THE CABINET

MEETING, 11TH FEBRUARY, 2019

Councillor Mrs. Thomas	Executive Cabinet Member
Councillor Adia	Executive Cabinet Member
Councillor Peel	Executive Cabinet Member
Councillor Zaman	Corporate Resources
Councillor Cunliffe	Children's Services
Councillor J. Byrne	Culture and Sport
Councillor Watters	Community Issues
Councillor Donaghy	Strategic Housing and Planning
Councillor Chadwick	Highways and Transport

Other Members in Attendance

Councillor Haworth
Councillor Greenhalgh
Councillor Mrs. Fairclough
Councillor Cox
Councillor Haslam
Councillor Hayes
Councillor Hornby
Councillor Sanders

Officers

Mr. T. Oakman	Chief Executive
Mr. G. Brough	Director of Place
Ms. S. Johnson	Director of Corporate Resources
Ms. H. Lowey	Director of Public Health
Ms. D. Ball	Deputy Director of Place
Ms. H. Gorman	Borough Solicitor
Mr. S. Wheeler	Head of HR

Ms. J. King	HR Business Partner Chief Executive's and Corporate Resources
Ms. D. Cooper	Principal Consultation and Research Officer
Mrs. V. Ridge	Democratic Services Manager

Councillor Mrs. Thomas in the Chair.

53. MINUTES

The minutes of the proceedings of the meeting of the Cabinet held on 21st January, 2019 were submitted and signed as a correct record.

54. MINUTES OF THE MEETING OF THE GREATER MANCHESTER COMBINED AUTHORITY

The minutes of the meeting of the Greater Manchester Combined Authority held on 14th December, 2018 were submitted for information.

A discussion ensued with regard to the Clean Air Plan and the Creative Industries Investment Readiness Pilot.

Resolved – That the minutes be noted.

55. BUDGET UDPATE AND OPTIONS 2019-2021

The Director of Corporate Resources submitted a report and gave a presentation that provided members with the following:-

- the consolidation of Service Budgets to provide the Council's overall 2019/2020 Budget;
- an update on the Council's proposed savings plan for 2019/2020 and 2020/2021 post consultation;
- options to inform Council Tax setting for 2019/2020; and
- the Financial Arrangements Account for 2019/2020.

Members were advised that 2019/2020 was the final year of the government's four year settlement and the report recommended that the savings target for 2019/2020 be set at £23.5 million. This had reduced from the initial figure quoted last February primarily, as a result of additional business rates income and an increased council tax base. However, due to a number of uncertainties regarding the impact of future funding, reserves of £8 million were also used to balance the 2019-2020 budgets and a further £8 million was set aside to provide a cashflow pot to enable savings to be phased in over the two year period.

With regard to the Government Settlement, the provisional Local Government Finance Settlement for 2019/2020 was announced on 13th December, 2018 and, as a consequence of the known four year settlement figures and the October Budget, there were few unanticipated changes. However, the key points to note were as follows, viz:-

- In early October a one-off £240 million funding pot was announced for Adult Social Care 'Winter Pressures' for 2018/2019 and Bolton's share of this was £1.4 million;
- In the October budget a further pot of money was made available by the government of £650 million for 2019/2020 and this was split into two elements:-
    - £240 million for Adult Social Care Winter pressures in 2019/2020 and again Bolton's allocation was £1.4 million; and
    - £410 million for Adults and Children's Social Care and Bolton's allocation was £2.4 million.
- Highways funding allocation of £420 million specifically to tackle potholes, repair damaged roads and invest in keeping bridges open and safe and Bolton's allocation was £1.35 million;
- As a result of a surplus on the Business Rates account, a surplus of £180 million was being re-allocated and Bolton's share was £1 million, however, it remained to be clarified as to whether this would be repaid in 2018/2019 or 2019/2020;
- Police and Crime Commissioners would be allowed to increase their precept by up to £24; and

- Additional business rate reliefs were also announced in the retail sector, however, these were cost neutral, and the relief granted to businesses was offset by additional Section 31 grants.

Members were also reminded that the Council has had to find significant savings over the last 4 years which totalled around £155 million and when adding in the proposed 2019/2020 savings target this took the figure to almost £190 million. It was also stated that beyond 2019/2020 there were some key funding issues yet to be confirmed which could impact further on the Council which were as follows:-

- Fair Funding Review - this review would be implemented in 2020, however, the Children's Services review would not be completed until October, 2019, some six weeks before the Autumn 2019 budget, which would be the 2020/2021 provisional settlement. It was therefore likely that some form of transitional funding would be required for 2020/2021; and
- Business Rates – the government had announced that from 2020 business rates retention would be 75%, 1% of this being passed to the Fire Authority and 25% to central government. Furthermore from 2020 it was likely that there would also be a business rates re-set. It was explained that this would mean that any business rates growth that the council was expected to achieve over and above its baseline might either be fully taken or partially taken off the council. As a result this made forecasting business rates beyond 2019/2020 extremely difficult to do.

The report also provided an updated expenditure forecast for 2019/2020 and 2020/2021. This forecast was based on the assumption that Council Tax would increase by 1% for Adult Social Care and up to 1.5% for the general levy. It was explained that the level of Council Tax would be determined by the Council at its meeting on 20st February, 2019 following a recommendation from the Cabinet.

Members were advised that taking into account the updated settlement figures, the savings required to balance the budget remained at £23.5m as forecasted in the report to Cabinet on 3rd December, 2018. In order to do this, reserves of £8 million would be used to balance the 2019-2021 budgets. In terms of the savings these had been allocated departmentally as follows:

	Target £million
People	13.8
Place	5.7
Chief Executive's/Corporate	4.0
Total	23.5

The report stated that it was not possible at this point to accurately identify how many posts would be lost until detailed proposals were developed, however, based upon the options outlined in Appendix D, a minimum of 124 posts might be affected. As in previous budget rounds the Council secured post reductions through voluntary means such as Voluntary Severance and Voluntary Early Retirement, where these met business needs, and it was hoped that this approach could be continued, therefore avoiding compulsory redundancies wherever possible.

Appendix E outlined the current projected position on reserves as at 31st March, 2019, split by category, and provided some information of the implications of not holding these reserves.

Currently it was estimated that available balances as at 31st March, 2019 would be £10.66m and the Director of Corporate Resources recommended, as a minimum, balances of £10m or higher should be maintained based upon her understanding of the risks and financial issues facing the Council over the next three years and the proposals around the budget, as identified in the report.

The individual parish precepts were also detailed in the report and as required by the Local Government Finance Act 1982 these needed to be added to Bolton's budget requirement.

With regard to the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services), it was explained that this was set by the Greater Manchester Combined Authority. The proposed increases in the Mayoral Precepts were as follows:-

- £9 for the Mayoral General Precept (including Fire Services); and
- £24 for the Mayoral Police and Crime Commissioner Precept.

It was stated that should the final decisions of the Greater Manchester Combined Authority be different, this would be reported to members at the meeting.

With regard to Business Rates, whilst the Council was part of the Greater Manchester 100% pilot, it should be noted that the Government determined the rates to be collected and had set these at 49.1p in the pound for small businesses and 50.4p in the pound for larger businesses.

In terms of setting the Council Tax, it was explained that based upon the Adult Social Care precept being set at 1% (its maximum) for 2019/2020, plus a 1.5% general levy increase in Council Tax for Bolton Council for 2019/2020 (i.e. excluding Parish and the Mayoral precepts) this was the equivalent to an additional 47p per week on Band A properties which were more than 40% of the overall taxbase.

The report also summarised the key messages from the public consultation exercise which was undertaken and a total of 283 responses were received. Full details of these were outlined in Appendix J to the report.

The relevant Equality Impact Assessment had been undertaken and was detailed in Appendix I to the report.

Resolved – That the Cabinet, having taken into account the consultation responses and the Equality Impact Assessment, recommend to Council:-

(i) The Revenue Budget for 2019/2020 as set out in the Budget Report;

(ii) That the Council Tax for 2019/2020 be increased by 2.25% represented by a 1% increase for Adult Social Care and a 1.25% general increase which would be funded from the returned Business Rates from GMCA.

(iii) The savings target of £135,000 from the proposed review of bowling greens in Neighbourhood Services will be reduced by 50% to £67,000. This will be directly offset by an increase in the review of external charging within the Place Directorate.

(iv) That the Cabinet recommends to the Council the following in respect of the Capital Programme for 2019/2020:-

- **(a) the unallocated resources of £2 million be used for Residential Roads and Pavements; and**
- **(b) £4 million be allocated for further investment in district town centres, primarily in Farnworth Town Centre and this will be funded from the Council's share of the available surplus in PSP.**

56. CORPORATE CAPITAL AND ONE-OFF FUNDING 2019-2022

The Director of Corporate Resources submitted a report that proposed a Capital Strategy, Corporate Capital and Revenue Programme, a Minimum Revenue Provision (MRP) policy and Capital Prudential Indicators for the next three years.

Members were advised that from 2019/2020 CIPFA's Prudential Code required local authorities to produce a capital strategy to demonstrate that capital expenditure and investment decisions were taken in line with service objectives and took account of stewardship, value for money, prudence, sustainability and affordability.

The Capital Strategy was a key document for the Council and formed part of the authority's integrated revenue, capital and balance sheet planning. It provided a high level overview of how capital expenditure, capital financing and treasury management activity contributed to the provision of services and provided an overview of how associated risk was managed and the implications for future financial sustainability. It also included an overview of the governance processes for approval and monitoring of capital expenditure. Appendix 1 to the report detailed the Capital Strategy for 2019-2022.

Members were advised that the significant reductions in the Council's revenue budget had meant that the maximisation of capital funding had become a vital part of ensuring the Council could continue to pursue its key objectives. Consequently, taking into account agreed allocated resources of £1 million for 2018/2019 and recognising existing approved capital commitments for 2018/2019, the resources available for allocation in 2019/2020 were as follows:-

	Current Capital Programme 2018-2022
Corporate Supported Borrowing	112,195
Corporate Revenue	12,163
Corporate Capital Receipts	6,900
Service Supported Borrowing	2,098
Service Revenue (largely Children's)	5,883
Government Grants (largely Children's)	55,383
Other Contributions	7,609
Total	**202,230**
Less existing commitments	200,230
Available for allocation 2019/2020	2,000

As part of the appraisal of the capital programme the proposals had been assessed for their anticipated impact on the Council's VAT recovery position.

Full VAT recovery was only permitted where less than 5% of VAT recovered related to activities which were exempt from VAT (largely land transactions, paid for education, markets and cremation). Where the 5% limit was exceeded no VAT recovery on VAT exempt activity was permitted unless the 7 year average was below 5%. Bolton had applied to use the 7 year average because of the investment in Bolton Market.

The detailed calculations were set out in Appendix 3 to the report. The 7 year average was 3.96% and was therefore within the HMRC limit.

The Local Authorities (Capital Finance and Accounting) Regulations 2008 required the basis on which the Minimum Revenue Provision (MRP) was calculated for future years to be approved by Council. This was the amount Councils were required to set aside for debt repayment each year.

The report also provided details in relation to Capital Prudential Indicators.

Resolved – That, subject to Council's approval:-

(i) The Capital Strategy for 2019/2022 as set out in Appendix 1 to the report be approved, including the recommendations set out in resolution (iv) of Minute 55 of this meeting in respect of the Capital Programme for 2019/2020;
(ii) The Corporate Programme (Capital and Revenue one-off schemes) for 2019-2022 as set out in Appendix 2 to the report be approved;
(iii) The Minimum Revenue Provision policy as set out in section 5 of the report be approved; and
(iv) The Capital Prudential Indicators as set out in Section 6 of the report be approved.

57. TREASURY MANAGEMENT AND INVESTMENT STRATEGIES 2019/2020 TO 2021/2022

The Director of Corporate Resources submitted a report that outlined the Council's prudential indicators for 2019/2020 to

2021/2022 and set out the expected treasury operations for this period.

The report fulfilled two key legislative requirements:-

a) The treasury management strategy statement which set out how the Council's treasury service would support the capital programme, the day to day treasury management and the limitations on activity through treasury prudential indicators; and
b) The investment strategy which set out the Council's criteria for choosing investment counterparties and limiting exposure to the risk of loss. This strategy was in accordance with the CLG Investment Guidance.

Resolved – (i) That, subject to the approval of Council, the Treasury Management Strategy 2019/2020 to 2021/2022 and the treasury limits on activity contained within this report; the Authorised Limit Prudential Indicator and the Investment Strategy 2019/2020 contained in the treasury management strategy be approved.

(ii) That the Corporate Resources Policy Development Group be requested, at a future meeting, to consider the current investment strategies in relation to the level of interest received on the Council savings and investments.

58. BOLTON COUNCIL'S NJC PAY-LINE FOR APRIL, 2019

Further to minute 40 of the meeting of the Cabinet held on 3rd December, 2018, the Director of Corporate Resources submitted a report which set out the final proposals regarding the local application of the new national 2019 NJC pay-line.

Members were reminded that a new pay spine had been agreed nationally for National Joint Council (NJC) workers which formed 75% of the Council's workforce. As a result the Council now needed to assimilate the current pay structure to the new nationally determined pay points for April, 2019 onwards.

The report outlined the final proposals which incorporated the feedback received during consultation and also detailed the collective agreement achieved with the joint Trades Unions.

In terms of the final proposals these were summarised within the report as follows:-

- The cost of the proposed structure was estimated to be around £3.4 million for the Council and an additional £2.4 million for schools which totalled £5.8 million, all inclusive of increments and on-costs;
- The proposed structure was in line with the pay structure principles agreed. It ensured a minimum of 2% pay award for all grades, future proofed the structure, restored incremental progression within grades, which could aid retention and also protected all current staff, rewarding the lower earners with the highest percentage increase;
- The lowest pay was the same value as the recently increased Living Wage Foundation rate of £9 per hour and therefore a Living Wage Supplement was not necessary. The Council's approach to its pay for its lowest earners would continue to be reviewed annually;
- The proposed implementation arrangements with regard to the exclusion of the newly created NJC points in grades D (4), E (5) and F (6) from Bolton's structure to avoid it taking 6 years for staff to reach the top of the grade; and
- The renaming of grades to A-N to avoid confusion between existing grade number and new spinal column point number.

The implementation date of the new structure would be 1st April, 2019. This would mean that, on 1st April, 2019, each employee who was not at the top of their pay grade and therefore due an increment, would receive this increment and then assimilate across to the new pay structure. Those at the top of their current pay grade would assimilate accordingly.

The final proposed pay-line structure was detailed in Appendix 1 to the report.

The Trades Unions response was detailed in Appendix 3 to the report.

The relevant Equality Impact Assessment had been undertaken and this was detailed in Appendix 4 to the report.

Resolved – That the proposed NJC pay structure as detailed in the report be approved with effect from 1st April, 2019 and for implementation processes to begin as soon as possible.

59. CHURCH WHARF UPDATE – USE OF COMPULSORY PURCHASE POWERS

The Director of Place submitted a report which informed members on the use of Compulsory Purchase powers and sought members approval to use these powers to acquire land within the boundary of the proposed Church Wharf development.

Members were reminded that the Council entered into an option agreement with Muse Developments Limited on 3rd May, 2018 and under the terms of the agreement, Muse and the Council were under an obligation to attempt to acquire remaining third party land interests at the site to enable a comprehensive redevelopment of the site. It was explained that if this was not possible for the Council and/or Muse to acquire all of the necessary third party land interests by private treaty the Council agreed it would consider the use of a Compulsory Purchase Order.

In view of the above, it was recommended that the Council uses its powers under Section 226 (1) (a) of the Town and Country Planning Act 1990 to make an Order to acquire all of outstanding interest in the land and buildings shown edged in red on the attached plan at Appendix 1 to the report referred to as ‘the Order Lands’.

Members were advised that the acquisition of the Order Lands was required to facilitate the Church Wharf development for which a planning application was to be submitted in February, 2019. It was also stated that in accordance with the option agreement, Muse would submit a hybrid planning application for the redevelopment of the site including outline for the development of the site and detailed for the infrastructure and public realm in February, 2019. Further reserved matters applications would follow in relation to the remainder of the Scheme.

It was anticipated that subject to securing land assembly, and receiving other necessary approvals, redevelopment would begin on site in 2020.

The report also provided information in relation to the following, viz:-

- The context within Bolton;
- Site characteristics;;
- Proposals for redevelopment;
- Road closures;
- Planning analysis;
- National policy context;
- Regional policy context;
- Local policy context;
- Church Wharf Supplementary Planning Document;
- Compulsory Purchase Order requirements and procedures;
- Public interest;
- Human Rights;
- Consultation and communication; and
- Impacts and implications.

The relevant Equality Impact Assessment had been undertaken and was detailed in Appendix 5 to the report.

Resolved – (i) That the Borough Solicitor be authorised to arrange a land referencing exercise (including the service of statutory requisitions) to be undertaken to identify all

parties with interests in the land shown edged red in the attached plan.

(ii) That the making of a Compulsory Purchase Order under Section 226 (1) (a) of the Town and Country Planning Act 1990 (as amended by the Planning and Compulsory Purchase Act 2004) and the Acquisition of Land Act 1981 to seek the acquisition of land and interests within the site shown edged red on the attached plan by way of a Compulsory Purchase Order be authorised.

(iii) That the Borough Solicitor be authorised to seal the Order and to authorise officers to take all necessary procedural steps prior to and after making the Order which will include the publication and service of all statutory notices and the submission of the Order to the Secretary of State for confirmation together with the preparation and presentation of the Council's case at any public inquiry.

(iv) That the Borough Solicitor be authorised to confirm the Order, if it is unopposed of if any objections made are subsequently withdrawn.

(v) That the Borough Solicitor be authorised, following the confirmation of the Order, to implement the CPO powers and acquire title and/or take possession of the land.

(vi) That the Borough Solicitor and the Director of Corporate Resources be authorised to make minor amendments, modifications and deletions to finalise the CPO plan within the red line plan should this be considered appropriate.

(vii) That the Director of Place be authorised to negotiate terms for the acquisition of any outstanding interests in the land subject to the proposed Order and to approve agreements with affected landowners setting out the terms on which objections to the Order are to be withdrawn.

(viii) That the Borough Solicitor be authorised to complete the necessary legal formalities.

(ix) That the Director of Corporate Resources be authorised to complete the necessary financial formalities.

(x) That any applications for the closure of highways required to facilitate the Church Wharf Development be supported.