



RECORD OF EXECUTIVE DECISIONS

The following is a record of the decisions taken at the meeting of **CABINET** held on **Wednesday 16 November 2016**.

The decisions will come into force and may be implemented from **28 November 2016** unless the Overview and Scrutiny Management Committee or its Committees object to any such decision and call it in.

Council Tax Base 2017/18 and Forecast Surplus on the Council Tax Collection Fund as 31 March 2017 [Key Decision: CORP/R/16/03]

Summary

The Cabinet considered a report of the Corporate Director, Resources which requested that Cabinet determine the Council's Tax Base for all domestic properties liable to pay council tax. The report also included information on the estimated collection fund surplus as at 31 March 2017.

Regulations made under the Local Government Finance Act 1992 (The Local Authorities (Calculation of Council Tax Base) Regulations 1992 (as amended)) require each billing authority to calculate its 'Council Tax Base' for the following financial year. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012:2914) provides amended statutory guidance to incorporate the changes as a result of the introduction of Local Council Tax Reduction Schemes (LCTRS's) from 1 April 2013.

The Council Tax Base is a measure of the County Council's 'taxable capacity', for the purpose of setting its Council Tax. Legislation requires the Council to set out the formula for that calculation and that the tax base is formally approved by Cabinet. Section 84 of the Local Government Act 2003 enables authorities to set their Council Tax Base, other than by a decision of the full Council, therefore, allowing Cabinet to take the necessary decisions to determine the Council Tax Base for 2017/18.

On 20 July 2016 Cabinet resolved to recommend to Council continuation of the current LCTRS into 2017/18. On 26 October, 2016 Council subsequently approved the continuation of the current Local Council Tax Reduction Scheme into 2017/18, which retains the same level of support to all council tax payers as the previous Council Tax Benefit Scheme, which was abolished on 1 April 2013.

The extension to the LCTRS is initially for one more year and the Scheme will be kept under continuous review with a further decision to be considered by Cabinet in the summer of 2017 and Full Council by January 2018 with regards to proposals for 2018/19. There are no other discount changes impacting on the Tax Base for 2017/18.

All monies collected from Council Tax are paid into the Collection Fund. The Council collects monies on behalf of itself, the Police, Crime and Victims' Commissioner, the County Durham and Darlington Fire and Rescue Authority and local Town and Parish Councils in the County. Police and Fire are classified as major precepting bodies under Council Tax legislation, whereas Town and Parish Councils are classified as local precepting bodies.

Significant sums pass through the Collection Fund annually, a process which can result in a surplus or deficit on the Fund at the 31st March as the monies collected inevitably vary from those estimated.

As the billing authority, the Council is required on an annual basis, by 15 January, to make a declaration of the estimated Collection Fund outturn position, and identify and apportion any surplus or deficit anticipated for the following financial year between the principal precepting authorities making a precept on the Fund so that they can factor this into the budget setting processes. Quarterly updates are reported as part of the budgetary control reports to Cabinet and over the last few years the Council has largely declared a balanced position on the Collection Fund. Last year however, the Council declared a surplus of £7.031million, which was distributed in 2016/17 and used for budget setting in the current year.

The Council Tax Collection Fund is forecast to achieve a surplus of £2.578million at 31 March 2017 and therefore the Council will be declaring a surplus for budget setting purposes and needs to apportion this between the major precepting bodies.

The estimated surplus for council tax will be shared between the County Council, the Fire Authority and Durham Police, Crime and Victims' Commissioner in proportion to the 2016/17 demands / precepts on the Fund. The £2.578million will therefore be allocated as follows:

	Forecast Surplus to be Distributed in 2016/17 £m
Durham County Council	£2.169m
Durham Police, Crime & Victims' Commissioner	£0.259m
Durham & Darlington Fire and Rescue Authority	£0.150m
Total	£2.578m

Officers will continue to carefully track and monitor the Council Tax Base and Collection Fund performance over the coming months. It is unlikely that the forecast outturn on the Collection Fund will change significantly at this stage. Police, Fire and local town and parish councils have been notified of their indicative Council Tax Bases earlier this summer and the Fire Authority and Durham Police, Crime and Victims' Commissioner have also been notified that they will receive a share of an anticipated surplus on the Council Tax Collection Fund.

In continuing with the current LCTRS next year, members have committed to a full review of the Scheme in early summer of 2017. This review will draw on experiences elsewhere and the impact of the wider welfare reforms in County Durham during the period 2013/14 to 2016/17 and put forward options for consideration by Cabinet in July/September next year, with a view to consultation on any changes for 2018/19 being in the Autumn of 2017 and a report being presented to Cabinet on the outcome of the consultation by December 2017. The 2018/19 LCTRS scheme will need to be endorsed by Council before 31 January 2018.

Decision

The Cabinet:

- (i) approved the Council Tax Base for the financial year 2017/18 for the County, which has been calculated to be 135,620.9 Band D equivalent properties;
- (ii) approved the declaration of a surplus on the Council Tax Collection Fund at 31 March 2017 of £2.578million, to be distributed to the Council; the County Durham Fire and Rescue Authority; and the Durham Police and Crime Commissioner in accordance with Council Tax regulations.

Children & Young People's Overview and Scrutiny Review Take up of Free School Meals & Holiday Provision

Summary

The Cabinet considered a report of the Children & Young People's Overview and Scrutiny Review Take up of Free School Meals & Holiday Provision. The report presented the findings, conclusions and recommendations of the Children and Young People's Overview and Scrutiny Committee working group review report on the Take up of Free School Meals and Holiday Provision which was attached to the report at appendix 2.

The terms of reference for the review were agreed by the Committee at its meeting held on 3 February 2016. The objective of the review was to raise awareness of the take up of free school meals and holiday provision in County Durham. The committee set up a working group of 8 members and gathered evidence over six meetings from key parties including: School Meals Service, School Nurses, Head Teachers; Young People; Area Action Partnerships; Churches Together and from the Head of Policy and Corporate Communications.

The review made six recommendations as follows:

1. Durham County Council uses considerate and positive language in all its communications so as not to stigmatise or disadvantage any person experiencing poverty and encourage partners to do the same.
2. The Corporate Director of Children & Young People's Services explore school admissions procedures and give consideration to the inclusion of an option for parents' National Insurance number on admission forms to enable Free School Meals eligibility checks on all children with the aim of:

- reducing the need for eligible parents to complete additional forms or from eligible parents missing out on claims
 - Improving funding for schools.
3. The Corporate Director of Children & Young People's Services encourage schools to check all their biometric terminals to ensure PIN code details are kept secure and that information cannot be seen by others when carrying out transactions and to take measures to remove a pupils lunch money balance from the customer screen and to consider alternative options for pupils to keep a check of their balance such as a receipt system.
 4. The Corporate Director of Children & Young People's Services and the Director of Transformation and Partnerships ensure all information on community projects providing holiday provision to communities is recorded and mapped centrally to ensure joined up working of all services and partners. Following the mapping exercise that a short electronic guide is produced and shared with schools, AAPs and Councillors to show where activities are located, types of activities offered, if food is included and cost.
 5. The Director of Transformation and Partnerships explore additional external funding opportunities for areas that experience levels of child poverty and holiday provision issues similar to those in East Durham and ensure that the model of best practice used by East Durham Area Action Partnership to help communities deliver holiday provision is promoted with other Area Action Partnerships.
 6. That a systematic review of the above recommendations is carried out and reported back to the Children and Young People's Overview and Scrutiny Committee six months following the report being considered by Cabinet.

The Scrutiny Review report on Free School Meals and Holiday Hunger was presented to the Children and Young People's Services management team on 7th October 2016. The members of the team acknowledged the important work undertaken in compiling the report, and the key messages it carried.

Decision

The Cabinet:

- Noted the recommendations in the report and agreed to formulate a response within the six month period identified in the report for systematic review of the recommendations.
- Agreed that the scrutiny review report on take up of free school meals and holiday provision is shared with the Health and Wellbeing Board and the Children and Families Partnership.

Safeguarding Adults Board Annual Report 2015/16

Summary

The Cabinet considered a report of the Corporate Director, Adults and Health Services which presented the County Durham Safeguarding Adult Board Annual Report for 2015/2016.

The introduction of the Care Act 2014, placed a statutory requirement upon the Safeguarding Adults Board to produce and publicise an annual report. The report provided information on the current position of the County Durham Safeguarding Adults Board and outlined achievements during the year 2015/2016. A number of specific areas were covered in the Annual Report as follows:

- Safeguarding in the national and local context.
- Achievements and impact during the year 2015/2016.
- Looking ahead, future actions and the refreshed Strategic Plan for 2016/17.
- Perspectives of the key partners.
- Key data on safeguarding activity in County Durham is throughout.

Decision

The Cabinet received the annual report and noted the ongoing developments achieved in this area of work.

Durham Local Safeguarding Children Board Annual Report 2015-16

Summary

The Cabinet considered a report of the Interim Corporate Director, Children and Young People's Services which presented the Durham Local Safeguarding Children Board Annual Report 2015-16.

Durham Local Safeguarding Children Board (LSCB) is a statutory body established under the Children Act 2004. The Durham LSCB Annual Report 2015-16 sets out the work of multi-agency partners to ensure effective arrangements are in place to safeguard and protect vulnerable children and young people from abuse and neglect. The report described the work undertaken against the 2015-16 priorities and sets out the future priorities for 2016-19 which include:

- Reducing Child Sexual Exploitation
- Improving Early Help
- Reducing Neglect (contributory factors are domestic abuse; alcohol misuse; substance misuse; parental mental health)
- Reducing self-harm and improving young people's self-esteem
- Increase the voice of the child
- Ensuring that each agency is accountable for delivery of its own safeguarding responsibilities

Decision

The Cabinet endorsed the Durham Local Safeguarding Children Board Annual Reports.

Mid-Year Review Report on Treasury Management for the period to 30 September 2016

Summary

The Cabinet considered a report of the Corporate Director Resources which provided information on the treasury management mid-year position for 2016/17 and sought approval of a revision to:

- (i) a Treasury Management Indicator for 2016/17; and
- (ii) the Council's Investment Strategy for 2016/17.

The Council operates a balanced budget, which means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially, before considering optimising investment return.

The second main function of the treasury management service is the funding of the Council's capital programme. Accordingly, treasury management is defined as 'the management of the local authority's investments and cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks'.

The Council adopts the latest CIPFA Code of Practice on Treasury Management (the Code) which is regarded as best practice in ensuring adequate monitoring of the Council's capital expenditure plans and its Prudential Indicators (PIs). This requires that Members agree the following reports, as a minimum:

- (iii) an annual Treasury Management Strategy in advance of the year (reported to the County Council on 24 February 2016);
- (iv) an annual review following the end of the year describing the activity compared to the strategy (reported to the County Council on 21 September 2016), and
- (v) a mid-year Treasury Management Review Report;

The Annual Treasury Management Statement for 2016/17 was approved by the Council on 24 February 2016. It recommended that revisions be made to the:

- Treasury Management Indicator for the upper limit on variable interest rate exposure.
- Investment Strategy

Treasury Management Indicator for the upper limit on variable interest rate exposure

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. The indicators are:

- (i) Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- (ii) Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- (iii) Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve an increase to the upper limit on variable rate loans as a percentage of net debt for 2016/17 to 70% from 30%, as set out in the following table. Net debt is total borrowing less total investments. The revision is necessary due to the high level of investments held by the Council, which reduces the net debt position and in turn increases the percentage of loans to net debt.

Interest rate Exposures	2016/17 Original	2016/17 Revised
Limits on fixed interest rates based on net debt	100%	100%
Limits on variable interest rates based on net debt	30%	70%

Investment Strategy

The approved limits for investments as previously agreed within the Annual Investment Strategy no longer meet the requirements of the treasury management function. The main reasons for the need to amend the strategy are:

- a. to facilitate a more balanced approach to investing by diversifying the Council's investment portfolio, spreading the investment risk and maximising investment returns (whilst having regard to security and liquidity);
- b. due to the re-categorisation of the loan with Durham County Cricket Club into equity;
- c. to invest in businesses within County Durham in order to encourage regeneration and economic development in the area.

The report recommended Cabinet to approve the following changes to:

- (i) extend the list of investment instruments categorised as non-specified to enable the Council to invest in other entities locally;
- (ii) increase the monetary limit for equity shareholdings up to:

- (a) £20 million in total (from £10 million) and
- (b) £11 million in an individual business;
- (iii) allow investment in property funds of not more than £10 million in total and £5 million in an individual fund.

Decision

The Cabinet:

- (a) approved the proposed changes to the Treasury Management Strategy for 2016/17;
- (b) noted the contents of the mid-year review report and agreed to report further to Full Council.

Forecast of Revenue and Capital Outturn 2016/17 – Period to 30 September 2016

Summary

The Cabinet considered a report of the Corporate Director, Resources which provided Cabinet with an updated forecast of 2016/17 revenue and capital outturn, based on the period to 30 September 2016 and included an updated forecast for the Council's Council Tax and Business Rates Collection Fund position at 31 March 2017.

This report updated the position presented to Cabinet on 14 September 2016 that showed the forecasted revenue and capital outturn based on expenditure and income up to 30 June 2016, provided updates to these forecasts and revised forecast balances on general reserves and earmarked reserves at 31 March 2017. The report also included the updated forecasts for the Council Tax Collection Fund and Business Rates Collection Fund for 2016/17.

The following adjustments have been made to the Original Budget agreed by Full Council in February 2016:

- (i) agreed budget transfers between Service Groupings
- (ii) additions to budget for items outside the cash limit
- (iii) planned use of or contribution to Earmarked Reserves

Capital

On 13 July 2016 Cabinet received a report which provided details of the final outturn position of the 2015/16 Capital Programme. The report also included the additional capital allocations of £54.422 million approved by Full Council on 24 February 2016 and the reprofiling of budgets from 2015/16 amounting to £17.119 million, which resulted in the establishment of the original 2016/17 budget of £126.090 million.

Cabinet subsequently approved further revisions to the capital programme on 14 September 2016, taking into account additional resources received by the authority and further requests for reprofiling as Service Management Teams continue to monitor and review their capital schemes. The revised 2016/17 Capital programme approved by Cabinet on 14 September 2016 is £128.653 million.

The report showed the forecast outturn for each service and the actual capital spend as at 30 September 2016.

The report included an updated forecast for the Council Tax and Business Rates Collection Fund position at 31 March 2017.

Decision

The Cabinet:

- (i) Noted the projected change in the Council's overall financial position for 2016/17.
- (ii) Agreed the proposed 'sums outside the cash limit' for approval.
- (iii) Agreed the revenue and capital budget adjustments.
- (iv) Noted the forecast use of Earmarked Reserves.
- (v) Noted the forecast end of year position for the Cash Limit and General Reserves.
- (vi) Noted the position on the Capital Programme and the Collection Funds in respect of Council Tax and Business Rates.

Colette Longbottom
Head of Legal and Democratic Services
18 November 2016