

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 5 January 2017 at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 11 JANUARY 2017

(DEADLINE FOR CALL-IN: MONDAY, 16 JANUARY 2017)

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

CB-049 Apologies for Absence

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

CB-050 Declarations of Interest

None.

CB-051 Minutes

RESOLVED – that the minutes of the meeting held on 17 November 2016 be confirmed and signed by the Chair.

CB-052 2016/17 Financial Management Report

Key Decision identified as **Financial Management Report** in the Notice of Key Decisions published on 9 November 2016.

Reserved for Council

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services, presented the report of the Assistant Director: Finance and Human Resources, which provided Members with the latest financial monitoring information for 2016/17.

The net projected outturn position for 2016/17 for all service budgets showed an improvement of £0.86m on the position reported to Cabinet on 13 October 2016. Councillor Carter thanked the Assistant Director and his team for the work they did in exercising very effective financial management in an extremely challenging financial climate. The aim was that Senior managers would sustain the position and look to make further improvements where possible by year end.

Children's Safeguarding and Early Help & Support continued to be key areas of pressure and both had cost improvement plans in place to reduce costs and deliver

savings. These plans were monitored on a regular basis both by senior managers and Cabinet Members.

There were a number of variations from the approved budget, including some beneficial variances. The key areas included: a benefit of £3.2m relating to Treasury Management activities; a one off benefit of £0.6m following the final winding-up of Transforming Telford Ltd; a one off benefit of £0.7m from updating sinking fund requirements for Private Finance Initiative commitments; Early Help & Support were projecting an overspend of £4.1m, mainly relating to the cost of care packages; Children's Safeguarding also continued to be a key pressure with an overspend of £3.8m being reported, the majority relating to the cost of Children in Care placements.

Central Government had now confirmed that the Council was eligible for a Four Year Settlement however the funding outlook for the medium term was still uncertain due to the number of changes in the pipeline, such as changes to business rates and New Homes Bonus, which sat outside the Revenue Support Grant process. The Autumn Statement on 23 November gave an indication that the Government was committed to maintaining departmental spending plans at the levels announced in SR 2015; disappointingly there was no recognition of Adult Social Care pressures nor any mention of New Homes Bonus.

The capital programme totalled £86.9m, which included all approvals since the budget was set. Spend was projected at around 94% of the budget allocation. The report detailed a number of new approvals, virements and slippage.

The collection levels for Council Tax and Sales Ledger were slightly behind target, and NDR collection was ahead of target. Compared to the same period last year, around £2.8m more had been collected.

RESOLVED –

- (a) that it be noted that 2016/17 revenue spending is currently projected to be within budget and that work will continue with SMT to sustain this position;**
- (b) that the use of the central contingency detailed in section 5 of the report be approved;**
- (c) that the position in relation to capital spend be noted, and TO RECOMMEND TO COUNCIL that the new allocations and slippage detailed in Appendix 3 of the report be approved; and**
- (d) that the collection rates for NDR, council tax and sales ledger be noted.**

CB-053 Service & Financial Planning Strategy – Proposals for Consultation

Key Decision identified as **Service & Financial Planning Strategy 2016/17 to 2019/20** in the Notice of Key Decisions published on 7 December 2016.

Council decision – not subject to Call-in

Councillor L D Carter, Cabinet Member: Council Finance & Service Delivery, 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 2017/18 to 2018/19, 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 managing the finances and preparing the draft budget. He also paid tribute to all officers and unpaid volunteers working in public service and expressed his determination that they should be valued for their efforts.

Over £96m of savings would have been delivered by April 2017 - equivalent to nearly £1,300 for every household in the Borough. The Council had sought to do this in ways that protected front line services as far as possible and, where services to the public were affected, to do this in as compassionate a way as possible. The Administration was committed to protect the most essential services for vulnerable children and adults and to investing in Telford's future and in promoting jobs and growth for the Borough. In order to do this, the Council would continue to seek innovative ways to generate income to fund key frontline services.

In March 2016, the Council had set a medium term budget strategy with specific proposals for 2016/17 and 2017/18, the key features of which were set out in the report. Key proposals for 2017/18, in line with this medium term strategy, included:-

- Dealing with a reduction in the Council's Revenue Support Grant from Government whilst maintaining the Council's commitment to continue its existing policy of transferring grant to Town & Parish Councils in respect of Local Council Tax Support;
- A Council tax increase for 2017/18 of 1.2% in line with the medium term strategy agreed last year and to again implement the Government's assumed "Adult Social Care Precept" in line with the Government's original plans, this is equivalent to a further council tax increase of 2%.
- To continue implementing the package of savings and efficiency measures agreed in March 2016 but with the additional savings and efficiency measures for 2017/18 set out in Appendix 3 to the report and to develop detailed savings proposals for 2018/19 and 2019/20 to cover the expected budget shortfall of £15 - £20m over this two year period.
- Investment in Capital Projects, including:-
 - Pride Programme- Funding for a further major investment in improvements to local roads and associated infrastructure of £20m as part of the Council's continuing Pride Programme of environmental improvements.
 - Funding for further investment in NuPlace, the Council's wholly owned housing company of £13.4m.

- A doubling of the ICT capital programme from £1m to £2m pa for the three year period 2017/18 to 2019/20. This will enable investment to be made resulting in increased efficiencies and ongoing cost savings as well as ensuring that the Council's ICT network is robust.
- To use funding from a rigorous review of one-off resources to fund some one-off investments of a revenue nature, including
 - Investment of £1.4m one-off resources over the 2 year period 2017/18 – 2018/19 to improve across the Borough which is a further extension of the Council's comprehensive Pride Programme of environmental improvements.
 - Making available additional funding of £4.459m for Children's safeguarding in 2017/18 compared to what was originally planned and setting aside funds to provide a £2.5m "draw-down budget" for Early Help and Support services in 2017/18 through to 2019/20 to protect and support vulnerable adults. A further £1.344m more funding would be available in 2017/18 than originally planned for Early Help & Support services to help phase in the cuts that the Council was being forced to make.
 - Investment of £275,000 one-off resources over 2 years starting in 2017/18 in Destination Telford initiatives to promote Telford as a place to visit for leisure or to do business, for businesses to invest in and for people to come to live.
 - £500k of one-off resources would be added to £195k previously identified to create a new £695k Partnership Capacity Fund to support the extension of new approaches to joint working with voluntary sector and other community groups aligned to the achievement of ongoing savings.
 - In addition £1.5m of one-off resources would be transferred to supplement the Invest to Save/Capacity fund.
 - £250k of one-off resources would be earmarked to fund organisation development initiatives.
 - The Council contribution to the Food Bank was budgeted on an ongoing basis rather than from time limited funding in recognition of the critical support that this organisation provided to many local people. This represented a total commitment by the Council of more than £130,000 over the period 2016/17 to 2019/20.

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. As the Council had already agreed and consulted on its Service & Financial Planning strategy for the two year period 2016/17 to 2017/18, the Council aimed to build more in depth engagement during 2017/18 involving residents and partners in developing solutions, and, therefore, an important part of the communication and engagement plan appended to the report was to identify those who were willing and able to be part of this process. Final proposals would be considered by the Cabinet on 23 February 2017 for recommendation to full Council on 2 March 2017.

The Cabinet noted that the report was tabled due to incomplete information being provided as part of the local government finance settlement which was finally announced on 15 December. Details remained outstanding regarding funding totalling over £3m. and the strategy therefore incorporated estimates based on best available data.

RESOLVED – that

- (a) the service and financial planning strategy as set out in the report be approved for consultation with the community between 6 January and 5 February 2017;
- (b) the creation of a One-off Partnership Capacity Fund totalling £695,000 as set out in section 6.3 be approved with authority to approve allocation of the fund delegated to the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services;
- (c) the transfer of £1.5m of one-off resources in to the Invest to Save/Capacity Fund, £0.25m to the Organisational Development Fund, £275k to the Destination Telford Fund and £1.4m to fund investment in Pavements be approved;
- (d) authority to respond to the provisional settlement and all future local government finance consultation documents be delegated to the Assistant Director: Finance & H.R. after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services;
- (e) it be approved that the £233k that was previously set aside to support new facilities at AFC Telford pending receipt of an acceptable business case be de-committed and used to part fund a new 3G pitch in Madeley;
- (f) it be approved that Business Rates deals may, in future, have a maximum 5 year life subject to the agreement of an appropriate business case – as set out in Section 5.3; and
- (g) the transfer of the remaining £6.9m of available one-off resources to a one-off contingency fund to cover pressures such as costs arising from severe weather, demand for safeguarding services etc be approved with authority to approve allocation of the fund delegated to the Managing Director after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.

CB-054 **Council Tax Support Scheme 2017/18**

Key Decision identified as **Council Tax Support Policy Review 2017/18** in the Notice of Key Decisions published on 7 December 2016.

Reserved for Council

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services, presented the report of the Assistant Director: Neighbourhood & Customer Services, which set out the proposed policies for 2016/17 in relation to Council Tax Support and the Council Tax 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 2016/17 scheme had taken place, and it was recommended that some changes be made to the scheme that would result in some savings to the overall annual cost, as well as reflecting some technical and legislative amendments that were necessitated each year by Government.

The main proposed change to the Policy was to further reduce the amount of support awarded to all working age claimants, by increasing the percentage reduction amount from 21% to 25%. It was further proposed to replicate changes that the Government were making to the Housing Benefit scheme by introducing a cap on the number of children who were included in the assessment of entitlement, reducing the temporary absence rule to four weeks. It was also proposed that this scheme would remain in place until March 2020, unless Government Policy changed significantly.

A full public consultation on the proposed changes to the Scheme had been undertaken, which included writing directly to the 6446 customers who it was believed would be directly affected by the proposals. Copies of the consultation document and summary of responses were appended to the report. 404 responses were received, and there was support for the recommended options/changes.

The Hardship Fund had been invaluable over the last three years in providing additional support to the most financially vulnerable customers, and it was proposed to fund the Scheme for a further 12 months. It was proposed to engage with specific customers affected by the changes to the Support Scheme to make them aware of the Hardship Fund.

RESOLVED TO RECOMMEND TO COUNCIL

- (a) that the Council Tax Support Scheme Policy for 2017/18, as shown at Appendix A of the report, be approved;**
- (b) that the Council Tax Hardship Policy and accompanying funding continues in 2017/18.**

CB-055 School Funding Formula 2017/18

Key Decision identified as **T&W School Funding Formula 2017/18** in the Notice of Key Decisions published on 7 December 2016.

Councillor G C W Reynolds, Cabinet Member: Education, Employment & Regeneration, presented the report of the Assistant Director: Education & Corporate Parenting which sought approval for the proposed 2017/18 funding formula to be applied for mainstream schools in the Borough.

This was an annual process in the context of revisions to Department for Education (DfE) regulations or any other relevant developments. For mainstream school funding in 2016/17, the DfE had made only minor changes to the funding regulations. Following consultation with schools and the Telford & Wrekin Schools Forum, for 2017/18, it was proposed to retain the principles of the existing funding formula, in the context that the Government was planning to introduce a national funding formula in 2018/19, which would replace local arrangements.

A new pressure for schools and the local authority was the proposed removal of the Education Services Grant (ESG) from September 2017. Just over £2m of ESG was allocated to T&W in 2016/17. This grant currently funded many of the local authority's statutory duties for schools, including those relating to academies. The local authority would be requesting schools forum permission to retain Dedicated Schools Grant (DSG) funds to pay for these duties. Any such retentions would reduce the amount available to be allocated to schools via the funding formula.

The local authority was able to move funds between the 3 different DSG blocks – Schools, Early Years and High Needs. If required, following the DfE's announcement of the allocation of high needs funding for 2017/18, sufficient funds would need to be moved from the schools block to meet projected high needs expenditure in 2017/18. The increase in the number of pupils in special schools in recent years was likely to continue in 2017/18, which was likely to increase high needs expenditure.

RESOLVED that the funding formula for Telford & Wrekin mainstream schools be approved.

CB-056 Local Development Order – Householder Extensions and Alterations

Key Decision identified as **Local Development Order** in the Notice of Key Decisions published on 7 December 2016.

Councillor R A Overton, Cabinet Member: Housing, Leisure & Health, presented the report of the Assistant Director: Business, Development & Employment which sought delegated authority to make a Local Development Order (LDO) removing the need to seek planning permission for a number of types of change to residential properties, across the Borough. The introduction of the LDO was agreed as part of the budget strategy approved by Full Council on 3 March 2016, and the consultation documents were considered by Cabinet on 15 September 2016.

The Local Development Order (LDO) would approve a number of general types of changes for two storey and single storey extensions, in addition to other minor alterations to residential properties that were deemed to be non-controversial. It would mean that such changes would not require an application for planning consent. Instead householders would simply apply to the LPA for a Certificate of Compliance under the LDO which would be a much more straight forward and faster process.

The LDO would last for a period of 3 years, and some exclusions would apply where a full planning application is required, for example applications within the World Heritage Site, Conservation Areas, Listed Buildings and Houses in Multiple Occupation which were excluded from the LDO.

A period of statutory consultation had been carried out and in light of comments received, a number of minor amendments had been made to the document. This included a minor alteration to the boundary of the Newport exclusion area at the request of the Parish Council, which had been marginally extended, and the addition of further technical guidance.

RESOLVED that delegated authority be granted to the Assistant Director: Business, Development & Employment and any other officer authorised by that Assistant Director in writing, to make the Borough of Telford & Wrekin Extensions and Alterations LDO, for a period of 3 years.

The meeting ended at 5.22pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 11 January 2017

Signed:

Date: