

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 28th June, 2012 at 5.00 p.m. at the Civic Offices, Telford

PUBLISHED ON WEDNESDAY, 4th JULY, 2012

(DEADLINE FOR CALL-IN: MONDAY, 9th JULY, 2012)

PRESENT: Councillor K.S. Sahota (Leader and Chair), E.A. Clare, S. Davies, A.R.H. England, W.A.M. McClements, R.A. Overton, H. Rhodes, C.F. Smith and P.R. Watling

ALSO PRESENT: Councillor A.J. Eade (Conservative Group Leader) and Councillor W.L. Tomlinson (Lib Dem/Independent Group Leader)

CB-11 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 31st May 2012 be confirmed and signed by the Chairman.

CB-12 APOLOGIES FOR ABSENCE

None

CB-13 DECLARATIONS OF INTEREST

Councillor S. Davies declared a personal and prejudicial interest in relation to Agenda item 6 – Youth Offending Service Review

Councillor A.R.H. England declared a personal interest (as a youth court magistrate) in Agenda item 6 – Youth Offending Service Review

CB-14 SERVICE & FINANCIAL PLANNING – 2011/12 OUTTURN

Key Decision identified as **Service & Financial Planning: 2011/12 Outturn and 2012/13 Update** in the Forward Plan published on 16th May 2012.
Recommendations to Council - not subject to call-in

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Finance, Audit & Information Governance, which informed Members of the final outturn position for Revenue and Capital for 2011/12.

The gross revenue budget for 2011/12 was £409m – the net budget for reporting purposes was just over £129m. The revenue outturn position was within budget, with a final net under-spend of £1.8m (-1.42% of net budget). It had been a very challenging year with government grant cuts of £13.6m, and a major programme of restructuring and service reviews continuing across all

Council services to deliver the level of savings required. The outlook promised to be equally difficult with further pressure on resources and increasing demands on services due to the recession. Given this context, it was a particularly positive year-end position which demonstrated the stringent financial management in place and the efforts of employees across the Council to make efficiency savings wherever possible. Provision had been made for the £2.1m required as part of the 2012/13 budget strategy, and to create an Invest to Save fund totalling £1m which would assist with the delivery of future savings.

There had been a number of service pressures experienced in 2011/12: particularly the cost of children in care (£1.5m overspend relating to both placements and the use of agency workers), adult social care purchasing (£0.993m overspend) and income shortfalls totalling £1.9m. Benefits had arisen from treasury management activities, restructure savings, vacant posts, and concessionary transport. Details of budget variations over £0.100m within each service delivery unit were set out in the report.

Capital spend ended the year at £71m, against an approved estimate of £84m, which was in the main due to re-phasing into 2012/13. The main scheme delays/re-phasing to 2012/13 were detailed in the report, along with a number of new approvals and virements.

Council Tax collection (£59m) and Business Rates (£65m) and sales ledger income collection (£35m) were slightly behind target for the year.

Summaries of the outturn on revenue and capital, along with major variations, were appended to the report.

Councillor A.J. Eade (Conservative Group Leader) expressed concern at the overall overspend on the cost of children in care, and in particular on the amount paid for agency staff. The Cabinet Member for Resources & Service Delivery and Councillor P.R. Watling (Cabinet Member for Children, Young People & Families) stated that there had been an impact as a result of the restructuring of services. However, it was expected that there would now be more stability, and that every effort was being made to reduce the use of agency workers. However, the Cabinet was very clear that it would not put a price on children's safety.

RESOLVED – to RECOMMEND to COUNCIL

- (a) that the revenue outturn position for 2011/12 and related virements, as shown in Appendix III of the report, be approved, subject to audit by the Council's internal auditors. (This includes the following transfers into provisions and reserves: £2.145m to support the 2012/13 budget strategy; £1m to create an Invest to Save fund (including the £0.5m approved in February's financial monitoring); £0.330 to support Council-wide Capacity/Training; £1.5m to fund severance costs associated with the delivery of ongoing revenue savings; £0.400m to address environmental issues);**

- (b) that authority be delegated to the Managing Director, in consultation with the Cabinet Member for Resources & Service Delivery, to approve bids against the Capacity and Environmental works reserves;
- (c) that the Capital outturn position and related supplementary estimates, virements and re-phasing, as shown in Appendix IV of the report, be approved;
- (d) that the performance against income targets be noted.

CB-15 SERVICE & FINANCIAL PLANNING UPDATE

Key Decision identified as **Service & Financial Planning: 2011/12 Outturn and 2012/13 Update** in the Forward Plan published on 16th May 2012 .

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Managing Director and the Assistant Director: Finance, Audit & Information Governance, which provided an update on progress on meeting the remaining target for savings in the current year, and on the more significant challenge of identifying proposals for a projected gap of around £3.7m for 2013/14.

At the March Council meeting, specific savings proposals totalling £19m gross were agreed. However, a further £0.88m of savings were needed but had not been specifically identified at that stage. Appended to the report were details of just over £0.9m of savings proposals that would meet this remaining target.

The March projections showed that around £3.7m further savings would be needed for 2013/14 on top of the £9.3m gross savings proposal already budgeted for. This assumed that the Council's £2.1m share of NHS funding passported via the Primary Care Trust (PCT) for adult social care expenditure was still available in 2013/14 – although this had not yet been confirmed. However, positive discussions with the PCT about reducing the cost to the Council from 2013/14 for Continuing Healthcare cases meant that the remaining projected shortfall could be reduced from £3.7m to £2.7m. It was becoming increasingly difficult to identify areas for further savings, but some initial proposals were included in the report.

A number of the savings proposals now going forward were dependent on investment up-front in order to achieve ongoing revenue savings. It was recommended that these invest to save bids were reviewed by the Cabinet Member and authority delegated to the Managing Director to approve the bids. Work was in progress to generate further savings proposals.

In response to a question from Councillor A.J. Eade, the Cabinet Member advised that a further report would be brought to Cabinet in September, when there would be more detail on the proposed savings proposals – particularly in relation to non-staffing costs. The Cabinet Member added that the situation

was not helped by the uncertainty about the new Local Government Finance system which was due to be operational from 2013/14.

RESOLVED –

- (a) **that the additional 2012/13 savings proposals shown at Appendix 1 of the report be approved, and an Impact Statement completed;**
- (b) **that authority be delegated to the Managing Director, in consultation with the Cabinet Member for Resources & Service Delivery, to approve Invest to Save bids.**

(Councillor S. Davies withdrew from the meeting room for the following item).

CB-16 YOUTH OFFENDING SERVICE (YOS) REVIEW

Key Decision identified as **Youth Offending Service** in the Forward Plan published on 16th April 2012.

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Assistant Director: Family & Cohesion Services, which set out proposals for determining the most appropriate service model for providing an effective Youth Offending Service (YOS).

Currently West Mercia had two Youth Offending Services – one covering Shropshire and Telford & Wrekin, the other covering Worcestershire and Herefordshire. Although both services performed well, the changing landscape for local authorities and criminal justice agencies had prompted a review of how the service was delivered. A project board (including Children’s Services Directors from each LA) had been established, and this group had established a vision which focused on preventing youth crime, rather than simply responding to it. A number of principles for change had also been agreed, against which a number of service delivery options had been tested. Details of this appraisal process were shown in the report. The preferred option was for the delivery of a Core Service across West Mercia on a hosted basis. This would be done under a formal partnership agreement, with a new YOS Management Board to ensure that the service was being delivered. Non-core services would be commissioned by each Local Authority, and it was envisaged that in-house provision would remain in the short term.

In terms of hosting the Core YOS, the best option in terms of synergies and costs was for the West Mercia Probation Trust to provide a “clinical lead” for the Core YOS as part of a transition process that could be achieved by April 2013. This arrangement would be reviewed after 18 months to allow exploration of commissioning the service through a competitive process, as well as gathering more information on the optimum range and delivery of non-core services.

During discussion of the report, Cabinet Members emphasised that the YOS was not being privatised, and that the Service must be user-led and targeted

at those vulnerable young people with complex needs. The aim was to get the best possible service within the constraints of the current economic climate.

RESOLVED –

- (a) **that work should progress to establish a distinct core model for a West Mercia Youth Offending Service (YOS), and to consider the optimum delivery mechanisms for non-core services using a commissioning approach;**
- (b) **that, as part of the transition process, the preferred option for the West Mercia Probation Trust to provide a “clinical lead” for a core YOS be approved, and that implementation should proceed to achieve this;**
- (c) **that authority be delegated to the Director of Children’s Services, in consultation with the Cabinet Member for Children, Young People & Families, to negotiate and agree the terms of the agreement with West Mercia Probation Trust;**
- (d) **that this arrangement be reviewed after 18 months, to allow exploration by the Local Authorities, jointly and individually through the YOS Management Board, of commissioning a single core YOS through a competitive process to secure a third party provider from year three, if that is the conclusion of the review;**
- (e) **that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to sign or seal any such agreement.**

CB -17 CIVIC OFFICES SITE - APPROPRIATION

Key Decision identified as **Civic Offices Appropriation** in the Forward Plan published on 24th May 2012.

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Development, Business & Housing, which requested Cabinet to appropriate the Civic Offices site for planning purposes to facilitate its development.

On 29 March 2012, Cabinet resolved in principle that the Civic Offices site was no longer required to be held by the Council for office and associated car parking purposes. This was advertised in a local newspaper, with a 21 day period for any representations to be made. One representation was received, from the solicitors representing the Telford Trustees – owners of Telford Shopping Centre. A copy of the letter was appended to the report. The representation put forward a number of objections to the Council’s appropriation of the Civic Offices site. These were detailed in the report, along with the Council’s responses. A further letter had been received from the solicitors representing the Telford Trustees following publication of the Cabinet agenda. This letter was tabled at the meeting, and its contents fully

considered by Members together with officer's comments on the representations made. The Council's Commercial Solicitor advised that: in relation to paragraph 3 – it could be demonstrated that the redevelopment of the Civic Offices site would facilitate additional development that would provide additional benefits to the wider regeneration of the Southwater area in the Town Centre.

in relation to paragraph 4 – the Trustees have not indicated in previous correspondence that they would be prepared to surrender their rights by agreement. In addition, discussions had taken place over a long period of time with the Trustee's representatives in an attempt to agree a solution, but these discussions had proven unsuccessful. In addition, the Trustees were not the only landowners with the benefit of rights arising from the restrictive covenants.

in relation to paragraph 5 - this paragraph confused causes and effect. Planning permission had been secured for the site and to enable it to be redeveloped in accordance with this permission, it was necessary to deal with the restrictive covenants affecting the use.

in relation to paragraphs 6 and 7 – these issues had been dealt with in the main report.

Following careful consideration of the representations that had been made, and the responses that had been provided, Members were satisfied that there was clear evidence that the public benefit of appropriating the site for planning purposes outweighed the potential private loss that might be incurred.

RESOLVED – that in accordance with section 122(1) of the Local Government Act 1972, and having considered representations received, the decision on 29th March 2012 to appropriate for planning purposes the Civic Offices site (as identified in the plan at Appendix 1 of the report) because the land is no longer required to be held for office accommodation and associated car parking purposes be reaffirmed.

CB-18 REPRESENTATION ON OUTSIDE BODIES 2012/13

Non-Key decision

Councillor R.A. Overton, Deputy Leader, presented the report of the Assistant Director: Law, Democracy & Public Protection which requested Cabinet to approve the nominations made to Outside Bodies for 2012/13.

Appended to the report was the list of outside bodies to which representatives were appointed on an annual basis. Nominations had been sought from each of the political Groups for those appointments that were not by position, and these were shown in the Appendix. No further nominations had been received from the Conservative Group.

RESOLVED – that the nominations to represent the Council on outside bodies for 2012/13, as set out in Appendix 1 of the report, be approved.

CB-19 EXCLUSION OF PRESS AND PUBLIC

RESOLVED - that the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

CB - 20 TELFORD INTERNATIONAL RAILFREIGHT PARK

Key Decision identified as **Appointment of an Operator for the Telford International Railfreight Park** in the Forward Plan published on 16th April 2012.

Councillor C.F. Smith, Cabinet Member: Housing, Regeneration & Economic Development, presented the report of the Assistant Director: Development, Business & Housing, which sought approval to appoint an operator for Telford International Railfreight Park following a procurement process.

Following the executing of a break clause in the contract by the previous operator, Cabinet in December 2011 agreed to procure a new operator for the terminal through the OJEU procurement process. The report detailed the stages of this process, consultation with industry experts and the engagement of a firm of rail logistics experts to advise on and support the evaluation of tenders received. Two tenders were submitted at Stage 2 of the procurement process, and the evaluation and scoring of the tenders was detailed in the report, including financial analysis and modelling. From a financial perspective, there was a marked difference between the two submissions – with one being cost neutral to the Council and the other requiring an ongoing weekly financial contribution from the Council.

RESOLVED –

- (a) that the appointment of DB Schenker as the operator for Telford International Railfreight Terminal be approved;**
- (b) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member for Housing, Regeneration & Economic Development, to conclude contract negotiations and enter into a Lease and Operating Agreement with DB Schenker;**
- (c) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to take any required procedural steps and enter into any necessary legal agreements to facilitate the transfer of the Transport & Work Act Order undertaking to DB Schenker for the duration of the proposed lease.**

The meeting ended at 5.55 p.m.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Law, Democracy & Public Protection
Date: 4th July 2012

Signed:

Date: