

CABINET

MINUTES OF MEETING Tuesday 28th November 2017

PRESENT: Councillor Martin (in the Chair), Councillors Iftikhar Ahmed, Daalat Ali, Beswick, Emsley, Rashid (for Councillor Brett), Robinson (for Councillor Neil Emmott) and Williams.

OFFICERS: Steve Rumbelow (Chief Executive), Mark Widdup (Director of Neighbourhoods), Sally McIvor (Director of Integrated Commissioning), John Searle (Director of Economy), Victoria Bradshaw (Chief Finance Officer), David Wilcock (Assistant Director – Resources), Jill McGregor (Assistant Director – Children’s Services), Mark Roberts (Neighbourhoods Directorate) Louise Griffiths and Alison James (Resources Directorate)

ALSO IN ATTENDANCE: Maureen Howarth (UNISON) and Peter Scott (UNITE)

APOLOGIES

64 Apologies for absence were received from Councillor Farnell, Councillor Brett and Councillor Neil Emmott.

COUNCIL'S BUDGET POSITION - TRADE UNION STATEMENT

65 The Chair invited Trade Union representatives Maureen Howarth (UNISON) and Peter Scott (UNITE) to address the Cabinet in relation to the Council’s budget position and savings programme on behalf of staff.

DECLARATIONS OF INTEREST

66 There were no declarations of interest.

URGENT ITEMS OF BUSINESS

67 There were no urgent items of business.

MINUTES

68 Decision: That the minutes of the meeting held on 24th October 2017 be approved and signed by the Chair as a correct record.

BUDGET 2018/19 TO 2020/21 - POST CONSULTATION

69 Cabinet considered the report of the Chief Finance Officer which provided an update on the results of consultation on the proposed Savings Programme 2018/19 to 2019/20 and the results of consultation on the proposed Discretionary Fees and Charges for 2018/19. The report also presented a proposal to implement proposed fees and charges where possible, from 1st January 2018.

Further to the submitted report, Cabinet were advised that some additional information had been raised late in the consultation process for savings proposal NH - 2018 – 2019 - 021 and were requested to consider delegating the final decision on the proposal to the Director of Neighbourhoods in

consultation with the Portfolio Holder for Corporate and Resources to enable consideration of the information.

The Corporate Overview and Scrutiny Committee had been consulted on the savings proposals and discretionary fees and charges and were in support of the all the proposals detailed within the report subject to an assurance being provided that the restructure of the Planning Enforcement Team would not affect the good work which had been done by the team, specifically in relation to travellers.

Alternatives considered:

The Council was legally obliged to set a balanced revenue budget. The budget setting process was complex and must be undertaken in a planned way. Whilst budgets are prepared in accordance with the approved guidelines a number of alternative options relating to savings proposals and budget pressures were considered as part of the overall budget setting process.

Decision:

1. That the savings proposals (EC – 2018 – 2019 – 010) Review of Planning Enforcement and (NH – 2018 – 2019 – 016) Play Site Review be approved for implementation following the consultation process;
2. That the final decision on savings proposal (NH - 2018 – 2019 – 021) – ICT Review be delegated to the Director of Neighbourhoods in consultation with the Portfolio Holder for Corporate and Resources;
3. That a review of the administrative/finance support across the Town Hall and Number 1 Riverside be approved and that the revised proposal be considered under the Delegated Decision Making process outside the budget process;
4. That the outsourcing of the Arboricultural Services and the workforce matters being decoupled and reviewed once the procurement process is underway be approved;
5. That the £50 fee for residents parking permits (reference R0836) be removed as a charge;
6. That the proposed changes to all other discretionary fees and charges be approved and to recommend to Council for approval with those fees and charges as detailed at Appendix 1 to the report being implemented from 1st January 2018 where possible.

Reason for decision:

Cabinet are required to recommend a balanced Revenue Budget for 2018/19 to Budget Council and provisional budgets for 2019/20 and 2020/21. The Council is required to set a balanced budget for 2018/19 by 11th March 2018.

Eligible for call in - no

FINANCE UPDATE REPORT 2017/18

70 Cabinet considered the report of the Chief Finance Officer which presented an update on the Council's financial position as at the end of September 2017.

Effective financial management is essential if the Council is to keep spending within available resources. It is vital that services make adjustments in spending to ensure that they spend in line with the approved budget.

Alternatives considered:

Not reporting on financial performance puts at risk the achievement of the Council's Medium Term Financial Plan. Effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council's priorities. Monitoring enables the early identification of variations against the plan and facilitates timely corrective action.

Decision:

1. That the 2017/18 Budget position for Revenue, Capital and Savings as at the end of September 2017 be noted;
2. That the Health & Social Care Integration pooling carry forward as detailed in 4.1.2 of the report be approved;
3. That the Revenue Budget Pressure Fund requests totalling £0.200m as detailed in paragraph 4.1.5 of the report be approved;
4. That the issue detailed in paragraph 4.3.2 relating to a 2017/18 saving target of £0.343m in Children's Services be noted;
5. That the Capital Budget adjustments for Adult Care of £0.025m as detailed in paragraph 4.4.1 of the report be noted;
6. That the Capital Re-phasing of £1.750m as detailed in paragraph 4.4.2 of the report be noted;
7. That the earmarking of £5.000m from the Insurance Reserve as detailed in paragraph 4.4.3 of the report be noted;
8. That the Treasury Management update in Appendix H of the report be noted.

Reason for decision:

Cabinet Members should be kept updated on the financial position of the authority, as effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council's priorities. Monitoring enables the early identification of variations against the plan and facilitates timely corrective action.

The report provides a breakdown of the Financial Position for the Council and focuses on the position as at the end of September 2017.

Eligible for call in - yes

COLLECTION FUND 2017/18

71 Cabinet considered the report of the Chief Finance Officer on the Council's forecast 2017/18 Collection Fund position as at the end of September 2017.

Alternatives considered:

Not reporting on financial performance puts at risk the achievement of the Authority's Medium Term Financial Strategy. Effective financial management was critical to ensuring that financial resources are received in line with the budget, which enables them to be targeted towards the Council's priorities. Monitoring enables the early identification of variations against the plan and facilitates timely corrective action.

Decision:

That the forecast 2017/18 Collection Fund position as at the end of September 2017 be noted.

Reason for decision:

The Collection Fund update report for 2017/18 was presented to Cabinet for noting as part of the budget monitoring process.

Eligible for call in - no

CALCULATION OF THE COUNCIL TAX BASE FOR 2018/19

72 Cabinet considered the report of the Chief Finance Officer which requested Cabinet to recommend to Council:-

For the Local Council Tax Support Scheme to remain unchanged for 2018/19.

To agree the statutory council tax base calculation for 2018/19, calculated in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 as part of the Budget 2018/19 process.

To note the draft proposals for the change to the precepting arrangements for 2018/19 to include the Greater Manchester Mayoral functions and to approve the precept payment dates for 2018/19.

Alternatives considered:

No alternative is available, as the Council has a statutory requirement to calculate and approve a council tax base each financial year.

Decision:

That Council be recommended to approve:

1. That the Local Council Tax Support Scheme for 2018/19 remains unchanged;
2. That the Council tax base expressed as "band D equivalent properties", be 53,537 for 2018/19 (53,025 2017/18) as detailed at Appendix 1 of the report;
3. The draft proposals for the changes to the precepting arrangements for 2018/19 to include the Greater Manchester Mayoral functions;
4. The proposed precepts payment schedule detailed in paragraph 4.2 of the report.

Reason for decision:

Rochdale Borough Council, as a council tax billing authority, is required each year to make statutory calculations specified in Section 33 of the Local Government Finance Act 1992 (as amended). The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 require authorities to calculate the council tax base (number of taxable properties), expressed as "band D equivalent properties". Approval of these calculations is required by 31st January in each financial year.

The Local Government Finance Act 1992 prescribes the procedures to be adopted in setting precept payment dates. The Act requires billing authorities to notify precepting authorities of a proposed payments schedule. This notification must be given before the 31st December in respect of the following financial year. The final payments schedule is then confirmed by 31st January.

The calculation of the tax base has to be made by 31st January and notified to the major precepting and levying authorities. Under Section 84 of the Local Government Act 2003 the determination can be delegated to a committee or sub-committee in accordance with Section 101 of the Local Government Act 1972.

Eligible for call in – no

SETTING OF THE BUSINESS RATES BASE FOR 2018/19

73 Cabinet considered the report of the Chief Finance Officer which sought approval for:

1. The setting of the business rates baseline for 2018/19 in accordance with the Local Government Finance Act 1988 and the Non-Domestic Rating Regulations 2013.
2. The precept payment dates for 2018/19.
3. The delegation of the calculation of the Business Rates base to Cabinet for future years.

Alternatives considered:

No alternative is available, as the Council has a statutory requirement to estimate and set a Business Rates Baseline each financial year.

Decision:

1. That the draft business rate baseline figure of £53.701m for 2018/19 be approved subject to any changes which may result from:
 - the provisional Local Government Finance Settlement 2018/19
 - the issue of the Department for Communities & Local Government (DCLG) guidance on completion of the 2018/19 business baseline (NNDR1), due in January 2018;
2. That the Chief Finance Officer, in consultation with the Cabinet Member for Corporate and Resources, to be authorised to conclude and agree the final business rate baseline return (NNDR1) due on 31st January 2018, should the final information yet to be received from DCLG change the baseline figure for 2018/19;
3. That the precepts payment schedule detailed in paragraph 4.2 of the report be approved.

Reason for decision:

The Non-Domestic Rating (Rates Retention) Regulations 2013 (SI 2013/452) require billing authorities to notify the Secretary of State and their major precepting authority of their calculation of non-domestic rating income for the following financial year and the estimated surplus/deficit on the Collection Fund by 31st January each year.

The figures are produced subject to the DCLG guidance being published and provided, following which the figure in the report may have to be revisited and therefore the delegation to the Chief Finance Officer, in consultation with the Cabinet Member for Corporate and Resources to conclude and agree the final business rate baseline return was sought.

Eligible for call in – yes

GREATER MANCHESTER WASTE DISPOSAL LEVY ALLOCATION METHODOLOGY AGREEMENT

74 Cabinet considered the report of the Chief Finance Officer which outlined transitional and future arrangements for waste disposal across Greater Manchester. Options for a revised Waste Disposal Levy Allocation Methodology Agreement (LAMA) were put to the meeting.

Cabinet were advised that the Corporate Overview and Scrutiny Committee had recently considered the report and had sought assurances that there were opt out clauses in the contract between the GMCA and the Waste Disposal Providers should the BREXIT negotiations result in any of the tax benefits / grants / subsidiaries etc. reducing the cost of disposal being removed.

Alternatives considered:

To approve the proposed revised LAMA and the recommendations set out earlier in the report.

Not to approve the proposed revised IAA and request some alternative arrangement to be developed and which would have to be approved by all constituent districts.

Do nothing, in which case the statutory default scheme would take effect.

Decision:

That Council be recommended to approve:-

1. The proposed revised methodology, the revised Levy Apportionment Methodology Agreement, to be applied in full from 2019/20 with transitional arrangements in place during 2018/19.
2. That the Director of Resources in consultation with the Cabinet Member for Corporate & Resources be delegated to approve and/or make any minor amendments to the final Levy Apportionment Methodology Agreement, and to enter into and finalise the Agreement, the transitional arrangements, and any associated documentation relating thereto.

Reason for decision:

Following the decision to terminate the Recycling and Waste Management PFI Contract arrangements it was necessary for all constituent Districts to agree a new Levy which would replace the existing Inter Authority Agreement (IAA) with a revised Levy Allocation Methodology Agreement (LAMA) to reflect the revised financial arrangements to apply fully from 2019/20 financial year onwards with a year of transitional arrangements for the financial year 2018/19.

Eligible for call in – no

MANCHESTER AIRPORT GROUP (MAG) STRATEGIC INVESTMENT

75 Cabinet considered investment proposals for the Manchester Airport Group which would provide the airline capacity and standards of facilities required to secure future business growth and the longer term sustainability of the business.

All Greater Manchester Councils had been provided with an opportunity to make further shareholder loans to the company, funded via prudential borrowing.

Cabinet were advised that the Corporate Overview and Scrutiny Committee has recently considered the report and had sought assurance that the tax benefits associated with the Shareholder Loans have been considered by a tax adviser and agreed by HMRC as being acceptable.

Alternatives considered:

The Council could decide not to agree to the loan but this would have implications on the revenue budget and potentially affect the future dividend levels received from MAG which are used to support other Council spending. Alternative funding options have been reviewed, however, shareholder loans are considered to be the best option.

Decision:

1. That the proposals set out in the report, be approved, in particular the recommendations for financial support to the Manchester Airport Group (MAG) transformation programme through the form of an additional shareholder loans.
2. That Council be recommended to approve an increase in capital expenditure supported by prudential borrowing to facilitate the shareholder loan;
3. That authority be delegated to the Chief Executive, Chief Finance Officer and the Assistant Director (LGW) in consultation with the Cabinet Member for Corporate and Resources to finalise the detailed arrangements in respect of the loan and to progress the financial and legal work associated with it.

Reason for decision:

The airport transformation programme that the loans are supporting should enable the future anticipated dividend rates to be paid. Without the capital investment there was a very real risk that the level of dividend payable would reduce considerably in future years.

Eligible for call in – yes

RISK SHARE AGREEMENT FOR INCLUSION IN THE SECTION 75 AGREEMENT GOVERNING THE INTEGRATED HEALTH & SOCIAL CARE POOLED FUND FOR 2018/19

76 Cabinet considered a report on the options available for inclusion in the Risk Share Agreement contained within the Section 75 Agreement that will govern the Health and Social Care Integrated Pooled Fund for 2018/19. Members were advised that these options had been considered by both the Integrated Commissioning Board and Clinical Commissioning Group Governing Body.

Alternatives considered:

Six different risk share models were outlined within the report.

Decision:

1. That the recommendation from the ICB and the CCG Governing Body that the risk share agreement in respect of a deficit or surplus on the Pooled Fund should be based on each Partner's initial opening contribution to the Pooled Fund as detailed in paragraph 4.13 of the report be approved;
2. That the recommendation from the ICB and the CCG Governing Body that the risk share agreement in respect of any surplus on the Pooled Fund can be carried forward to the following financial year as detailed in paragraph 4.14 of the report be approved.
3. That the recommendation from the ICB and the CCG Governing Body on the wording included at Appendix 3 for inclusion in the Section 75 Agreement for the Integrated Health and Social Care Pooled Fund be approved; the wording reflecting the approvals agreed at 1 and 2 above;
4. That the financial position of the pooled fund and the further work that is required to ensure a balanced budget is set for 2018/19 be noted;
5. That it be noted that the Transformation Programme planned for 2018/19 that is forecast to deliver £9.2m of financial benefits, to which there are significant risks be noted;
6. That the request from the ICB and CCG Governing Body for the Risk Share agreement being subject to an annual review be approved.

Reason for decision:

Section 75 of the National Health Service 2006 Act gives powers to local authorities and health bodies to establish and maintain pooled funds out of which payments may be made towards expenditure incurred in the exercise of

prescribed Local Authority functions and prescribed National Health Service (NHS) functions. A risk sharing agreement is a schedule within the Section 75 agreement, required to manage any financial deficit or surplus on the Pooled Fund.

The terms of the Greater Manchester Health & Social Care Transformation Fund funding require HMR CCG and Rochdale Borough Council to operate a formal pooled fund for Adult Services as a minimum in 2018/19, which will be governed through a Section 75 agreement, for which the Head of Legal Services of the Council has been given delegated authority to prepare and enter into, noting that this will not be completed until the risk sharing agreement has been developed and approved by the CCG Governing Body and the Council's Cabinet.

The report considered what risk share arrangements were currently in existence in localities that are already pooling their funds, what other options there may be, and ultimately recommended a specific risk share arrangement for inclusion in the Rochdale Pooled Fund Section 75 Agreement.

When reviewing the report on 20th October 2017, HMR CCG's Governing Body requested that a further recommendation be added that the Risk Share agreement should be subject to an annual review.

Eligible for call in – yes

PROPOSED CLOSURE OF AGMA SECTION 48 GRANTS PROGRAMME

77 Cabinet considered a report on the proposed closure of the Association of Greater Manchester Authorities (AGMA) Section 48 Grants programme. The report further detailed the outcome of consultation across Greater Manchester, on its replacement by a new GMCA Culture and Social Impact scheme.

Members were advised that on 27th October 2017, the Joint GMCA/AGMA Board recommended each Greater Manchester local authority districts should agree to close the Section 48 Grants programme, noting that it will be replaced by a new GMCA Culture and Social Impact Fund from April 2018.

Alternatives considered:

An alternative would be to advise the Joint GMCA/AGMA Board that Rochdale Borough Council wishes to retain the Section 48 Grants programme.

Decision:

1. That the closure of the AGMA Section 48 grants programme and its replacement with a GMCA Culture and Social Impact Fund be approved.

Reason for decision:

To provide greater consistency and alignment to emerging priorities arising since the establishment of the GMCA and subsequent devolution.

Eligible for call-in - yes

EXCLUSION OF PRESS AND PUBLIC

78 Decision:

That the Press and Public be excluded from the meeting during consideration of the following items of business, in accordance with the provisions of Section 100A (4) of the Local Government Act 1972, as amended.

Reason for Decision:

Should the press and public remain during the debate on these items there may be a disclosure of information that is deemed to be exempt under Schedule 12A of the Local Government Act 1972.

MANCHESTER AIRPORT GROUP (MAG) STRATEGIC INVESTMENT

79 Cabinet considered exempt information relating to the investment proposals to the Manchester Airport Group.

Alternatives considered:

Alternative funding options were outlined in the report. All had inherent disadvantages – additional shareholder loans are considered to be the optimal funding solution. Without further investment, there is a danger of MAG losing ground in a highly competitive market, restricting future growth and income streams.

Decision:

1. That financial support to the Manchester Airport Group (MAG) transformation programme through the form of additional shareholder loans of up to £11.3m be approved;
2. That Council be recommended to approve an increase in capital expenditure of up to £11.3m supported by prudential borrowing to facilitate the shareholder loan;
3. That delegated authority be given to the Chief Executive, Chief Finance Officer and the Assistant Director (Legal, Governance and Workforce) in consultation with the Cabinet Member for Corporate and Resources to finalise the detailed arrangements in respect of the loan and to progress the financial and legal work associated with it;
4. That it be noted that extensive due diligence has been completed and the conclusions of that review as set out in section 5.1 of the report and

the link to economic development within the region outlined in section 4.2 of the report.

Reason for decision:

The proposal is expected to improve the Council's revenue position by £0.5m annually over 40 years. Sustainability of projected dividend income streams will also be protected.

The proposal supports economic development in the region, protecting existing jobs and businesses as well as attracting new ones.

Additional work is still required to work through the total loan required, its duration and interest rate, as well as drawing up relevant legal documentation therefore there had been a request for delegation of the final details.

Eligible for call in - no

ADOPTION NOW REGIONAL ADOPTION AGENCY

80 Cabinet considered a report on collaborative proposals which aimed to improve the adoption system and ensure sufficient adopters for the most vulnerable children.

Alternatives considered:

If the Council did not proceed with the proposal to establish the Adoption NoW Regional Adoption Agency it would have to join a RAA by 2020 and it was advised that it was better to engage in an arrangement it had been involved in developing rather than wait until a later stage when the power to influence would be significantly reduced.

Decision:

1. That Rochdale Borough Council approves the proposals of establishing an Adoption NoW Regional Adoption Agency.

Reason for decision:

The Adoption NoW Regional Adoption Agency (the RAA) will create a single regional service operating across six Local Authorities areas in partnership with Caritas Care and Adoption Matters.

The Proposals are consistent with the Greater Manchester devolution collaboration aims, the move towards increased collaboration between North West Local Authorities and the Government's agenda to establish Regional adoption agencies.

The RAA will provide a service which has the flexibility and resilience to adapt and manage the needs of children for adoptive placements, the supply of adopters to meet those needs and provide placement choice and high quality

adoption support services. It will maximise the contribution that adoption can make to achieving legal permanence and the best possible outcomes for children by building on partners' individual and collective expertise and strengths. The vision is to "achieve timely adoption for each child with an adoption plan, regardless of age, ethnicity, disability or sibling status; promote identity and provide lifelong support to everyone involved in the adoption".

Eligible for call in - yes