

APPENDIX 1

Extracts of Executive Board and Executive Board Sub Committee Minutes that are relevant to the Corporate Policy and Performance Board

EXECUTIVE BOARD MEETING HELD ON 18 OCTOBER 2012

EXB83	HR/PAYROLL INTEGRATED COMPUTERISED SYSTEM
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The Board considered a report of the Strategic Director, Policy and Resources, requesting the waiver of Standing Orders to extend the existing contract with Midland Software Limited to provide the HR/Payroll system for a period of up to 18 months.

The Board was advised that an extension to the existing contract would allow for the continuation of HR and payroll processes using the Trent6 system. The report provided details of the business case for the extension, for Members' consideration.

In addition, it was also recommended that the web-based upgraded version of Trent (iTrent) be acquired; this would realise efficiency savings and more accurate payments and data, and would enable the local authority to deal with the introduction of Real Time Information related to the collection of PAYE and Pension Auto-Enrolment. To do this, the current server, which supports Trent6, would have to be upgraded. Adoption of a new system would involve an extensive lead-in period together with significant additional costs. However, the Board was advised that budgetary provision was available in the current financial year for the purchase, implementation and maintenance of iTrent.

RESOLVED: That

- 1) the Strategic Director - Policy and Resources, be authorised to enter into a contract with Midland Software Limited to extend the existing Trent 6 (computerised human resources (HR) and payroll system), for a period of up to 18 months at an annual cost of £44,576.00. This does not include annual inflation cost and additional annual developmental increases due to the introduction of Real Time Information (RTI) related to the collection of PAYE and Pension Auto-Enrolment effective from 1 January 2013, which is being imposed on all payroll software customers. The amount of the increase is not known at this present time;

- 2) the tendering and contract award requirements of Procurement Standing Orders relevant to 2.1 be waived on this occasion for the purposes of SO 1.8 (c) and (d) (where compliance with Standing Orders would result in a clear financial or commercial detriment to the Council and having to forego a clear financial or commercial benefit) in light of the exceptional circumstances namely that:
- the existing terms of the current contract allows for an extension;
 - the extension will allow for investigation of an upgraded web-based system which will realise efficiency savings; and
- 3) the Strategic Director - Policy and Resources, be authorised to enter into a contract for the supply of the iTrent computerised HR and payroll system at a cost reported to Members at the meeting. The proposed contract will be for a term of five years with the option to extend for a further two years commencing within the next 18 months subject to such contract being sourced through a Framework Agreement from a Central Purchasing Body that satisfies the requirements of the Public Contract Regulations 2006.

EXB84	ABOLITION OF THE DISCRETIONARY SOCIAL FUND
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The Board considered a report of the Strategic Director, Policy and Resources, on the impact of the abolition of the Discretionary Social Fund by the Welfare Reform Act.

The Board was advised that the Discretionary Social Fund, currently administered by the Department for Work and Pensions (DWP) would be abolished from April 2013. Certain functions within the Fund, such as Crisis Loan Alignment Payments and Budgeting Loans would remain the responsibility of the DWP. However, Crisis Loans for general living expenses and Community Care Grants would be replaced by a new service to be administered by the Local Authority.

In discussion, Members thought that the changes required more detailed consideration and recommended that the item be referred to the Corporate Policy and Performance Board.

RESOLVED: That this item be deferred and referred to the Corporate Policy and Performance Board and they be asked to consider the issue and make recommendations to the Executive Board.

EXECUTIVE BOARD MEETING HELD ON 8 NOVEMBER 2012

93	TREASURY MANAGEMENT 2012/13 2ND QUARTER
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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, economic forecast, short term rates, longer term rates, temporary borrowing/investments and new borrowing. It was noted that no debt rescheduling had been undertaken during the quarter.

RESOLVED: That the report be noted.

94	TREASURY MANAGEMENT 2012/13 – MID YEAR REVIEW
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The Board considered a report of the Operational Director, Finance, which reviewed activities on Treasury Management for the mid-year point 2012/13 in accordance with the Council's Treasury Management Policy.

The mid-year report covered the following:

- An economic update for the first six months of 2012/13;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- Capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2012/13;
- A review of the Council's borrowing strategy for 2012/13;
- A review of any debt rescheduling undertaken during 2012/13;
- A review of compliance with Treasury and Prudential Limits for 2012/13.

The Board noted that the Council was required to prepare prudential indicators and to report on any significant variations, as part of the Council's on-going requirement to report on the current capital position, Details of these indicators were attached to the report at Appendix 1. The report also provided details of the investment and new borrowing portfolio.

RESOLVED: That the report be noted.

The Board received a report of the Operational Director, Finance which reported on the 2012/13 Half Year Spending as at 30 September 2012.

A summary of spending against the revenue budget up to 30 September 2012 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 above 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, vacant posts, overtime and agency staff;
- Expenditure on general supplies and services;
- The Community Care budget;
- Children's residential placements;
- Income affected by the economic downturn;
- Capital financing costs;
- The collection rate for Council Tax and Business Rates; and
- The Council's net overall spending.

The report also outlined details of a revision to the capital spending programme at Appendix 2 and monitoring of the Council's balance sheet.

RESOLVED: That

1. all spending continues to be limited to the absolutely essential;
2. Directorates continue to closely control spending on agency staff and overtime so that spending in these areas reduce;
3. Strategic Directors ensure overall spending at year-end is within their total operational budget; and
4. Council be recommended to approve the revised capital programme as set out in Appendix 2.

96	GAMBLING ACT 2005 STATEMENT OF GAMBLING POLICY
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The Board considered a report of the Strategic Director, Policy and Resources, on the adoption of the Statement of Gambling Policy.

The Board was advised that the Gambling Act 2005 required local authorities to produce a Statement of Gambling Policy (the Statement) every three years. At its meeting on 6 September 2012, Executive Board approved a draft Statement for public consultation. The consultation period ended on 8 October 2012, and it was noted that no representations had been received.

The draft Statement was attached at Appendix 1. Once adopted by full Council, the Policy would be advertised in the local press and in place by the end of January 2013.

RESOLVED: That Council be recommended to adopt the Statement of Gambling Policy attached at Appendix 1 to the report.

EXECUTIVE BOARD MEETING HELD ON 29 NOVEMBER 2012

100	ANNUAL AUDIT LETTER
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The Board received a report of the Strategic Director, Policy and Resources, on the Annual Audit Letter 2011/12.

The Board was advised that the Annual Audit Letter (the Letter) summarised the findings from the 2011/12 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.

Colette Williams, the external auditor from Grant Thornton, 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 most significant issue for the Council in terms of on-going resilience and value for money was the Mersey Gateway project, which represented a huge opportunity for the Council, but came with some significant risks which needed careful management. She concluded that the Council had adequate arrangements to secure economy, efficiency and effectiveness in the use of its resources.

The Board 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 2011/12 be approved.

101	MEDIUM TERM FINANCIAL STRATEGY
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The Board considered a report of the Operational Director, Finance, on the Medium Term Financial Strategy for 2013/14 to 2015/16.

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 joint effect of three different Government policies. These were detailed as reductions in grant support to Councils, the localisation of council tax benefit and the localisation of business rates. It was noted that this would mean a considerable deterioration in the monies available to fund services in the Borough.

The forecast provided initial guidance to the Council on its financial position into the medium term. Revenue savings of up to £14m, £11m and £12m would be required over the next three years. In making these savings, the Council would need to have in mind the objectives of the MTFS as set out in the report.

The Board was reminded that the MTFS represented the “financial guidelines” that formed part of the medium term corporate planning process. These guidelines identified the financial constraints that the Council would face in delivering its key objectives, and were an important influence on the development of the Corporate Plan and Service Plans and Strategies.

RESOLVED: That

1. the Medium Term Financial Strategy be noted;
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; and

5. further reports be considered by the Executive Board on the budget.

102	LOCALISATION OF COUNCIL TAX SUPPORT – KEY DECISION
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The Board considered a report of the Operational Director, Finance, on the adoption of the Council Tax Reduction Scheme.

The Board was advised that as part of the 2010 Spending Review, the Government announced its intention to localise support for Council Tax from 2013-14, and to reduce expenditure on this benefit by 10%. In addition, the Welfare Reform Act 2012 provided for the abolition of Council Tax Benefit.

The Board had previously approved a consultation process with the public and major precepting authorities in respect of the Council Tax Reduction Scheme on 31 July 2012. Following the end of the consultation process, a report on the outcomes was presented to the Corporate Policy and Performance Board on 30 October 2012. At that meeting, it was reported that the Government had announced that a grant of £100m would be made available to all Councils to assist with the shortfalls in Council Tax Support grant funding for 2013/14. For Halton this amount would be £266,000, subject to a number of criteria being met.

The Corporate Policy and Performance Board considered the matter and agreed that they would not recommend using the allocation of the £266,000 extra Government grant for the reasons set out in the report, and therefore recommended that following the consultation process, recommend that the scheme as previously outlined, be adopted.

Reason(s) for Decision

The Welfare Reform Act 2012 provided for the abolition of the existing national Council Tax Benefit arrangements. The Council was obliged to develop its own Council Tax Reduction Scheme.

Alternative Options Considered and Rejected

There were three alternatives to meet the cost of the reduction in Government Grant for Council Tax Benefit:

- Increase the Council Tax. This would mean an increase of 3½ % to recoup the shortfall in grant. Each year the Government set out an increase that was deemed excessive and therefore subject to local referendum. In addition any increase would mean there would be little or no opportunity to increase Council Tax to balance the budget if this option were taken.
- Further cuts in budgets and therefore services. The Council had already been faced with big cuts in budgets in the last two years and was faced with a further £25m over the next two years.

Ring fence within Council Tax Benefit. This would mean reducing benefit payments in the Borough.

103	DETERMINATION OF THE 2013/14 COUNCIL TAX BASE
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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 2013. 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 97.93% collection rate, the calculation for 2013/14 gave a tax base figure of 31,189 for the Borough as a whole.

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

RESOLVED: That Council be recommended to approve

1. the Council Tax Base for 2013/14 to be set at 31,189 for the Borough, and that the Cheshire Fire Authority, the Police and

Crime Commissioner and the Environment Agency be so notified;
and

2. the Council Tax Base for each of the Parishes be set as follows;

Parish	Tax Base
Hale	644
Halebank	477
Daresbury	149
Moore	318
Preston Brook	316
Sandymoor	959

104	TECHNICAL REFORM OF COUNCIL TAX – KEY DECISION
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The Board considered a report of the Strategic Director, Policy and Resources, on the Technical Reforms of Council Tax.

The Board was advised that the Local Government Finance Act introduced a number of technical changes to Council Tax billing. At its meeting on 30 October 2012, the Corporate Policy and Performance Board considered a report, a copy of which was attached at Appendix 1, which recommended a number of changes to Council Tax discount and billing. It was noted that since 31 October 2012, the Government had indicated that certain properties would be exempt from the Empty Homes Premium.

It was reported that adoption of these changes to Council Tax discounts and billing would result in around £0.5m of additional Council Tax being billed.

Reason(s) for Decision

The Local Government Finance Act 2012 introduced a number of technical changes to Council Tax billing which provided the Council with additional discretions. The report made recommendations to the Board on how those discretions may be implemented.

Alternative Options Considered and Rejected

The alternative options open to the Council were contained in Section 4 of Appendix 1 attached to the report.

Implementation Date

Any new arrangements would take effect from 1 April 2013.

RESOLVED: That Council be recommended to approve the technical reforms of Council Tax, recommended by the Corporate Policy and Performance Board, as set out in Section 4 of Appendix 1.

105	BUDGET PROPOSALS 2013/14
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The Board considered a report of the Operational Director, Finance, on initial revenue budget proposals for 2013/14.

The Board was advised that budget savings proposals for 2013/14 were being developed by the Budget Working Group. However, a number of those proposals could be implemented immediately in order to achieve a part-year saving in 2012/13. In addition, a number of the proposals, detailed at Appendix 1, 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 2013.

It was noted that the Government would announce its Grant Settlement for Local Government in late December 2012, 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 6 March 2013.

RESOLVED: That Council be recommended to approve the initial budget proposals for 2013/14 as set out in Appendix 1.

106	UPDATE ON THE BUSINESS RATE RETENTION SCHEME
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The Board considered a report of the Operational Director, Finance, which provided an update on the proposed changes to local government funding and how it was envisaged that the Business Rate Retention Scheme would work from 1 April 2013.

The Board was advised that a fundamental review of local government funding by Government, through a series of consultations in July 2011, identified the most significant proposal as the introduction of a business rates retention scheme. Halton responded to the

consultation and a summary of how at that time, it was anticipated the scheme would work was reported to the Board on 13 October 2011.

The Government reported on the outcome of the consultation in December 2011 and the main areas of the response were detailed in the report. A further technical consultation was published by the Department for Communities and Local Government on 17 July 2012, to which Halton responded as part of the Liverpool City Region response. This consultation sought views on a range of detailed and technical issues concerning the transition from the current formula grant system and the initial implementation of the business rates retention scheme from 1 April 2013.

Details of the scheme were still subject to change, but the report outlined how it was considered that the business rates retention scheme would operate under the following headings:

- Determining the Estimated Business Rates Aggregate;
- Central and Local Shares;
- Business Rate Baseline (Proportionate Shares);
- Baseline Funding Level;
- Tarriffs and Top-up Grants;
- The Levy and the Safety Net Mechanism; and
- Transfers and Adjustments into the Business Rates Retention System.

It was noted that the impact of these changes for Halton would only be confirmed following details of the Grant Settlement in late December 2012. The report provided Members with some indicative forecasts on how the scheme would operate in the first year, based on an estimated 2% annual increase to the national business rate income amount for 2011/12.

RESOLVED: That the report be noted.

107	DIRECTORATE OVERVIEW REPORT - Q2 2012/13
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The Board considered a report of the Strategic Director, Policy and Resources, on the Council's performance for the second quarter to 30 September 2012.

The Board was reminded that in September 2011, it had approved a revision to reporting arrangements on performance in the light of emerging national and local circumstances. The authority had developed an approach to the use of performance information that was as far as possible, focussed primarily on the needs of the receiving

audience as opposed to being determined by the existing organisational structure. It was noted that this reflected a transition away from local authorities being performance managed by central Government and toward being held to account at a local level through transparent provision of accessible performance data.

The Directorate Performance Overview Report (DPOR) provided a strategic summary of the key issues arising from performance in the relevant Quarter for each Directorate, aligned with Council priorities or functional areas. Information for each of the Council's three Directorates were attached at Appendices 1-3. The Board noted that monitoring of all relevant high risks would be undertaken and progress reported against the application of the risk treatment measures in Quarters 2 and 4.

RESOLVED: That the report and progress and performance information be noted.