

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 25th February, 2016 at 5.00 p.m. at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 2nd MARCH, 2016

(DEADLINE FOR CALL-IN: MONDAY, 7TH MARCH, 2016)

PRESENT: Councillors K.S. Sahota (Leader and Chair), L.D. Carter, E.A. Clare, S. Davies, A.R.H. England, A.D. McClements, R.A. Overton, G.C.W. Reynolds and P.R. Watling

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

CB-73 MINUTES

RESOLVED – that the minutes of the meeting held on 28th January 2016 be confirmed and signed by the Chair.

CB-74 APOLOGIES FOR ABSENCE

None

CB-75 DECLARATIONS OF INTEREST

None

CB-76 FINANCIAL MANAGEMENT 2015/16

Key Decision identified as **2015/16 Financial Management** in the Notice of Key Decisions published on 27 January 2016.

Councillor L.D Carter, Cabinet Member: Council Finance & Service Delivery, presented the report of the Assistant Director: Finance & Human Resources, which provided Members with the latest financial monitoring information for 2015/16.

As a result of sound financial management and good progress in delivering ongoing savings, the General Fund revenue budget was currently projected to be £3.56m underspent, which was after being able to set aside funds to support the delivery of further savings. There was an improvement of £1.3m since the last report which mainly related to reduced costs in the purchase of care packages in Adult Social Services and further in-year benefit from active treasury management.

There were a number of variations from the approved budget, including the cost of Children in Care placements (overspend of £1.8m) and the cost of Adult Care and Support services (projected overspend of £1.0m relating to care packages). Projected variances of over £0.100m for individual service delivery units were detailed in the report. There were benefits from active treasury management of £6.7m (mainly from the rescheduling of debt) and £0.8m from the implementation of single status which would not now be required in this financial year.

The capital programme totalled £88m, which included all approvals since the budget was set. Spend was currently standing at around 98% of the budget allocation. There were some new allocations, virements and slippage identified which would be included in the capital programme to be presented to full Council on 3 March 2016 as part of the Service & Financial Planning reports.

The level of outstanding Sales Ledger debt was ahead of target. Collection levels for Council Tax and Business Rates were slightly behind target, although total cash collected was very significantly ahead of the same point last year.

RESOLVED –

- (a) that it be noted that 2015/16 revenue spending is currently projected to be within budget;
- (b) that the position in relation to capital spend be noted;
- (c) that the collection rates for NNDR, council tax and sales ledger be noted.

CB-77 SERVICE & FINANCIAL PLANNING 2016/17 - 2017/18

Key Decision identified as **Service & Financial Planning Strategy 2016/17 – 2017/18** in the Notice of Key Decisions published on 27 January 2016.

Recommendation to Council- not subject to Call-In

Councillor L.D. Carter, Cabinet Member: Council Finance & Service Delivery, presented a series of reports of the Managing Director, the Chief Financial Officer, the Director for Customer, Neighbourhood & Wellbeing Services and the Assistant Director: Customer & Neighbourhood. 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 2016/17 as well as savings proposals to be delivered over the next two years, and a medium term capital programme.

The Overview and Revenue Budget report set out the severe financial challenges facing the Council, including further cuts of £30m over the next two years as a result of further cuts in Government grant funding. This was in

addition to the savings of £80m per annum which had already been delivered, which equated to a cut in spend of £1100 for each household in the Borough. The Council had always sought to protect front-line services as far as possible, but there were now no options other than to put forward some cuts which were extremely difficult and would impact on local communities. However, despite the financial challenges, the Council was continuing to invest to create jobs and promote growth in the Borough, in line with the Administration's key priorities, whilst seeking to protect priority front-line services and working co-operatively with residents and partners to deliver these. Initial discussions with some bodies had been very positive and it was hoped that alternative methods of delivering some services would be agreed.

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 2016/17 as:

- A total council tax increase of 3.2%, including implementation of the new Adult Social Care precept of 2% on council tax - as assumed by the Government. This reflected the clear majority support of respondents to the consultation for an additional council tax increase in order to help reduce the cuts to front-line services, and minimise the impact of the loss of the Government's "Council Tax Freeze Grant". This increase was lower than most other local authorities with social services responsibilities in the West Midlands, and reflected awareness of the continuing pressure on household budgets;
- Minimising cuts to priority services for vulnerable adults and children as far as possible, against a backdrop of unprecedented cuts in government funding, through good financial management and implementing the new ring-fenced Adult Social Care precept. This would allow an investment of an additional £1.62m for children's safeguarding budget and an increase of £1.65m in the budget for adult services;
- Protecting and creating jobs through an investment of over £25m to improve and develop industrial, commercial or retail facilities, and spending just under £4m over two years to roll-out Superfast Broadband to parts of the Borough where there is no broadband infrastructure.
- Investing in neighbourhoods and communities – including maintaining and improving highway and transport infrastructure, a Community Pride Fund for 2017/18, continued funding up to the end of 2018/19 for tackling key environmental issues, and an investment of £50m in Nuplace – the Council's wholly-owned housing company.
- Improving the health and wellbeing of communities and addressing health inequalities – including funding to campaign for the protection of services at the Princess Royal Hospital.

Attached to the report were a number of appendices, including savings proposals, Impact Assessments of the savings proposals, the Pay Policy Statement 2016/17, analysis of base budget movements, and details of Reserves and Balances.

Following publication of the Cabinet's budget proposals in early January 2016, there had been extensive consultation via a wide range of media and settings to involve local people and groups. This included 14 roadshow events taking place at locations around the Borough, two formal public meetings and visits to a number of community groups. In total, 1,347 contacts were made during these events, and 788 comments/views gathered. Extensive information (including two Council produced videos) was available on the Council website, and 2,135 online survey forms were completed. The full findings/results from the consultation exercise were appended to the report.

Since the draft budget proposals were approved for consultation, the Government had issued the final settlement for 2016/17. The only change affecting Telford & Wrekin was a reduction of £4k relating to New Homes Bonus. The Public Health grant had, as anticipated, reduced by £0.3m in 2016/17 and £0.32m in 2017/18. It was noted that the Government had allocated additional grant funding to some, mainly Conservative-run, Councils, but Telford & Wrekin had received no additional money. The responses from the consultation exercise and from Scrutiny members had been carefully considered, and as a result a number of changes were being proposed to the original budget. These were set out in the report and included the deletion of some savings proposals (eg: Creative Arts service, Town Park visitor centre opening hours, winter maintenance service), putting on hold savings proposals for the Ice Rink, Ski Slope and Transport Age UK to allow for reviews of these services and their delivery, and the reduction (or re-phasing) of some savings proposals – including for Newport Library and the environmental maintenance budget. It was also proposed to increase the budget for children's safeguarding by a further £0.2m to reflect increasing demands on the service. The reduction in the value of the savings package as a result of these changes was £246k in 2016/17 and £378k in 2017/18 and ongoing. This would be funded from the proposed 1.2% increase in Council Tax over and above the new Adult Social Care precept.

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 prolonged and challenging financial position it had ever faced due to the combined effect of Government grant cuts and increased service pressures.

The report on the Capital Programme presented the Council's Capital Strategy for 2015/16 – 2018/19 and later years and a capital programme of £264.299m that included the proposed investments contained in the overall budget strategy. It also set out the Council's Asset Management Plan and planned building maintenance programme, particularly focusing on 2016/17, 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 2016/17. The Strategy was set within the

parameters of the latest guidance and accounting standards. It was expected the Council would borrow up to £52.4m in 2016/17 based on the current capital programme plans, and would adopt a flexible approach to borrowing. The report also provided an update on the treasury management activities during 2015/16. The weighted average return on internal investments at the end of December 2015 was 0.43% compared to a benchmark return for the period of 0.30%. The report also included the Council's Minimum Revenue Provision (MRP) Statement, which had been extended to include the Public Finance Initiative Agreement and changed to reflect the way in which MRP was being charged in respect of historic borrowing. This would produce net savings in the short and medium terms.

The report on Prudential Indicators sought approval of the prudential indicators for 2016/17 to 2018/19 required under the Prudential Code of Capital Finance in Local Authorities.

Recommendations by Cabinet would be considered at full Council on 3rd March 2016 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 2016/17.

The Chairman of the Finance & Enterprise Scrutiny Committee, Cllr S.A.W. Reynolds, presented the comments of the Committee on the budget proposals. The Committee recognised the potential serious impact of the ongoing cuts in Government grant funding on Council services, and the main focus of their work had been to look at those savings proposals that were considered to have the greatest impact on service users and members of the public including any staff related savings that might impact on the organisation's capacity to deliver services. They had also scrutinised the communication and budget consultation process. As part of their response, the Committee had made a number of recommendations, which were appended to the main budget report. It was pleasing that the Cabinet had responded positively to some of the recommendations, such as the deletion, deferral or re-phasing of some of the savings proposals. In relation to Adult Social Care, the Committee fully supported the increase in budget of £1.6m for 2016/17 and the re-design of the service – but it needed to be made clear to the public that the 2% increase in Council Tax for the Adult Care precept would not be enough to make up the deficit in the adult care budget. The Committee commended the budget consultation exercise, and the number of responses that had been received.

Councillor W.L. Tomlinson (Liberal Democrat/Independent Group Leader) welcomed the budget proposals that recognised the need to protect and bolster funding for vulnerable children and adults. However, it was felt that the money allocated for the Community Pride Fund should be used for more high priority areas or kept in reserve as a contingency for future years. His Group reluctantly supported the increase in Council Tax, but regretted the lack of support from the local MPs for fighting for a fairer Government funding settlement for the Borough.

Councillor A.J. Eade (Conservative Group Leader) stated that his Group needed to look at the proposed changes to the budget in more detail, and would present their response, along with their alternative budget proposals, at the Full Council meeting on 3 March.

Councillor S. Davies, Cabinet Member: Business, Neighbourhood & Customer Services, stated that this had been a first class consultation exercise. The Cabinet had listened to the comments from local people in respect of particular savings proposals, and had revised its proposals as a result. Thanks were expressed to Town & Parish Councils and the local voluntary sector who had already offered support to find alternative ways of keeping some local facilities and services running. He also reminded Members that the Council was losing £11m per annum in funding compared to the national average, and that the Borough had to get a fairer funding deal from Government.

Councillor A.R.H. England, Cabinet Member: Adult Care & Support, thanked Officers for their support during the consultation process. There had been some positive engagement with care providers and others as part of the budget consultation. Councillor E.A. Clare, Cabinet Member: Leisure Services & Culture, expressed the hope that all libraries in the Borough could be retained in one form or another.

RESOLVED – to RECOMMEND to COUNCIL on 3rd March 2016:

(i) Overview and Revenue Budget 2016/17 – 2017/18

- (a) that the feedback from the consultation summarised in Appendix 17 and from Scrutiny in Appendix 15 of the report be considered;**
- (b) that the Impact Assessments contained in Appendices 3 and 4 of the report be noted;**
- (c) that the base budget shown in Appendix 10 of the report be approved;**
- (d) that a council tax increase of 3.2% for 2016/17 (including the new 2% Adult Social Care precept assumed by the Government) and a medium term strategy of increases at the same level for the three years 2017/18 to 2019/20 to match the period of the CSR and 4 year settlement be approved;**
- (e) that the savings package detailed in Appendix 2 of the report be approved, and the revenue pressures detailed in Appendix 2C be noted;**
- (f) that the commitment to continue to work with partner organisations, including Town & Parish Councils and Voluntary Sector and Community Groups, in seeking to identify ways to mitigate the impact of some of the cuts to services that the Council can no longer afford to provide be noted;**

- (g) that in order to support the discussions with partner organisations, the use of funding from the Invest to Save/Capacity Fund to provide transitional funding for a Partnership Support Programme be approved, and that authority be delegated to the Director for Customer, Neighbourhood & Wellbeing Services, after consultation with either the Cabinet Member for Business, Neighbourhood & Customer Services or the Cabinet Member for Council Finance & Service Delivery, to agree allocations of funding from the Invest to Save/Capacity Fund to facilitate support packages in line with the principles set out in Section 19 of the report;
- (h) that the policy framework for Reserves and Balances outlined in Appendix 12 of the report be approved;
- (i) that the revenue implications of the medium term capital programme for the period 2015/16 - 2018/19 set out in the Capital Programme report be approved;
- (j) that the Efficiency Strategy/Plan contained in Appendix 18 of the report be noted;
- (k) that the Pay Policy for 2016/17 shown at Appendix 5 of the report, which has been recommended by Personnel Committee, be approved;
- (l) that authority be delegated to the Assistant Director: Finance & Human Resources to action any virements required following the final allocation of the Dedicated Schools Grant as long as they are within the budget and policy framework;
- (m) that authority be delegated to the Assistant Director: Early Help & Support, in consultation with the Cabinet Member for Adult Social Care, to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006 (as amended);
- (n) that authority be delegated to the Assistant Director: Legal, Procurement & Commissioning 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 (as amended);
- (o) that the CFO's Robustness Statement contained at Appendix 14 of the report be noted;
- (ii) Capital Programme
- (a) that the Capital Programme and associated capital estimates for 2015/16 and 2016/17 – 2018/19, which incorporate the 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 & Customer Services to deliver the Highways and Transport capital investment programme, in line with the approved budgets and to make any changes or variations to schemes in these programmes that remain within overall approved budgets, in consultation with the appropriate Cabinet Members;**

(iii) 2015/16 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 2016/17, together with the associated Treasury Prudential Indicators and the Minimum Revenue Provision Statement, be approved.**

(iv) Prudential Indicators

- (a) that the prudential indicators for 2016/17 to 2018/19, as set out in the report, be approved.**

CB-78 TELFORD & WREKIN PLAYING PITCH STRATEGY 2016

Key Decision identified as **Playing Pitch Strategy** in the Notice of Key Decisions published on 27 January 2016.

Councillor E.A. Clare, Cabinet Member: Leisure Services & Culture, presented the report of the Assistant Director: Health & Wellbeing, which sought adoption of an updated Playing Pitch Strategy for Telford & Wrekin. A copy of the draft Strategy was appended to the report.

It was recommended by Sport England that all local authorities should have an up-to-date and robust Playing Pitch Strategy (PPS) to ensure there was a sufficient supply of quality playing pitches and playing fields to meet the sporting needs of local communities. In line with new Sport England guidance and methodology, a full and comprehensive review of current playing pitch provision across the Borough (both qualitative and quantitative) had been undertaken, taking into account projected population growth, sports participation rates and latent demand. In particular, the Strategy analysed

current and future supply and demand for grass and artificial pitches for five key sports – football, rugby union, rugby league, cricket and hockey.

The PPS recognised that playing pitch stock is owned and maintained by a range of organisations, and highlighted the opportunity for the Council to continue to develop its work with partners to bring about sustainable models for their future management and improvement. The Strategy set out the requirement for improved quality and increased quantity of outdoor provision for a range of sports. These objectives would require additional funding and investment which could not be accommodated within the Council's existing budget, and so alternative management structures, enhanced partnership working and external funding sources would be explored and identified.

Public consultation on the draft Strategy took place during October/November 2015, and feedback had been incorporated into the final draft. Consultation and feedback had been ongoing with Sport England, Energize STW (County Sports Partnership) and the National Governing Bodies of Sport during the development of the PPS.

The report summarised the key findings, strategic recommendations and actions for each key sport. The PPS would provide a robust evidence base for the Council and its partners to seek to secure external investment in the form of planning gain and grant funding. The Strategy also linked to the Council's Green Guarantee in terms of long term protection for playing pitches and other formal/informal recreation spaces.

Members welcomed the Strategy from a public health/activity viewpoint and the objectives to improve community use of existing provision and to improve the quality of pitches.

RESOLVED –

- (a) that the findings and recommendations of the Telford & Wrekin Playing Pitch Strategy 2016 be endorsed and formally adopted;**
- (b) that the inclusion and protection of Telford & Wrekin Council owned playing pitch sites as part of the Green Guarantee be supported.**

CB-79 WATERS UPTON NEIGHBOURHOOD PLAN

Non-Key Decision

Councillor R.A. Overton, Cabinet Member: Housing, Public Health & Protection, presented the report of the Assistant Director: Business, Development & Employment, which updated Members on the statutory process for the development of the Waters Upton Neighbourhood Plan (NP) and the approvals now needed to proceed to a Referendum.

Following the submission of the Plan and supporting documents by Waters Upton Parish Council in December 2014 and the undertaking of the necessary

procedural and consultative requirements, the Authority had appointed an Independent Examiner, John Parmiter, to conduct the required Examination. This took place between 23 November 2015 and 4 January 2016. The Examiner had proposed a number of changes, principally in relation to modifying the Objectives and Policies contained in the NP. These changes were set out in the Examiner's Report which was appended to the report. Several objectives and policies had been reworded to make them clearer, and several policies had been removed where they did not relate to land use. Members needed to be satisfied that the Plan met certain 'basic conditions' before it could proceed to a Referendum, and both Officers and the Examiner were of the view that these conditions had been met.

Subject to approval, the NP would proceed to a Referendum in Waters Upton Parish (as the Neighbourhood Plan area) to ask electors whether they wanted the Local Planning Authority to use the NP to help decide planning applications. It was anticipated that the Referendum would be held on 5 May 2016.

Consideration was given to the recommendations made by the Examiner in terms of modifications to the NP, and to whether the NDP met the 'basic conditions'. In respect of the area in which the Referendum was to take place, Members also considered the Examiner's recommendation that this should not change, and should be the same as the designated NP area.

RESOLVED –

- (a) that, subject to the modifications recommended by the Examiner being made, the Waters Upton Neighbourhood Plan meets the 'basic conditions' and all other legal requirements as set out in the report and appendices;**
- (b) that the required modifications be made to the Waters Upton Neighbourhood Plan, and that the Plan should then proceed to Referendum;**
- (c) that the Referendum Area should not be extended beyond the designated area to which the Waters Upton Neighbourhood Plan relates;**
- (d) that authority be delegated to the Managing Director to exercise all relevant powers and duties and undertake all necessary arrangements for the Waters Upton Neighbourhood Plan (Referendum Version) to now proceed to Referendum, and for the Referendum to take place asking the question whether the voter wants Telford & Wrekin Council to use this neighbourhood plan for the Waters Upton Neighbourhood Plan area to help it decide planning applications in this neighbourhood area.**

CB-80 EXCLUSION OF PUBLIC AND PRESS

RESOLVED – that the public and press be excluded from the meeting for the following item of business on the grounds that it may involve the disclosure of exempt 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-81 THE TELFORD LAND DEAL

Key Decision identified as **Telford Land Deal** in the Notice of Key Decisions published on 17 February 2016.

Recommendation to Council – not subject to Call-in

Councillor S. Davies, Cabinet Member: Business, Neighbourhood & Customer Services, presented the report of the Assistant Director: Business, Development & Employment, which set out proposals for a Land Deal following detailed negotiations with the Homes & Communities Agency (HCA) and the Department for Communities & Local Government.

A legacy of Telford New Town was an ample supply of development land which was a key component of the Borough's growth strategy. However, most of this land was owned by the Homes & Communities Agency (on behalf of the Government) leaving the Council comparatively asset poor. Following submission by the Council of a Business Case and Funding Model, as part of the Marches Local Enterprise Partnership (LEP) Growth Deal, the Government had agreed in principle to the Telford Land Deal which would see up to £44.5m land receipts from the sale of agreed HCA assets recycled back into the local area to support the delivery of new homes, jobs and commercial floorspace. It also offered the Council the opportunity to take responsibility for the stewardship, marketing and disposal of all HCA holdings in Telford. This would see the Borough benefit from expenditure into site preparation, a share of land value uplift delivered over and above HCA profiled receipts, plus council tax and business rates revenue from the additional homes and employment land.

The Deal was based on a 'risk and reward' model which would require the Council to make investment into site preparations up front, with this investment recouped from land receipts. The Council would also have to take freehold responsibility for all HCA liability sites. However, it was projected that the Council would receive a projected £19.3m share of the uplift in land receipts over the 10 year programme, with a potential revenue benefit of around £6m per annum from additional council tax and business rates.

The report detailed how the Deal would be managed through a 3 year rolling Investment & Disposal Plan, and provided information on the structure of the Deal, the Funding & Co-operation Agreement, the Accountability & Assurance Framework, and the Financial Implications. An Options Appraisal had also been conducted to look at what other alternatives might be available.

Councillor A.J. Eade (Conservative Group Leader) asked whether any woodland or 'green' areas in HCA ownership would be protected from development. The Assistant Director advised that the asset sites for development were already included within the new Local Plan, and each site would be analysed to assess its potential for development. In some cases, there would be a need to strike a balance between conservation and the benefits of development.

RESOLVED – to RECOMMEND to COUNCIL

- (a) that authority be delegated to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Members for Council Finance & Service Delivery and Business, Neighbourhood & Customer Services, to finalise the terms for the Land Deal;**
- (b) that authority be delegated to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Council Finance & Service Delivery, to enter into an agreement for the transfer of HCA liability sites to the Council's ownership where costs are within the changes to the capital programme and revenue budget outlined in the report, including £18k towards revenue costs of managing liability sites;**
- (c) that the Council enters into the Land Deal and all the implications of this, including the approval of necessary changes to the capital programme and revenue budget to facilitate the Land Deal as outlined in the report;**
- (d) that authority be delegated to the Assistant Director: Legal, Procurement & Commissioning to seal or sign any documents required to give effect to the recommendations above.**

The meeting ended at 6.07 pm.

Signed for the purposes of the Decision Notices

**Jonathan Eatough
Assistant Director: Legal, Procurement & Commissioning
Date: 2 March 2016**

Signed:

Date: