

## **CABINET**

**Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 8th January, 2015 at 5.00 p.m. at Addenbrooke House, Ironmasters Way, Telford**

**PUBLISHED ON WEDNESDAY, 14th JANUARY, 2015**

**(DEADLINE FOR CALL-IN: MONDAY, 19<sup>TH</sup> JANUARY, 2015)**

**PRESENT:** Councillors 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:** Councillors A.J. Eade (Conservative Group Leader) and Councillor W.L. Tomlinson (Liberal Democrat/Independent Group Leader)

### **CB-71      MINUTES**

**RESOLVED** – that the minutes of the meeting held on 11<sup>th</sup> December 2014 be confirmed and signed by the Chair.

### **CB-72      APOLOGIES FOR ABSENCE**

None

### **CB-73      DECLARATIONS OF INTEREST**

None

### **CB-74      FINANCIAL MONITORING 2014/15**

**Key Decision** identified as **2014/15 Financial Monitoring** in the Notice of Key Decisions published on 8 December 2014.

**Part Recommendations to Full Council in relation to decisions (a) to (c) below not subject to Call-in**

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Finance, Audit & Information Governance, which provided Members with the latest financial monitoring information for 2014/15.

The net outturn position for the General Fund revenue budget was currently projected to be within budget, and with a projected underspend of £2.8m. This was a further improvement on the position in October when a net overall overspend of £0.300m was reported. £3m of contingency which had prudently been set aside as part of the budget should also be available at year end.

This was a reflection of the strength of the financial management being exercised by Cabinet Members and officers.

There were a number of variations from the approved budget, including the cost of Children in Care placements (overspend of £1.4m); the cost of Adult Care and Support services (projected overspend of £5.7m relating to care packages); and provision of in-house services to Adults with Learning Disabilities (overspend of £0.3m). Projected variances of over £0.100m for individual service delivery units were detailed in the report. There were benefits from net in-year savings across all services of just over £6m, active treasury management of £1.5m and £1.95m from the implementation of single status which would not now happen in this financial year.

In relation to use of the projected underspend, it was proposed that additional funding for two priorities be made - £0.260m for Community Pride Fund (as previously agreed) and £0.750m for Capacity Fund. This would take the underspend to £1.8m. Together with the unused element of the budget contingency (currently £3m), this would be used to support the 2015/16 budget strategy and the delivery of future savings. The overall position also included full use of both the Safeguarding and Adult Social Services draw down budgets, and assumed that Transforming Telford Ltd was closed this year and released £0.73m of revenue balances.

The capital programme totalled £137m, which included slippage and all approvals since the budget was set. Spend was currently standing at around 38%. The report detailed a number of new approvals, virements and slippage, along with some changes to the funding of the capital programme. It was proposed to make further expenditure of £150,000 to undertake some further ecological and site access works as part of the preparation of the site at Donnington for the MoD fulfilment centre. The expenditure would be recoverable from the successful bidder if Donnington was selected as the location, but might be abortive otherwise. This additional expenditure would be funded from within the existing 2014/15 capital programme.

Collection levels for Council Tax, NNDR and Sales Ledger debt were all slightly behind the targets set for the year.

### **RECOMMENDED TO COUNCIL –**

- (a) that the transfer of £0.750m to the Capacity Fund be approved;**
- (b) that the new allocations, virements and slippage detailed in Appendix 3 and the funding changes to the capital programme detailed at paragraph 6.3 of the report be approved;**
- (c) that a further £150,000 of capital expenditure to develop the site at Donnington for use as a MoD fulfilment centre be approved, to be funded from the existing 2014/15 capital programme.**

## **RESOLVED –**

- (d) that it be noted that 2014/15 revenue spending is currently projected to be within budget at year end, and that work continue to sustain this position;
- (e) that the position in relation to capital spend and receipts be noted;
- (f) that the collection rates for NNDR, council tax and sales ledger be noted.

## **CB-75      SERVICE & FINANCIAL PLANNING 2015/16 – 2017/18**

**Key Decision** identified as **Service & Financial Planning 2015/16 – 2017/18** in the Notice of Key Decisions published on 15 August 2014.

### **Council decision – not subject to Call-in**

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Managing Director and the Chief Financial Officer, which set out the proposed service and financial planning strategy for the period 2015/16 to 2017/18 with specific budget proposals for 2015/16, and the proposed engagement and consultation activities with the community. He thanked the Chief Financial Officer, his team and officers from across the Council for all their hard work in preparing the draft budget.

The Cabinet Member set out the background and context to the budget round, particularly in relation to the unprecedented cuts in Government grant funding whilst at the same time demand for many services had been increasing. Nearly £70m of savings would have been delivered by April 2015 - equivalent to nearly £1,000 for every household in the Borough. The provisional Local Government Finance Settlement confirmed that councils would continue to face significant spending cuts and financial challenges. For Telford & Wrekin the Revenue Support Grant for 2015/16 would see a reduction in “spending power” of 2.7% against an average reduction across the country of 1.8%. However, this masked a real cut in grant of over 25%. Despite the severe financial challenges the Council faced, the clear priority of the Administration was to attract new jobs and investment and promote growth in the Borough, whilst seeking to protect, as far as possible, front line services – with a commitment to work co-operatively with residents and partners to deliver these priorities. The Council’s business winning agenda was leading to significantly higher than average economic growth in the Borough, adding £350m to the local economy. The Council continued to drive costs down and get increased value for money from its commissioning. .

The report set out the key budget strategy proposals for 2015/16, including the following commitments:

- Freezing Council Tax for the next two years;
- £1m fund to help revitalise and invest in the high streets of borough towns and district centres;

- Further £250,000 investment in “Destination Telford” initiatives and events over the next three years;
- Investing just under £4m over two years to roll out Superfast Broadband to those areas of the Borough without coverage;
- A Borough wide environmental investment programme of £750,000 over two years to tackle key issues raised by residents and to continue investment in Parish Environmental Teams;
- Community Pride Fund of £1m for 2017/18;
- Further support for the regeneration of local centres with £650,000 to refurbish the former youth club building at Gower Street, St Georges;
- A £6m capital investment into road, footpath and other highway improvements over the next three years;
- Free swimming for residents over 50 for four years;
- Tackling youth unemployment - a further £650,000 investment in the Job Box initiatives started in the current year to find more ways for local businesses to take on and employ young people;
- Additional ring-fenced funding to protect and support vulnerable children and adults.

In terms of the base budget position, the Council was facing a projected funding gap of £2.541m for 2015/16, which after the application of savings proposals, additional cost pressures and proposed investments gave a projected net shortfall of £0.833m. This would be funded from the projected underspend at the end of 2014/15. The Council’s grant allocation was still suffering from the effects of grant “damping” and population undercount, which cumulatively amounted to a further £2.8m of grant reduction.

Attached to the report were a number of appendices, including savings proposals, Impact Assessments of the savings proposals, the Capital Investment Programme, details of Reserves and Balances and details of education related Section 106 Agreements. A programme of community engagement and consultation on the budget proposals would be undertaken over the next few weeks. This would also seek views on future Council plans/services, highlight simple ways that residents could help the Council to save money, and communicate key budget messages including the growth agenda. Details of the communication and engagement plan were appended to the report. Final proposals would be considered by the Cabinet on 26 February 2015 for recommendation to full Council on 5 March 2015.

Councillor A.R.H. England, Cabinet Member: Adult Social Care, reported on the implementation of the Cost Improvement Plan for Adult Services which was now achieving results in reducing costs. There were still significant service pressures, but the contingency sum this year had allowed the change programme to be progressed. This did take time, but through driving down supplier costs and re-organising service provision etc services to clients were being protected as far as possible.

Councillor W.L. Tomlinson ((Lib Dem/Independent Group Leader) welcomed the general direction of the budget, and highlighted the unfairness of Government grant funding. Cuts in central government spending were also impacting on the provision of infrastructure and community facilities for new

housing developments, and leading to further problems. Councillor A.J. Eade (Conservative Group Leader) advised that his Group was preparing alternative budget proposals. However, these had been delayed due to delays obtaining some information. In terms of the Administration's budget proposals, there was concern at a further £3m cut in Adult Services at the same time as spending more money on Community Pride initiatives.

Councillor McClements referred to an agreement that Councillor Eade was a party to regarding the submission of budget proposals for Scrutiny. He had not had any requests for information, or been made aware of problems about obtaining that information, from Opposition Members. The Cabinet would ensure that relevant information would be provided, but that it would be up to Scrutiny to decide if they would accept late submission of the Conservative Group's budget proposals. In relation to Adult Care services, there had been no reduction in overall spend through to the end of 2013/14. Nationally, 52% of spending reductions related to adult social care services compared with only 22% in Telford & Wrekin. It was also possible to get better quality services for less cost – eg: less use of costly residential care that did not provide good outcomes for many elderly people.

#### **RESOLVED –**

- (a) that the service and financial planning strategy as set out in the report be approved for consultation with the community;**
- (b) that authority be delegated to the Assistant Director: Family, Cohesion & Commissioning, in consultation with the Cabinet Member: Adult Social Care, to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006 (as amended);**
- (c) that the Assistant Director: Law Democracy & People Services be authorised to execute all necessary contract documentation, including the affixing of the common seal of the Council as appropriate to enable the Council to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006.**

#### **CB-76      HOUSING INVESTMENT PROGRAMME – BUSINESS CASE**

**Key Decision** identified as **Housing & Property Investment Phase 2** in the Notice of Key Decisions published on 17 September 2014.

Councillor S. Davies, Cabinet Member: Neighbourhood Services, Employment & Skills and Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Director of Development, Business & Customer Service, which detailed the Business Case to deliver approximately 425 private and affordable rented properties on Council owned land via a proposed Wholly Owned Company (WOC).

In July 2014 Cabinet approved a Housing & Property Investment Programme which would meet a number of the Council's objectives in terms of providing

a significant number of quality private rent and affordable rent homes, creating jobs, stimulating economic growth and delivering income and capital growth for the Council. It had also been agreed to deliver the housing elements of the programme through a special purpose housing company to develop new homes on Council owned land. Appended to the report was the Business Case for the establishment of a WOC. The project team working on the proposals had worked with professional advisors on the key modelling assumptions, and this confirmed that the net returns previously reported remained achievable, and would generate a surplus to the Council over the period of the project. The Council's external auditors had confirmed that they were satisfied that the project would deliver an appreciating asset for the Council. The capital costs and source of funding were detailed in the report, along with the impact on the General Fund. The report also set out the legal position in relation to the WOC, as well as the proposed governance arrangements. Advice had been received that a minimum of three directors would be appropriate, and the Council (as sole shareholder) would have the power to appoint (and remove) directors. The initial directors needed to be identified, and it was proposed that the Managing Director would appoint existing officers. Democratic accountability was key to the project, with the Council (through the Cabinet) retaining a power of decisive influence over the WOC. The Business Case set out a proposed governance structure which split responsibilities between Cabinet, a more formalised Project Board and the WOC Board of Directors.

Councillor A.J. Eade (Conservative Group Leader) referred to the risks attached to this project, including the estimate of contributions to Section 106 Agreements, interest rate changes and assumptions about the amount of income from New Homes Bonus. By using a WOC, the Council would also be exposed to more debt. He believed that the project would be better delivered by the private sector, which would take the risk away from the Council. Councillor W.L. Tomlinson ((Lib Dem/Independent Group Leader) stated that he would like to have seen some social housing provided, and sought clarification on the reporting mechanisms back to Elected Members on the operation of the WOC. In response, the Cabinet Members reported that the financial assumptions in the report were based on conservative estimates, that private sector options would leave the Council 25% worse off, and that there had been little interest from the private sector in developing the sites in this programme. It was regrettable that social housing did not form part of the programme, but the current rules on Right to Buy made it too much of a risk. There would be reports back to Cabinet from time-to-time.

**RESOLVED –**

- (a) that the Business Case, as attached at Appendix A of the report, be approved;**
- (b) that the revised terms of reference and governance arrangements for the Project Board contained within Appendix A (A2) be approved;**

- (c) that authority be delegated to the Managing Director, in consultation with the Cabinet Members for Neighbourhood Services, Skills & Employment and Finance & Enterprise, to approve any minor amendments to the Business Cases providing the borrowing is in accordance with the Cabinet report of 24<sup>th</sup> July 2014 and full Council of 11<sup>th</sup> September 2014;
- (d) that authority be delegated to the Managing Director to establish the Wholly Owned Company (“WOC”) as detailed within the Business Case;
- (e) that authority be delegated to the Managing Director, in consultation with the Cabinet Members for Neighbourhood Services, Skills & Employment and Finance & Enterprise, to approve the Company’s Business Plan providing that it is in line with the Business Case and the borrowing is in line with the Cabinet report of 24<sup>th</sup> July 2014 and full Council report of 11<sup>th</sup> September 2014. (It is noted that the business plan will include the Company’s lettings and allocations policy, rent setting policy, tenancy terms and enforcement policy. Governance and monitoring of the Business Plan and Company’s performance will be in accordance with the Business Case and the Project Board’s terms of reference and governance arrangements);
- (f) that authority be delegated to the Managing Director to appoint and replace the directors of the Company on the Council’s behalf.

**CB-77      COUNCIL TAX SUPPORT SCHEME 2015/16**

**Non-Key Decision**

**Recommendations to Council – not subject to Call-in**

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Customer Services, which set out the proposed policies for 2015/16 in relation to Council Tax Support and the Hardship Fund.

The Council Tax Support (CTS) Scheme was introduced in April 2013 to award council tax discounts to customers who were on low incomes, based on a series of principles and eligibility criteria. A review of the 2014/15 scheme had taken place, and it was recommended that the same local scheme be retained for 2015/16, except for technical and legislative amendments that were necessitated each year by Government. This reflected the Cabinet’s proposal to freeze Council Tax over the next two years, which meant there would not be any additional pressure on the CTS scheme in 2015/16. It was also anticipated that demand might decrease as the economy improved and unemployment levels fell. As part of the 2013/14 scheme, a one-off hardship fund of £65,000 was set aside to provide additional assistance to Council Tax Support claimants who were genuinely having difficulty paying the additional charges as a result of the reduction in support awarded following the Government’s decision to reduce the funding available by 21%. Unspent

money of around £30,000 was rolled forward to 2014/15 but this was projected to be fully spent by year end. The Hardship scheme had been invaluable in providing additional support to the most vulnerable customers, and it was proposed to fund the Scheme for a further 12 months at a cost of £30,000. The policy for awarding Council Tax hardship would remain unchanged.

The proposed CTS scheme for 2015/16 had been subject to consultation with precepting authorities and with the cross-party joint Co-operative & Communities and Budget & Finance Scrutiny Committees. A full public consultation exercise was not required.

### **RESOLVED TO RECOMMEND TO COUNCIL**

- (a) that the Council Tax Support Scheme Policy for 2015/16, as shown at Appendix A of the report, be approved;**
- (b) that the Council Tax Hardship Policy and fund of £30,000 continues in 2015/16.**

### **CB-78      ANNUAL PUBLIC HEALTH REPORT 2014**

#### **Non-Key Decision**

The Director of Public Health presented her statutory Annual Report for 2014, a copy of which was included with the agenda.

This year the Annual Public Health Report had focussed on some of the wider determinants of health and wellbeing and featured the work of a range of Council functions and how they impacted on people's health. The Report had four main sections:

- The best start in life – focussing on healthy infants, schools and pupils;
- Helping people to find good jobs and stay in work;
- Being Active- access to green and open spaces, active travel and role of leisure services
- Strong communities, wellbeing and resilience.

The Report included some key headline local statistics and the current work being undertaken to address these wider determinants of health. There were also a number of case studies which highlighted the impact that this work was having on individuals and families. The new Five Ways Telford blog was also being promoted as a social media mental wellbeing campaign to feel well, be more positive and to get more from life.

The Report contained a number of recommendations for consideration. These sought to strengthen the Council's role in promoting employee health and wellbeing, in improving the emotional wellbeing of children and young people and in tackling health inequalities and lack of exercise.

Councillor R.A Overton, Cabinet Member for Public Health & Public Protection, thanked the Director, and added that the Health & Wellbeing

Board had welcomed the Report and had been very positive about it. He also highlighted a number of initiatives that were being undertaken to address the recommendations made in last year's Report.

**RESOLVED** – that the Annual Public Health Report 2014 be noted, and that the recommendations contained within it be supported.

**CB-79      THE PROVISION OF SECURITY SERVICES (SCHOOLWATCH) - PROVIDING SECURITY PATROLS AND KEYHOLDING SERVICES TO SCHOOLS AND OTHER COUNCIL OWNED BUILDINGS IN THE BOROUGH**

**Key Decision** identified as **Schools Watch Security Services Tender Renewal** in the Notice of Key Decisions published on 8 December 2014.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Customer Services, which sought approval to retender and award a contract for the provision of security services.

The aim of the Schoolwatch contract was to reduce crime and vandalism in and around schools and other Council owned sites in the Borough. It had now run for 14 years and had proved to be a great success, with 95% of schools signing up. The vast majority of Council owned premises had been added to the contract, thus ensuring a more co-ordinated approach to site security arrangements.

The contract was due for renewal in June 2015 to commence on 1 September 2015 for a three year period with an optional 2 year extension. It was therefore proposed to undertake a market engagement and competitive tender process in accordance with the Council's contract procedure rules. The cost of the service in 2014/15 was approximately £220k, although around £150k of this was recouped from schools and other users of the service.

**RESOLVED -**

- (a) that authority be delegated to the Assistant Director: Customer Services, in consultation with the Cabinet Member: Finance & Enterprise, to retender and award the contract for the provision of security services (patrols and keyholding) to schools and other Council owned buildings within the Borough with effect from 1 September 2015;**
- (b) that the Assistant Director: Law Democracy & People Services be authorised to agree and execute all final contract documentation, including the affixing of the common seal of the Council as appropriate under Article 14 of the Constitution and Section 21 of the Contract Procedure Rules.**

The meeting ended at 6.41 pm.

**Signed for the purposes of the Decision Notices**

**Jonathan Eatough**  
**Assistant Director: Law, Democracy & People Services**  
**Date: 14 January 2015**

**Signed: .....**

**Date: .....**