

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 20th February, 2014 at 5.00 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington, Telford

PUBLISHED ON WEDNESDAY, 26th FEBRUARY, 2014

(DEADLINE FOR CALL-IN: MONDAY, 3rd MARCH, 2014)

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), W.L. Tomlinson (Liberal Democrat/Independent Group Leader) and S.A.W. Reynolds (Chair – Budget & Finance Scrutiny Committee)

CB-86 MINUTES

RESOLVED – that the minutes of the meeting held on 30th January 2014 be confirmed and signed by the Chair.

CB-87 APOLOGIES FOR ABSENCE

None

CB-88 DECLARATIONS OF INTEREST

None

CB-89 FINANCIAL MONITORING 2013/14

Key Decision identified as **Financial Monitoring 2013/14** in the Notice of Key Decisions published on 21 January 2014.

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 2013/14.

Strong financial management continued, including early and effective action to identify further in-year savings of £2.5m. Revenue spending was now projected to be underspent by £0.80m at year end. This underspend, together with the unused part of the Council's budget contingency, would be used to supplement the Invest to Save and Severance funds at year end – in order to support the delivery of further savings in 2014/15. Therefore, the overall revenue position was positive and, if maintained, would put the Council in a

good a position as possible to face the further unprecedented levels of cuts in grants that would be made by Government next year.

There were still a number of significant pressures on the budget, including the cost of Children in Care placements (overspend of £2.1m); the cost of Adult Care and Support services (combined projected overspend of £4.4m); transport costs in Family & Cohesion and Adult Care & Support (overspend of £0.3m); increased use of Rapid Response Highways gangs (cost of £0.2m); and an income shortfall of £0.3m relating to Lifelong Learning. Projected variances of over £0.100m for individual service delivery units were detailed in the report. There were benefits from active treasury management of £1.1m, savings of £0.4m arising from general waste and recycling services, and a benefit of £0.3m arising from recovery of benefit overpayments.

The capital programme totalled £99m, which included slippage from 2012/13 and approvals to date. Spend was currently standing at 43%. Funding for the programme included a significant amount of capital receipts anticipated to be delivered over the medium term. As previously reported, a contingency plan was being developed should some of the receipts not be forthcoming. The total value of receipts expected in 2013/14 was £5.4m.

Collection levels for Council Tax, NNDR and Sales Ledger debt were behind the targets set for the year, although in terms of Council Tax it was difficult to anticipate the final out-turn because there were now more people spreading payments over a twelve month period.

Councillor A.R.H. England, Cabinet Member: Adult Care & Support, reported that, following intensive discussions, there was now some measure of agreement with the Telford & Wrekin Clinical Commissioning Group (CCG) on the issue of funding for Continuing Health Care. Not all the issues had been resolved, but it did give a basis for moving forward together on joint funding (via the Better Care Fund) and joint working for health and social care services. The Council would also work jointly with the CCG to support them in delivering savings.

RESOLVED –

- (a) that it be noted that the 2013/14 revenue spend is currently projecting to be within budget at year end, and that the proposed use of the contingency, as detailed at paragraph 5.1 of the report, be approved;**
- (b) that the position in relation to capital spend and receipts be noted;**
- (c) that the collection rates for NNDR, council tax and sales ledger be noted.**

Key Decision identified as **Service & Financial Planning 2014/15 – 2015/16** in the Notice of Key Decisions published on 21 January 2014.

Recommendation to Council- not subject to Call-In

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented a series of reports of the Managing Director, the Assistant Director: Finance, Audit & Information Governance (Chief Financial Officer) and the Assistant Directors for Development, Business & Housing and for Neighbourhood & Leisure Services. The reports, detailing the Revenue Budget, Capital Programme, the Treasury Management Strategy and Prudential Indicators, formed the Council's overall Medium Term Service & Financial Planning framework, and identified the service priorities and budget for 2014/15 as well as savings proposals to be delivered over the next two years, and a medium term capital programme. He thanked Officers for preparing the budget against a backdrop of such financial constraint, and thanked the consultation team and all those people who had taken part in the budget consultation exercise.

The Overview and Revenue Budget report set out the pressures facing the Council, including projected grant cuts of around £52.9m in real terms over the last five years, further reductions in spend of £22m over the next two years to meet further cuts in Government grants, reduced income from having a relatively low council tax, increasing numbers of older people needing adult care services and the loss from "grant damping" of £1.6m per annum.

Following the publication of its draft budget proposals in early January, and a one month consultation period, Cabinet had confirmed its key budget strategy proposals for 2014/15 as:

- Freezing Council Tax for the next two years – as agreed as part of its Strategy by Cabinet on 14 November 2013;
- Winning and supporting jobs and investment;
- Minimising cuts to priority services for vulnerable adults and children as far as possible, against a backdrop of unprecedented cuts in government funding, through generating income from growth in the Borough and from selling surplus assets;
- Investing in Safeguarding Children from harm and neglect, including the creation of an additional budget of £1.2m to be drawn down as required to meet demand;
- Investing in facilities for disabled people - to help people to remain living independent lives in their own homes rather than moving into residential care;
- Investing in communities – some one-off investments of £8m capital funding and £1.6m revenue funding over two years could be proposed as a result of the planned early delivery of ongoing savings and effective treasury management. This would fund environmental and infrastructure improvements and help to ensure that the Borough was an attractive place for people that wanted to come to live and locate businesses;

- Investing in roads – a commitment to a programme of £2m per annum to maintain the road network for the next 3 years over and above the funding allocated by Government for this purpose;
- Tackling youth unemployment - £1.3m of revenue funding over two years to deliver a range of pledges and actions to tackle youth unemployment;
- Destination Telford – an investment of £0.1m to promote Telford as a place to visit, live, work and invest in.

Attached to the report were a number of appendices, including savings proposals, a Safeguarding and Early Help Cost Improvement Plan, Impact Assessments of the savings proposals, the Capital Investment Programme, and details of Reserves and Balances.

Following publication of the Cabinet's budget proposals in January 2014, there had been extensive consultation via a wide range of media and settings to involve local people and allow them to express their views. This included an open public meeting at The Place @ Oakengates attended by 46 people. In total, 4,186 contacts were involved with the consultation programme, and the full findings/responses were appended to the report. Among the key results, were broad support for the Council's plans to encourage jobs, growth and protection of services, as well as support for the Council's campaign for a Fair Deal for government funding. A key part of the budget was to bring growth and jobs into the Borough to mitigate against the failure of national Government to generate economic growth, and the continued investment in the Southwater redevelopment, the building of new schools as part of the BSF programme, and the land stability work in the Ironbridge Gorge were highlighted.

Since the draft budget proposals were approved for consultation, the Government had issued the final settlement for 2014/15. The net impact resulted in a gain of £0.01m for the Council, which would be transferred to the inflation provision. For 2014/15 the CCG had confirmed funding of £2.73m would be made available to the Council to support existing care commitments, which was an increase to the funding available in the current financial year.

The forecast budget gap of £11.428m for 2014/15 was highlighted, and that, with 90% of the Council's budget spent on Adult Social Care, Children's Services and Neighbourhood & Leisure Services, it was inevitable that savings in these areas would be needed as a result of the cuts in Government funding. The Council had worked hard to protect Adult Social Care, but in order to deal with a current in-year overspend of over £4m, and to make a contribution to the overall cuts that the Council needed to make, a total of £10.5m savings would need to be found from Care & Support budgets by 2015/16.

In terms of council tax, the consultation on the budget strategy had indicated a high level of support for the proposal to accept the council tax freeze grants for the coming two years, given the Government's change in approach in base-lining them..

An equality impact analysis of the overall impact of the budget was appended to the report, along with environmental and economic impact assessments.

The Council's Chief Financial Officer was required to give a view on the robustness of the Council's financial strategy, including the use of balances, and this was appended to the report. This had concluded that the Council was pursuing a sound financial strategy in the context of the most difficult financial position it had ever faced.

The report on the Capital Programme presented the Council's Capital Strategy for 2013/14 – 2015/16 and later years and a capital programme of £247.189m that included the proposed investments contained in the overall budget strategy. Details of the major projects and investments to be resourced were annexed to the report. It also set out the Council's Asset Management Plan and planned building maintenance programme, particularly focusing on 2014/15, and the three year Highways and Transport capital investment programme.

The report on the Treasury Management Strategy detailed the Treasury Strategy to be adopted for 2014/15. The Strategy was set within the parameters of the latest guidance and accounting standards. It was expected the Council would borrow up to £1.0m in 2014/15 based on the current capital programme, and would adopt a flexible approach to borrowing. The borrowing might increase if the Council proceeded with planned large commercial projects. Where possible, maturing investments would be used to reduce the level of additional borrowing, and investment periods would be lengthened for new investments in order to achieve higher interest rates within acceptable risk parameters. The report also provided an update on the treasury management activities during 2013/14. The weighted average return on internal investments at the end of December 2013 was 3.31% compared to a benchmark return for the period of 0.42%. The report also included the Council's Minimum Revenue Provision Statement, which was now being calculated on an annuity basis, which would provide savings over a number of years following the backdating of adjustments.

The report on Prudential Indicators sought approval of the prudential indicators for 2014/15 to 2016/17 required under the Prudential Code of Capital Finance in Local Authorities.

Recommendations by Cabinet would be considered at full Council on 27th February 2014 as full Council was responsible for setting the overall revenue and capital budget framework. At that meeting full Council would also set the Council Tax for 2014/15.

The Chairman of the Budget & Finance Scrutiny Committee, Cllr S.A.W. Reynolds, presented the comments of the Committee on the budget proposals. The Committee acknowledged the difficult decisions facing the Council in the climate of reduced grant funding. The main focus of the Committee's work had been on the adult social care budget, as the potential impact of funding reductions on vulnerable adults made this a key risk. It was noted that the costs of service provision in this area were above

regional/national averages, and the Committee's report set out a number of comments and recommendations in relation to this. The Committee welcomed a number of the proposals within the budget strategy, including the proposed investment for tackling youth unemployment, an additional draw-down contingency for safeguarding, and the investment in Destination Telford. The Committee had no real concerns about the budget consultation exercise.

Councillor A.R.H. England, Cabinet Member: Adult Care & Support, thanked the Scrutiny Committee for their comments. He reported on the changes to the leadership team in Adult Social Care and the impact this was having in delivering savings and reducing costs that were high in comparison to national averages. The focus of the savings would be on driving down provider costs, efficiencies and service re-design, and reducing existing care packages where there had been historical over-prescription of support. The measures to reduce spending would be guided by the principle of seeking to protect care for the most vulnerable people in the community.

Councillor W.L. Tomlinson, Liberal Democrat/Independent Group Leader, was then invited to comment on the budget proposals. He welcomed the proposed freeze in Council Tax, and suggested that more should be done to make council tax payers aware of the ways available to help them manage their payments. He expressed concern at the potential impact of the proposed cuts in adult social care budgets, and felt that the £4.5m being earmarked for investments should instead be put into reserves and balances to help support and protect front line adult social care services.

Cllr A.J. Eade, Conservative Group Leader, was invited to comment on the Cabinet's budget proposals. He expressed reservations about the way the Council's budget consultation survey had been worded, and that there was no draw down budget for adult social care to provide a safety net. He did not think the savings in Adult Social Care budgets could be achieved without affecting front line services. In terms of investment in Highways Infrastructure, a much more significant investment was needed if real improvements were to be made to the Borough's road network. There was also concern at the potential impact of the cuts in bus subsidies. Reference was also made to the Administration's scheme to build houses for the private rental market, and when these proposals, and the associated borrowing costs, would become known.

During the ensuing debate, the Cabinet Member for Finance & Enterprise advised that further details of the housing scheme would be announced later in the year, and that the Council's capital borrowing was now focussed on projects that would provide an income stream and a profit for the Authority. The proposed areas for investment were as a direct result of the main priorities for spending that had been identified by the public. Reference was also made to the lack of response from Government Ministers to requests to match-fund the Council's proposed expenditure to tackle youth unemployment, and to invest some of the receipts from land sales in the Borough.

RESOLVED – to RECOMMEND to COUNCIL on 27th February 2014:

(i) Overview and Revenue Budget 2014/15 – 2015/16

- (a) that the base budget summarised by Service Delivery Unit in Appendix 9a be approved;**
- (b) that the feedback from consultation summarised in Appendix 5 and from scrutiny in Appendix 6 of the report be considered;**
- (c) that the freezing of council tax levels in 2014/15 and 2015/16 be approved;**
- (d) that the creation of a £1.2m draw-down budget held centrally to offset anticipated pressures in the Children’s safeguarding budget in 2014/15 be approved;**
- (e) that the 2014/15 net savings package of £14.133m detailed in Appendix 3, and the savings proposals set out in the appendix for future years, be approved;**
- (f) that the change in the methodology of calculating Minimum Revenue Provision, as set out in section 10.4 of the report, and the backdating of this change in approach to create a one-off provision to fund the debt charges associated with the ‘Pride in Your Community’ initiative, be approved;**
- (g) that the revenue investment of £1.608m over two years for the ‘Pride in Your Community’ initiative be approved;**
- (h) that the revenue investment of £1.305m over two years for a programme of initiatives to tackle youth unemployment be approved;**
- (i) that the revenue investment of £0.1m one-off funding for Destination Telford initiatives be approved;**
- (j) that the revenue investment of £0.03m ongoing to fund a doubling of the care leavers grant be approved;**
- (k) that the policy framework for Reserves and Balances outlined in Appendix 11 of the report be approved;**
- (l) that the revenue implications of the medium term capital programme for the period 2013/14 - 2016/17 set out in the Capital Programme report be noted;**
- (m) that the Impact Assessments contained in Appendices 4a to 4c of the report be noted;**

- (n) that the Safeguarding and Early Help Cost Improvement Plan contained in Appendix 2 of the report be approved;
- (o) that, as detailed in section 10.5 of the report, any final underspend at the end of 2013/14 be used to supplement the Invest to Save, Capacity and Severance Funds to support the delivery of ongoing savings;
- (p) that provisions be created during 2014/15 to fund the second year of the 'Pride in Your Community' and Youth Unemployment initiatives.

(ii) Capital Programme

- (a) that the Capital Programme and associated capital estimates for 2013/14 and 2014/15 – 2016/17, which incorporate the appended Capital Strategy, the Planned Building Maintenance Programme, the Asset Management Plan and the three year Highways & Transport capital investment programme, be approved;
- (b) that authority be delegated to the Assistant Director: Development, Business & Employment to deliver the planned programme of works within the Asset Management Plan, and to the Assistant Director: Neighbourhood & Leisure Services to deliver the Highways and Transport capital investment programme, in line with the approved budgets and including, following consultation with the appropriate Cabinet Members, changes or variations to schemes in these programmes that remain within overall approved budgets.

(iii) 2014/15 Treasury Strategy and Treasury Update

- (a) that the treasury management activities for the first half year be noted;
- (b) that the Treasury Management Policy Statement, as shown at Appendix A of the report, be noted;
- (c) that the Treasury Strategy, including the Annual Investment Strategy for 2014/15, together with the associated Treasury prudential indicators and the Minimum Revenue Provision Statement, be approved.

(iv) Prudential Indicators

- (a) that the prudential indicators for 2014/15 to 2016/17, as set out in the report, be approved.

CB-91 PROCUREMENT INTENTIONS 2014/15

Non-Key Decision

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Law, Democracy & People Services, which set out proposed processes for procuring goods and services over the next 12-18 months.

Appended to the report was a Procurement Plan containing planned procurement activity which would or might lead to a formal tender process. These had been divided into Minor Contracts, where existing delegations to Officers existed, and Major Contracts, where previously individual reports requesting delegated authority to procure goods and service on behalf of the Council were needed. Approval of the delegations contained in the Plan would streamline the process and avoid the need for further reports seeking delegations for specific contracts.

In the longer term, it was hoped to include commissioning intentions to assist officers with their duty under the Social Value (Public Services) Act to inform and consult with the community before services are procured. Suppliers would also be encouraged to present their own Social Value Return on Investment.

RESOLVED –

- (a) that the planned procurement, as detailed in Appendix A of the report, and the existing delegation to officers in respect of contracts identified as Minor contracts, be noted;**
- (b) that authority be delegated to the appropriate Assistant Director, in consultation with the associated lead Cabinet Member, to progress and award the contracts identified as Major contracts in Appendix A of the report;**
- (c) that authority be delegated to the Assistant Director: Law, Democracy & People Services to affix the Council seal as appropriate.**

CB-92 SHROPSHIRE HILLS AREA OF OUTSTANDING NATURAL BEAUTY (AONB) - MANAGEMENT PLAN 2014 - 2019

Key Decision identified as **Shropshire Hills Area of Outstanding Natural Beauty – Management Plan 2014 - 2019** in the Notice of Key Decisions published on 6 December 2013.

Councillor C.F. Smith, Cabinet Member: Housing, Development & Borough Towns, presented the report of the Assistant Director: Planning Specialist, which sought approval for an updated version of the Management Plan produced by the Shropshire Hills AONB Partnership on behalf of Shropshire Council and Telford & Wrekin Council.

Part of the Shropshire Hills AONB included The Wrekin, and the Council had been working with partners to raise the profile of this part of the Borough in the Management Plan. The sub-area within the AONB was referred to in the Plan as the Wrekin Forest to recognise the links to the Wrekin Forest Partnership and their conservation management plan. The Plan set out a policy statement for the Wrekin Forest, as well as identifying priorities and key issues for the area. These included a more co-ordinated approach to the overall management of visitors and associated issues such as car parking, with scope to improve parking provision and visitor facilities which were sensitive to the location and had a viable business model. The Management Plan also set out the important relationship with the statutory planning process of both Local Authorities to support its policies. In relation to the Wrekin, the Plan made links to the Council's Shaping Places Local Plan process which was exploring mechanisms for the protection, promotion and management of the area.

The review of the AONB Management Plan had been subject to a public consultation exercise and formal observations from Natural England.

Members welcomed the revised Management Plan, and reference was made to the valuable conservation work undertaken in the Wrekin Forest area by Shropshire Wildlife Trust and the Wrekin Forest Volunteers, with the support of Ricoh.

RESOLVED – that the Shropshire Hills Area of Outstanding Natural Beauty Management Plan 2014-2019 be approved.

CB-93 DELEGATED POWERS TO ESTABLISH PRIMARY AUTHORITY PARTNERSHIPS AND AMENDMENT OF OTHER DELEGATED POWERS

Non-Key Decision

Councillor R.A. Overton, Cabinet Member for Public Health & Public Protection, presented the report of the Assistant Director: Health, Wellbeing & Public Protection, which sought approval for the delegation of authority to enter into Primary Authority Partnerships with business, and for specific delegated powers to public protection staff.

Primary Authority was a national scheme that allowed a business which traded across council boundaries to form a partnership with a single local authority. By means of Primary Authority, the Council could guide the way that other local authorities regulated the business, so that it was consistent and effective. This in turn gave businesses increased confidence that they were complying with legal requirements in relation to public protection. The scheme would enhance the Council's "business winning and supporting" priorities by offering an important support service to locally based business. It was proposed that 3 hours free advice was offered initially to each local business once the Partnership had been agreed by the Better Regulation Delivery Office – with a subsequent hourly charge on a cost recovery basis.

Due to new legislative requirements and changes in the job titles of posts, it was necessary to review the delegations given to Public Protection Officers to act on behalf of the Council. An updated list of delegations was appended to the report, which included the provisions of section 25 of the Regulatory Enforcement and Sanctions Act 2008 in relation to Primary Authority Partnerships.

RESOLVED – that the scheme of additional delegations shown at Appendix 1 of the report be approved.

CB-94 EXCLUSION OF PUBLIC AND PRESS

RESOLVED – that the public and press be excluded from the meeting for the following items of business on the grounds that they may involve the disclosure of information relating to the financial or business affairs of any particular person (including the authority holding that information) as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

CB-95 DEVELOPMENT OF A LOGISTICS HUB AT MoD DONNINGTON

Key Decision identified as **MoD Donnington Logistics Hub** in the Notice of Key Decisions published on 21 January 2014.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Development, Business & Employment concerning proposals to support the bid for the MoD Donnington site to become the location for a National Defence Gateway.

The Council had been lobbying at various levels within the Ministry of Defence to demonstrate Telford's commitment and ability to deliver a logistics and storage hub. An extension to the Donnington base was a credible solution which could realise savings as well as ensuring continuity of military supplies to the front line. The report set out how the Council could take a more active role in the establishment of the Defence Gateway through funding, designing and building associated warehousing, and entering into a variety of freehold and leasehold solutions for land and buildings. The report also set out the financial implications of providing this support, which would be funded from the budgeted corporate contingency.

The Donnington site currently employed some 700 people, a large proportion of whom were associated with the current warehousing and distribution function of the site. If Telford was successful in being made the MoD's logistics centre for the UK, it would protect these existing jobs as well as being a major boost to the local economy and bringing more jobs into the Borough.

In response to questions about the MoD's procurement timetable, it was reported that initial bids had to be submitted BY 4 April 2014, with a likely decision on the preferred bidder due in Autumn 2014. Members expressed

their full support for the bid, and the proposed actions that would help to underpin it.

RESOLVED -

- (a) that the revenue expenditure being incurred, and the allocation of funding from the budgeted corporate contingency to fund this expenditure in 2013/14 as outlined at paragraph 4.4 of the report, be approved;
- (b) that authority be delegated to the Assistant Director: Development, Business & Employment, in consultation with the Cabinet Member: Finance & Enterprise, to undertake negotiations with the bidders around a number of possible delivery options for development including fund, design, build and leaseback solutions, as outlined at paragraph 4.3 of the report;
- (b) that authority be delegated to the Assistant Director: Law, Democracy & People Services to seal or sign any documents required to give effect to the proposals contained in the report.

CB-96 DISPOSAL OF LAND OFF A518, MUXTON

Key Decision identified as **Disposal of Land off A518, Muxton** in the Notice of Key Decisions published on 21 January 2014.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Development, Business & Employment concerning proposals to dispose of surplus land in Muxton.

The report detailed a site owned by the Council to the north of Muxton, directly off the A518 and adjacent to the development boundary of Telford. The site was identified within the Strategic Housing Land Availability Assessment as being suitable and available for development. The Council had been approached by adjacent land owners, who were looking to bring forward planning applications for residential development, and the report set out options for the Council to work in partnership with these parties to deliver a scheme which would involve the eventual disposal of the Council's freehold interests in the land. The report also set out the financial implications of the proposals, and the likely net capital receipt that would be generated.

RESOLVED -

- (a) that authority be delegated to the Assistant Director: Development, Business & Employment, in consultation with the Cabinet Member: Finance & Enterprise, to negotiate and enter into all necessary agreements with adjoining land owners as detailed within the report;
- (b) that authority be delegated to the Assistant Director: Development, Business & Employment, in consultation with the

Cabinet Member: Finance & Enterprise, to negotiate and dispose of the freehold interests in corporately held land as detailed in the report;

- (c) that authority be delegated to the Assistant Director: Law, Democracy & People Services to seal or sign any documents required to give effect to the resolutions above.**

The meeting ended at 6.24 pm.

Signed for the purposes of the Decision Notices

**Jonathan Eatough
Assistant Director: Law, Democracy & People Services
Date: 26 February 2014**

Signed:

Date: