

THE CABINET

MEETING, 6TH NOVEMBER, 2017

Councillor Morris	Executive Cabinet Member
Councillor Mrs. Thomas	Executive Cabinet Member
Councillor Peel	Executive Cabinet Member

Cabinet Members

Councillor A. Ibrahim	Adult Safeguarding and Adult Social Care
Councillor Zaman	Development and Regeneration and Human Resources
Councillor Chadwick	Highways and Transport
Councillor Cunliffe	Education, Schools, Safeguarding and Looked After Children
Councillor J. Byrne	Culture, Youth and Sport
Councillor Watters	Social Inclusion, Voluntary Sector and Community Services and Skills
Councillor Burrows	Neighbourhood Services, Police and Community Safety
Councillor Sherrington	Anti-Poverty and Housing

Other Members in Attendance

Councillor Donaghy
Councillor Murray
Councillor Greenhalgh
Councillor Mrs. Fairclough
Councillor Haslam
Councillor Cox
Councillor Hornby

Officers

Ms. M. Asquith	Chief Executive
Mr. S. Young	Director of Place
Mr. J. Daly	Director of People Services
Ms. H. Gorman	Borough Solicitor
Ms. S. Johnson	Borough Treasurer
Ms. S. Long	Chief Officer, CCG
Mrs. V. Ridge	Democratic Services Manager

Councillor Morris in the Chair.

Apologies for absence were submitted on behalf of Councillors Adia and Kellett.

31. MINUTES

The minutes of the proceedings of the meeting of the Cabinet held on 9th October, 2017 were submitted and signed as a correct record.

32. MINUTES OF THE GREATER MANCHESTER COMBINED AUTHORITY

The minutes of the meeting of the Greater Manchester Combined Authority held on 29th September, 2017 were submitted for information.

33. COUNCIL TAX BASE FOR 2018/2019

The Borough Treasurer submitted a report which set out the calculation of the tax base to be used in the calculation of the Council Tax and Business Rates for 2018/2019 (the tax base for tax setting purposes).

The report indicated a tax base before adjustment for losses on collection of 76,349 band D equivalents.

The Council needed to determine its collection rate for the year, which took account of collection difficulties. Based on an assessment of past collection performance, this had been maintained at 98% and resulted in a tax base for tax setting purposes of 74,822 band D equivalents which represented an increase of 357 properties on the 2017/2018 tax base.

Resolved – That the report of the Borough Treasurer for the calculation of the Council’s tax base for tax setting purposes for the year 2018/2019 be agreed and that the Council Tax base for the year 2018/2019 shall be 74,822 band D equivalents.

34. AGMA BUSINESS RATES POOLING

The Borough Treasurer submitted a report which sought members’ approval to the Council entering into a pooled business rates arrangement with AGMA and adjoining authorities, should this be deemed appropriate.

Members were advised that the Local Government Resource Review (LGRR) introduced the option for Local Authorities to pool their Business Rates. The advantage of this arrangement was that monies which might have been paid over to Central Government could be retained within the pool. However, the risk with pooling was that if an Authority lost a large amount of Business Rates within a year then it would be hit by a safety net which would be triggered when there was a loss of more than 7.5%. In a pooling arrangement the loss of income above this was supported by the pool and not an additional payment from Central Government. Therefore, in establishing a pooling arrangement it was important to establish that no Authorities were at risk of triggering a safety net claim.

In view of the above, a detailed analysis of the projected business rate position for AGMA authorities, plus Cheshire East and Cheshire West and Chester had been undertaken which showed that no authorities were anticipating breaching the safety net in 2018/2019. Therefore, an application had been submitted to the Department for Communities and Local Government on the pooling of Business Rates and each

Authority would need to make a decision on whether it wanted to be part of the pool within 28 days of the Local Government Financial Settlement.

In conclusion, members were advised that any monies gained as part of the pooling arrangement would be retained by the pool for investment within Greater Manchester (via the existing governance structures of the Combined Authority) and the other Authorities involved. It was anticipated that the pool would be administered by Manchester City Council.

Resolved – That approval be given to the Council entering into a pooled business rates arrangement with other AGMA and adjoining authorities for 2018/2019.

35. WASTE INTER-AUTHORITY AGREEMENT

The Borough Treasurer submitted a report which sought member's approval of the revised Levy Allocation Methodology Agreement.

Members were advised that the Greater Manchester Waste Disposal Authority (GMWDA) was a levying body and in February, 2009 the GMWDA, along with its nine constituent councils, entered into an Inter Authority Agreement (IAA) which regulated the levy. It was explained that the existing IAA was agreed unanimously as part of a suite of documents at the time the PFI Contract was adopted in 2009 and was designed to stay in place for the duration of the Recycling and Waste Management (PFI) Contract arrangements with VLGM to 2034. However, there was a provision that it would 'fall away' on termination of the PFI.

With regard to the current position members were informed that, following extensive consultation with Districts, the GMWDA had made a decision to terminate the existing PFI arrangements in order to reduce costs and to attain operational improvements in order to fulfill the required budget savings. As a result, the existing IAA became obsolete and once the PFI Contract was formally terminated the existing IAA would no longer be binding and a new IAA must be unanimously agreed

by all nine constituents Districts. Failure to agree a new methodology would result in the national default mechanism being applied.

In view of the above an extensive and inclusive process of consultation had now been concluded within Greater Manchester about the replacement process and the report outlined the broad proposals for the new levy allocation methodology agreement (LAMA) which was for a ten year period.

The report also detailed the options which were available to members which were as follows, viz:-

- Option 1 – to approve the proposed LAMA and the recommendations as set out in the report;
- Option 2 – not to approve the proposed IAA and request some alternative arrangement be developed which would have to be approved by all constituent districts; or
- Do nothing in which case the statutory default scheme would take effect.

The report recommended that Option 1 be approved as it had been provisionally approved by all districts following extensive consultation and was considered to be the most equitable, cost effective and environmentally friendly option.

In conclusion, it was stated that subject to the methodology being approved it was necessary for each GM District to obtain formal agreement before 31st December, 2017 of the new LMA. This in turn would allow the 2018/2019 Levy to be set by the GMWDA using the LAM basis.

The proposed draft Waste Management Allocation Methodology Agreement was also appended to the report.

Resolved – That Council at it's meeting on 29th November, 2017 be recommended to:-

- (i) **Approve the revised Levy Apportionment Methodology Agreement as detailed in the report**

which will be applied in full from 2019/2020 with transitional arrangements in place during 2018/2019.

- (ii) Delegate authority to the Borough Solicitor in consultation with the Borough Treasurer to approve and/or make any minor amendments to the final Levy Apportionment Methodology Agreement and to enter into finalising the agreement, the transitional arrangements and any associated documentation relating thereto.**

36. STRATEGIC INVESTMENT

The Borough Treasurer submitted a report which set out the investment proposals of the Manchester Airport Group companies (MAG) to provide the airline capacity and standard of facilities required to secure future business plan growth and the longer term sustainability of the business.

Members were advised that following the acquisition of Stansted Airport in 2012, MAG was restructured. Consequently the nine districts own 29% of the shares (which were non-voting) and Manchester City Council own 35% of the economic interest which carried 50% of the voting rights in a deadlocked company with Codan Trust Company (Cayman) Limited as a trustee for IFM having similar rights. It was also stated that since the acquisition MAG had traded ahead of the Business Plan agreed by shareholders and trading had been particularly strong at Stansted driven by the increased passenger volumes. This had resulted in Shareholder dividends being significantly ahead of those set out in the Premier Plan.

The report stated that in order to drive further growth, substantial capital expenditure was required at both Manchester and Stansted and both airports were currently in the process of commencing terminal transformation projects which together comprised of approximately £1.5 billion of investment.

The report also provided details in relation the transformation project and what the programme included. It also outlined the key benefits of the programme which was estimated to cost £480 million.

In terms of the next steps, members were advised that as shareholders there was an opportunity to support the funding package that underpinned the Transformation Programme through the format of shareholder loans, however, any investment decision had to be underpinned by a thorough assessment of the risks involved and a robust due diligence process. It was explained that this had been undertaken and the details were provided in a separate confidential report to be considered by members.

In conclusion, members were informed that from the analysis and work carried out it was deemed to be a reasonable investment for the Districts that was aligned to the economic and strategic priorities for GM and would help secure future dividend growth.

Resolved – (i) That the proposals as set out in the report, and in particular the recommendations for financial support to the Manchester and Stansted transformation programme through the form of further shareholder loans be noted.

(ii) That the Chief Executive, Borough Treasurer and Borough Solicitor be authorised to negotiate and finalise the detailed arrangements in respect of the shareholder loan and to progress the financial and legal work associated with it.

(iii) That Council be recommended to approve the increase in capital expenditure supported by prudential borrowing.

37. CREATING A SINGLE STRATEGIC COMMISSIONING FUNCTION IN BOLTON

The Director of People submitted a report which sought member's approval to proposals to create a single strategic health and social care commissioning function in Bolton.

The report set out proposals for the creation of a single strategic commissioning function in Bolton and it also proposed to bring together Health and Social Care Strategic Commissioning in order to create a pooled budget which would maximise the benefits of Bolton £ for Bolton People.

Members were advised that the proposals were intended to ensure that the CCG Board Members and Elected Members remained in control of commissioning in Bolton, provided leadership and oversight of integrated commissioning in Bolton. It was also explained that the single commissioning function would operate as part of the larger Greater Manchester system and would ensure and reinforce Bolton's ability to innovate using the power of local knowledge delivered by CCG Board Members and Elected Members who were and would remain accountable for health and care services delivered in Bolton.

The proposals sought to create a single commissioning function which would be focussed on moving away from expenditure on hospital and residential care services and moving towards increasing investment in prevention and early intervention services. It also sought member's approval to the integration of commissioning for all the Council's Adult Services.

Members were informed that the single commissioning function would ensure improved effectiveness in system leadership, population understanding, system performance, structural redesign and repositioning of whole pathways or major services.

The report also provided details in relation to the benefits of a single commissioning system in Bolton and how it would be developed.

Resolved – (i) That the ambition and proposals for the development of the Single Commissioning Function be noted.

(ii) That the proposed programme approach as detailed in the report be approved.

(iii) That a further report be submitted to a future meeting outlining the future plans and timescales.

(iv) That prioritisation of staff time to focus on the work and support the process be agreed.

(v) That the scope of commissioning integration for Council services will include all elements of adult services which the Council is legally able to undertake under joint arrangements with an NHS body.

(vi) That a fully integrated approach to budget setting and joint decision making in prioritisation of adult services budgets be agreed.

38. EXCLUSION OF PRESS AND PUBLIC

Resolved – That, in accordance with Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as specified in paragraph 3 of Part 1 of Schedule 12A to the Act; and that it be deemed that, in all the circumstances of the case, the public interest in their exemption outweighs the public interest in their disclosure.

39. STRATEGIC INVESTMENT

Further to minute 36 of this meeting, the Borough Treasurer submitted a report which set out the investment proposals of the Manchester Airport Group companies (MAG) to provide the airline capacity and standard of facilities required to secure future business plan growth and the longer term sustainability of the business.

The report provided details in relation to the following areas, viz:-

- The transformation project and funding package;
- The recommended funding option;
- Due diligence; and
- The conclusions of the due diligence review.

Resolved - (i) That the proposals as set out in the report, and in particular the recommendations for financial support to the Manchester and Stansted transformation programme through the form of further shareholder loans, as set out in this report be noted.

(ii) That the extensive due diligence that has been completed and the conclusions of that exercise as set out in the due diligence section of the report be noted.

(iii) That Council be recommended to approve an increase in capital expenditure supported by prudential borrowing.

(iv) That the proposals for the shareholder loan, subject to Council approving capital expenditure supported by prudential borrowing be approved.

(v) That the Chief Executive, Borough Treasurer and Borough Solicitor be authorised to negotiate and finalise the detailed arrangements in respect of the shareholder loan and to progress the financial and legal work associated with it.

(vi) The Borough Treasurer be authorised to determine the detailed accounting arrangements for the loan, including the classification between revenue and capital.

(vii) The Borough Solicitor be authorised to enter into any necessary agreements or documents to give effect to the above recommendations.