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THE CABINET

MEETING, 5TH FEBRUARY, 2024

Councillor Zaman	Regeneration
Councillor N. Ayub	Culture
Councillor Donaghy	Children's Services
Councillor Silvester	Climate Change and Environment
Councillor Khurram	Transport, Highways and Housing
Councillor Jiva	Stronger Communities
Councillor Haworth	Regulatory Services and Property

Other Members in Attendance

Councillor Chadwick
Councillor Mistry
Councillor Mort
Councillor Cox
Councillor Mrs. Fairclough
Councillor Morgan
Councillor Warren
Councillor Grant
Councillor Hayes
Councillor Sanders

Officers

Ms. S. Johnson	Chief Executive
Mr. L. Fallows	Director of Corporate Resources
Mr. T. Glennon	Borough Treasurer
Ms. H. Gorman	Borough Solicitor
Mr. J. Dyson	Director of Place
Ms. R. Tanner	Director of Adult Services,

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Mr. G. Parker	Communities and Integration Assistant Director – Environment and Regulatory Services
Mr. P. Rimmer	Assistant Director Revenues, Benefits and Customer Services
Mrs. V. Ridge	Democratic Services Manager

Apologies for absence were submitted on behalf of Councillors Fielding, Peel and Mrs. Thomas.

Councillor Zaman in the Chair.

27. MINUTES

The minutes of the proceedings of the meeting of the Cabinet held on 8th January, 2024 were circulated and signed as a correct record.

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

The minutes of the meeting of the Greater Manchester Combined Authority held on 15th December, 2023 were submitted for information.

Resolved – That the minutes be noted.

29. BUSINESS RATES RETAIL RELIEF SCHEME 2024-2025

The Director of Corporate Resources submitted a report which sought member's approval for the implementation of the Retail Hospitality and Leisure Business Rates Relief Scheme and the amendment to the General Discretionary Relief Framework.

Members were advised that, in the Autumn Statement 2023, the Chancellor announced the Retail, Hospitality and Leisure (RHL) scheme would be extended for a fifth year into 2024-2025 and would retain the existing scope and provide eligible

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properties with 75% relief, up to a cap of £110,000 per business. It was explained that this relief was to be implemented as part of the 2024/2025 annual billing process and there were currently around 500 businesses in receipt of this relief and all businesses would be notified about the relief as part of the annual billing process to ensure that any that had not applied for the relief last year were aware of the help available.

The report also explained that Section 47(7) of the Local Government Finance Act 1988 prevented billing authorities from making the decision to award discretionary relief more than six months after the end of the relevant financial year. However, the introduction of temporary reliefs highlighted an anomaly where a business or not for profit organisation could be prevented from receiving relief simply because their rates assessment could be backdated but the relief could not.

To address this, the Government had used The Non-Domestic Rating Act 2023 to remove the restriction and, as a result, the Council needed to ensure its own discretionary relief framework clarified whether awards could be backdated. It was therefore proposed that Bolton Council would continue with the same backdating rules that had been in place since the 1988 Act but would now allow the ability to backdate an award in circumstances where the ratepayer was unable to make a claim at the time through no fault of their own.

In terms of finance, members were advised that the reliefs were fully funded by Government and there were no financial implications for the Council.

Resolved – That the Cabinet recommend to Council –

(i) That the Retail, Hospitality and Leisure Business Rates Relief scheme, as set out in the report, be approved.

(ii) That the proposed amendment to the general Discretionary Relief Framework, as set out in the report, be approved.

30. BUDGET REPORT 2024-2025

The Director of Corporate Resources submitted a report which provided members with the following:-

- The forecasted financial position for 2024/2025;
- The consolidation of service budgets to provide the Council's overall 2024/2025 budget;
- Options to inform Council Tax setting for 2024/2025; and
- The Financial Arrangements account for 2024/2025.

Members were informed that the Local Government Settlement for 2024/2025 was a one-year settlement with no commitment on actual local government funding from 2025/2026 onwards, other than confirming that after this Spending Review period, planned departmental resource spending would continue to grow at 1% a year on average in real terms, however, there was expected to be real-term cuts for unprotected local government services over the lifetime of the next parliament under current plans. The key points to note for the 2024/2025 settlement were detailed in the report.

The report also advised that the Levelling Up and Regeneration Act 2023 which came into force towards the end of October, 2023 reduced the qualifying period over which a Council Tax premium in respect of Long Term Empty Property (LTE) properties could be charged from 2 years to 1 year and permitted implementation of the LTE premium from 1st April, 2024 on the proviso that the decision was taken before the start of the financial year. The Act also reduced the qualifying period over which a Council Tax premium in respect of Second Homes (SH) properties could be charged from 2 years to 1 year and provided for the SH premium to be implemented from 1st April, 2025 on the proviso the decision was taken before 1st April, 2024. In view of this, the 2024/2025 budget contained the following assumptions:-

- The introduction of a Long Term Empty Property (LTE) premium with effect from 1st April, 2024 and inclusion of £0.6 million into the budget to reflect this; and

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- The introduction of the Second Homes (SH) premium with effect from 1st April, 2025.

In terms of the savings programme for 2024-2025, members were advised that given the considerable financial uncertainty, both nationally and locally, it was proposed that a one-year budget be presented to Council for approval in February, 2024 and this would comprise of the use of reserves to balance the budget which would mean that unachieved savings would be rolled forward into the 2025/2026 budget cycle.

In addition, to achieve a balanced budget it was proposed to include savings targets of £8.6 million and these cuts were allocated departmentally as follows:-

Directorate	Allocation £'000s
	£'000
Adults and Housing	4,000
Children's	1,021
Public Health	477
Place	862
Chief Executive's and Corporate	2,284
Total	8,644

The report also outlined a number of financial pressures which impacted on the current financial year and 2024/2025.

Members were also reminded that the Council has had to find significant savings over the last twelve years which totalled around £224 million by the end of 2023/2024 with a further £8.6 million to be found in 2024/2025. It was also stated that beyond 2023/2024 there were some key funding issues yet to be confirmed which could impact further on the Council which were as follows:-

- Fair Funding Review (FFR) – as part of the 2016/2017 finance settlement it was announced that there would be an FFR of authorities' funding needs, initially to be

implemented in 2019/2020. This was subsequently deferred by one year to 2020/2021 and the Brexit debate pushed this further back to 2021/2022. However, the Covid-19 pandemic had pushed this back further to 2023/2024 and the Government had now confirmed that FFR would not happen during the lifetime of the current parliament; and

- Business Rates – As part of the Greater Manchester Trailblazer devolution agreement, the Government had announced that GM authorities would continue to retain 100% of business rates locally for the next 10 years. Furthermore, the business rates reset initially intended to be implemented in 2021/2022 had also been deferred until at least 2025/2026. As a result, this made forecasting business rates beyond 2023/2024 extremely difficult to do. In addition, it was not possible to project what the council could receive in some form of re-distributed grant from any potentially available funds.

The report also provided an updated expenditure forecast for 2024/2025 and 2025/2026. This forecast was based on the assumption that Council Tax would increase by 2.00% for Adult Social Care and 2.99% for the general levy for 2024/2025. It was explained that the level of Council Tax would be determined by the Council at its meeting on 14th February, 2024 following a recommendation from the Cabinet.

In terms of reserves, the council estimated its reserves balance to be £172 million at the end of 2023/2024 excluding the DSG and Collection Fund balances and details of this were provided in the report. Appendix E to the report also provided some information of the implications of not holding these reserves.

Currently it was estimated that available balances as at 31st March, 2024 would be £10.66 million and the Borough Treasurer's recommended, as a minimum, balances of £10 million or higher should be maintained based upon his 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.

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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, which were still to be confirmed, were as follows:-

- For the Mayoral General (including Fire Services) a £5/4.63% increase; and
- £13/5.34% increase 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 Council meeting.

In terms of setting the Council Tax, it was explained that based upon the Adult Social Care precept being set at 2.00% for 2024/2025 plus a 2.99% general levy increase for Council Tax for Bolton Council for 2024/2025 (i.e. excluding Parish and Mayoral precepts) this was the equivalent to an additional £1.08 per week for Band A properties which were more than 44% of the overall tax base. A Draft Substantive Council Tax Resolution was set out in Appendix H to the report.

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

The Deputy Leader of the Council also circulated a paper which put forward the following, viz:-

That in respect of the one-off returned funds from Greater Manchester Waste Disposal Authority reserves totalling £1.2 million the Cabinet recommends to the Council the following:-

- £600,000 be allocated to Ward Councillors on an equal basis (£30,000 per ward);

- £600,000 be allocated to schemes across the Borough that aim to improve community safety, enhance children's play areas and improve the environment and a Policy Development Group be set up to agree on the details of these schemes.

Resolved – That the Cabinet recommend to Council:-

- (i) The budget for 2024/2025 as set out in the Budget Report.**
- (ii) That, in respect of the one-off returned funds from Greater Manchester Waste Disposal Authority reserves totalling £1.2 million, £600,000 be allocated to Ward Councillors on an equal basis (£30,000 per ward) and £600,000 be allocated to schemes across the Borough that aim to improve community safety, enhance children's play areas and improve the environment and that a Policy Development Group be set up to agree on the details of these schemes.**
- (iii) That the Council Tax for 2024/2025 be increased by 4.99% represented by a 2.00% increase for Adult Social Care and a 2.99% general increase.**
- (iv) That the Council Tax figures included in the report for the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services) are the recommended provisional amounts pending their formal approval.**
- (v) The Retail Hospitality and Leisure Business Rates Relief Scheme and the general Discretionary Relief Framework for 2024/2025.**
- (vi) That the Empty Homes Property Premium comes into effect from April, 2024.**
- (vii) That the Second Homes Premium comes into effect from April, 2025**

**31. CORPORATE CAPITAL AND ONE-OFF FUNDING
2024-2027**

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 2024-2027.

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. In recent years, capital monies had been allocated to support the strategic road network across the Borough and to enable the developments in the town centre. The current funding position for 2023-2024 onwards was as follows:-

	Current Capital Programme 2023-2027
	£m
Corporate Supported Borrowing	41.3
Corporate Revenue	3.1
Corporate Capital Receipts	9.3
Service Supported Borrowing	0.3
Service Revenue	29.4
Government Grants	91.1
Other Contributions	25.2

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Total	199.7
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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%.

Members were advised that if the proposed programme was approved the exempt input tax proportion was estimated as follows:-

	%
2023/2024	4.12
2024/2025	1.64
2025/2026	1.78
2026/2027	1.83

The detailed calculations were set out in Appendix 3 to the report. The 7 year average was 2.96% and was therefore within the HMRC limits.

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 2024/2027 as set out in Appendix 1 to the report be approved.**

- (ii) **The Corporate Programme (Capital and Revenue one-off schemes) for 2024-2027, as set out in Appendix 2 to the report, be approved.**
- (iii) **The Minimum Revenue Provision policy as set out in section 3.4 of the report be approved.**
- (iv) **The Capital Prudential Indicators as set out in Section 3.5 of the report be approved.**

32. TREASURY MANAGEMENT AND INVESTMENT STRATEGIES FOR 2024/2025 TO 2027/2028

The Director of Corporate Resources submitted a report that outlined the Council's prudential indicators for 2024/2025 to 2027/2028 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 – That, subject to the approval of Council, the Treasury Management Strategy 2024/2025 to 2027/2028 and the treasury limits on activity contained within this report; the Authorised Limit Prudential Indicator and the Investment Strategy 2024/2025 contained in the treasury management strategy be approved.

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