

JOINT MEETING OF EXECUTIVE CABINET AND OVERVIEW (AUDIT) PANEL

10 February 2016

Commenced: 2.00pm

Terminated: 3.00pm

Present: Councillor K. Quinn (Chair)
Councillors Cooney, Gwynne, J Fitzpatrick, Ricci, Robinson, Taylor, L Travis

In attendance: Councillors Fairfoull, I Miah and Peet

Apologies for Absence: Councillors Bailey and Warrington

42. CHAIR'S OPENING REMARKS

In opening the meeting, the Chair welcomed Stephen Nixon and his colleague Mike Thomas, Grant Thornton LLP, who would be providing future audit reports in relation to both the Council and the Greater Manchester Pension Fund finances and hoped the relationship would continue to be robust and constructive as it had been with their colleagues.

43. DECLARATIONS OF INTEREST

There were no declarations of interest submitted for this meeting.

44. MINUTES

a) Executive Cabinet

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

RESOLVED

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

b) Enforcement Co-ordination Panel

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

RESOLVED

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

c) AGMA Executive Board Meetings / Greater Manchester Combined Authority

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

RESOLVED

That the report be noted.

45. BUDGET CONSULTATION

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

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

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

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

RESOLVED

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

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

Consideration was given to a report of the Executive Leader, First Deputy (Performance and Finance) and the Interim Assistant Executive Director Finance (S151 Officer) setting out the detailed revenue budget position for 2016-17, medium term budget plans for 2017-20 and implications for Council Tax for 2016-17 and, possibly, future years.

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

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

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

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

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

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

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

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

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

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

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

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

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

RESOLVED

That it be recommended to Council to:

- (i) Approve an overall Council Net Revenue of £166.073m for 2016-17, including provision for potential budget pressures of £8.558m, budget savings / efficiencies of £14.100m and £10.025m additional adjustments / efficiencies as set out in Table 3 and Appendices A and B to the report and the actions required to deliver the proposed savings.**
- (ii) Note the comments of the Section 151 Officer, at paragraph 2.7b, on the financial impact of an increase in Council Tax, and confirm, or otherwise, the assumption that the Council's 2016-17 budget would include a Council Tax increase for firstly the**

'Social Care Precept' and secondly, the 'referendum' Council Tax shown at Table 2 in the report and Appendix C.

- (iii) The option of agreeing the Government's four year 'efficiency' settlement, giving certainty to funding to 2020.**
- (iv) The budget proposals set out for 2017-20, including authorising Chief Officers to take the action required to deliver budget savings for those years as appropriate.**
- (v) With regard to future years 2017-20, further plans to meet the budget shortfall for those years were urgently developed and brought back to Members before June 2016.**
- (vi) Approve the Pay Policy for 2016-17 detailed in Appendix D to the report.**

47. CAPITAL STRATEGY AND PROGRAMME 2016/17

Consideration was given to a report of the First Deputy (Performance and Finance) and the Interim Assistant Executive Director Finance (S151 Officer) setting out the Council's Capital Strategy for 2016/17 and the three year Capital Programme.

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

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

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

RESOLVED

That the Council be recommended to:

- (i) Approve the Capital Programme report as set out in Appendix 1 to the report and detailed in Appendix 5 to the report and action taken to achieve additional sources of funding for capital development.**
- (ii) Note the Disposals schedule and estimated Capital receipts position in section 3 of Appendix 1 to the report.**
- (iii) Note the additional revenue budget required as a result of the proposed take up of unsupported borrowing detailed in section 4.9 of Appendix 1 to the report.**
- (iv) Note the Capital Strategy in Appendix 2.**
- (v) Approve the Prudential Limits and indicators set out in Appendix 3 to the report and that the Council receive monitoring reports during the coming year to demonstrate compliance.**
- (vi) Authorise the borrowing limits for 2016/17 for Tameside and for the Greater Manchester Metropolitan Debt Administration Fund as set out in Appendix 3 to the report.**

- (vii) **Approve the Minimum Revenue Provision statement as set out in Appendix 4 to the report.**
- (viii) **Note the inclusion within the proposed capital programme of the estimated investment in Active Tameside and note future potential**

48. TREASURY MANAGEMENT STRATEGY

Consideration was given to a report of the First Deputy (Performance and Finance) and the Interim Assistant Executive Director Finance (S151 Officer) detailing the Council's borrowing strategy for 2016/17 and the Annual Investment Strategy, which was required under the Local Government Act 2003.

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

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

The report included details of the following:-

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

RESOLVED

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

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

Consideration was given to a report of the Executive Member (Working and Healthy) and the Head of Stronger Communities proposing how they address a significant reduction in spending in 2016/17 and the years following, on supported housing services funded through the former Supporting People programme. Due to continued cuts in Government financial support to local authorities, the Council was considering a range of service cuts to enable a balanced budget to be achieved. The proposals to reduce funding under the Supporting People programme were within

the set of funding proposals for reductions to Stronger Communities funding. An Executive Decision taken on 14 October 2015 had given permission to commence a consultation process about the cuts to accommodation based services and tenancy support services.

The report described the services that were currently provided and the impact that a funding reduction would have on service delivery and on the service users affected. The report also included a summary of the consultation process, the full findings of which were detailed in Section 7 of the report and attached at **Appendix 3** and **Appendix 4** to the report. Details were given of the proposals to manage the funding reduction, the impacts of the funding reduction, the other options considered, consultation undertaken, risks and the equality impact assessment.

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

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

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

RESOLVED

That the following be implemented:

- (i) Contract variations up to 31 March 2018 be issued reducing the annual funding to Greystones from £149,500 to £113,333, to Threshold Great Moves from £323,000 to £117,780 and Foundation Housing Complex Needs Service from £322,000 to £133,887 (full year effect).**
- (ii) A contract variation up to 30 June 2018 be issued reducing the annual funding to Adullam Homes from £389,000 to £225,000 (full year effect).**
- (iii) The annual funding of £130,590 to the Tameside Disability Housing Support Service be terminated with effect from 11 May 2016.**
- (iv) Contracts with 12 Registered Provers of housing services for older people, to the value of £95,000 per annum be terminated with effect from 11 May 2016.**

50. PRIMARY AND SECONDARY SCHOOL ADMISSION ARRANGEMENTS

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

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

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

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

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

Reference was made to the following:

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

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

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

RESOLVED

- (i) **That the determination of Published Admission Numbers for all voluntary controlled and community schools for 2017/18 without change from those that applied for admission in 2016/17 other than the changes set out in Appendix 1 to the report, be approved.**
- (ii) **That the determination of admission arrangements for all Tameside community and voluntary controlled schools for admission in 2017/18 as set out in Appendix 3 to the report, be approved.**

51. REVIEW OF DELIVERY OF YOUTH OFFENDING SERVICES IN TAMESIDE

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

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

RESOLVED

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

52. URGENT ITEMS

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

CHAIR