



WARRINGTON

Borough Council

To: **Cabinet**

Professor Steven Broomhead
Chief Executive
Town Hall
Sankey Street
Warrington
WA1 1UH

Councillors:

**R Bowden (Chair), C Mitchell (Deputy Chair)
J Guthrie, T Higgins, R Knowles, M McLaughlin,
H Mundry, H Patel, M Smith**

Cabinet

Date: **Monday, 14 October 2019**
Time: **18:00**
Venue: **Council Chamber, Town Hall, Warrington WA1 1UH**

Contact - Christine Oliver, Democratic & Member Services, Tel: 01925 442104, Email:
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Note – In line with The Openness of Local Government Bodies Regulations 2014 this meeting may be recorded. A guide to recording meetings has been produced by the Council and can be found at https://www.warrington.gov.uk/info/201104/council_committees_and_meetings/1003/access_to_council_meetings

AGENDA

Part 1

Items during the consideration of which the meeting is expected to be open to members of the public (including the press) subject to any statutory right of exclusion.

- 1. Code of Conduct – Declarations of Interest**
Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

Members are reminded of their responsibility to declare any disclosable pecuniary or non-pecuniary interest which they have in any item of business on the agenda no later than when the item is reached.

- 2. Minutes** 3 - 18

Minutes of the meeting of the Cabinet meeting held on 9 September 2019.

3. Cabinet Decisions - Forward Plan 19 - 28

Report of Head of Legal and Democratic Services and Monitoring Officer to the Council.

4. 2020-2024 Pre Budget Report 29 - 42

Report of Councillor C Mitchell, Deputy Leader and Cabinet Member, Corporate Resources.

Part 2

Items of a “confidential or other special nature” during which it is likely that the meeting will not be open to the public and press as there would be a disclosure of exempt information as defined in Section 100I of the Local Government Act 1972.

The following information comprises the formal notice under Paragraph 5(4) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 that a decision has been taken to hold this part of the meeting in private. Information is also provided against each item heading about the reasons for holding this part of the meeting in private, any representations received and the response to those representations.

NIL.

Minutes of the Meeting of the Cabinet – 09 September 2019

Present:

Cabinet Members:

Councillor:

Leader
Deputy Leader/Corporate Resources
Children’s Services
Environment and Public Protection
Housing, Public Health and Well-being
Leisure and Community
Statutory Health and Adult Social Care
Transportation, Highways and Public Realm
Transformation

R Bowden
C Mitchell
M Smith
J Guthrie
M McLaughlin
T Higgins
R Knowles
H Mundry
H Patel

CAB 48 Apologies

No apologies were received.

CAB 49 Code of Conduct – Declaration of Interest

Cllr H Patel declared an interest in items 17 and 24 – Energy Company Investment. Cllr Patel left the meeting at the point of the vote for item 17 and withdrew from the meeting prior to the discussion/vote for item 24.

Mr M Cumberbatch, Head of Legal and Democratic Services (Monitoring Officer) declared an interest in items 11 and 18 Local Housing Companies following his recent appointment as Company Secretary to Incrementum Housing Development Company Ltd and Incrementum Housing Management Company Ltd. He withdrew from the meeting prior to the discussion/vote for both items 11 and 18.

CAB 50 Minutes

Decision: That the minutes of the meeting of the Cabinet meeting held on 08 July 2019 were received and signed as a correct record by the Leader of the Council.

CAB 51 Cabinet Decisions – Forward Plan

Cabinet considered a report of the Head of Legal and Democratic Services and Monitoring Officer to the Council on the contents of the Cabinet Decisions - Forward Plan covering the period 1 October 2019 – 31 January 2020.

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The following update was tabled and received at the meeting:

	NEW ITEMS – 11 November 2019
021/19	Omega Local Highways Ph2b- Construction Contract Award

Decision: The report was received and noted.

Reason for Decision – The report was submitted for information and comment.

CAB 52 LGA Corporate Peer Challenge – Report and Action Plan

Cabinet considered a report of the Leader, Councillor R Bowden, which presented Cabinet with the report from the LGA Corporate Peer Challenge which took place in March 2019. The Peer Team was made up of senior officers and from other councils along with a Peer Elected Member. Following a week of intensive work the Peer Team provided feedback on their findings on Friday 29 March 2019, making nine key recommendations.

Decision – That Cabinet:

- (i) Noted the LGA Corporate Peer Challenge report and its key recommendations.
- (ii) Endorsed the LGA Peer Challenge Action Plan which had been created in response to the report’s findings and recommendations.
- (iii) Agreed that progress in delivering the Action Plan is incorporated into the quarterly corporate performance management reports it receives.

Reason for Decision –

The delivery of the LGA Peer Review has been an important contribution to ensuring the council continues to reflect and improve upon its performance, and to ensuring it continues to deliver good services. The creation, delivery and monitoring of its improvement action plan by Cabinet is an important part of that process.

CAB 53 Performance Report 2019/20 – Quarter 1

Cabinet considered a report of Councillor H Patel Cabinet Member, Transformation. The report detailed the Corporate Strategy 2018-20 vision for Warrington as: *“We will work together with our residents, businesses and partners to create a place that works for all.”*

The strategy set out four pledges:

- Opportunities for the most vulnerable
- Grow a strong economy for all
- Build strong, active and resilient communities

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Create a place to be proud of

It also set out how the council would work to deliver its vision and pledges (delivering our vision).

A set of key performance indicators had been developed by the Strategic Management Team (SMT) for 2019-20 to reflect their priorities for the year. SMT would also report any additional performance issues causing concern.

The report aimed to demonstrate what the Council is achieving against the targets and pledges in the corporate strategy, so it included specific reference to the Council's stated intentions.

Scrutiny Committee recently reviewed the quarter 4 Cabinet performance report and agreed to use the performance information as a basis to identify areas for further scrutiny as part of its work programme. It was also agreed that the council would publicise the contents of the report on the website, in accordance with the Council's stated aim of being open and transparent.

Decision – That Cabinet:

- (i) Noted the quarter 1 2019-20 performance position.
- (ii) Noted that the relevant Cabinet Members will liaise with their Directors to discuss specific performance issues.

Reason for Decision - To ensure that Cabinet members were aware of the council's performance position as at quarter 1 2019-20 in relation to delivery of the Corporate Strategy

CAB 54 Ofsted 'Standard' Inspection of Children's Social Care Services in Warrington

Cabinet considered a report of Councillor M Smith Cabinet Member, Children's Services which outlined that under the Ofsted ILACS (Inspection of Local Authority Children's Services) framework regime, Ofsted will undertake Standard inspections, supplemented by 'focused' inspections, SEND inspections, Joint Targeted Area Inspections, monitoring visits and activity outside inspection. Standard inspections (usually for local authorities judged 'requires Improvement to be good') involve two weeks on site by a team of inspectors, following a week of information and data sharing. Having previously achieved 'Requires Improvement' in 2015 and two positive inspections (a 'focused' and a SEND inspection) published in February 2018 and February 2019, Warrington received a Standard inspection between 8 and 19 July 2019 and the result was published on 19 August 2019.

The purpose of the report was to communicate to Cabinet the result of that inspection as 'Good' in all areas. There was no decision to be recommended apart from the noting of the Ofsted judgement.

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Cllr Smith thanked his predecessors Cllrs Froggatt and Carter for their contribution and all officers for their continued work to achieve this successful outcome.

Decision –

- (i) Noted the published inspection report.
- (ii) Noted that the action plan responding to the report will be completed and sent to Ofsted by 21 November 2019.

Reason for Decision - This standard Ofsted inspection was a significant milestone for Warrington Council. Ofsted is the regulatory agency for the inspection and assurance of local authority Children's Services. Ofsted standard inspections were a judgement on the leadership of and practice standards in children's social care. Ofsted checked that the government's minimum standards were being met and takes proportionate enforcement action to ensure children are safe and well looked after. Ofsted's inspection reports contained specific recommendations so that those providing services knew what to do to improve. Ofsted drew on its findings to highlight what was working well, and shared good practice so leaders, including the Cabinet, could learn from inspection reports.

CAB 55 Budget Monitoring 2019—20 –Quarter 1 (Forward Plan No 070/18)

Cabinet considered a report of Councillor C Mitchell, Deputy Leader and Cabinet Member, Corporate Resources which outlined that in February 2019 the Council approved a budget for 2019/20 of £132.998m which included savings targets of £22.2m. The purpose of the report was to provide Cabinet Members with a forecast financial position for the year ending March 2020 and progress against the savings targets of £22.2m included within the current year budget

Decision – That the Cabinet:

- (i) Noted the draft forecast outturn as at Quarter 1 of £6.0m overspend.
- (ii) Noted the intention to continue to review other budgets, including those areas where savings have been delayed, and the possible need to use reserves to balance the budget.
- (iii) Noted that a full review of reserves will be undertaken and reported to Cabinet at Quarter 2.
- (iv) Noted the progress on delivery of savings targets as at Quarter 1.
- (v) Noted that Executive Directors will continue to look at ways to bring spend back into line with the approved budget.
- (vi) Approved the transfers (virements) referred to in paragraphs 6.1.4 and 6.1.8 of the report.

Reason for Decision –

- (1) The Council was currently forecasting an overspend of £6.0m.
- (2) Historically a prudent forecast is reported at Q1 due to the uncertain nature of some expenditure which may or may not come to fruition as the year progresses. A pragmatic

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approach is taken in reporting a 'worst case scenario' to enable Directors to work up a full range of mitigating savings to ensure a balanced budget can be reported at the end of the year. However it must be noted that if Directorates are unable to mitigate the extent of the savings in year, this may result in service cuts.

- (3) It was important for Members to have a detailed view of the current budget position and pressures to enable them to play a full part in the decision making process and the implications that brings, to ensure a balanced budget can be reported at the end of the year.

CAB 56 Capital Programme Monitoring 2019-20 – Quarter 1 (Forward Plan No 071/18)

Cabinet considered a report of Councillor C Mitchell, Deputy Leader and Cabinet Member, Corporate Resources, which provided the current position and progress of the 2019/20 Capital Investment Programme and its financing as at 30 June 2019. It took into account both financial and scheme progress monitoring undertaken with service area project officers. To aid Members understanding the programme had been split into the following categories:

- Borrowing Projects [Revenue Cost to the Council]
- Grant/Contribution/Capital Receipts Projects [No Revenue Cost to the Council]
- Invest to Save Projects [No Revenue Costs to the Council – a return is generated]

Decision – That the Cabinet:

- (i) Noted the monitoring report.
- (ii) Approved amendments to the 2019/20 capital programme.
- (iii) Endorsed the scheme approved by the Deputy Chief Executive and Director of Corporate Services under delegated powers (section 9 in the report).
- (iv) Agreed the cost of capitalisation of borrowing costs of £747k (section 10.1 in the report).

Reason for Decision – To ensure effective corporate governance procedures are in place for the management of the capital programme.

CAB 57 Risk Management and Insurance Annual Report 2018/19 (Forward Plan No NKD-018/19)

Cabinet considered a report of Councillor C Mitchell, Deputy Leader and Cabinet Member, Corporate Resources, which provided an overview of the Council's strategic risk management and insurance activity for the financial year 2018/19.

Decision – That the Cabinet noted the annual review of risk management and insurance activity for 2018/19.

Reason for Decision –

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- (1) To ensure that the Council maintained an effective framework of internal control and continued to manage its key risks, and ensured the continued review of the Council's strategic risks.
- (2) To assist the Council in meeting its statutory responsibility to review the effectiveness of its systems of internal control and prepare an annual governance statement.

CAB 58 Green Energy Strategy (Forward Plan No 019/19)

Cabinet considered a report of Councillor J Guthrie, Cabinet Member, Environment and Public Protection, which sought Cabinet approval for a Green Energy Strategy for the Council.

Decision – That the Cabinet approved the Green Energy Strategy.

Reason for Decision – To provide the Council with a green energy policy contained within appendix 1 to the report.

CAB 59 Local Housing Companies (Forward Plan No 067/18)

Mr M Cumberbatch, Head of Legal and Democratic Services (Monitoring Officer) declared an interest in CAB 59 and CAB 67 Local Housing Companies following his recent appointment as Company Secretary to Incrementum Housing Development Company Ltd and Incrementum Housing Management Company Ltd. He withdrew from the meeting prior to the discussion/vote for both CAB 59 and CAB 67.

CAB 67 Refers

CAB 60 Public Sector Social Impact Fund (PSSIF) (Forward Plan No 005/19)

CAB 68 Refers

CAB 61 Strategic Property Investment (Forward Plan No 012/19)

CAB 69 Refers

CAB 62 Garven Place Development (Forward Plan No 008/19)

CAB 70 Refers

CAB 63 Direct Award of Contracts for the provision of day activities and opportunities for adults with a learning disability (Forward Plan No 016/19)

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CAB 71 Refers.

CAB 64 Tender for the provision of Residential Intermediate Care and Accommodation (8 beds) (Forward Plan No 017/19)

CAB 72 Refers.

CAB 65 Energy Company Investment (Forward Plan No 020/19)

Cllr H Patel declared an interest in items CAB 65 and 73 – Energy Company Investment. Cllr Patel left the meeting at the point of the vote for CAB 65 and withdrew from the meeting prior to the discussion/vote for CAB 73.

CAB 73 Refers.

CAB 66 Exclusion of the Public (including the press)

Decision: That members of the public (including the press) be excluded from the meeting by reason of the confidential nature of the following items of business to be transacted being within category 3 of Schedule 12A Local Government Act 1972 (Rule 10 of the Access to Information Procedure Rules) and the public interest in disclosing the information is outweighed by the need to keep the information confidential.

CAB 67 Local Housing Companies (Forward Plan No 067/18)

Mr M Cumberbatch, Head of Legal and Democratic Services (Monitoring Officer) declared an interest in CAB 59 and CAB 67 Local Housing Companies following his recent appointment as Company Secretary to Incrementum Housing Development Company Ltd and Incrementum Housing Management Company Ltd. He withdrew from the meeting prior to the discussion/vote for both CAB 59 and CAB 67.

Cabinet considered a joint report of Councillor C Mitchell, Deputy Leader and Cabinet Member, Corporate Resources and Councillor M McLaughlin, Cabinet Member, Housing, Public Health and Well-being which sought Cabinet's consent, as the sole Shareholder of Incrementum Housing Development Company Limited ('the Development Company') and Incrementum Housing Management Company Limited ('the Management Company'), to approve:

- (1) The Development Company entering into Development Loan with the Council;
- (2) The Development Company and Management Company entering into Credit Facility Agreement with the Council;
- (3) The Development Company and Management Company entering into Buyback Agreement with the Council;

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- (4) The Development Company entering into Homes England Accelerated Construction Funding Agreement;
- (5) The Development Company purchasing the sites at Sycamore Lane and Chatfield Drive from the Council;
- (6) The Business Case for the construction and letting of 158 new houses and apartments on the former school sites at Sycamore Lane and Chatfield Drive; and
- (7) The take up of further share capital in the Development Company.

The report sought Cabinet's consent to:

- (1) Enter a Development loan with the Development Company;
- (2) Enter a Credit Facility Agreement with the Development Company;
- (3) Enter a Buyback Agreement with the Development Company and Management Company;
- (4) Enter into the Homes England Accelerated Construction Funding Agreement; and
- (5) Make an equity injection by way of investing in further shares in the Development Company.

Decision – That the Cabinet:

- (i) Formally resolved as Shareholder of Incrementum Housing Development Company Ltd to approve:
 - a. The Development Company issuing shares to the Council, up to the value as set out in section 7.16 of the Part 2 Report, noting all necessary actions will be carried out by or on behalf of the Directors of the Development Company;
 - b. the Business Cases for the acquisition and developments at Sycamore Lane and Chatfield Drive;
 - c. the Development Company's acquisition of the sites Sycamore Lane and Chatfield Drive and delegate responsibility for agreeing the terms of the necessary contracts and documents necessary to proceed with the purchase and development of each site, including s.106 agreements, to the Directors of the Development Company.
 - d. the Development Company negotiating and entering into the Buy Back Agreement;
 - e. the Development Company negotiating and entering into the Credit Facility Agreement;
 - f. the Development Company negotiating and entering into the Development Loan as set out in section 7.12 of the Part 2 Report;
 - g. the Development Company negotiating and entering into the Homes England Accelerated Construction Funding Agreement;
 - h. the Development Company negotiating and entering into the Pre-Contract Services Development Agreement.
- (ii) Formally resolved as Shareholder of Incrementum Housing Management Company Ltd to approve the Management Company negotiating and entering into the:
 - a. Buy Back Agreement;
 - b. Credit Facility Agreement.

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- (iii) Formally resolved to provide Incrementum Housing Development Company Ltd with a loan on commercial terms as set out in section 7.2 of the Part 2 Report, and to delegate responsibility for agreeing the terms and conditions of that loan to the Director of Corporate Services (s.151 Officer) and the Head of Legal and Democratic Services (Monitoring Officer), following consultation with the Cabinet Member for Housing Public Health and Wellbeing.
- (iv) Agreed the freehold sale of the former school sites at Sycamore Lane and Chatfield Drive to Incrementum Housing Development Company Ltd, the final disposal price to be agreed in compliance with the Council's s.123 best consideration duty once open market valuations have been obtained, and to delegate responsibility for agreeing the final price and terms and conditions of those transfers to the Director of Corporate Services (s.151 Officer), Director of Growth and the Head of Legal and Democratic Services (Monitoring Officer), following consultation with the Cabinet Member for Housing Public Health and Wellbeing.
- (v) Approved the take up of further shares in Incrementum Housing Development Company Ltd up to the value as set out in section 7.6 of the Part 2 Report and delegated responsibility to preparing and finalising all required documents to the Head of Legal and Democratic Services (Monitoring Officer).
- (vi) Agreed to enter into the:
 - a. Credit Facility Agreement with Incrementum Housing Development Company Ltd and Incrementum Housing Management;
 - b. Buy Back Agreement with Incrementum Housing Development Company Ltd and Incrementum Housing Management
 - c. Funding Agreement with Homes England and Incrementum Housing Development Company Ltd.

And to delegate responsibility for agreeing the terms and conditions of the above matters to the Director of Corporate Services (s.151 Officer) and the Head of Legal and Democratic Services, following consultation with the Cabinet Member for Housing Public Health and Wellbeing.

- (vii) Noted the governance arrangements as set out in Appendix 2 to the part 2 report.

Reason for Decision – The proposed actions achieve:

- (a) A steady income-stream to the shareholder, arising from the repayment of a commercial rate of interest on the construction loan;
- (b) Longer-term dividends to the shareholder arising from accumulated surplus rental income;
- (c) The creation of an asset base for the shareholder (namely, the 158 no. properties) that will appreciate in value; and

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- (d) The development of much-needed housing in the Borough on sites allocated for such development in the draft Local Plan.

CAB 68 Public Sector Social Impact Fund (PSSIF) (Forward Plan No 005/19)

Cabinet considered a joint report of Councillor C Mitchell, Deputy Leader and Cabinet Member, Corporate Resources and Councillor M McLaughlin, Cabinet Member, Housing, Public Health and Well-being, which sought Cabinet approval for the Council to create a Public Sector Social Impact Fund (PSSIF) together with Altana Wealth, an international Fund Management Company.

Decision – That the Cabinet:

- (i) Noted the participation and investment by the Council, as set out in section 13 of the Part 2 report, as a limited partner in the limited partnership fund vehicle, pursuant to the Treasury Management Strategy;
- (ii) Approved the participation by the Council as a member of the General Partner of PSSIF;
- (iii) Approved the participation by the Council as a member of the Carried Interest Partner;
- (iv) Approved, in connection with the participation by the Council as a member of the General Partner, the appointment of Altana as the manager of PSSIF in relation to the portfolio and risk management of the fund;
- (v) Approved the appointment of the Council member of the investment committee of the fund as set out at section 14.14 of the Part 2 report;
- (vi) Delegated authority to the s.151 Officer (Director of Corporate Services) and the Monitoring Officer (Head of Legal and Democratic Services), following consultation with the Deputy Leader and Cabinet Member, Corporate Resources, to appoint the Authorised Representative at section 16.9 of the Part 2 report;
- (vii) Delegated authority to act on behalf of the Council in its capacity as a Limited Partner to the S.151 Officer (Director of Corporate Services) as set out at section 16.13 of the Part 2 report;
- (viii) Delegated authority to the s.151 Officer (Director of Corporate Services) and Monitoring Officer (Head of Legal and Democratic Services) , to agree the final terms of, and to enter into the following documents required in connection with its participation in PSSIF:
 - a. the limited partnership agreement for PSSIF LP;
 - b. the limited liability partnership agreement for the General Partner;
 - c. the limited liability partnership agreement for the Carried Interest Partner;
 - d. a management agreement between the General Partner (in its capacity as general partner of PSSIF) and Altana;
- (ix) Approved the entry into by the Council of any ancillary documents required to be entered into by the Council in connection with the aforementioned matters and documents.

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Reason for Decision – To provide a Public Sector Social Impact Fund that Councils and the wider public sector can invest in to provide a social impact return and a secondary competitive commercial market return on the investment amount.

CAB 69 Strategic Property Investment (Forward Plan No 012/19)

Cabinet considered a report of Councillor C Mitchell, Deputy Leader and Cabinet Member, Corporate Resources, which informed Cabinet of the opportunity to acquire a property outside of Warrington and sought approval to acquire the property for economic regeneration, growth and financial investment purposes in Warrington to support the medium term financial plan. This proposal was supported by the Council’s Property Investment Strategy and sought to deliver the ambition to become financially sustainable through longer term planning as set out in the Council’s Corporate Strategy 2018-2020.

Decision – That Cabinet:

- (i) Approved the principle of acquisition of the property.
- (ii) Approved the purchase be funded from prudential borrowing and make provision in the Capital Programme to fund the acquisition at a total cost (inclusive of purchase price, professional fees and SDLT) of £48,250,000.
- (iii) Delegated to the Director of Growth, following consultation with the Head of Legal and Democratic Services (Monitoring Officer), Deputy Chief Executive & Director of Corporate Services (s.151 Officer) and the Deputy Leader and Cabinet Member, Corporate Resources, responsibility for the final acquisition terms, based on the principles and costs set out in section 5 of the Part 2 report.
- (iv) Authorised the Head of Legal and Democratic Services (Monitoring Officer) to enter into the contract and finalise any related documents to complete the transaction in accordance with the above.
- (v) Directed that the Deputy Chief Executive & Director of Corporate Services (s151 Officer) creates an appropriate sinking fund or reserve using an element of the £1.127 million net income in accordance with section 7.4 of the Part 2 report.
- (vi) Directed that all remaining financial surpluses arising from the property be allocated to offset the finance costs of the Council’s regeneration and economic growth capital programme as set out in section 6.10 of the Part 2 report.
- (vii) Approved a waiver in respect of the appointment of, and award the contract to Ecology Services Ltd to undertake the required maintenance of the Ecology Mitigation Zone and delegate the authority to negotiate the terms of that contract to the Deputy Chief Executive & Director of Corporate Services (s151 Officer) the Head of Legal and Democratic Services (Monitoring Officer);
- (viii) Authorised an appropriate Council Officer to enter into the Ecology Mitigation Licence.

Reason for Decision –

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It was recommended to proceed with an acquisition of the property for the following reasons:

- This will provide a net income stream to support the Council's Times Square town centre regeneration programme.
- To enable the Council's ambition to become financially sustainable through longer term planning.
- To assist in delivering and sustaining the raised target for property income.

CAB 70 Garven Place Development (Forward Plan No 008/19)

Cabinet considered a report of the Leader, Councillor R Bowden which informed Cabinet of the proposal to sell land and buildings at Garven Place, to outline the proposed redevelopment scheme and to seek approval to appoint a preferred purchaser. The disposal of the property was proposed for economic regeneration, growth and financial capital receipt purposes.

Decision – That Cabinet:

- (i) Approved the principle of disposal of the property.
- (ii) Approved MKMS Investments Ltd as preferred purchaser, subject to the disposal and developments being compliant with the s.123 best consideration duty and the Public Contract Regulations 2015.
- (iii) Delegated authority to the Director of Growth, Director of Corporate Services (s.151 Officer) and Head of Legal and Democratic Services (Monitoring Officer) to agree the terms of and enter into any conditional contract.
- (iv) Accept a report back to Cabinet at a future date detailing the terms for disposal.

Reason for Decision –

It was recommended to appoint MKMS as the preferred purchaser with an intention to ultimately dispose of the property for the following reasons:

- This will provide a capital receipt for the Council.
- This will provide a high quality development on a strategic corner site adjacent to the Town Hall.
- This brings back into use two land mark buildings within Warrington town centre.
- The residential element of the proposal is supported due to the site's inclusion in the Council's Strategic Housing Availability Assessment (SHLAA).

CAB 71 Direct Award of Contracts for the provision of day activities and opportunities for adults with a learning disability (Forward Plan No 016/19)

Cabinet considered a report of Councillor R Knowles, Cabinet Member, Statutory Health and Adult Social Care, which sought approval for the direct award of two contracts for the provision of Day Opportunities for adults with autism/learning disabilities at (1) Macintyre Life Long

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Learning Centre and (2) Walton Lea Partnership. The contract awards will align the two services with one other primary day opportunity contract, which has an expiry date of 31 October 2020. A full tender covering all day services for people (with care and support needs) will be completed by 1 November 2020. A tender inclusive of all current day services will enable the Council to further develop the market of day opportunity, employment and training services for adults with autism/learning disabilities. The fully inclusive tender process concluding in 2020 will cover all (358) current service users and any new ones that may start in the intervening time.

The report set out the rationale for the proposed contract award for Macintyre and Walton Lea and outlined the current position in relation to the service delivery, planned development, future commissioning and procurement. The direct awards will ensure continuity of existing arrangements for service users, whilst enabling a full tender process to be completed by, and implemented by, 1 November 2020 for all day opportunities for adults with a learning disability in Warrington.

Warrington Borough Council also had a leasehold agreement in place with both Macintyre and Walton Lea Partnership for the land on which these services are delivered. Details of the lease agreement is presented in the part 2 report. Due to the value of the respective contracts, Cabinet approval is required.

Decision – That Cabinet:

- (i) Agreed to direct contract award Macintyre for the provision of a Lifelong Learning Service for adults with a learning disability for a period of 1 January 2020 to 31 October 2020 (10 months).
- (ii) Agreed to direct contract award Walton Lea Partnership for the provision of a Supported Day activities and Training Service for People with Learning Disabilities, for a period of 1 January 2020 to 31 October 2020 (10 months).
- (iii) In order to achieve the above, agreed to waive the Council's Contract Procedure Rules (CPRs) for the reasons set out in paragraph 5.4 of the Part 1 report. The Council's CPRs require the invitation of competitive tenders for the named services. The CPRs were drafted in 2012 and therefore pre date the Public Contract Regulations 2015 and refer to Part B exempt services under the old regime. CR 6 provides that a waiver of any requirement may be granted by Cabinet only and that any such decision may be a Key Decision.

Reason for Decision –

The contract awards will align the two services with one other primary day opportunity contract, which has an expiry date of 31 October 2020. A full tender covering all day services for people (with care and support needs) will then be completed by 1 November 2020. A tender inclusive of all current day services will enable the Council to further develop the market of day opportunity, employment and training services for adults with autism/learning disabilities.

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CAB 72 Tender for the provision of Residential Intermediate Care and Accommodation (8 beds) (Forward Plan No 017/19)

Cabinet considered a report of Councillor R Knowles, Cabinet Member, Statutory Health and Adult Social Care, which advised on the outcome of the tender evaluation exercise and award of a contract for the provision of a residential intermediate care bed facility (8 beds).

It also sought to agree the acceptance of the tender recommendation as detailed in section 12 of the report, which has been identified by the tender evaluation panel to meet the required standards for contract award.

Decision – That Cabinet:

- (i) Approved the award of the contract to Catalyst for the provision of a residential intermediate care bed facility (8 beds) as set out in the Part 2 report for a period of one year from 14 October 2019 to 13 October 2020, with options to extend by a further two periods of twelve months. The maximum duration of this contract will be up to 13 October 2022. This is an annual maximum cost of £291,200.00 and a total maximum cost over the three years of £873,600.00.
- (ii) Delegated responsibility for agreeing the terms and conditions and entering into the contract to Director of Families & Wellbeing and the Head of Legal and Democratic Services (Monitoring Officer), in consultation with the Cabinet Member for Statutory Health & Adult Social Care.

Reason for Decision –

- (1) To ensure the development and implementation of a new residential intermediate care service in time for winter 2019 and in line with expectations, changing needs, and service gaps identified in the independent (Venn) and Officer market review.
- (2) Contract Procedure Rule CR60 requires Cabinet to approve expenditure greater than £250,000.

CAB 73 Energy Company Investment (Forward Plan No 020/19)

Cllr H Patel declared an interest in items CAB 65 and 73 – Energy Company Investment. Cllr Patel left the meeting at the point of the vote for CAB 65 and withdrew from the meeting prior to the discussion/vote for CAB 73.

Cabinet considered a joint report of Councillor C Mitchell, Deputy Leader and Cabinet Member, Corporate Resources and Councillor J Guthrie, Cabinet Member, Environment and Public Protection, which sought Cabinet approval for the Council to purchase a 50% equity stake in Together Energy Limited (“Together Energy”).

Minutes issued on Thursday 12 September 2019. Call in expires midnight on Monday 16 September 2019. Decisions can be implemented from Tuesday 17 September 2019.

Decision – That Cabinet:

- (i) Approved the Council’s acquisition of a 50% equity share in Together Energy Limited and, only after the conclusion of the Risk Workshop as set out at sections 14.4 and 14.5 of the Part 2 report, delegated the authority to agree the final terms of the acquisition to the s.151 Officer (Director of Corporate Services) and Monitoring Officer (Head of Legal and Democratic Services) following consultation with the Deputy Leader and Cabinet Member, Corporate Resources and Cabinet Member, Environment and Public Protection;
- (ii) Approved the Council granting the loan to Together Energy Limited as set out at sections 7.7, 7.8 and 10.2 of the Part 2 report and, only after the conclusion of the Risk Workshop as set out at sections 14.4 and 14.5 of the Part 2 report, delegated the authority to agree the final terms of the loan to the s.151 Officer (Director of Corporate Services) and Monitoring Officer (Head of Legal and Democratic Services) following consultation with the Deputy Leader and Cabinet Member, Corporate Resources and Cabinet Member, Environment and Public Protection;
- (iii) Noted the proposed governance arrangements and, only after the conclusion of the Risk Workshop as set out at sections 14.4 and 14.5 of the Part 2 report, delegated the authority to appoint the Council’s proposed Board Directors to the s.151 Officer (Director of Corporate Services) and Monitoring Officer (Head of Legal and Democratic Services) following consultation with the Deputy Leader and Cabinet Member, Corporate Resources and Cabinet Member, Environment and Public Protection;
- (iv) Approved establishing insurance for the provision of indemnity cover for any decisions made by Council officers when acting as Board Directors and that the Council indemnifies officers;
- (v) Subject to the conclusion of the Risk Workshop as set out at sections 14.4 and 14.5 of the Part 2 report, authorised the Head of Legal and Democratic Services (Monitoring Officer) to enter into all necessary documents to complete all aspects of the matter in accordance with the above delegations and the proposals contained in the Part 2 report.

For the avoidance of doubt, all recommendations and delegated authorities should only be exercised and actioned once the Risk Workshop has taken place and the risks identified have been resolved or mitigated, and once the required Member consultation has taken place.

Reason for Decision –

For the Council to enter the energy supply market to relieve fuel poverty in Warrington and to develop a commercial model that generates a positive financial return to the Council that can be reinvested in front line services.

Minutes issued on Thursday 12 September 2019. Call in expires midnight on Monday 16 September 2019. Decisions can be implemented from Tuesday 17 September 2019.

Signed.....

Dated.....

Minutes issued on Thursday 12 September 2019. Call in expires midnight on Monday 16 September 2019.
Decisions can be implemented from Tuesday 17 September 2019.

WARRINGTON BOROUGH COUNCIL

CABINET – 14 October 2019

Report of:	Head of Legal and Democratic Services and Monitoring Officer to the Council	
Executive Director:	Steven Broomhead, Chief Executive	
Senior Responsible Officer:	Sharon Parker, Democratic Services Manager (Statutory Scrutiny Officer)	
Contact Details:	Email Address: bmagan@warrington.gov.uk	Telephone: 01925 442120
Key Decision No.	N/A	
Ward Members:	All	

TITLE OF REPORT: CABINET DECISIONS - FORWARD PLAN

1. PURPOSE

- 1.1 To consider the current Cabinet Decisions Forward Plan covering the period 1 October 2019 – 31 January 2019.

2. CONFIDENTIAL OR EXEMPT

- 2.1 The report is not confidential or exempt.

3. INTRODUCTION AND BACKGROUND

- 3.1 Key Decisions are cabinet decisions of the authority which are decisions of the Cabinet or an Officer under delegated powers which are likely to –
- Result in Warrington Borough Council incurring expenditure, making savings or vireing £250,000 or more having regard to the Local Authority budget for the service or functions to which the decision relates, or
 - Be significant in terms of its effects on communities living or working within Warrington Borough Council's area comprising two or more Wards.
- 3.2 To comply with the legislation 'Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012', the Council is required –

- (1) to give 28 days' notice of key decisions.
- (2) to publish a notice of its intention to discuss confidential or exempt items at least 28 days in advance of the meeting; and
- (3) to publish a further notice at least five clear days' before a private meeting which must include a statement of the reasons for the meeting to be held in private, details of any representations received and a statement of its response to any such representations.

4. THE REPORT

4.1 The current Cabinet Decisions - Forward Plan is attached at Appendix A.

4.2 The following amendments/changes to the Forward Plan are reported for information:

	NEW ITEMS – 14 October 2019
FOR INFORMATION	2020-2024 Pre Budget Report Book - to present Cabinet with the assumptions used in estimating WBC financial position for 2020/21 to 2023/24 and to show estimated level of budget savings needed.
	UPDATES – 14 October 2019
065/18	Warrington Means Business – item moved from 14 October to 11 November 2019 Cabinet meeting. REASON: item deferred to allow more time to prepare the new version of Warrington Means Business.
066/18	Town Centre Masterplan – item initially moved from 14 October to 11 November 2019 Cabinet meeting. REASON: item deferred to allow more time to prepare the new version of the Town Centre Masterplan. Item subsequently moved from 11 November 2019 to 13 January 2020 Cabinet meeting. REASON: item further deferred to allow for further modelling and software enhancement.
009/19	Risley Moss Observation Tower – Construction Contract Award – item moved from 14 October to 11 November 2019 Cabinet meeting. REASON: item deferred due to the construction works tenders still being evaluated.
013/19	Bus Depot Relocation – item moved from 14 October to 11 November 2019 Cabinet meeting. REASON: item deferred due to the need for further development detail.
014/19	Time Square Development – item moved from 14 October to 11 November 2019 Cabinet meeting. REASON: item deferred to allow for further commercial

	negotiation.
	NEW ITEMS -11 November 2019
022/19	Interim Arrangements for Commissioned Services for Homelessness
	UPDATES – 11 November 2019
021/19	Omega Local Highways Ph2b- Construction Contract Award – item deferred from 11 November to 13 January 2020 Cabinet meeting. REASON: item deferred to due to a short delay in the issuing of documents and hence ability to draw down the land acquired via the Highways CPO, therefore the construction works will start later in 2020.
	NEW ITEMS – 9 December 2019
023/19	Homelessness and Rough Sleeping Strategy 2020-25

5. FINANCIAL CONSIDERATIONS

5.1 None.

6. RISK ASSESSMENT

6.1 N/A.

7. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT

7.1 There are no specific equalities issues in relation to the content of this report.

8. CONSULTATION

8.1 N/A.

9. REASONS FOR RECOMMENDATION

9.1 The report is submitted for information and comment.

10. RECOMMENDATION

10.1 That the Cabinet receives the contents of the Cabinet Decisions - Forward Plan and make comments as appropriate.

11. BACKGROUND PAPERS

Papers held within Democratic and Member Services about items for inclusion and changes to the Forward Plan.

Contact for Background Papers:

Agenda Item 3

Name	E-mail	Telephone
Christine Oliver	coliver@warrington.gov.uk	01925 442104



WARRINGTON
Borough Council

Updated 4 October 2019

CABINET DECISIONS – FORWARD PLAN

1 November 2019 – 29 February 2020

Report of the Head of Legal & Democratic Services and Monitoring Officer to the Council

This is formal notice under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 of Key Decisions due to be taken by the Authority and that those parts of the Cabinet meeting identified in this Forward Plan will be held in private because the agenda and reports for the meeting will contain confidential or exempt information as defined in the Regulations.

Contact Information:

Democratic & Member Services

Town Hall

Warrington

WA1 1UH

Email: coliver@warrington.gov.uk

Tel: 01925 442104

What is the Forward Plan?

The Forward Plan contains all the key decisions the Council expects to take over the next four months. It will be refreshed regularly and will give at least 28 days' notice of any Key Decisions and, if applicable, the Cabinet's intention to discuss an item in private and the reason for this.

What is a Key Decision?

Key Decisions are Executive decisions of the authority which are decisions of the Cabinet or an Officer under delegated powers which are likely to –

- Result in Warrington Borough Council incurring expenditure or the making of savings of £250,000 or more, having regard to the Local Authority budget for the service or function to which the decision relates, or
- Be significant in terms of its effects on communities living or working within Warrington Borough Council's area comprising two or more Wards.

For information, the Forward Plan also includes some other matters expected to come before the Cabinet or that the Cabinet is likely to recommend to full Council whether or not they may give rise to Key Decisions.

What does the Forward Plan tell me?

The Plan gives information about:

- what key decisions are to be made in the next four months;
- the matter in respect of which the decision is to be made;
- who will make the key decisions;
- when those key decisions are likely to be made;
- what documents will be considered;
- who you can contact for further information.

Who takes Key Decisions?

Under the Authority's Constitution, Key Decisions are taken by the Cabinet or individual officers acting under delegated powers.

Most Key Decisions are taken at public meetings of the Cabinet. Cabinet meets once a month on a Monday at 6.30 pm (except August) at the Town Hall, Warrington.

Further Information and Representations about items proposed to be heard in Private

Names of contact officers are included in the Plan and can be reached via (01925) 442104. If you are unsure, please contact Democratic & Member Services on the same number and staff there will be able to assist you. If you wish to make representations about an item proposed to be heard in private, you should contact Democratic and Member Services by no later than six clear working days before the meeting.

The areas of responsibility of the nine members of the Cabinet are:

Councillor R Bowden	Leader
Councillor C Mitchell	Deputy Leader / Corporate resources
Councillor J Guthrie	Environment and Public Protection
Councillor T Higgins	Leisure and Community
Councillor R Knowles	Statutory Health and Adult Social Care
Councillor M McLaughlin	Housing, Public Health and Well-being
Councillor H Mundry	Transportation, Highways and Public Realm
Councillor H Patel	Transformation
Councillor M Smith	Children's Services

Last forward plan entry No. 023/19

If you have any questions about any of the items listed please contact Christine Oliver on 01925 442104.

Decision Reference Number	Date added to the Forward Plan	Item	£s to be spent/saved /vired	Statement of Reason why the item of business is private	Wards Affected	Lead Cabinet Member	List of Policy/Reference Documents	Directorate and Contact for Further Information	Key Decision (Y/N)
Key Decisions – 11 November 2019									
065/18	30/04/2019	Warrington Means Business	>£250k	N/A	All	*Cabinet (see above) Councillor R Bowden Leader		Growth Steve Park Tel: 01925 443940 spark@warrington.gov.uk	Yes
009/19	09/07/2019	Risley Moss Observation Tower – Construction Contract Award	>£250k	*Part 2 confidential (see note below)	Birchwood	*Cabinet (see above) Councillor R Bowden Leader		Environment and Transport Tom Shuttleworth Tel: 01925 442353 tshuttleworth@warrington.gov.uk	Yes
013/19	11/07/2019	Bus Depot Relocation	>£250k	*Part 2 confidential (see note below)	All	*Cabinet (see above) Councillor C Mitchell Deputy Leader/Corporate Resources		Growth John Laverick Tel: 01925 444096 jlaverick@warringtonandco.com	Yes
014/19	11/07/2019	Time Square Development	>£250k	*Part 2 confidential (see note below)		*Cabinet (see above) Councillor R Bowden Leader		Growth John Laverick Tel: 01925 444096 jlaverick@warringtonandco.com	Yes
022/19	26/09/2019	Interim Arrangements for Commissioned Services for Homelessness	£343k	N/A	All	*Cabinet (see above) Councillor M McLaughlin Housing, Public Health and Wellbeing		Families and Wellbeing Dr Muna Abdel Aziz Tel: 01925 443967 mabdelaziz@warrington.gov.uk Rick Howell Tel: 01925 442979 rhowell@warrington.gov.uk	Yes
Non Key Decisions – 11 November 2019									

Nil.									
Information Items – 11 November 2019									
Nil									
Key Decisions – 9 December 2019									
010/19	13/05/19	Budget Monitoring 2019/20 – Quarter 2		N/A	All	*Cabinet (see above) Councillor C Mitchell Deputy Leader/Corporate Resources		Corporate Services Lynton Green Tel: 01925 443925 jgreen@warrington.gov.uk	Yes
011/19	13/05/19	Capital Programme Monitoring 2019/20 – Quarter 2		N/A	All	*Cabinet (see above) Councillor C Mitchell Deputy Leader/Corporate Resources		Corporate Services Lynton Green Tel: 01925 443925 jgreen@warrington.gov.uk	Yes
023/19	26/09/2019	Homelessness and Rough Sleeping Strategy 2020-25		N/A	All	*Cabinet (see above) Councillor M McLaughlin Housing, Public Health and Wellbeing		Families and Wellbeing Dr Muna Abdel Aziz Tel: 01925 443967 mabdelaziz@warrington.gov.uk Dave Cowley Tel: 01925 246890 dcowley@warrington.gov.uk	
Non Key Decisions – 9 December 2019									
Nil.									
Information Items – 9 December 2019									
		Performance Report 2019/20 Quarter 2		N/A	All	*Cabinet (see above) Councillor H Patel Transformation		Corporate Service Gareth Hopkins Tel: 01925 443932 Ghopkins1@warrington.gov.uk	No
		Strategic Risk Environment at Quarter 2 2019-20		N/A	All	*Cabinet (see above) Councillor H Patel Transformation		Corporate Services Jean Gleave Tel: 01925 442354 Jean.gleave@warrington.gov.uk	No
Key Decisions – 13 January 2020									

066/18	30/04/2019	Town Centre Masterplan	>£250k	N/A	All	*Cabinet (see above) Councillor R Bowden Leader		Growth Steve Park Tel: 01925 443940 spark@warrington.gov.uk	Yes
021/19	02/09/2019	Omega Local Highways Ph2b- Construction Contract Award	>£250k	*Part 2 confidential (see note below)	Great Sankey North & Whittle Hall/ Penketh & Cuerdley	*Cabinet (see above) Councillor H Mundry Highways, Transportation and Public Realm		Environment and Transport Tom Shuttleworth Tel: 01925 442353 tshuttleworth@warrington.gov.uk	Yes
Non Key Decisions – 13 January 2020									
Nil.									
Information Items – 13 January 2020									
Nil									
Key Decisions – 10 February 2020									
Nil									
Non Key Decisions – 10 February 2020									
Nil.									
Information Items – 10 February 2020									
Nil									

***Note: Part 2 confidential**

Exempt Information – Schedule 12A, Local Government Act 1972: It is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item, confidential information would be disclosed to them in breach of the obligation of confidence.

WARRINGTON BOROUGH COUNCIL

CABINET – 14 October 2019

Report of Cabinet Member:	Councillor C Mitchell, Deputy Leader and Cabinet Member, Corporate Resources	
Senior Responsible Officer:	Lynton Green, Deputy Chief Executive and Director of Corporate Services	
Contact Details:	Email Address: lgreen@warrington.gov.uk	Telephone: 01925 443925
Forward Plan No:	N/A.	
Ward Members:	All	

TITLE OF REPORT: 2020-2024 PRE-BUDGET REPORT

1. PURPOSE

- 1.1 To present Cabinet with the assumptions used in estimating Warrington Borough Council's financial position for 2020/21 to 2023/24 and to show the estimated level of budget savings needed over this period to balance the budget.
- 1.2 To highlight Warrington's funding position in relation to other authorities, particularly with regard to the level of Council Tax income received, and the low levels of government funding.
- 1.3 To note additional in year pressure on the 2019/20 budget position.

2. CONFIDENTIAL OR EXEMPT

- 2.1 The report is not confidential or exempt.

3. WARRINGTON'S FUNDING POSITION

- 3.1 Using the Spending Power per dwelling figures released by the Ministry of Housing, Communities and Local Government as part of the 2019/20 Finance Settlement, Warrington is the 3rd lowest funded of the 92 Unitary and Met authorities (excluding London Boroughs) and the lowest in the North-West.

- 3.2 The Spending Power figure is made up of the income raised locally from Council Tax and the funding received from Government through non-ringfenced grants and through the Council's retained share of Business Rates Income, known as the Settlement Funding Assessment.

Council Tax

- 3.3 Warrington has one of the lower Council Tax levels of the 92 Unitary and Met Authorities, and the 5th lowest in the North West.
- 3.4 Table 1 in Appendix A shows Warrington's Band D Council Tax (excluding the adult social care precept) in comparison with the North West Unitary and Met Authorities and the additional funding we would receive if our Council Tax was changed to their level.
- 3.5 This table shows that if Warrington increased its Council Tax to the same level as Liverpool we would raise an additional £14.5m every year and that if we increased it to the average of North West Authorities we would raise an additional £3.6m a year.
- 3.6 This highlights the issue surrounding the different levels of Council Tax raised by authorities, and the effect of the referendum limit (set at 2% for financial year 2020/21). This means that Liverpool is able to increase its Band D rate by £33.00, whereas Warrington is only able to increase its rate by £28.72 therefore increasing the gap between authorities.

Government Funding

- 3.7 Warrington has the 11th lowest Settlement Funding of all 92 Unitary and Met Authorities and the lowest in the North West. The Settlement Funding comprises non-ring-fenced government funding and the income we receive from the Business Rates Retention Scheme.
- 3.8 Table 2 Appendix A shows how we compare with other North West Authorities, and how much additional funding we would receive if Warrington received the amount of funding per dwelling received by other authorities. Based on the average amount of funding per dwelling for the North West Authorities we would receive an additional £41m.

4. OUTCOME BASED BUDGETING

- 4.1 The Council operates an outcomes based approach to budgeting; the purpose being to provide a long term strategic and sustainable financial plan.

- 4.2 Outcomes Based Budgeting (OBB) is a process which is designed to create a public sector that works better, costs less, focuses on delivering outcomes, puts citizens and their priority needs first and emphasises accountability and innovation. The process requires the Council to work across organisational boundaries, is proactive rather than reactive and encourages longer term planning and sustainability.
- 4.3 The OBB approach is to identify and select areas to focus on and review the associated budgets to understand what is being spent, what services/functions are provided by this budget, how the services/functions are structured and how the spend relates to commissioning themes and priorities to ensure value for money can be demonstrated and a tangible benefit derived from outcomes. By use of this approach budget pressures and saving proposals will be identified.
- 4.4 As part of the OBB process, Council budgets have been considered under the commissioning themes of:
- Enterprise
 - Digital, Technology and Efficiency
 - Demand Management and Behaviour Change
- 4.5 The overall ambition is that the Council will develop a sustainable budget. To achieve this, the commissioning, budget and change processes will become ongoing systematic programmes of activity that run throughout the year(s). There will always be the need to set an annual budget and medium term financial plan at certain points in the year, however, this will not be the driver of the activity.
- 4.6 As the OBB process reflects a longer term scenario, it is recognised that many proposals will come to fruition later and therefore not generate savings or income until future years. Change and transformation projects may also require initial investment to allow the project to take shape with the benefit of an increased payback once the project is complete. In these circumstances, bids can be made to draw down funds from the MTFP 'smoothing' reserve to pump prime proposals. It is, however, important that committed savings are delivered as the MTFP reserve is finite and should be directed at delivering sustainability and not to cover failure to deliver.
- 4.7 Budget proposals will be subject to a robust challenge and scrutiny process by Members and Senior Management through the operation of a Spotlight Challenge Panel for each commissioning theme and a subsequent Spotlight Challenge Forum by the Cabinet and other relevant Members.
- 4.8 Reports will be presented to Cabinet and Full Council as usual and formal budget consultation will take place with the statutory business community sector and beyond the statutory minimum to cover other groups.

- 4.9 As budget proposals arise it is intended that these will go out for public consultation there and then, rather than waiting for the usual six week period over the winter. The consultation will be open and transparent to allow the public to gain a more focussed understanding of what the proposal is and the impact it will have. If the public are averse to the proposal, they will be actively encouraged to submit alternatives for consideration.

5. ENTERPRISING COUNCIL

- 5.1 Against a background of perennial low levels of funding the Council has been very proactive in looking for and acting upon opportunities to generate our own income both as a means to plug the funding gap and as a move towards self-sufficiency. Examples include Bonds (Council and Solar), the Warrington Bank lending to small and medium business enterprises, investment in property (Birchwood Park and others) to generate rental income and the development of trading services. The benefit of this entrepreneurial action becomes increasingly important as we move towards 2020/24 when this revenue will become a significant source of funding to the Council after Council Tax and Retained Business Rates. Additionally, it provides another and alternate funding source when faced with real cuts/reductions in services as the Council is stretched further by demand for statutory services with little left for anything discretionary.

6. 2020/24 FINANCIAL OVERVIEW

- 6.1 Financial year 2019/20 was the final year of the Government's four year funding settlement and announcements regarding settlement funding details for 2020/21 will not be confirmed until later in the year. For the period 2020/21 to 2023/24, funding forecasts have been made on the best currently available information.
- 6.2 The table overleaf shows how our funding is predicted to change over the next four years. Further detail on each funding stream is given overleaf.

Agenda Item 4

2019/20 £000	Funding	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
1,436	Band D Council Tax	1,465	1,494	1,523	1,553
67,892	Tax Base	68,292	68,692	69,092	69,492
97,503	Council Tax Income	100,020	102,597	105,238	107,943
1,343	Revenue Support Grant	-	-	-	-
30,828	Business Rate Income	31,444	32,073	32,715	33,369
32,171	Total Baseline Funding	31,444	32,073	32,715	33,369
2,100	New Homes Bonus	1,075	352	15	-
1,520	Other Non-ringfenced Government Grants	-	-	-	-
(635)	Council Tax Surplus / Deficit	-	-	-	-
129	Council Tax Initiatives	-	-	-	-
(3,321)	Business Rate Surplus / Deficit	-	-	-	-
-207	Total Non-ringfenced Income	1,075	352	15	-
3,531	Funding from Reserves	-	-	-	-
132,998	Total Funding	132,539	135,022	137,968	141,312

Council Tax

- 6.3 The current Council Tax income forecast is based on a 1.98% Council precept increase in the Band D Council Tax figure in each of the years 2020/21, 2021/22, 2022/23 and 2023/24. For 2019/20 the tax base is 67,892 - an assumption of an additional tax base increase of 400 has been built in for future years. The recent Government Spending Round 2020/21 announcements raised the prospect of an increase in Council Tax funding via an additional 2% precept for Adult Social Care. The availability of the additional precept is subject to consultation, however, a 2% increase would raise an extra £2.0m of funding.
- 6.4 As part of the Council Tax Base setting process an estimate is made of the council tax surplus or deficit for the current year as at 15 January. This is distributed to the precepting bodies in the following financial year. Warrington Borough Council's share of the estimated deficit on the Collection Fund for 2018/19 for Council Tax was £635k, which will be distributed as a reduction in funding in 2019/20. Estimates for the 2019/20 position to be distributed in the 2020/21 financial year will be available later in the year.

Baseline Funding

- 6.5 Baseline funding figures have been provided by Government for the financial period 2019/20. No details are available at present for financial periods beyond this point

although, in practice, the final determination of the local government finance settlement for any given year cannot be made until calculations are completed taking account of the business rates multiplier, which is re-based in September each year.

- 6.6 Government previously announced their intention to move to a system of 75% business rate retention from financial year 2020/21. Additionally, Government intended to conclude a Spending Review and Fair Funding Review for implementation from financial year 2020/21. The recent Government Spending Round announcements confirmed delaying the Spending Review, Business Rates Reform and Fair Funding Review until 2021/22.
- 6.7 Against this background it is difficult to make any informed estimate of baseline funding beyond 2019/20 – for forecasting purposes it is estimated that Business Rate Income will increase by 2.0% per year and Revenue Support Grant funding will reduce to zero. The Spending Round announced additional Social Care funding of £1bn. The amount each local authority receives will depend on the distribution method used, however, there is potential for Warrington to receive some £3m from this source.

Business Rate Deficit & Funding estimates

- 6.8 Under the Business Rate Retention scheme that came into operation on 1 April 2013, Business Rates now functions in the same way as Council Tax whereby an estimate of the current year's surplus or deficit is calculated at the end of January which is then distributed as funding in the following financial year. For financial year 2019/20, Warrington's share of the surplus or deficit on business rates was estimated as a deficit of 3,321k. An estimate of the business rates surplus or deficit to be distributed in the 2020/21 financial year will be available later in the year.
- 6.9 As part of the introduction of the Business Rates Retention scheme each Council became liable for any successful business rate appeals outstanding with the Valuation Office Agency (VOA). Warrington Borough Council's share of the current provision for successful business rate appeals is £7.1m.

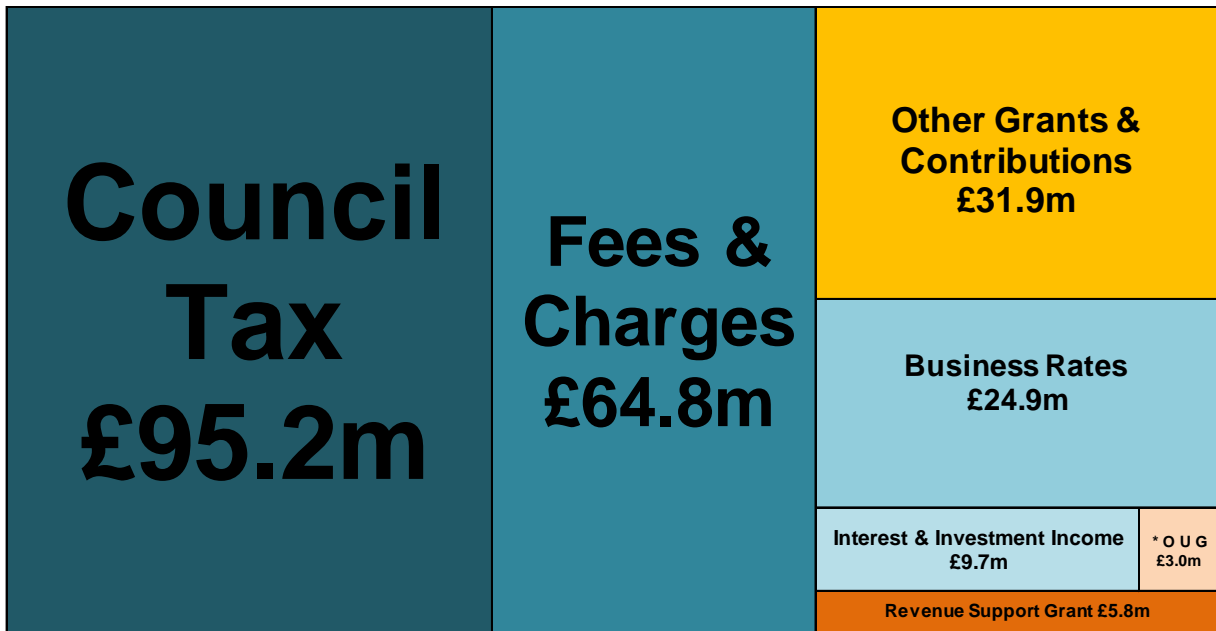
Business Rate Pool

- 6.10 In 2013/14 Warrington joined a Business Rate Pool with St Helens and Halton to create the Mid Mersey Business Rate Pool. The advantage of the pool is that any levy generated on business rate growth is retained by the pool. To date, business rate growth has been significantly impacted by the increase in business rate reliefs allowed by Government and increased appeals by businesses with a subsequent increase in contributions to the business rates appeals provision.

Income Sources

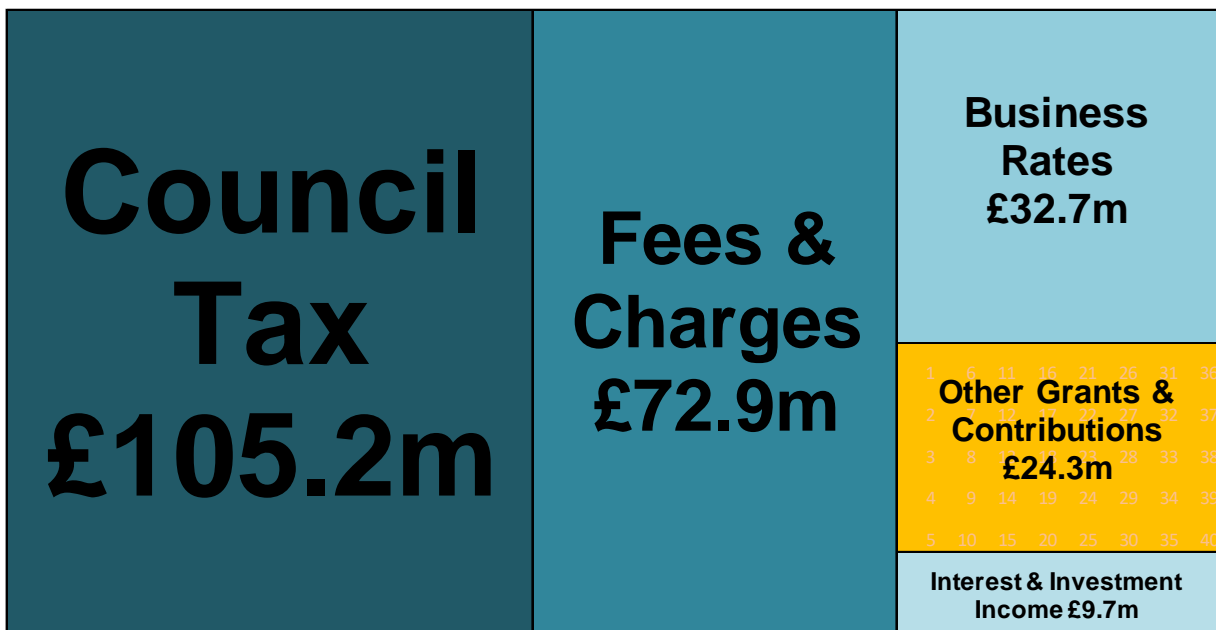
6.11 The graphics below show the sources of gross income received and how the relative proportions are expected to change over the period 2018/19 to 2022/23.

2018/19 Gross Income



* Other Unringfenced Grants £3.0m

2022/23 Gross Income



7. INFLATION AND BUDGET PRESSURES

- 7.1 There are a number of pressures relating to increased demand and changes in legislation that require funding over the 2020/24 period. Budget pressure is being felt particularly in Families and Wellbeing Services where there are new burdens in the extended eligibility for children with special educational needs and disabilities (from 0-25 years), for children in care (aftercare to 25 and ability to 'stay put' in foster care) as well as the extra burdens of demography (numbers of people over 85 rising and people with higher complexity living longer), Deprivation of Liberty Safeguards, funding increases for providers through the National Minimum Wage and pension auto-enrolment, the huge rise in homeless families and other impacts of the early roll out of Universal Credit in Warrington. Senior Officers have worked to review and challenge the pressures put forward and any remaining pressures will be presented to the Spotlight Panel(s) as part of the OBB process for further scrutiny. Any new pressures arising will have to be funded from additional savings or income generation, unless any one-off funding can be identified as a temporary measure.
- 7.2 Table 3 Appendix A summarises the budget shortfall for the 2020/24 MTFP period. The table shows, for each year of the MTFP four year forecast, how brought forward revenue budget increases with the addition of identified budgetary pressures and the consequent level of overall savings required to reduce in-year budget requirement down to match in-year funding available. Overall savings required in 2020/21 are currently estimated at £24.8m. Savings currently identified amount to £6.0m leaving £18.8m of savings still to be identified to balance the budget. Proposals for savings are being put forward for consideration and will be subject to formal consultation.
- 7.3 The Budget Monitoring 2019/20 – Quarter 1 report taken to the Cabinet meeting on the 9th September forecast a financial position for the year ending March 2020 as an overspend of £6.0m. The forecast overspend arises largely from additional in-year demographic and demand pressures. Generally, the forecast at Quarter 1 represents a prudent position as a result of uncertainties that may occur during the year. Action is being taken by the Directorates to address the situation and the financial position will be subject to change and mitigation of the overspend as the year progresses. However, it must be noted that if Directorates are unable to mitigate the extent of the in-year overspend, this may result in service cuts.

8. CAPITAL PROGRAMME

- 8.1 The 2020/21 – 2022/23 Capital Programme will be formulated later in the year. The current cost of funding the 2020 – 2023 Capital Programme is £4.1m and this is included in the figures above. It should be noted that any additional Council funded capital schemes, including match funded schemes, will need to be financed by

prudential borrowing and this will be an added pressure that will need to be funded by additional savings or income generation.

9. NEXT STEPS

9.1 The next steps in the outcome based budget process are:

- September to November 2019 - Outcome Based Budgeting theme workshops and assessment of the proposals submitted to meet the budget gap. Spotlight Panels and Spotlight Forum to challenge and scrutinise budget proposals, pressures and investment bids put forward.
- Following Autumn Budget – Draft Finance Settlement.
- 10 February 2020 – Cabinet recommend 2020/21 budget for approval by Full Council in February 2020.
- 24 February 2020 – Council agree 2020/21 budget and the 2020 to 2024 sustainable financial plan.

10. FINANCIAL CONSIDERATIONS

10.1 The financial considerations are dealt with in the main body of the report.

11. RISK ASSESSMENT

11.1 All the figures used above are still estimates and are liable to change. The draft finance settlement is announced after the Autumn Budget and is due in December 2019 and the Council Tax base and Business Rate estimates need to be agreed by Audit & Corporate Governance Committee in January 2020.

11.2 All the proposals put forward for the OBB process will have a completed risk assessment before being presented to the Spotlight Panel to enable them to assess the impact of the proposals being recommended.

12. EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT

12.1 The budget proposals to be submitted as part of the OBB process will be subject to individual Equality Impact Assessments.

13. CONSULTATION

13.1 Relevant consultation will be undertaken with internal and external bodies as part of the 2020/21 budget setting process.

14. REASONS FOR RECOMMENDATION

14.1 To enable Members to play a full part in the decision making process to ensure a balanced budget can be established for financial year 2020/21.

15. RECOMMENDATION

15.1 The Cabinet is recommended to note the content of the report and the indicative revenue financial position for the Council 2020/2024.

16. BACKGROUND PAPERS

N/A.

Appendix A

Authority	Local Services Band D (£)	Funding (£m)
Trafford	1,279.79	-10.616
Wigan	1,290.03	-9.920
Manchester	1,350.90	-5.788
Halton	1,419.08	-1.159
Warrington	1,436.15	0.000
St Helens	1,446.05	0.672
Cheshire East	1,446.27	0.687
Tameside	1,455.18	1.292
Bolton	1,471.92	2.428
Knowsley	1,485.08	3.322
Cheshire West & Chester	1,491.12	3.732
Wirral	1,523.42	5.925
Bury	1,550.94	7.793
Blackpool	1,556.31	8.158
Salford	1,562.15	8.554
Rochdale	1,566.93	8.879
Sefton	1,570.30	9.108
Oldham	1,593.12	10.657
Stockport	1,625.67	12.867
Liverpool	1,650.06	14.523
Average	1,488.52	3.556

Table 1 – North West Authorities Band D Council Tax

Appendix A

Authority	Settlement Funding per Dwelling (£)	Funding (£m)
Cheshire East	239	-9.940
Warrington	346	0.000
Cheshire West and Chester	351	0.464
Stockport	508	15.049
Trafford	534	17.464
Bury	633	26.661
Sefton	702	33.071
Wigan	760	38.459
Wirral	779	40.224
St Helens	787	40.967
Tameside	812	43.289
Bolton	831	45.054
Blackpool	871	48.770
Halton	890	50.535
Salford	959	56.945
Rochdale	996	60.382
Oldham	1,006	61.311
Liverpool	1,133	73.108
Manchester	1,234	82.491
Knowsley	1,387	96.704
Average	788	41.050

Table 2 – Settlement Funding per Dwelling

Appendix A

MTFP 2020/24	2020/21	2021/22	2022/23	2023/24
	£000	£000	£000	£000
Budget b fwd (assumes budget balanced to funding available)	132,998	132,539	135,022	137,968
Corporate Pressures				
Corporate Services	2,514	439	272	272
Families & Wellbeing	15,952	7,801	7,976	8,451
Environment & Transport	2,704	344	376	84
Growth	-	-	-	-
Corporate Finance & Cross Cutting Pressures	(163)	3,837	(163)	(163)
Capital Financing	3,291	334	501	-
Total Budget required in year	157,296	145,294	143,984	146,612
Funding available in year	132,539	135,022	137,968	141,312
Overall Savings Required in year	24,757	10,272	6,016	5,300
Savings Currently Identified in year	(5,985)	(3,602)	(1,050)	(1,000)
Additional Savings Required in year	18,772	6,670	4,966	4,300
Cumulative Overall Savings Required	24,757	35,029	41,045	46,345

Table 3 – Budget Shortfall MTFP 2020/24 period

