

THE EXECUTIVE
MEETING, 12TH JANUARY, 2009

Councillor Morris	Leader of the Council – Strategy and External Relationships
Councillor J. Byrne	Development
Councillor Sherrington	Cleaner, Greener, Safer
Councillor Mrs Thomas	Corporate Resources
Councillor Kay	Human Resources and Diversity
Councillor Adia	Development
Councillor Ibrahim	Culture, Young People and Sport
Councillor Peel	Environmental Services
Councillor Murray	Health and Adult Social Care
Councillor Zaman	Housing and Regeneration

Non-Voting Members

Councillor Hornby	
Councillor Spencer	
Councillor R. Allen	
Councillor Shaw	
Councillor J. Walsh	
Councillor Hall	Deputy for Councillor Mrs Brierley
Councillor Hollick	Deputy for Councillor Morgan
Councillor Hayes	
Councillor Mrs Ronson	
Councillor D. A Wilkinson	

Officers

Mr. S. Harriss	Chief Executive
Mr. S. Arnfield	Director of Corporate Resources

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Ms. M. Asquith	Director of Children's Services
Mr. K. Davies	Director of Development and Regeneration
Mr. D. Grogan	Assistant Director Building Schools for the Future
Mrs. M. Stoney	Assistant Director Legal and Democratic Services
Mr. A. Jennings	Democratic Services Manager

Councillor Morris in the Chair

Apologies for absence were submitted by Councillors Mrs. Brierley and Morgan.

62. MINUTES

The minutes of the proceedings of the meeting of the Executive held on 16th December, 2008 were submitted and signed as a correct record.

63. BRIGHTMET AND ESSA ACADEMY AND FIRWOOD SCHOOL : OUTLINE BUSINESS CASE FOR PROCUREMENT

The Director of Children's Services submitted a report that requested the Executive's approval for the outline Business Case (obc) for the procurement of the development of the Essa Academy and the all through Academy at Brightmet, together with the Firwood Special School.

The key information for consideration by the Executive was the affordability position for both schemes. The report provided details of the Funding Allocation Model and funding envelop for both schemes, as well as the procurement process and the programme for delivery of both schools, including the Firwood School.

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The OBC document outlined the options appraisal, cost estimates, affordability assessment and procurement strategy for the Academy scheme in sufficient detail to allow capital funding to be confirmed and to gain approval to proceed with the delivery of the school via the PfS National Framework.

PfS had allocated £18,221,386 funding to the Essa Academy for a rebuild and partial refurbishment of the existing site. The 11-19 elements of the Brightmet Academy were being funded through PfS Academies funding, however the nursery and primary provision was being funded by the Local Authority using Primary Capital and other capital funding. Funding for the new Firwood provision was being provided as a one off project through wave 7 Building Schools for the Future funding. The scheme had been allocated funding for a 100% new build scheme.

The Local Authority was required to submit a Section.151 officer letter with each Academy OBC confirming the affordability of the scheme and the Council's commitment to delivering the schemes within the affordability envelope identified .

The proposed funding for the Primary element was based on the same model for the Secondary and Special Schools and the precise allocation against budget heads was being worked up as part of the OBC. The total for the project was therefore £36,388,360.

The Preliminary Invitation to Tender (PITT) process was started once the OBC was signed off by the DCSF. The PITT tender period would last for approximately three weeks, followed by approximately 1 week for tenders to be evaluated. Two contractors from the PfS Framework were then selected to take part in a mini-competition.

A timetable of key dates for the procurement of the sample school was included at Appendix 2 and it was expected that the ITT clarification meetings would begin on a fortnightly basis from Tuesday 14th April 2009.

Once the Core Evaluation Board had concluded its assessment of the ITT submissions, a report would be produced for approval by the Executive and the Academy Project Groups in September 2009. The Preferred Bidder would be announced by the Council on or around 15th September 2009.

In respect of the Essa Academy, and using the approvals received from the Executive on 26th July ,2008, a short term lease and a letter committing to the endowment fund was agreed as part of the negotiations with DCSF.

The suggested land to be included in the long term lease was delineated at appendix 5 and members noted that the area of land equated to approximately 9 hectares which was that required for the development of the new buildings. The exact line of the land to be transferred would depend upon the final design of the building and the receipt of planning and other approvals.

The residual land would be disposed of when market conditions permitted and the ensuing capital receipt used to support the BSF programme as was required by legislation. Members noted that normally only the first £300,000 would be paid to the Council with the remainder to be divided 50-50 with Partnership for Schools (PfS). However, on this occasion PfS had agreed to forego their full eligibility to allow the Council to offset the purchase of the former 6th Form building.

In respect of Brightmet the potential short term and long term leases were included in appendices 6 and 7. The short term lease would largely comprise the areas currently occupied by Withins and Top o th Brow. However, work was currently ongoing to agree the exact requirements of the Academy and Firwood in the long term and again the exact line may change as design progressed.

The Assistant Director explained that any future highways and site access issues would be outside the current funding agreement and would be paid for by the Council.

Resolved - (i) That the funding allocations and source of funding for the development of the two Academies and Firwood as one project be agreed and that the Director of Corporate Resources be authorised to submit a Section 151 letter on behalf of the Council.

(ii) That the procurement process and timetable for the delivery of the Academies and Firwood be noted.

(iii) That approval in principle be given for the long term lease in respect of Essa and the short and long term leases in respect of Brightmet Academy and Firwood School and the Director of Corporate Resources be authorised to agree the final position.

(iv) That the Director of Legal and Democratic Services be authorised to complete all documents and Legal requirements.

64. 2009/10 REVENUE – BUDGET GUIDANCE

The Director of Corporate Resources submitted a report which set out the latest revenue budget position and requested the Executive to set budget guidance for individual services.

Members were reminded that the Council now received Direct Schools Grant (DSG) which was ring fenced to Schools and, as a consequence, the Revenue Support Grant received was now significantly lower. The Government had announced that there would be an increase in the funding per pupil of 4.4% which translated into an increase in DSG for 2009/10 of £6.42M, which included the addition of the Muslim Girls School, giving a total DSG of £178.086M before any adjustment for Academies.

The Government had announced the Revenue Support Grant Settlement in November, 2008 which indicated that the Grant/NNDR which the Council would receive in 2009/10 would increase by £4.3M or 3.56%. Members were reminded that the grant the Council should have received in the current year was reduced by the dampening arrangements introduced by the

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Government. However, with respect to next year's grant the Government had released £1.0M of the damping and approximately £1M more would be released in the following year.

The overall budget position could be summarised as follows:-

	£000
2008/09 Budget	386,295
LABGI (not available in 2009/10)	1,500
Schools Grant – Increase (including new school before academies)	6,422
Building schools for the future	250
Non Schools	
Inflation	7,461
Capital Financing	1,000
Pay Review	1,500
Waste/PTA Precept	1,866
Swimming Pool	300
Corporate	368
Pensions	1,070

Budget Requirement	408,032
Less	
Direct Schools Grant (before academies)	178,086
RSG/NNDR	123,830
Council Tax Contribution at 4.5% for indicative purposes	99,048

Redirections required	7,068

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The Government had consolidated many of the previous grants into what was known as “an Area Based Grant” the amount of which had not yet been finalised but estimates indicated a figure of £31M.

Services had previously identified a range of savings options in order to meet the savings target set by the Executive . In summary the full savings identified were as follows:-

	£000
Adults	3,370
Childrens'	1,870
Development & Regeneration	375
Environment	1,170
Corporate Resources	1,075

	7,860

Many of these savings were efficiencies which had been identified as part of the Council's Change VFM Programme, through reviewing business processes and operational structures.

The report identified other budget factors, as detailed below, and made a number of recommendations relating to such ,together with any budgetary implications;

- (a) building schools for the future;
- (b) Local Authority Business Growth Initiative;
- (c) VFM programme;
- (d) Area forums;
- (e) Local development framework;
- (f) Greater Manchester wide organisations; and
- (g) Capital financing.

Final decisions on the level of council tax, use of balances, growth and savings required would be made at the Executive's meeting on the 16th February, 2009 and the Budget Council on the 25th February, 2009.

The next stage in the process was for Executive Members to identify their proposals to meet the service targets set by the Executive in consultation with Policy Development Groups.

Resolved—(i) That the Executive notes the updated Revenue Budget position for 2009/10.

(ii) That all services be asked to deliver the full 5% savings.

(iii) That an additional £200,000 be invested in Looked After Children.

(iv) That a one-off contingency of £250,000 be created to assist Adult Services in phasing in their savings during 2009/10.

(v) That £200,000 be reallocated from Youth Services to Area Forums to be allocated equally across each ward (i.e. £10,000 per ward) but ringfenced to investment in Youth Services.

(iv) That the Executive receive a further report in February for final consideration of the 2009/10 Revenue Budget

65. CAPITAL PROPOSALS AND RESOURCES 2009/10

The Director of Corporate Resources submitted a report which informed the Executive of the capital proposals and resources for 2009/10 and provided an assessment of the projected capital resources for services compared to the demands identified in the Corporate Business Planning process.

It was explained that each local authority determined the level

of borrowing which could be afforded and the RSG announcement indicated the levels of capital expenditure the Government would support through revenue grant. Consequently, in preparing 2009/10 budgets assumptions about the likely level of allocations were made and revenue resources provided to meet capital financing costs.

Capital proposals had been submitted and the report summarised the suggested expenditure profile and the resources identified to date.

An evaluation of the resources by Departments was explained in the report and proposals for which no specific service resources had been identified were listed in Appendix 1 to the report and amounted to £7,400,000.

The RSG announcement made no provision for revenue support for other services and it was explained that £7,008,000 was available from corporate capital receipts and unsupported borrowing as envisaged in the Capital Investment Strategy.

Therefore, the total bids for corporate resources exceeded the resources available by £392,000.

The report concluded that the 2009/10 Capital Programme was currently overbid by £392,000 and in order to produce a balanced programme it would be necessary to consider removing, reducing or rephrasing a number of schemes listed in the Appendix to the report.

Resolved - (i) That the position regarding the capital proposals and resources be noted.

(ii) That Executive Members be requested to consider their detailed capital proposals in light of the resources identified.

(iii) That the Director of Corporate Resources be requested to produce a balanced Capital Programme for the Executive on 16th February, 2009 on the basis of the overall resources set out in the report now submitted.

66. MIDAS OWNERSHIP – RESOLUTION TO TRANSFER OWNERSHIP TO THE TEN GREATER MANCHESTER LOCAL AUTHORITIES

The Director of Legal and Democratic Services submitted a report that requested the Executive to agree to the transfer of MIDAS ownership from Manchester Enterprises to the ten Greater Manchester local authorities .

In 2003, an agreement was reached with AGMA and the North West Development Agency (NWDA) that MIDAS should expand its operation to cover the whole of the Greater Manchester conurbation.

Manchester Enterprises split from Manchester Solutions in 2005 and MIDAS remained owned by Manchester Enterprises, although it was constituted with its own private sector led Board and had complete operational independence.

The report explained that it was now considered timely to review the existence of MIDAS' ownership by Manchester Enterprises as part of the new city region governance arrangements, and in particular the formal establishment of the Economic Development, Employment and Skills Commission.

It had been acknowledged that there had been issues about the flow and management of resources between Manchester Enterprises and MIDAS which maybe done more effectively with new arrangements. The substantive issue was not one of ownership but rather one of ensuring the working relationship between MIDAS and the Economic Development, Employment and Skills Commission was as effective as possible, ensuring intelligence flowed both ways and for there to be clarity about the relationship between MIDAS' business planning and how it both informed and supported the work of the Commission. The need for this clarity would give MIDAS a strengthened role in

future sub-regional arrangements, working much more in its own right under the broad umbrella of the Commission. It was felt that the best way to make this happen was for the ownership of MIDAS the company to revert to the ten AGMA authorities.

The report explained the advantages of a transfer of MIDAS to the 10 Greater Manchester Authorities as follows:

- MIDAS would have parity with other organisations within the Manchester Family of organisations and greater clarity in their relationship with the Commission;
- There would be Corporation Tax advantages of MIDAS being owned by the ten local authorities and there may also be other simplifications to accounting practices including the treatment of grant; and
- MIDAS would retain its own Board, operational independence and private sector focus but by being owned by the ten local authorities would be fit for purpose in terms of the new city region governance arrangements.

The AGMA Executive Board at its meeting on 28th November, 2008 supported the agreement to transfer ownership of MIDAS from Manchester Enterprises to the ten Local Authorities and each of the constituent Authorities were requested to resolve agreement to the transfer individually.

Resolved – (i) That the transfer of MIDAS ownership from Manchester Enterprises to the ten Greater Manchester Local Authorities, including this Council, be agreed ,subject to satisfactory due diligence.

(ii) That the Manchester City Solicitor be requested to undertake the necessary legalities to formalise the arrangement.

(iii) That the Director of Legal and Democratic Services be requested to write to the MIDAS Company Secretary

seeking to become a member of MIDAS.

67. KEY DECISIONS AGMA EXECUTIVE BOARD

The Leader of the Council submitted a report that detailed the key decisions taken by the AGMA Executive Board at its meetings on 28th November and 19th December, 2008.

Resolved – That the report be noted.