5 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 will be signed by members of the Executive Management Team, accepting their responsibility for delivering services within their allocated funding envelopes. The Internal Audit team will report back to members throughout the year on the adequacy of internal financial controls.

Robustness of estimates for the budget requirement

8.6 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 Section 151 Officer as the Chief Finance Officer that the budget estimates for 2017/18 are robust. This statement is in compliance with Section 25 of the Local Government Act 2003. This is not a guarantee that spending will be within every budget line but it is reasonable to believe that the expenditure will be contained within the overall resource envelope agreed by the Council.

Operating reserves and future provisions

8.7 Operating reserves and provisions are a key element of the financial management arrangements for all councils.

They can be broadly categorised as three main types:

- A working balance which helps smooth cash flow operation and avoids the need to borrow temporarily (General Fund balances).
- A contingency to cushion the impact of unexpected events and emergencies (an element within the base revenue budget).
- A means of building up funds to meet expected requirements.

8.8 Section 26 of the Local Government Act 2003, places a duty on the Section 151 Officer to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget. This budget continues to assume a minimum level of General Fund balances of £17 million as being proportionate to the safe financial operation of the Council and to the risks it faces in the medium term.

8.9 The Council is in a strong financial position with regard to reserves which it has managed to accumulate over a period of time. An interim review of reserves has been carried out and will be finalised at the year end. The main change at this point is with regard to the capital investment programme: it had previously been assumed that a significant proportion of the programme would be financed via prudential borrowing but this is not consistent with the view of affordability on the Council's revenue account. In addition there are other priorities that need resource cover. Therefore a proportion of existing reserves will be reallocated to provide for the following:

Table 12: Use of Reserves

Purpose of Reserve	**Amount £m**
Capital Investment Programme Financing	80.000
Care Together Programme	15.000
Service Improvement – capacity	5.000
Children's Improvement programme	6.000
Waste Levy Smoothing	7.000
Total	**113.000**

8.10 It is a legal requirement that the Section 151 Officer is also satisfied that decisions taken on balances and reserves represent proper stewardship of public funds. The Government has previously criticised the level of reserves held by councils as being too high. However, the professional consensus is that reserves are more necessary in times of greater risk and uncertainty.

8.11 As the Council moves further to joint working and ownership of the overall health economy with our health partners the level of financial risk being faced by the Council continues to increase. Reserves provide a way for the Council to ensure that any unforeseen financial impacts can be absorbed without immediately impacting on frontline service delivery. Currently, potential impacts may arise from a number of sources, including:

- The further significant loss of Government funding.
- Significant changes to local government responsibilities
- Other cost pressures or national policy changes e.g. the impact of an ageing population and pressures within the local health economy.
- Delays in securing further, significant, ongoing savings targets.
- Volatility of the Business Rates base and 100% rates retention.
- Potential legal judgements and the confirmation of obligations that led the Council to recognise contingent liabilities in the Statement of Accounts.

8.12 The Section 151 Officer considers the level of reserves and balances to be a major asset to assist the Council to navigate the financial challenges faced on both revenue and capital accounts over the medium term. It should be noted that reserves will reduce considerably over the following three years but that is no cause for alarm when it is in accordance with the medium term financial plan.

9 CAPITAL: RESOURCES AND LOCAL INVESTMENT

9.1 The current Capital Programme consists of 180 projects and the Council estimates to spend £143m on capital investment from 2016/17 to 2018/19.

9.2 The table below shows those schemes in the current programme with a budget greater than £1m:

Table 13: Capital Programme

Capital Scheme	Budget 2016/17 £000	Budget 2017/18 £000	Budget 2018/19 £000	Total £000
Vision Tameside	11,000	27,071	-	38,071
Active Tameside – New Denton Facility	200	8,000	6,524	14,724
The Longdendale Integrated Transport Strategy	-	7,809	-	7,809
LED Street Lighting Investment	2,304	2,304	-	4,608
Purchase of 22 Refuse Collection Vehicles	-	3,060	-	3,060
Ashton Town Centre and Civic Square	3,052	-	-	3,052
DfT Bridges and Structures Challenge Fund	2,199	500	-	2,699
Ashton Public Realm	-	2,631	-	2,631
Procurement of 58 Fleet Vehicles	2,442	-	-	2,442
Aldwyn Primary Additional Accommodation	1,192	1,191	-	2,383
Active Tameside – Active Dukinfield Refurbishment	2,300	-	-	2,300
Fleet Replacement 17/18	-	2,256	-	2,256
Disabled Facilities Grants	1,547	700*	-	2,247
Active Tameside – Hyde Leisure Pool Extension	500	1,500	-	2,000
ICT - Vision Tameside	377	550	440	1,367
Denton Link Road	1,353	-	-	1,353
Other Schemes below £1m	28,840	17,171	5,000	49,068
Total	**57,306**	**74,043**	**11,964**	**143,313**

* resources re-profiled from 2016/17. Allocation for 2017/18 financial year still awaited

9.3 The resourcing of the current capital programme, as summarised below, has been reviewed to maximise efficiencies on the revenue costs of capital. Minimum borrowing has been assumed to be carried out with the majority of the corporate funding now undertaken by using reserves and/or capital receipts. A summary of the anticipated resources and expenditure is included in the table below.

Table 14: Planned Capital Expenditure 2016/17 – 2018/19

Directorate	Budget 2016/17 £000	Budget 2017/18 £000	Budget 2018/19 £000
People	14,023	7,734	-
Place	35,732	51,676	440
Public Health	4,503	9,680	6,524
Governance & Resources	3,048	4,983	5,000
Total	**57,306**	**74,073**	**11,964**
Resources			
Grants & Contributions	22,376	18,703	-
Revenue Contributions	623	530	-
Corporate:			
Prudential Borrowing	6,945	14,996	6,524
Reserves / Capital Receipts	27,362	39,844	5,440
Total	**57,306**	**74,073**	**11,964**

Monitoring of programme

9.4 Executive Directors, Assistant Executive Directors and Project Managers should plan early in order to achieve the annual programme, both in physical and spend terms. There is also a need to monitor closely those major schemes in the Programme where there is a risk to the Council either in terms of spend or income, and partnership working will continue to be pursued wherever possible. Four monitoring reports on progress in achieving the planned Capital Programme will be presented during 2017/18.

Future Capital Investment

9.5 The principles of financial planning equally apply to the capital programme. The methodology and priorities set out in the capital strategy are adhered to in framing future years' capital programmes and prioritising schemes on a logical and reasoned basis. A review of future capital commitments and new investment is being undertaken and will be the subject of a future report. The resource envelope available for the totality of the capital investment programme for the four year period 2016/17 – 2019/20 is as follows:

Table 15: Proposed Funding

Source of Finance	Amount 2016/17 – 2019/20 £m
Grants and Contributions	41.079
Revenue	1.153
Prudential Borrowing	28.465
Reserves / Capital Receipts	120.000
Total	**190.697**

9.6 If the level of grants and contributions varies, up or down, then adjustments will be made to the programme. From the table above it can be seen that estimated resources are in excess of the current investment programme and therefore the Executive Cabinet will consider the composition of the capital programme in March 2017 within these parameters.

Prudential Borrowing Code

9.7 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.

9.8 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.

9.9 This report recommends specific indicators for approval and an affordable borrowing limit for 2017/18. It also recommends an affordable borrowing limit for the Greater Manchester Metropolitan Debt Administration Fund.

9.10 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.

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

9.12 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.

9.13 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 are responsible for these areas.

Setting of Prudential Indicators

9.14 The Prudential Indicators for 2017/18 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.

9.15 The system requires a process for controlling prudential borrowing to ensure that all council borrowing remains affordable. The Section 151 Officer is responsible for this centralised control and has recommended approval of £30m of additional prudential borrowing in 2017/18 (being £6.945m relating to capital expenditure, and £23.055m against the existing under borrowed position), along with £14.996m in 2017/18 and £6.524m in 2018/19 in support of the capital programme. The actual timing of taking up new borrowing, in respect of the current under-borrowed position as well as the proposed capital investment plan, will be kept under review as part of normal treasury management operations.

9.16 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.

Required indicators

9.17 The required Prudential Indicators are set out in **Appendix 4** together with the methodology used to calculate them. The Prudential Indicators have been based on the level of borrowing set out in section 9.15.

9.18 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

9.19 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

Minimum Revenue Provision (MRP) Statement

9.20 The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision - MRP), although it is also allowed to undertake additional voluntary payments (VRP).

9.21 Regulations require Full Council to approve an MRP Statement in advance of each year. The Council is recommended to approve the following MRP Statement (changes to the existing statement are highlighted):

Borrowing taken up prior to 1 April 2015 will be provided for using a straight-line method of calculating MRP. £185.215m 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.

For borrowing taken up on or after 1 April 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, meaning 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.

For certain investment projects it may be deemed more prudent to use the asset life annuity method in order to calculate MRP. In this case the Council will use the annuity method, with the MRP based on the prevailing PWLB interest rate for a loan with a term equal to the estimated life of the project.

If the Council uses capital receipts to repay borrowing for the year then the value of MRP which would have otherwise been set aside to repay borrowing will be reduced by the this amount. The level of capital receipts to be applied to redeem borrowing will be determined annually by the Section 151 Officer, taking into account forecasts for future expenditure and the generation of further receipts.

For any finance leases and any on-balance sheet Public Finance Initiative (PFI) schemes, the MRP charge will be equal to the principle repayment during the year, calculated in accordance with proper practices.

There will be no MRP charge for any cash backed Local Authority Mortgage Scheme (LAMS) that the Council operates. As for this type of scheme, any future debt liability would be met from the capital receipt arising from the deposit maturing after a five year period. Any repossession losses for this type of scheme would be charged to a LAMS reserve.

10. LEGAL CONSIDERATIONS

10.1 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.

10.2 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.

10.3 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.

10.4 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.

10.5 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.

10.6 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.

10.7 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.

10.8 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”.

10.9 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.

10.10 In these circumstances, the Monitoring Officer intends to grant dispensations to all members 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 all councillors to apply for dispensations to take part in the meeting at Full Council.

10.11 It is intended at paragraph 9.20 to use the annuity method for any new borrowing associated with investment/regeneration schemes. DCLG advise that the annuity method *“has the advantage of linking MRP to the flow of benefits from an asset where the benefits are expected to increase in later years. It may be particularly attractive in connection with projects promoting regeneration or administrative efficiencies or schemes where revenues will increase over time”.*

10.12 The Council is looking at potential investment within the borough to make financial returns for the Council but the current MRP policy (straight line) causes problems at the start of the project when income flows are slow to pick up.

10.13 Therefore the Council is seeking some flexibility should it be needed: *If capital receipts have been used to repay borrowing for the year then the value of MRP which would have otherwise been set aside to repay borrowing will be reduced by the amounts which have instead been repaid from capital receipts. The level of capital receipts to be applied to redeem borrowing will be determined annually by the section 151 Officer., taking into account forecasts for future expenditure and the generation of further receipts subject to an Executive decision on each occasion setting out the justification to use this discretion.*

10.14 The key factor is using the discretion would be a need for the Council to demonstrate and accept how this approach was prudent, against the background of only reducing an otherwise ongoing revenue expenditure in a financial year. For example, such action might be taken in order to provide the necessary amount of expenditure relief in anticipation of other savings to annual net expenditure liability that will be achievable by a subsequent financial year.

10.15 This approach to the use of a capital receipt is supported by the manner in which statute provides for the use of capital receipts.

10.16 Regulation 23(b) of The Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 (SI No 3146) states that a capital receipt may be used "*to repay the principal of any amount borrowed."*

10.17 The repayment of the principal of an amount borrowed does not represent an item of expenditure that an authority must account for, whereas a capital receipt is a tangible monetary asset, which would normally be capable of use in connection with actual expenditure that would otherwise have to be accounted for. It follows, therefore, that if a local authority follows a statutory procedure which essentially conflicts with what may be viewed as normal accounting procedure, it must receive a benefit to reflect the loss of the spending power that would otherwise inherent to having the capital receipt.

10.*18 Accordingly, there is justification for any decision that a capital receipt should be used in lieu of what would otherwise represent a prudent annual amount of MRP.*

10.19 *Nevertheless, in order to provide the necessary checks and balances any such use of the discretion will be undertaken by the S151 Officer in consultation with the First Deputy (Finance & Performance) and reported at the Strategic Planning and Capital Monitoring Panel and/or Cabinet as appropriate.*

11. RECOMMENDATIONS

11.1 Revenue budget recommendations

a) That the budgeted net expenditure for the financial year 2017/18 as set out in **Appendix 1** be agreed at £177.396 million and that the level and usage of reserves and balances set out in this report be approved.

b) That the Medium Term Financial Strategy, as updated in this report, be approved and form the basis of future updates, reports and decisions taken by Cabinet to balance resources and expenditure in future years budgets.

c) That Council Tax for 2017/18 be increased by 4.99%, being 1.99% in respect of general level council tax and 3% in respect of social care precept.

d) That the Pay Policy for 2017/18 included at **Appendix 5** is approved.

e) That the budget assurance statement process for service areas is noted.

11.2 Capital budget recommendations

a) That the position on the Capital Programme as set out in section 9.3 is agreed and that specific proposals are considered in March 2017.

b) That the updated Minimum Revenue Provision statement as set out at section 9.31 be approved.

c) That the Prudential Limits set out in this report be approved with the Council to receive monitoring reports during the coming year to demonstrate compliance.

d) That the Prudential Indicators reported at **Appendix 4** are approved.

e) That authorised borrowing limits for 2017/18 for Tameside and for the Greater Manchester Metropolitan Debt Administration Fund (GMMDAF) are agreed as set out in **Appendix 4**.

11.3 General recommendations

a) That the Council notes the difficult circumstances, and the expected challenges set out in this report over the medium term.

b) That the Council notes the significant good progress made over the last few years in meeting the financial challenges and continuing to operate in a financially robust manner.

c) That the Council retains a minimum level of General Fund balances of £17 million.

d) 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.

APPENDIX 1:

Revenue Budget Summary 2017/18 – 2019/20

	2017/18 £000	2018/19 £000	2019/20 £000
Previous Year's Net Budget	**175,048**	**177,396**	**182,718**
Service Pressures			
Inflation	3,606	4,570	4,344
Levies	150	270	550
Legislative & Grant Changes	1,459	2,343	(58)
Demographic	9,185	3,567	3,751
Total Pressures	**14,400**	**10,750**	**8,587**
Other Costs	4,282	(970)	(1,330)
Total Pressures & Costs	**18,682**	**9,780**	**7,257**
Savings Programme			
Savings to be Delivered	(15,360)	(232)	(1055)
Pump priming costs	0	250	0
New Income	(974)	(4,476)	(3,877)
Total	**(16,334)**	**(4,458)**	**(4,932)**
Net Budgetary Effect of Service Proposals	**2,348**	**5,322**	**2,325**
Proposed Total Budget for Year (Previous Year's Budget + Net Effect of Proposals)	**177,396**	**182,718**	**185,043**
Resources			
Settlement Funding Assessment			
Revenue Support Grant	0	0	0
Business Rates baseline	(47,701)	(49,285)	(51,094)
Business Rates Top Up	(43,635)	(37,267)	(30,865)
Council Tax	(80,460)	(84,816)	(86,852)
CF Surplus	(3,000)	(1,500)	(1,500)
Reserves	(2,600)	(1,600)	(300)
Total Resources	**(177,396)**	**(174,468)**	**(170,611)**
Remaining Gap to be address (Cumulative)	**0**	**8,250**	**14,432**
Remaining Gap to be address (In Year)	**0**	**8,250**	**6,182**

APPENDIX 2:
Government Grants

	2016/17 £000	2017/18 £000
Funding		
Revenue Support Grant	(34,493)	0
Retained Business Rates	(28,695)	(47,701)
Business Rates Top Up	(24,043)	(43,635)
Section 31 Business Rates Grants	(1,960)	(3,960)
Public Health Grant	(15,699)	0
Budget Support		
Education Services Grant (2016/17- £2.538million)	*	tbc
New Homes Bonus	(4,357)	(3,182)
New Homes Bonus - returned funding	(117)	(127)
Adult Social Care Support Grant	0	(1,159)
Better Care Fund	(10,969)	(11,969)
Troubled Families Grant	(785)	(785)
Local reform and Community voices	(158)	0
Youth Justice	(457)	0
Music Hub	(344)	(344)
Housing and Council Tax Benefit Administration Grant	(1,096)	(998)
Discretionary Housing Payments (2016/17 - £0.479 million)	*	tbc
Private Finance Initiative (PFI) Grant	(14,196)	(14,196)
Localised Council Tax Support Admin Subsidy	(363)	(345)
Other		
Dedicated Schools Grant	(132,561)	(128,796)
Mandatory Rent Allowances: subsidy (2016/17 - £82.716million)	*	tbc
Mandatory Rent Rebates outside HRA: subsidy (2016/17 - £1.980million)	*	tbc
Universal Infant Free School Meals	(2,239)	(2,050)
Pupil Premium Grant	(9,218)	(8,700)
Primary PE & Sport Premium	(610)	(590)
Devolved formula capital	(473)	(450)
Total Grants	**(282,832)**	**(268,989)**

APPENDIX 3:
Service Narratives

Directorate: People

Service	2016/17 Budget £000	Budget Changes (Net) £000	2017/18 Budget £000
Childrens Social Care	25,878	9,313	35,191
Education	3,313	73	3,386
Adults Social Care	41,995	2,545	44,540
Total People	**71,186**	**11,931**	**83,117**

General Narrative:
Adult Services delivers commissioning and provision function for people over 18 years. The service has a statutory duty to assess individuals who present, to determine their needs and how these might be met by the individual and their support network, delivering service to meet eligible needs that cannot be met any other way. A key focus on prevention and early intervention, working to support individuals to live as independently as possible, remaining in their home, with economic sustainability and playing an active role in their community
Adult Services has delivered significant savings over the past 5 years, while facing a range of pressures including increased demand and a challenged provider market, particularly for home care and care home provision. The Care Together programme is the system response to improving HLE and outcomes for local people, while meeting the significant financial challenge faced by the health and social care economy.

Key Issues and Achievements in 2016/17:

ACHIEVEMENTS
The service has managed to maintain service delivery with increased demand and restricted budget.
The implementation of the Care Act within current finances and teams.
Retention of Opt In service, albeit at a reduced service offer, having planned to cease operations. A result of consultation and service re-design with staff and people using the service.
Reduced the DoLS assessment waiting list from over 200 assessments to 34 by training a number of Best Interest Assessors – increased by 15 during the year.
Transferred management of Urgent Care services to ICFT to support the implementation of transformation programme.
Continued to develop working relationships with colleagues across the health and social care economy.
New home care contract commenced – working to develop stability and sustainability in the market.
Located LD/MH Supported Employment Service with Employment and Skills Service to strengthen the employment offer to vulnerable people in the borough following significant reductions in funding
Opt In Service re-designed to maintain service provision following 70% reduction in budget

ISSUES
BCF funding pressures - £1.3million funding redirected into wider economy.
Reduction in the level of ILF funding following the closure of the Fund has placed pressure on the budget.
Significant resource pressures – finance and staffing – to undertake DoLS and Court of protection assessments and authorisations.
Payment of the National Living Wage by providers – passported as a pressure to the Council.
Pressure from providers for funding to address the payment of an appropriate sleep in rate to ensure NLW paid

Challenge to how care home fees are calculated following the increase in FNC rates and general pressure on care home fees
Increased risk of provider failure and stability in the market, particularly in relation to home care and care homes
Ability to remain Care Act compliant with increased demand' increased demand and challenging financial position

EDUCATION
Education Services provide support for schools to work towards achieving the highest standards. We advocate for all pupils in the borough to ensure they receive their statutory entitlement and achieve their potential. The Service comprises of the School Standards and Performance Team, governor services who support governors in the borough, the school library service who offer support for school work through the provision of project materials, Tameside Music Service who provide tuition to over 3000 children. The Access and Inclusion Service comprises the School Admissions Team who allocate school places and administer school transfers, the Education Welfare Service who have a number of statutory duties to support attendance and safeguarding issues, the early years funding team who allocate the early years funding entitlement to private, voluntary and independent childcare providers, the SEND Team who ensure that pupils with SEND have their need identified and met and the Educational Psychology Team who help to assess the needs of children with SEND. Pupil Support Services offer a number of support services for schools including the Sensory Support Team who provide support to children and young people with visual and hearing impairments, the CLASS Team supporting pupils with social language and communication difficulties, the BLIS Team who support pupils with social, emotional and mental health difficulties, the advisory teachers who support pupils with specific learning difficulties and EMAT who support children and young people who have English as an additional language.
Key issues and achievements in 2016/17:

63% of pupils in Early Years achieve a good level of development. 54% of boys achieve a good level of development compared to 72% of girls.
77% of pupils reach the expected standard (EXS) in the year 1 phonics screening check
70% of pupils at KS1 are at the expected standard in reading, 63% of pupils are at EXS in writing and 70% are at EXS in maths.
55% of Tameside pupils and 42% of disadvantaged pupils are at the expected standard in reading, writing and maths at the end of Key Stage 2.
On average pupils in Tameside make progress from KS1 to KS2 in line with their peers nationally in each subject.
63.5% of all pupils and 45.4% of disadvantaged pupils achieve A*-C in English and maths.
A Tameside pupil at the end of Key Stage 4 has an average Attainment 8 score of 49.2 meaning across 8 subjects pupils in Tameside achieve slightly below a grade C.
Tameside pupils make slightly less progress than pupils nationally across the Progress 8 subjects.
31% of pupils entered the English Baccalaureate (EBacc) and of those 19% achieved it.
LAC GCSE results
Implementing the SEND reforms
Contributed to the development of a neurodevelopmental pathway for our children and young people
Developed a strategy for children communication issues
Increased the number of children accessing 30 hours of nursery education

Key issues and plans for 2017/18 and the medium term:

Contributing to the development of local area SEND vision and strategy
Working towards improving GCSE results
Increasing the aspirations of our teachers
Increasing independent motivated learners
Increasing the number of schools being good or outstanding
Increasing the number of children who are school ready
Increasing outcomes at Early Years, particularly for boys.

Increasing outcomes at Phonics.
Improving outcomes for SEN pupils.

CHILDRENS SERVICES

Children's services provide a wide range of statutory and non-statutory services to children and families across the Borough. This stretches from Troubled Families and Early Help who focus on prevention and intervention early in the life of a problem through to formal child protection services and the provision of care to those children most in need, including the responsibility to ensure care leavers outcomes are positive and our young people are able to lead successful independent lives.
The Fostering service actively recruits, assesses and supports foster carers who look after many of our children in care. In addition our children's homes care for adolescents who for whatever reason cannot live in a family environment.
For children who need a permanent alternative family our Adoption service recruits, assesses and provides post adoption support for our adoptive families and the children placed with them.
The Youth Offending team provides direct work with children and families where there is a risk of offending behaviour escalating, and provides a full service to the Youth Justice Board to ensure that when offences have occurred, the management of the offender is effectively conducted.
The ISCAN team is multi agency in make up and provides a full service to children with additional needs and disability across the borough.

Achievements 16/17
Low birth weight. 3.7%. Reduced from 6.5%.
School readiness. 63%. +10% since 2013/14. Closing the gap.
Free childcare entitlement. 89%. Up from 53%.
Obese children in reception decrease to below 10%.
Low birth weight. 3.7%. Reduced from 6.5%.
School readiness. 63%. +10% since 2013/14. Closing the gap.
Free childcare entitlement. 89%. Up from 53%.
Obese children in reception decrease to below 10%.
93% of care leavers in suitable accommodation – above national average (81%)
Children's homes: Boyds Walk – Outstanding. Clough Fold and Chester Avenue – Good
% children adopted from care. 20%. Above national average (16%)

Key Priorities 17/18

Responding to recommendations following Ofsted SIF inspection
To meet the challenge of the improvement journey and ensure consistent high quality services for children
To review and relaunch the Early Help offer, an updated strategy for Children in Our Care and YOT devolution agenda
Successful operation of 2 new children's homes
To develop and maintain a Stable and experienced workforce
To have an effective multi agency Childrens Front Door service
To move into the Regional Adoption Agency and develop other opportunities for shared services where appropriate
To ensure the Tameside Safeguarding Children's Board functions well
To ensure that children's services operate within a reasonable and agreed budget

Directorate: Public Health, Business Intelligence and Performance

Service	2016/17 Budget £000	Budget Changes (Net) £000	2017/18 Budget £000
Public Health	**17,099**	**(392)**	**16,707**

General Narrative:

The Council has a duty to take such steps as it considers appropriate for improving the health of the people in its area. The public health grant is provided to discharge public health responsibilities that are summarised as:

- Improve significantly the health and wellbeing of local populations;
- Carry out health protection and health improvement functions delegated from the Secretary of State ;
- Reduce health inequalities across the life-course, including within hard to reach groups
- Ensure the provision of population healthcare advice.

In addition to services commissioned via the public health grant the Directorate has responsibility for Business Intelligence and Performance across the Single Commissioning Function, commissioning and management of the Active Tameside management agreement and capital programme and Early Years provision across the Borough. From 1 April 2016 the public health Directorate budget was included within the single commissioning pooled fund and is therefore aligned and considered alongside the outcomes of the single commissioning strategy – Commissioning for Reform.

Key Issues and Achievements in 2016/17:

Service Achievements can be summarised below:

STARTING and DEVELOPING WELL

- Full roll out of the Early Years Delivery Model and improvements across many of the early years outcomes including Infant Mortality, Smoking in Pregnancy, 2 Year Old Nursery entitlement and School Readiness.
- Sustainability and increased investment supporting the further development , implementation and evaluation of the Children and Young People's 5-25 years Health and Wellbeing Programme, development of the Health and Wellbeing in Tameside School's Website and Online Health Check to over 70% schools and MECC across Educational Establishments Schools and the CYP Programme
- CAMHS transformation plan developed

LIVING and WORKING WELL

- Development and leadership of the Healthy Lives Business Proposition and system wide model of self-care which contributed to the Tameside & Glossop transformation bid and award of £23 M additional investment into the health economy over the next three years.
- Implementation of new Be Well Wellness Service into Tameside neighbourhood model.
- Agreement on new investment model and management agreement for Active Tameside including a £20 M capital programme seeing state of the art facilities in Dukinfield, Longdendale and an iconic Wellness Centre in Denton.
- Local adoption and implementation of the Public Health England One You campaign
- Instigated multiagency suicide prevention group. Examples of actions include: Introduction of safety plans for people at risk of suicide that come into contact with front line services such as A&E and mental health services; Established links, and subsequently shared data, with the local coroner; Co-ordinated suicide prevention campaigns such as World Suicide Prevention Day to raise awareness of support that is available locally.

- Substance misuse: One year review of progress generally very positive, noting a significant increase in service users, particularly young people and alcohol users, as well successful establishment of 'recovery' approach over previous emphasis on 'maintenance' and associated expansion of groups to support behaviour change. Stakeholder consultation event very positive about access and approach. Progress with re-design of shared care model with primary care has been slow, but pilot sites identified.
- Recommissioning of Sexual Health services via GM collaborative commissioning programme.
- Continued delivery of the CLeaR assessment plan by the Tameside Tobacco Alliance with an increase in the number of outdoor family events designated as smoke free.

AGEING AND DYING WELL

- Development of a co-ordinated post dementia diagnostic offer for local people and their carers, increase of diagnosis rate for dementia, and Increase in numbers of Dementia Friends and Champions across the borough, in support of the Leader's Pledge.
- Development of programme to promote social connectedness – in partnership with Camerata and via a network of third sector provider

Key Issues and Plans for 2017/18 and the medium term:

Starting and Developing Well

- Development of an integrated 0-25 pathway for children and families is being led by a work stream led by the single commissioning function, with the aim to develop a neighbourhood model and identify efficiencies. This include an integrated early years service bringing together Health Visiting, Family Nurse Partnership, Children's Centres and Early Years education providers into one multi agency and co-located team. Launch and implement EYDM GROW brand.
- Universal Delivery of the Mind Emotional Health and Wellbeing Programme and Resilience Training to all Tameside Schools and roll out of youth mental health first aid training for front line staff working with children and young people.

Living and Working Well

- Delivery of the 'Healthy Lives' transformation programmes
- Further Service development of BeWell Tameside within INTs.
- Continue to improve co-ordination of suicide prevention actions including development of suicide awareness training for front line staff working across Tameside agencies, e.g. New Charter Housing, Police etc.
- NHS Health Checks: Review of current model to accommodate requirements of National Diabetes Prevention Programme and local hypertension social marketing programme.
- Senior support and involvement in a food partnership that links public health, economic development, education and waste reduction; followed by an officer level food partnership
- Refresh of Physical Activity Strategy
- Local Authority Declaration of Healthy Weight

Ageing and Dying Well

- Refresh of the Tameside Dementia Action Alliance, which has a range of members across public, private and third sectors aiming to ensure their services and local environment are dementia friendly
- Implementation of a more integrated falls prevention pathway, stretching beyond the traditional acute setting to the wider ICO setting.
- Development of a multiagency loneliness plan to improve co-ordination of efforts amongst provider partners to identify those most at risk and vulnerable.

Capital Investment - Active Tameside

A total capital investment of £20.4 million in the Tameside Leisure Estate is currently in progress. Completion dates for individual sites are as follows;
Active Denton – September 2018 (Provisional)

Active Dukinfield – February 2017 (Provisional)
Active Hyde – March 2017 (Provisional)
Active Longdendale – September 2016

The total long term estimated cumulative savings (over a 25 year period) associated with this proposed programme will be a minimum of £15.333 million.

Any other salient aspects of the budget:

From April 2017 GM local authorities will retain 100% of business rates income locally and will carry a set of responsibilities, including public health, which are currently being refined by DCLG. Funding will go to individual localities, not the Combined Authority. The ring fence on the grant will be removed, as the focus is on improving outcomes. Mandation will remain. The funding trajectory will shadow the PSR settlement. It is expected that the BR income will reflect the allocation that local authorities would have received for public health. We expect to see the same financial reporting arrangements. The assurance process being developed builds into the STP process and is joined up with NHS/LG- creating a system that works for GM. GM will share the current governance process for the STP. In terms of next steps, the detailed discussion note will be used as the basis of a work plan and assurance process for the pilot. A discrete group is to be convened early in Jan 17 to work up an implementation plan.

Key Performance Indicators (2016/17 and Future Years):

The Public Health Directorate mainly delivers against the national Public Health Outcomes Framework, but also towards both the NHS and Adult Social Care Framework. A System Wide Outcomes Framework (SOF) is currently in development. The framework is split into three themes:

- Population Health – Describing the shift we need to make to realise ambitions around life expectancy and healthy life expectancy, including wider determinants of health;
- Empowering People and Communities – Describing the paradigm shift that needs to take place between the system and the public, the public and their own health and the role communities play in the health and wellbeing of the population;
- System Performance and Sustainability – Describing the changes that need to take place within the health and care system in order to have a clinically and financially sustainable health economy. This section of the framework will also create space to encapsulate indicators linked to both the GM Investment Agreement, National Must Dos and IAF indicators;

Directorate: Place

Service	2016/17 Budget £000	Budget Changes (Net) £000	2017/18 Budget £000
Asset and Investment Partnership Management	5,012	966	5,978
Environmental Services	46,999	(5,897)	41,102
Development, Growth & Investment	2,286	(56)	2,230
Digital Tameside	1,817	(55)	1,762
Stronger Communities	7,097	426	7,523
Total Place	**63,211**	**(4,616)**	**58,595**

The Place Directorate consists of the following Service areas:

ENVIRONMENTAL SERVICES

Bereavement Services, Emergency Planning, Pest Control and Dog Warden services, Waste Services, Engineering (Design, Highways and Transport), Public Protection, Environmental Development, Corporate Landlord, Primary School Catering

Key Issues and Achievements in 2016/17:

- Installation of new memorial facilities, giving additional choices to bereaved families
- Taken part in a Major Training Exercise with Cat 1 & Cat 2 partners (Exercise TRITON)
- Pest Control have relocated this year and are now based centrally enabling savings from a facilities management aspect and providing a securer location from where to run the service.
- Achieving a recycling rate of 58%
- A Reduction in the Waste Levy by £3m
- Successful delivery of the Ashton Market Square Phase 1 scheme, Denton Relief Road
- Completion of the redevelopment of Ashton Market whilst offering a fully open market and retaining traders and opening 2 new market offerings, Tameside Hospital Monthly Farmers Market and Tameside Christmas market.
- Achieved smooth transition of Primary School Catering to Carillion provided services from in house provision.
- Unification of Grounds Maintenance Service into one depot bringing all teams together to enable efficiency savings, consistency across the service and a reduction in necessary agency cover.
- Delivery of Highway Structural Maintenance Programme and achieved target for pothole repairs

Key Issues and Plans for 2017/18 and the medium term:

- Work closely with the Department of Health on how the implementation of the new Death Registration reforms will affect our processes, procedures, reporting structures and finances.
- Investment in new cremators at Dukinfield Crematorium and extend burial plots
- Introduce new emergency planning structure in order to increase resilience, have appropriate skilled people on call and reduce any health & safety issues.
- Work with Greater Manchester partners and GMWDA to change the Waste Disposal arrangements for a more affordable and future suitable model.
- Create a Single Operational Service with consideration of a single depot.
- Delivery of the Hattersley Public Realm projects
- Continued development and delivery of the Ashton Town Centre Public Realm Project.
- Improve intelligence and data in regard to our property portfolio
- Respond to the property management challenges in One Public Estate, Integrated Care Organisation and TMBC savings requirement.

- Integration of Neighbourhood Services within the Place Directorate. New ways of working will further assist the Council in reducing demand on high cost Services

STRONGER COMMUNITIES

Integrated Neighbourhood Services, Customer Services & Call Centre, Cultural Services, Libraries, Welfare Rights & Advice, Homelessness, Community Safety.

Key Issues and Achievements in 2016/17:

- We have made significant changes to our Neighbourhood Services as they have integrated with other public services including.
- Relocated the Call Centre in order to be in a position to expand and handle calls from other service areas under the digital by default project.
- Service reviews have significantly reduced Customer Services over the years and the service is now delivered from Clarence Arcade Ashton.
- A new vision for the library service utilising modern library management system, technology to allow a mix of staffed and unstaffed hours, self-service facilities for stock, PC booking and payments and an RFID stock security system.
- Attracting nationally recognised children's authors to the borough including; Lydia Monks, Curtis Jobling and Megan Rix. Over 700 children were inspired by these authors.
- Ashton Old Baths' restoration and re-configuration was celebrated on Saturday 19th March. New Beginnings involved over 200 local dancers and leveraged an additional £24,500 to deliver this high profile event.
- Arts Award continues to remain of strategic importance to Arts Council Funding objectives. 2016 saw the service reach 10,000 certificates issues to children and young people in Tameside.
- The welfare rights and debt advice service has opened 1679 cases since 1/4/16 and assisted residents to appeal and claim benefits and tax credits totalling over £1.7 million.
- Homelessness has been prevented in 96% of debt cases and we have had success in 67% of welfare benefit appeals.
- A new strategy for Domestic Abuse was agreed in June 2016.
- Set up and support of the Tameside Veterans Breakfast Club at Portland Basin monthly.
- Support for the leaders pledge in terms of the naming of Lance Corporal Andrew Breeze Way and agreement from the five other families of the fallen for further street naming.

Key Issues and Plans for 2017/18 and the medium term:

- Increased investment from the wider Health and Social Care economy in community asset based work.
- A comprehensive Integrated Neighbourhood Service across the borough, including mental health provision, early help and partnership working from all partners including environmental services.
- Introduction of webchat into our Customer Service offer.
- The successful roll out of self-service and Open + Libraries. Plus the implementation of a new catalogue system.
- Consolidate cultural venues and assets
- Develop and grow the educational offer using cultural assets and ensuring sustainability of partnerships with the Arts Council and schools.
- The provision of a Personal Housing Plan for every person presenting as homeless and requirement to prevent homelessness 56 days before it happens.
- Ending of current leasing agreement with New Charter for THA building may increase costs.
- Renewal of the Community Safety Strategy for Tameside for the three year period 2017 – 2020

DIGITAL TAMESIDE

ICT underpins and supports the strategic objectives of the organisation and its partnerships. ICT is a vital to the everyday operations of services and has a fundamental role to play in improving efficiency, reducing cost across the organisation. It is also a crucial part of service evolution and transformation, providing the infrastructure to support shared services, underpinning transformational change programmes and most importantly, keeping pace with citizens' changing needs and expectations.

Key Issues and Achievements in 2016/17:
The Service has maintained its PSN accreditation which has meant upgrading and replacing over 80 systems and servers including a major upgrade to Microsoft Exchange. The new Council Website and Webchat have been made live and a new release of the Bin App which will communicate directly with the in-house developed in Cab-technology will be rolled out in January.
The Town Centre Wi-Fi project has seen Hot Spots created across each of the main Towns in Tameside and the "SWIFT" network will be officially launched in January. This is possible due to the continued investment and expansion of the dark fibre network which now connects over 20 councils and other public sector organisation together.

Key Issues and Plans for 2017/18 and the medium term:
Citizens and businesses are accustomed to levels of access and personalisation that they receive online from large private sector organisations. They expect to be able to access public services, in a personalised way, from multiple locations and in ways that suit them. We will continue to offer a choice in the way people access services; however we will encourage the use of more cost effective online self-service. Making the web the channel of choice for most citizens offers the opportunity to achieve significant savings for the organisation, while at the same time offering a better service.

The shape and size of the organisation is changing dramatically including mergers with several health partners meaning that organisational boundaries, as for as ICT are concerned, are blurred. A major focus continues to be ensuring health and social care services from different organisations have the right technology in place to deliver joined up citizen-focused services.

We will continue to monitor technology developments in order to identify where they can add value to services delivery across the Council. Digital Tameside will ensure, through proactive engagement with the Service Directorates, that the organisation maintains awareness of how technology can help deliver corporate priorities and innovative approaches to service delivery that support its business plans, service ambitions and the wider organisational review. Fast changing technologies lead to opportunities for service innovation and organisational design that might previously have been unimaginable.

We will continue with our programme of embracing agile and modern working practices, rationalising office accommodation, eliminating unnecessary administration, and sharing information more effectively across the organisation and with partners to drive efficiencies and modernise services.

Investing in our people is a key priority. We will continue to improve the ICT skills of our workforce equipping them with the skills they need to perform their job effectively and embrace modern working practices and new service delivery models.

The information we hold is a key asset which must be managed holistically across the whole organisation, we will continue to focus on improving the way we share, process and report on our information. We will continue with our investment in ICT enabled electronic workflow and storage to further streamline our business processes.

We place great emphasis on protecting our systems against threats and maintain constant vigilance to protect against any new threat. We will maintain our Public Sector Network (PSN) accreditation and other appropriate security standards to ensure that we protect information and information systems so that individuals and organisations have confidence in our ability to manage their personal information securely.

This year will see continued expansion of the Dark Fibre network into the main Towns around Tameside. This will not only support joint working in shared locations for Council and Health staff, but also the roll out of Town Centre Wi-Fi and the move to a new Wide Area Network supplier.

DEVELOPMENT AND INVESTMENT

Investment and Development, Strategic Housing & Infrastructure, Employment and Skills, Planning and Building control, Estates, Education Capital

Key Issues and Achievements in 2016/17:

- Completion of the Ashton Old Baths Project and its contribution to the Council of the Year Award
- Commencement of the Denton Link Road
- Continued delivery of the Vision Tameside programme
- Delivery of over 100 new apprentices for the borough
- Delivery of the new Discovery Academy - Hattersley Primary School
- Supporting the development of English Fine Cotton (over £3m grants and loans)

Key Issues and Plans for 2017/18 and the medium term:

- Supporting the ongoing delivery of the Greater Manchester Spatial Framework and the development of a housing supply for the borough through large scale strategic allocations.
- The co-location of the Adult Education Service in Stamford Chambers
- The development of a Property Investment Fund offers an excellent opportunity to help drive development and regeneration in the borough at the same time as helping the council create an investment portfolio that is both more cash generative and easier to manage.
- Working closely with Tameside College in relation to the Area Based Review and ensuring that we maximise the benefit to the borough.
- Supporting the ongoing work around the Health Estate through the Strategic Estates Group.
- The establishment of a Single Estates function across the Joint Commissioning Organisation and the ICO/Foundation Trust
- Delivery of the Tameside Interchange, Denton Wellness Centre, Vision Tameside
- Reform and professionalization of the planning service
- Deliver of the new Work and Health programme.

Directorate: Governance, Resources and Pensions

Service	2016/17 Budget £000	Budget Changes (Net) £000	2017/18 Budget £000
Director of Governance and Resources	9,979	(327)	9,652

Governance, Resources and Pensions
Responsibility for the council's corporate functions sits within the Governance, Resources and Pensions Directorate ensuring that all decisions made by the council are carried out in accordance with the council's governance framework. The directorate provides support and guidance to services within the council on finance, legal, human resources and policy and communications issues. This internal support to frontline service ensures that they are able to deliver the aims of the Council's Corporate Plan. The directorate is also providing the leadership for these core functions in the Clinical Commissioning Group (CCG) and the Single Commissioning Function as part of the Care Together Programme.

Exchequer and the Registration Service both provide customer facing services. Exchequer provides support to residents and businesses in relation to council tax, business rates, housing benefit and payment of invoices. Whilst the Registration Service registers all births and deaths within the borough, take notice of intended marriages and civil partnerships and conduct all civil marriages and partnerships that take place in the borough's registered venues.

The directorate has responsibility for running all local and national elections within the borough along with public votes on specific issues such as the EU Referendum ensuring that all are run correctly and in adherence with the law. Democratic Services and Executive Support provide support to 57 elected members and the senior management team within the council.

The Resources Unit are responsible for setting and monitoring the council's budget ensuring that the council delivers a balanced budget each year.

Tameside Council is the administering authority of the Greater Manchester Pension Fund. The fund is the largest Local Government Pension Scheme fund in the country with assets of over £20 billion. It holds the retirement savings of more than 300,000 members who work, or have worked, for more than 400 different employers in the region, including the 10 constituent Local Authorities of Greater Manchester.

The Greater Manchester Pension Fund has twin aims of financial return and social value. The latter of these has led to investments in green energy projects, such as a South Lanarkshire wind farm, and local infrastructure projects, such as airport city and affordable homes scheme Matrix Homes. The fund's success is regularly recognised in industry awards, most recently at the LAPFF awards where GMPF won 'LGPS Fund of the Decade' and the 'Infrastructure Project' award, jointly with the London Pension Fund Authority.

The last 12 months have continued to provide significant challenge in delivery of the key support functions, with reduced resources in terms of staffing and the need to achieve further savings. Changes to staffing levels have meant changes in the way some services are delivered. Despite the reductions in funding the directorate has continued to provide high quality support to its customers and key priority projects across the organisation.

Key Issues and Achievements in 2016/17:

- Local Government Chronicle (LGC) Awards: Council of the Year 2016 and the budget consultation was shortlisted in the Community Involvement category.
- Municipal Journal (MJ) Awards: Commended in reinventing public services category for Care Together, and in workforce transformation.

- Best Employee Engagement Initiative: Sponsored by ciphr at the CIPD (Chartered Institute of Personnel and Development) People Management Awards 2016: Tameside Council was shortlisted for our work around workforce engagement.
- Annual Customer Service Excellence (CSE) standard. Tameside continues to maintain 100 per cent compliance and the eight areas of compliance-plus it was awarded last year. In addition the council was awarded a compliance plus for consultation with customers.
- The council collaborated with more than 36 local, regional and national organisations in Operation Triton II – an exercise to test preparedness for an emergency situation.
- Big Conversation online consultation and engagement community was launched.
- Approximately 780 publicity campaign materials produced for services across the council and externally.
- Promotion of Vision Tameside through the dedicated website and twitter accounts, quarterly newsletter, hoardings and the Citizen.
- Increased social media followers across all platforms by 26.5%.
- Introduction of the E-News bulletin informing residents of the latest news and events in Tameside on a monthly basis.
- Produced a spring, summer and autumn Citizen which is distributed to all households and businesses in the borough.
- Steel signing ceremony took place to hail the start of the construction of the new Joint Public Service Centre and Advanced Skills Centre as part of the Vision Tameside programme.
- Provided ongoing support to Care Together and the CCG on equality impact assessments and consultation along with supporting the Patient Participation Groups.
- NAFN Data and Intelligence Service awarded a distinction when assessed by the Interception of Communications Commissioner's Office.
- Delivery of changes to terms and conditions of service equating to a cost reduction of approximately £750k.
- Launch and delivery of STRIVE leadership development programme.
- Supporting the organisational change and merger of the leadership team to the single commissioning function.
- Took over support for all CCG employment matters
- Supported a wide range of organisational change programmes – review of winter gritting process, service reviews
- Delivery of comprehensive member development programme
- Delivery of three elections during 2016/17, local, Parish and EU Referendum.
- Successful electoral registration canvass which has seen an increase of 2000 electors to the register, a total of 169,000 equating to a 94% response rate.
- Collected council tax from 101,500 properties with a net collectable debit of £92.5m in 16/17.
- Business rates collected from 7,200 properties with a net collectable debit of £58m.
- 30,000 Sundry debts invoices raised in respect of goods and services provided by the Council with a collectable debit of £50m.
- Over £13m will be paid out in respect of Council Tax Support in 2016/17.
- Auditors have determined that the Housing Benefit Service processed benefit with a 99.99% accuracy rate of the total £88.9m paid out in, subject to DWP verification.
- Single Commissioning Function established for the Care Together Programme bringing together Adult Social Care, Tameside Hospital and the Clinical Commissioning Group with a combined budget of £442milion.
- Agreement signed between Greater Manchester Health and Social Care Strategic Partnership and Tameside's Single Commissioning Function for grant funding of £23.2million to enable the Care Together programme to drive forward its' integration plan.
- Greater Manchester Pension Fund (GMPF) awarded an A in the Asset Owners' Disclosure Project (AODP) Global Climate Index. GMPF ranked 30th in the world, just squeezing into the A cut-off for relevant leadership group.
- GMPF becomes part of the airport city joint venture along with Manchester Airports Group, Carillion and Beijing Construction and Engineering Group.

- GMPF begins talks with West Yorkshire and Merseyside Pension Funds about creating a £35 billion multi asset pool.
- GMPF sold One St. Peter's Square for £164 million having redeveloped the site as part of a joint venture with Argent. GMPF originally bought the building which previously occupied the site, Elizabeth House, in 2003. The site was redeveloped with the construction of a new 228,000 sq. ft. office development which has been let to big names such as KPMG, Addleshaw Goddard and Fumo amongst others. The development kick-started the redevelopment of St. Peter's Square in its entirety including a new tram stop and significant public realm works.
- GMPF has taken over a portfolio of four real estate loans worth £30 million. The loans supported four employment use schemes in the North West of England, Media City, 1 Spinningfields, City Place Chester and Soapworks Salford. The proceeds from the sale of the loan book provides the North West Evergreen Fund with money to issue more loans and enable more developments in the North West of England.

Key Issues and Plans for 2017/18 and the medium term:

- Continued delivery of the STRIVE leadership programme to cohort 4, including leaders within the CCG
- Launch and delivery of the STRIVE aspiring managers programme
- Review of senior leadership structure
- Review of service unit managers
- Review of DBS (disclosure and barring scheme) and process to reduce costs
- Renewal of member development charter
- Reassessment for workplace wellbeing charter
- Support the organisational response to the Children's Ofsted inspection – including development of social work recruitment and retention strategy
- Provide support to Children's Services on producing and implementing an improvement plan following the Ofsted inspection.
- Review of a range of employment policies – disciplinary, grievance, capability, probation etc.
- Implementation of apprentice levy and associated workforce development and planning to ensure we maximise the return on our investment
- Support the recant strategy into the new building and movement of remaining staff into alternative accommodation
- Reduced funding from DWP to deliver Housing Benefit services and support the DWP in their delivery of Universal Credit. Funding has reduced by £104k overall however workload remains the same as that in previous years.
- A corporate print contract will be in place which will bring both bulk and hybrid mail printing. This means that individual letters from a PC will be printed and mailed remotely and will bring efficiencies.
- Continue to support and advise services on carrying out needs assessments, EIAs, and consultation.
- Continue to support the Vision Tameside and Care Together programmes.
- Continue to provide communication and media support to all services including design and print of publicity material.
- Carry out the annual canvas of electors and run the elections for the Greater Manchester Mayor within Tameside.

Any other salient aspects of the budget:

The Directorate will continue to seek ways to reduce costs whilst ensuring services deliver high quality support.

Schools are currently making decisions in relation to buying into the service level agreement for the next 2 years. It is likely that we will lose some of the schools business which will have an adverse impact on our funding, this would then lead a further review of the HR service and staffing levels.

Consideration needs to be given to the implications of the transfer of staff to the ICFT over the coming year and beyond; this will require further review of staffing levels within the directorate.

Key Performance Indicators (2016/17 and Future Years):

- Exchequer is on target to collect over 94% of all Council tax due in year. Any arrears will continue to be pursued in future years.
- Exchequer is on target to collect over 96% of all Business Rates due in year. Any arrears will continue to be pursued in future years.
- Over 95% of sundry debts are paid in the year in which the debt is raised. Any arrears will continue to be pursued in future years.
- Housing Benefit applications and change of circumstances forms are processed in 16 days on average.
- Council Tax Support applications and change of circumstances forms are processed in 18 days on average.
- 94% response rate in the local annual canvass for electoral registration.

APPENDIX 4:

Prudential Indicators and Limits

1. Ratio of Financing Costs to Net Revenue Stream

Limit/indicator	2017/18 %	2018/19 %	2019/20 %
Ratio of financing costs to net revenue stream	5.6	5.8	5.9

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 9.3.

2. Capital Financing Requirement (CFR)

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Core Capital Financing Requirement	215,058	258,438	274,561
Other long term liabilities (e.g. PFI and finance leases)	107,797	104,919	102,170
Total Capital Financing Requirement	322,856	363,357	376,730

The Capital Financing Requirement 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 01/04/17 has been estimated together with the movement in the Capital Financing Requirement for future years.

Following accounting changes the Capital Financing Requirement now includes any other long term liabilities (e.g. PFI schemes and finance leases) brought onto the balance sheet. Whilst this increases the Capital Financing Requirement, 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 Capital Financing Requirement is based on the same borrowing assumptions set out at 9.3.

3. Capital Expenditure

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Capital expenditure	74,043	11,964	0

This is the estimate of the total capital expenditure to be incurred (from all funding sources) for future years and recommended for approval.

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

4. **Incremental Impact of Capital Investment Decisions**

Limit/indicator	2017/18 £	2018/19 £	2019/20 £
For the Band D Council Tax	8	24	28

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 9.3 and reflects the total cost of this additional borrowing (interest payments and minimum revenue provision), as a cost on Council Tax. The actual cost will depend on final funding.

5. **Operational Boundary and Authorised Limit on External Debt and Other Long Term Liabilities**

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Operational Boundary for external debt	208,174	207,639	213,099
Authorised Limit for external debt	228,174	227,639	233,099

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	2017/18 £000	2018/19 £000	2019/20 £000
Estimated 31 March 2017	118,477		
Previous year Operational Boundary		208,174	207,639
Add debt maturing in year	6,466	320	333
Add borrowing for 2017/18 and previous years requirement not taken up	86,567		
Add borrowing in advance for 2018/19 and future years	736	10,000	10,000
Less already borrowed in advance for future years			
Less previous year maturing fall out		(6,466)	(320)
Less MRP	(4,071)	(4,390)	(4,553)
Operational Boundary – borrowing	**208,174**	**207,639**	**213,099**
Add allowances for cash flow etc.	20,000	20,000	20,000
Authorised Limit – borrowing	**228,174**	**227,639**	**233,099**

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	2017/18 £000	2018/19 £000	2019/20 £000
Operational Boundary for other long term liabilities	107,797	104,919	102,170
Add allowance for new agreements	1,000	1,000	1,000
Authorised Limit for other long term liabilities	108,797	105,919	103,170

The total authorised limit of £337 million (including both external borrowing and other long term liabilities should be set as the Council's affordable borrowing limit for 2017/18) as required under the provisions of the Local Government Act 2003.

6. Gross Debt and the Capital Financing Requirement.

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Core capital financing requirement	215,058	258,438	274,561
Gross borrowing	215,058	258,438	274,561

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).

7. Upper and lower limits on Interest Rate Exposures

Limit/indicator	2017/18 £000	2018/19 £000	2019/20 £000
Upper limit for fixed interest rate exposure	215,058	258,438	274,561
Upper limit for variable interest rate exposure	71,686	86,146	91,520

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).

8. 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.

9. Limit for Total Principal Sums Invested for Periods Longer than 364 days

2017/18	2018/19	2019/20
30	20	10

At present we have no long term investments maturing in 2017/18 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 2017/18, 2018/19 or 2019/20.

10. 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:

	2017/18 £000	**2018/19 £000**	**2019/20 £000**
Operational Boundary – borrowing	93,566	76,600	58,828
Authorised Limit – borrowing	108,566	91,600	73,828

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 £108.6 million should be set as the affordable borrowing limit for the GMMDAF for 2017/18 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 5:

Pay Policy Statement for the Year 2017/18

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 £95K in line with guidance received from the Department for Communities and Local Government (DCLG). This pay policy applies for the year 2017/18 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.

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 is also set out here.

Highest Pay (per annum)	£168,598.00 p.a. (fte)
Average Pay (per annum)	£24,308.02 p.a. (fte) (based on mean) £21,744.96 p.a. (fte) (based on median)
Pay difference (between average & highest pay)	£144,289.98 (based on mean) £146,853.04 (based on median)
Pay Multiple (ratio between the average and the highest pay)	6.9:1 (based on mean) 8.3:1 (based on median)
Pay Multiple (ratio between the lowest and the highest pay)	10.6:1

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.

Any renumeration package in excess of £100K will be determined by Council.

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 plus the Living Wage supplement payment which was introduced within the Council pay structure in September 2016. 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 10.6:1 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. Assistant Executive Director's and Executive Directors received a 1% pay increase to reflect the national pay award in 2016/17, and will receive a further 1% increase in 2017/18 again to reflect the national pay award. The Chief Executive has received a 1% pay award in 2016/17 and will receive a further 1% increase in 2017/18 to reflect the national pay award.

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/disciplinary procedure as appropriate.

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 & Pensions). As indicated within the Voluntary Severance Scheme, the Executive Director (Governance, Resources & Pensions) 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.

No severance package will be made in excess of £95K. 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 an accredited 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 implemented the Living Wage Foundation rate of pay in September 2016 for all employees (excluding apprentices, work placements and traineeships, which have been created to enable access to the work place training and job opportunities). This was subsequently increased further with the revised rate of pay on 1 November 2016. This is paid by means of a supplement to Council employees whose hourly rate of pay falls below the nationally set rate.

This rate will continue to be reviewed in line with the nationally negotiated NJC pay award.

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 the Living Wage Foundation will contribute to this goal.

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 in accordance with any regulations made under The Enterprise Act 2016 and any other applicable legislation and guidance.

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