

Extract of Executive Board Minutes relevant to the Corporate Policy and Policy and Performance Board

2nd October 2014

**RESOURCES PORTFOLIO, PHYSICAL ENVIRONMENT
PORTFOLIO AND ECONOMIC DEVELOPMENT
PORTFOLIO**

EXB70 BUSINESS RATES PROPOSAL - UNIT 3 ARAGON COURT, MANOR PARK

The Board considered a report of the Strategic Director, Children and Enterprise, which detailed a request for Business Rates relief.

The Board was reminded that in April 2013, the Government had introduced a Business Rates Retention Scheme, which enabled Councils to keep a proportion of the business rates revenue as well as growth on the revenue that was generated within their area.

The Board was advised of a request for Business Rates Relief from a company that had agreed a long lease on premises in Manor Park, Runcorn, the details of which were set out in the report.

RESOLVED: That

- 1) the proposals set out in the report be approved; and
- 2) subject to the required outcomes being delivered regarding capital investment and job creation, approval be given on an exceptional basis to the award of Business Rate Relief to Jem Recycling Group for the period of six months at the level as set out in the report.

Strategic Director
- Children and
Enterprise

6th November 2014

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EXB84 INTRODUCTION OF UNIVERSAL CREDIT

The Board considered a report of the Strategic Director, Policy and Resources, which provided an update on the planned implementation of Universal Credit and the implications for the Council.

The Board was advised that Universal Credit was a single payment for people looking for work or who were on a low income. It had been introduced on a pilot basis in 2013 and replaced a number of benefits including Income Support, Child Tax and Working Tax Credits, Housing Benefit and Income Based Jobseeker's Allowance.

In Halton, Universal Credit applications from single persons or couples without children would become 'live' from 17 November 2014. It was noted that for the first six months, the number of applications expected would be relatively low. However, the vast majority of claimants receiving benefits would move to Universal Credit in 2016, which would then include families with children.

It was reported that the Department for Work and Pensions (DWP) had asked the Council to enter into a Delivery Partnership Agreement to facilitate the introduction of Universal Credit in Halton. This would set out the roles and responsibilities of each party for the period 17 November 2014 to 31 March 2015. It was further reported that as part of the process for operating Universal Credit, applicants would be offered the opportunity to access 'Personal Budgeting Support'. It was proposed that this support be provided in-house utilising existing resources within the Revenues, Benefits and Customer Services Division. In addition, the DWP had sought the help of the Council with the provision of 'Assisted Support' for applicants, and it was noted that this could be provided through the two main Halton Direct Link Offices.

The report and Appendix A outlined the manner in which claims for Council Tax Support from claimants of Universal Credit would be treated, for Members' information.

The Board was further advised that the DWP had offered to provide awareness training for Elected Members to assist them in dealing with enquiries from constituents.

RESOLVED: That

- 1) a Delivery Partnership Agreement be entered into with the Department for Work and Pensions, to facilitate the introduction of Universal Credit, which outlines roles and responsibilities from the

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period 17 November 2014 to the 31 March 2015;

- 2) the Council agrees to provide a “Personal Budgeting Support Service” for Universal Credit applicants, utilising existing resources within the Revenues, Benefits and Customer Services Division;
- 3) the Council agrees to provide an “Assisted Support Service” to Universal Credit applicants, via the two main Halton Direct Link Offices in Widnes and Runcorn;
- 4) the Department for Work and Pensions be asked to provide awareness training for Members regarding the implementation of Universal Credit; and
- 5) Universal Credit be treated within the Council Tax Support Scheme assessment, as outlined in Appendix A attached to the report.

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RESOURCES PORTFOLIO

EXB86 ANNUAL AUDIT LETTER 2013/14

The Board considered a report of the Strategic Director, Policy and Resources, which presented the Annual Audit Letter for 2013/14.

The Board was advised that the Annual Audit Letter (the Letter) summarised the findings from the 2013/14 audit completed by the Council’s external auditors. The Letter included messages arising from the audit of the financial statements and the results of work that had been undertaken in assessing the Council’s arrangements to secure value for money in the use of its resources.

Mike Thomas, the external auditor from Grant Thornton UK LLP, attended the meeting and reported that an unqualified opinion had been issued on the Council’s financial statements. Of particular note however, was the recognition that the Council had robust systems and processes in place to effectively manage financial risks and opportunities to secure a stable financial position. The Council was prioritising its resources within tighter budgets, by achieving cost reductions, improving efficiency and productivity.

The Board was advised that this was the final meeting which Mike Thomas, external auditor from Grant Thornton, would attend, as audit regulations required a rotation of external audit staff. The Board wished to place on record their thanks for his work and support given to the Council and its Staff and Members over the past seven years. The Board also wished to place on record their thanks to all Officers that had assisted in the preparation of the audit inspection.

RESOLVED: That the Annual Audit Letter 2013/14 be approved.

EXB87 DETERMINATION OF THE 2015/16 COUNCIL TAX BASE

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 Council was required to notify the figure for the Cheshire Fire Authority, the Police and Crime Commissioner and the Environment Agency by 31 January 2015. In addition, the Council was required to calculate and advise the Parish Councils, if requested, of their relevant tax bases.

The Board was advised that the Tax Base was the measure used for calculating the council tax and was used by both the billing authority (the Council) and the major precepting authorities (the Cheshire Fire Authority and the Police and Crime Commissioner), in the calculation of their council tax requirements. It was arrived at in accordance with a prescribed formula representing the estimated full year number of chargeable dwellings in the Borough expressed in terms of the equivalent of Band "D" dwellings. Taking account of all the relevant information and applying a 96.5% collection rate, the calculation for 2015/16 gave a tax base figure of 32,100 for the Borough as a whole.

It was noted that from 2013/14 onwards, the tax base calculation included an element for the Council Tax Reduction Scheme (the replacement for Council Tax Benefit).

RESOLVED: That Council be recommended to approve

- 1) the Council Tax Base for 2015/16 be set at 32,100 for the Borough, and that the Cheshire

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Fire Authority, the Cheshire Police & Crime Commissioner and the Environment Agency be so notified; and

- 2) the Council Tax Base for each of the Parishes as follows:

Parish	Tax Base
Hale	649
Halebank	488
Daresbury	153
Moore	320
Preston Brook	324
Sandymoor	948

EXB88 MEDIUM TERM FINANCIAL STRATEGY 2015-18 - KEY DECISION

The Board considered a report of the Operational Director, Finance, on the Medium Term Financial Strategy for 2015/16 to 2017/18.

The Board was advised that the Medium Term Financial Strategy (MTFS) set out a three-year projection of resources and spending based on information currently available.

The projections in the forecast clearly showed there was a need to make a significant level of savings over the next three years, as a result of the effect of the Government policy to reduce the national deficit through reductions in public sector funding. The strategy took into account the following:

- The 2013 Comprehensive Spending Review;
- The Autumn Statement 2013;
- The Budget 2014;
- The 2014/15 and 2015/16 Technical Consultation on the Local Government Finance Settlement; and
- The 2015/16 Technical Consultation on the Local Government Finance Settlement.

The forecast provided initial guidance to the Council on its financial position into the medium term. Revenue savings of approximately £19m, £13m and £10m would be required over the next three years. It was noted that as a result, £42m would need to be removed from the Council's budget which represented 23% of the gross expenditure budget.

The Board was reminded that the MTFS had a number of objectives, as listed in the report. The Council would need to consider these objectives when balancing its budget over the next three years.

RESOLVED: That

- 1) the Medium Term Financial Strategy be approved;
- 2) the 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;
- 5) the award of Council Tax support for 2015/16 remains at the 2014/15 level of 21.55%; and
- 6) the Council's 2015/16 Council Tax Support Grant is not shared with the Parish Councils.

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EXB89 TREASURY MANAGEMENT 2ND QUARTER: JULY-SEPT 2014

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, new long term borrowing, policy guidelines and treasury management indicators. It was noted that no debt rescheduling had been undertaken during the quarter.

RESOLVED: That the report be noted.

EXB90 INITIAL BUDGET PROPOSALS 2015/16

The Board considered a report of the Operational Director, Finance, on initial revenue budget proposals for 2015/16.

The Board was advised that budget savings proposals for 2015/16 were being developed by the Budget Working Group. However, a number of those proposals detailed at Appendix 1, could be implemented immediately in order to achieve a part-year saving in 2014/15. In addition, a number of the proposals would take time to implement and therefore by commencing the process as soon as possible, would assist in ensuring that they could be fully implemented by 1 April 2015. Further, the information in Appendix 1 also presented the impact in 2016/17 of certain savings proposals.

The Budget Working Group had proposed the use of £5.5m from the Council's reserves to provide a one-off saving which would delay the need to achieve these savings until 2016/17, thereby allowing additional time to assist the Council with identifying the necessary permanent savings and reshaping the business where necessary to achieve this.

It was noted that the Government would announce its Grant Settlement for Local Government in late December 2014, at which point the Council's actual funding gap would be identified. Further savings proposals that would enable the Council to deliver a balanced budget would be recommended to Council at its meeting on 4 March 2015.

RESOLVED: That Council be recommended to approve the initial budget proposals for 2015/16 as set out in Appendix 1.

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EXB91 2014/15 HALF YEAR SPENDING

The Board received a report of the Operational Director, Finance, which reported on the 2014/15 Half Year Spending as at 30 September 2014.

A summary of spending against the revenue budget up to 30 September 2014 was attached to the report at Appendix 1. This provided individual statements for each department. The Board was advised that in overall terms, the revenue expenditure was below the budget profile, although this was only a guide to eventual spending.

The report contained details on a number of significant areas of the budget including:

- The employee budget and vacant posts;
- Expenditure on general supplies and services;
- Children's Out of Borough residential placements;

- Spending on in-house adoption;
- Budget pressures on some budgeted income targets;
- The collection rate for Council Tax and the retained element of Business Rates; and
- The Council's net overall spending.

The report also outlined details of a revision to the capital spending programme at Appendix 3 and monitoring of the Council's balance sheet. Schemes that had been revised within the programme were listed within the report.

RESOLVED: That

- 1) all spending continues to be limited to the absolutely essential;
- 2) Strategic Directors ensure overall spending at year-end is within their total operational budget; and
- 3) Council be recommended to approve the revised Capital Programme as set out in Appendix 3.

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