

EXECUTIVE BOARD

At a meeting of the Executive Board on Thursday, 15 November 2018 in The Boardroom, Municipal Building

Present: Councillors Polhill (Chair), D. Cargill, Harris, R. Hignett, S. Hill, Jones, T. McInerney, Nelson, Wharton and Wright

Apologies for Absence: None

Absence declared on Council business: None

Officers present: A. Scott, G. Cook, M. Vasic, M. Reaney, E. Dawson, D. Nolan and W. Rourke

Also in attendance: One member of the public

ITEMS DEALT WITH UNDER POWERS AND DUTIES EXERCISABLE BY THE BOARD

EXB47 LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 URGENT BUSINESS

Action

The Board was advised that a matter had arisen which required immediate attention by the Board (Minute EXB 61 refers), therefore, pursuant to Section 100 B (4) and 100 E and due to the timing of the funding being released to the Local Authority and the urgent requirement of additional beds, the Chair ruled that this item would be considered at this meeting.

EXB48 MINUTES

The Minutes of the meeting held on 18 October 2018 were taken as read and signed as a correct record.

RESOURCES PORTFOLIO

EXB49 ANNUAL EXTERNAL AUDIT LETTER 2017/18

The Board received a report of the Strategic Director, Enterprise, Community and Resources, which presented the Annual Audit Letter 2017/18.

The Board was advised that the Annual Audit Letter (the Letter) summarised the findings from the 2017/18 external audit, completed by Grant Thornton, the Council's external auditor. Mark Heap, Audit Lead and Georgia Jones, Audit Manager for the external auditor, Grant Thornton UK LLP, attended the meeting and reported that an unqualified opinion had been issued on the Council's financial statements. The Letter also provided an unqualified conclusion that the Council had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

As this was the final visit by Georgia Jones to Halton due to her recent promotion, the Board wished to place on record their thanks to the external auditors. Ms Jones also wished her thanks to Officers and Board Members for their assistance in the preparation of previous audits, be recorded.

Strategic Director
- Enterprise,
Community and
Resources

RESOLVED: That the Annual Audit Letter 2017/18 be approved.

EXB50 DETERMINATION OF COUNCIL TAX BASE 2019/20 - KEY DECISION

The Board considered a report of the Operational Director, Finance, on the requirement for the Council to determine the Tax Base for its area and the Tax Base for each of the Parishes.

The Board was advised that the Tax Base was the measure used for calculating Council Tax and was used by both the billing authority (the Council) and the major precepting authorities (Cheshire Fire Authority and the Cheshire Police and Crime Commissioner), in the calculation of their Council Tax requirements. It was arrived at in accordance with a prescribed formula which represented the estimated full year number of chargeable dwellings in the Borough expressed in terms of the equivalent Band "D" dwellings. Taking account of all the relevant information and applying a 97% collection rate, the calculation for 2019/20 gave a base figure of 34,950 for the Borough as a whole.

It was noted that since 2013/14 the tax base calculation had included an element for the Council Tax Reduction Scheme (the replacement for Council Tax Benefit). In addition, the tax base calculation would include an element for Care Leavers Discretionary Discount, as approved by the Executive Board on 19 July 2018.

Reason(s) for Decision

To seek approval for the 2019/20 Council Tax Base for the Borough.

Alternative Options Considered and Rejected

There was no alternative option, as unless the Council Tax Base was approved, it would not be possible to set the level of Council Tax to be charged for 2019/20.

Implementation Date

The 2019/20 Council Tax Base would be implemented from 1 April 2019.

RESOLVED: That Council be recommended to approve

- 1) setting the 2019/20 Council Tax Base at 34,950 for the Borough, and that the Cheshire Fire Authority, the Cheshire Police and Crime Commissioner and the Environment Agency be so notified; and
- 2) the Council Tax Base for each of the Parishes be set as follows:

Operational
Director - Finance

Parish	Tax Base
Hale	660
Halebank	526
Daresbury	173
Moore	329
Preston Brook	359
Sandymoor	1,216

EXB51 MEDIUM TERM FINANCIAL STRATEGY 2019-2022 - KEY DECISION

The Board considered a report of the Operational Director, Finance, on the Medium Term Financial Strategy (MTFS) for the period 2019/20 to 2021/22.

The Board was advised that the MTFS set out a three

year projection of resources and spending based on information currently available.

The projections in the MTFS showed that there was a continued need to make a significant level of savings over the next three years. This was the effect of the projections of public spending through to 2020 resulting from the 2015 Comprehensive Spending Review and uncertainty from 2020 on Government plans for public spending and continuity of the austerity programme. The MTFS took into account the:

- Budget 2018 announced by the Chancellor of the Exchequer on 13 March 2018;
- Comprehensive Spending Review 2015 announced by the Chancellor of the Exchequer on 25 November 2015; and
- The Local Government Finance Settlement 2018/19 dated 6 February 2018.

The MTFS provided initial guidance to the Council on its financial position into the medium term. Revenue savings of approximately £9.8m, £8.2m, and £3.3m would be required over the next three years. It was noted that as a result, a total of £21.3m would need to be removed from the Council's budget, by reducing spending or increasing income. This represented 19.5% of the net budget and continued to be a significant challenge to find sufficient savings over the medium term in order to balance the budget.

The Board was advised that the MTFS had a number of objectives, as listed in the report. The report set out the Council's budget strategy, with budget savings proposals and areas identified for further savings. The report contained details of the Council's Capital Strategy for the management of assets such as land and buildings in Council ownership.

Reason(s) for Decision

To seek approval for the Council's Medium Term Financial Strategy for 2019/20 to 2021/22.

Alternative Options Considered and Rejected

The alternative option of not maintaining a MTFS had been considered. However, this would not follow good financial management practice, as the MTFS was a key element in informing the Council's financial planning and budget setting processes.

Implementation Date

The MTFS 2019/22 would be implemented from 1st April 2019.

RESOLVED: That

- 1) the Medium Term Financial Strategy be approved;
- 2) the 2019/20 base budget be prepared on the basis of the underlying assumptions set out in the Strategy;
- 3) the Budget Strategy and Capital Strategy be approved;
- 4) the Reserves and Balances Strategy be approved; and
- 5) the award of Council Tax Support for 2019/20 remains at the 2018/19 level of 21.55%.

Operational
Director - Finance

EXB52 INITIAL BUDGET PROPOSALS 2019/20 - KEY DECISION

The Board considered a report of the Operational Director, Finance, which presented the revenue budget proposals for 2019/20.

The Board was advised that the Medium Term Financial Strategy forecast potential revenue budget funding gaps of £21m over the next three years. This figure assumed that the Council would apply a general council tax increase of 2.9%.

Appendix 1 presented the first set of proposals totalling £4.7m and it was proposed to implement these immediately in order to achieve a part-year saving in 2018/19. This would assist in keeping the Council's overall spending in line with budget. In addition, a number of

proposals would take time to implement and therefore commencing this process as soon as possible would assist with ensuring they were fully implemented from 1 April 2019.

It was reported that a second set of budget saving proposals currently under consideration by the Budget Working Group, would be recommended to Council on 6 March 2019, in order to deliver a balanced budget for 2019/20.

Reason(s) for Decision

To seek approval for the initial set of revenue budget proposals for 2019/20.

Alternative Options Considered and Rejected

There was no alternative option, as failure to set a balanced budget would put the Council in breach of statutory requirements.

Implementation Date

The 2019/20 revenue budget would be implemented from 1 April 2019.

RESOLVED: That Council

- 1) be recommended to approve the initial budget proposals for 2019/20 as set out in Appendix 1, attached to the report; and
- 2) determine the position of the Council on a proposal to continue the 4 days unpaid leave arrangement.

Operational
Director - Finance

EXB53 2018/19 QUARTER 2 SPENDING

The Board considered a report of the Operational Director, Finance, which reported on the 2018/19 Quarter 2 spending as at 30 September 2018.

A summary of spending against the revenue budget up to 30 September 2018 was attached to the report at Appendix 1, along with individual statements for each department. The Board was advised that, in overall terms, revenue expenditure was £2.515m above the budget profile at this stage. It was reported that over the last quarter, the

rate of spending had continued at a faster pace than for the first three months of the financial year. If current spending patterns continued, projections showed that the Council would have a year-end outturn overspend position of approximately £5.3m, if no corrective action was taken.

It was further noted that within the overall budget position for the quarter, the key budget variances were in the Children and Families Department (Out of Borough Residential Places and Out of Borough Fostering); Community and Environment Department; Complex Care Pool; Education, Inclusion and Provision; and Corporate and Democracy.

The Capital Programme had been revised to reflect a number of changes in spending profiles and funding as schemes had developed and these were detailed in Appendix 2, attached to the report.

RESOLVED: That

- 1) all spending continues to be limited to only absolutely essential items;
- 2) Strategic Directors take appropriate action to ensure overall spending is contained as far as possible within their total operational budget by year-end; and
- 3) Council be recommended to approve the revised Capital Programme as set out in Appendix 2 attached to the report.

Operational
Director - Finance

EXB54 TREASURY MANAGEMENT HALF YEAR REPORT
2018/19

The Board considered a report of the Operational Director, Finance, which updated Members on the activities undertaken on the money market, as required by the Treasury Management Policy.

The report provided supporting information on the economic background, interest rate forecast, short term borrowing rates, longer term borrowing rates, borrowing/ investments, budget monitoring, new long term borrowing, policy guidelines and treasury management indicators. It was noted that no debt rescheduling had been undertaken

during the quarter.

One of the key Treasury Indicators set by the Council as part of the Treasury Management Strategy was the Operational Boundary (the limit beyond which external debt was normally expected to exceed) and the Authorised Limit (the limit beyond which external debt was prohibited). Due to the valuation of the Mersey Gateway Bridge being required to be included during the preparation of the 2017/18 Statement of Accounts, an additional £644m was added to the Council's Capital Financing Requirement. This represented the capital element of the future Unitary Payments the Council were due to make over the next thirty years, funded from toll income. It should be noted that this was a purely accounting adjustment and did not reflect any additional borrowing over and above what was already taken.

RESOLVED: That

- 1) Council be recommended to adopt the updated Operational Boundary and Authorised Limits as detailed in paragraph 3.18 of the report; and
- 2) the report be noted.

Operational
Director - Finance

EXB55 DISCRETIONARY NON DOMESTIC RATE RELIEF

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on an application for discretionary non-domestic rate relief.

The Board was advised that, under the amended provisions of the Local Government Finance Act 1988, the Council was able to grant discretionary rate relief to any business rate payer. Since 1 April 2017, the Council had been responsible for meeting the full cost of all mandatory and discretionary rate relief granted, as part of the Liverpool City Region 100% Business Rates Retention Pilot Scheme.

The report set out details of an application from a registered charity for rate relief on premises in Victoria Road, Widnes, for Members' consideration.

RESOLVED: That the request for 15% discretionary rate relief from Child Bereavement UK for the period 26 September 2018 to 31 March 2019, be refused on the

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- Enterprise,
Community and
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grounds of being a charity which operates nationally.

PHYSICAL ENVIRONMENT PORTFOLIO

EXB56 COMMUNITY SHOP

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which provided an update following the appraisal options for the introduction of a Community Shop.

At its meeting on 20 September 2018, the Board had considered a report which set out a number of options to progress the delivery of a Community Shop in Halton. It was noted that since the previous report, there had been key developments on two of the options, and details of these were set out in the report for Members' information.

It was reported that following consultation and close working with Community Shop, the most viable option to achieve a Community Shop in the Borough would be to progress the Onward Homes Priory House office site. The Board was advised that the level of capital funding to deliver the project was reduced compared to other options, and there was an increased opportunity for the project to be secured within the desired timescales.

RESOLVED: That

- 1) Executive Board approve that the Council progresses the option of working with Community Shop, and other partners, to deliver a Community Shop at Onward Homes Priory House Office (the Onward Homes Option);
- 2) Council be recommended to approve an amendment to the Capital Programme and a £50k capital allocation be approved to provide a contribution towards the costs involved in developing a Community Shop in Halton; and
- 3) the Strategic Director, Enterprise, Community and Resources, be authorised, in consultation with the Physical Environment Portfolio holder, to take all such actions and to make any decisions necessary in order to progress the Onward

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Homes Option.

EXB57 RUNCORN STATION QUARTER

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which provided an update on the Runcorn Station Quarter and Masterplan.

The Board was advised that the aim of the Masterplan and accompanying delivery strategy was to enable the regeneration of the Runcorn Station Quarter area. Recognising the importance of a rejuvenated Runcorn Station, the Masterplan also took account of the forthcoming HS2 and West Coast Mainline improvements. It was reported that in developing the Masterplan, key stakeholders had been advised of the emerging proposals and that responses to date had been extremely positive.

Members noted that there were some guiding principles around the redevelopment of the Station Quarter which had informed the production of the Masterplan document. These were detailed in the report. The Masterplan also presented options for the incremental and phased development of the area as well as some catalyst stages which would unlock further opportunities within the Station Quarter and beyond.

RESOLVED: That

- 1) the Runcorn Station Quarter Masterplan Guiding Principles methodology and approach, as outlined in sections 3.10 to 3.12 of the report, be approved and adopted;
- 2) the Board formally endorses the preferred road scheme for the Station Quarter as outlined in the recent planning application (October 2018), and as set out in paragraph 3.15 of the report; and
- 3) a further report be brought to the Board, following the completion of the exercise to identify a development partner.

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CHILDREN, EDUCATION AND SOCIAL CARE PORTFOLIO

EXB58 THE FUNDING FORMULA FOR MAINSTREAM SCHOOLS AND HIGH NEEDS FOR 2019-20 - KEY DECISION

The Board considered a report of the Strategic Director, People, on the funding formula for mainstream schools and high needs for 2019/20.

The Board was advised that in July 2017, the Secretary of State confirmed the introduction of the national funding formula, used by the Department for Education to calculate the Schools Block element of the Dedicated Schools Grant allocated to Halton. However, this arrangement had been deferred for a year until April 2021. As a result, each local authority area had to consider which formula to use to fund mainstream schools in 2019/20 and 2020/21.

It was noted that, after consultation with schools and Schools Forum, Halton mainstream schools and academies would move to the National Funding Formula with transitional protection for 2018/19.

A report highlighting key changes to the funding of mainstream schools was presented to the meeting of the Schools Forum on 10 October 2018.

Reason(s) for Decision

To ensure that there was a fair distribution of resources across the schools in the Borough and that the needs of the children and young people with special educational needs could be met.

Alternative Options Considered and Rejected

Consideration was given to either the transfer of 0.5% from the Schools Budget to the High Needs Budget or no transfer. Both of these options were rejected as they would not provide sufficient funding to address the high needs funding gap.

Implementation Date

1 April 2019.

RESOLVED: That the Board

- 1) approve the continuation of the National Funding Formula for 2019/20 with transitional protection; and
- 2) note the decision to transfer 1% from the Schools Budget to High Needs Block and the requirement to submit a disapplication request to the Secretary of State for Education.

Strategic Director
- People

EXB59 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) whether Members of the press and public should be excluded from the meeting of the Board during consideration of the following items of business in accordance with Section 100A (4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972; and
- 2) whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed that in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following items of business in accordance with Section 100A (4) of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraphs 3 and 5 of Schedule 12A of the Local Government Act 1972.

HEALTH AND WELLBEING PORTFOLIO

EXB60 ACQUISITION OF ORCHARD HOUSE

The Board considered a report of the Strategic Director, People, on the acquisition of Orchard House, to allow for its remodelling into supported accommodation for young adults with learning disability and autism.

The Board was advised that the Council and Halton CCG had considered a number of property options suitable for supported accommodation, following the availability of capital funding from NHS England. The proposal was to acquire Orchard House and to convert it into two separate self-contained apartments each with a secure garden. It was reported that the facility would accommodate and support young adults with autism and/or learning disabilities, who may have challenging behaviours.

RESOLVED: That the Board

- 1) notes the content of the report;
- 2) recommends that Council include an amount as stated in the report, in the Capital Programme, which will be fully funded by NHS England, to meet the cost of the Orchard House scheme;
- 3) approves the waiver of Procurement Standing Order 1.14.4(v), to allow the Council's requirements to be delivered by a particular supplier; and
- 4) authorises the Operational Director, Economy, Enterprise and Property, to arrange for all required documentation to be completed to the satisfaction of the Operational Director, Legal and Democratic Services.

Strategic Director
- People

CHILDREN EDUCATION AND SOCIAL CARE PORTFOLIO

EXB61 OAKMEADOW REFURBISHMENT

The Board considered a report of the Strategic Director, People, on the refurbishment of Oakmeadow Intermediate Care Unit.

The Board was advised that NHS England had agreed to allocate capital funding for additional beds at Oakmeadow for the winter period. Following discussions with Halton's Director of Adult Social Services and the Chief Executive of St Helens and Knowsley Hospital Trust, it had been agreed to use a proportion of the funding to open additional beds in Oakmeadow, which in turn would help to alleviate the pressure on the hospital for beds over the winter period. Details of costs for the refurbishment were contained in the report.

RESOLVED: That the Board agrees to progress with the refurbishment of Oakmeadow, with immediate effect.

Strategic Director
- People

MINUTES ISSUED: 20 November 2018

CALL-IN: 27 November 2018

Any matter decided by the Executive Board may be called in no later than 5.00pm on 27 November 2018

Meeting ended at 2.39 p.m.