

CABINET**Decision Notices and Minutes of a meeting of the Cabinet held on
Thursday, 23 February 2017 at 5.00pm at Addenbrooke House, Ironmasters
Way, Telford****PUBLISHED ON WEDNESDAY, 1 MARCH 2017****(DEADLINE FOR CALL-IN: MONDAY, 6 MARCH 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.

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

CB-064 Apologies for Absence

None.

CB-065 Declarations of Interest

None.

CB-66 Minutes

RESOLVED – that the minutes of the meeting held on 2 February 2017 be confirmed and signed by the Chair.

CB-067 2016/17 Financial Management Report

Key Decision identified as **Financial Management Report** in the Notice of Key Decisions published on 18 January 2017.

The Assistant Director: Finance & Human Resources was invited to present the report which provided Members with the latest financial monitoring information for 2016/17.

The strength of financial management was reflected in the projected year end position which was now estimated to be around £3.1m underspent which was an improvement of £0.4m compared to the position previously reported. This placed the Council in a good position to move into 2017/18 and demonstrated an ability to evolve and improve despite financial challenges. The Council's aim was to sustain this position over the final few weeks of the year and to look to make further improvements where possible.

The net projected outturn position was after applying £1.9m available in central contingencies, pending any further commitments in the rest of the year; and after using the specific contingency of £2.5m earmarked in the 2016/17 budget strategy

for Early Help & Support pressures and the one off service balances totalling £0.5m for Children's Safeguarding.

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. Those 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 a benefit of £3.5m 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 are currently projecting an overspend of £4.2m, mainly relating to the cost of care packages; Children's Safeguarding also continues to be a key pressure with an overspend of £4.1m being reported, the majority relating to the cost of Children in Care placements.

The capital programme totalled £87m, which included all approvals since the budget was set. Spend was currently standing at around 96% 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 2 March 2017 as part of the Service & Financial Planning reports.

In total £1.7m more cash from Council Tax, Sales Ledger outstanding debt and business rates had been collected to the end of December 2016 compared to the same point the previous year. However, collection rates for Council Tax, Sales Ledger outstanding debt and business rates were slightly behind the challenging targets set for the year.

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services echoed the comments of the Assistant Director: Finance & Human Resources and noted an emerging pattern household budgets were becoming increasingly burdened.

RESOLVED – that

- (a) it be noted that 2016/17 revenue spending is currently projected to be within budget and work will continue with the Senior Management Team to sustain this position;**
- (b) the position in relation to capital spend be noted; and**
- (c) the collection rates for NNDR, council tax and sales ledger be noted.**

CB-068 Service and Financial Planning 2017/18 to 2019/20

Key Decision identified as **Service & Financial Planning Report** in the Notice of Key Decisions published on 18 January 2017.

Recommendation to Council - not subject to Call-In

The Chairman of the Finance & Enterprise Scrutiny Committee, Cllr S A W Reynolds, presented the comments of the Committee on the budget proposals. She noted that a lot of the savings proposals in the budget agreed in March 2016 were to be delivered over a two year period and that Scrutiny had provided a detailed response to the proposals last year. As a result, there were relatively few new savings proposals for consideration this year and with less time for scrutiny of the budget, the Committee had focussed on the key issue for consultation which was the options for applying the adult social care precept. The Committee had also considered the alternative budget proposals, the response to which would be presented to Council.

The Committee had considered the pressures on the adult care budget and the impact of grant reductions, and discussed the new operating model being implemented together with some of the new approaches being developed to reduce demand for high cost care. Having carefully weighed the options the Committee made the difficult decision to recommend to Cabinet that the precept should be applied at the rate of 2% per year for 3 years.

As set out in the written response, there were some differences of opinion on some of the issues considered by the Committee during scrutiny of the budget and Councillor Reynolds drew attention to these as follows:-

- Investment in housing and commercial property to generate income
- Proposals to make a small on-going contribution to the Street Pastors from the base budget
- The allocation of the Local Council Tax Support grant to Town and Parish Councils
- Increase in the price of school meals and a concern about how it would affect struggling families.

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services, 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 2017/18. Most of the savings required in 2017/18 were approved by Council in March 2016 as part of a two year strategy. However, the report included details of some additional savings proposals and investments for 2017/18 and set out the Cabinet's approach to developing the further savings that would be required through to 2019/20.

The Overview and Revenue Budget report set out the severe financial challenges facing the Council. By the end of this financial year, the Council would have made savings of £96m per annum, meaning that every year there was now £1,300 less to spend delivering services to each 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.

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.

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 2017/18 as:

- Managing a further reduction of 25.9% to the Revenue Support Grant from Government the following year.
- Dealing with the reduction in Revenue Support Grant from Government whilst maintaining the Cabinet'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 the previous year.
- To again implement the Government's assumed "Adult Social Care Precept" in line with the Government's original plans, 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 1 to the report.
- 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. The approach was explained in more detail in sections 10.2- 10.4 of the report.
- An updated proposed medium term capital programme (2016/17 to 2019/20) totalling over £280m was included in the Capital Programme report which detailed proposed capital investments.
- Use of funding from a rigorous review of one-off resources to fund some one-off investments of a revenue nature, including investment in the Pride Programme, making available additional funding of £4.959m for Children's safeguarding in 2017/18 compared to what was originally planned and making available £2.122m more funding in 2017/18 than originally planned for Early Help & Support services to help phase in the cuts that the Council was forced to make. Funds of £2.5m had been set aside to provide a "draw-down budget" for Early Help and Support services in 2017/18 through to 2019/20 to protect and support vulnerable adults.
- Investment of £275,000 one-off resources over 2 years starting in 2017/18 in Destination Telford initiatives.
- £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 now budgeted on an ongoing basis rather than from time limited funding recognising the critical support that this organisation provides to many local people.

Attached to the report were a number of appendices, including savings proposals, Impact Assessments of the savings proposals, the Pay Policy Statement 2017/18, analysis of base budget movements, and details of Reserves and Balances.

As the majority of savings for 2017/18 were agreed in March 2016 the focus of the Cabinet's consultation activity this year related to communicating and seeking views on priorities, such as protecting front-line services to vulnerable adults and children, helping residents to become healthier, feel safer and develop more skills to get better jobs. The consultation also sought feedback on investments in infrastructure, community funding and vulnerable adults and children and implementation of the Adult Social Care precept. The communication and engagement plan outlined in Appendix 13 to the report provided more detail on the first phase of budget engagement during January and February 2017. Opportunities for people to give their views included attendance at a variety of forum meetings such as the Parish Forum and Senior Citizen's Forum, on-line and paper based surveys to the wider community and community panel, and communication via social media. Direct email communication was sent to a wide range of partners and information including a budget 'video' was included on the Council's website. As outlined in paragraph 10.2 of the report, this was the first phase of engagement in relation to the financial strategy for 2018/19 and 2019/20.

The final settlement had still not been received for central government but limited change was anticipated. Any changes required to reflect the final settlement would be made by adjusting the additional contingency set aside within the strategy to cover any reduction whilst if additional funding was received adult social care would be prioritised. The Council would continue to make cuts on an unprecedented scale with a cut of around 25.9% in its (provisional) Revenue Support Grant the following year alone.

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 2016/17 – 2019/20 and later years and a capital programme of £281.740m 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 2017/18, 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 2017/18. The Strategy was set within the parameters of the latest guidance and accounting standards. It was expected the Council would borrow up to £39.8m in 2017/18 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 2016/17. The weighted average return on internal investments at the end of December 2016 was 0.29% compared to a benchmark return for the period of 0.24%. The report also included the Council's Minimum Revenue Provision (MRP) Statement, which had been updated to state the exact policy in use for each borrowing type and would apply from 2016/17. Overall the policy was broadly in line with that previously agreed, however it was being extended to include the purchase of investment properties. There would be a lower MRP charged on investment properties for 2017/18 onwards to reflect the nature of the asset.

The report on Prudential Indicators sought approval of the prudential indicators for 2017/18 to 2019/20 required under the Prudential Code of Capital Finance in Local Authorities.

Recommendations by Cabinet would be considered at full Council on 2 March 2017 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 2017/18.

The Leader, Councillor S Davies, stated his belief in a moral obligation to campaign for a fair funding deal for the Borough and urged colleagues and partners to unite to make the case to demand a fair deal from government. He noted that the Council was a leader in seeking investment from commercial projects with many other Councils asking how to bring this commercial drive to their own areas.

RESOLVED – to RECOMMEND to COUNCIL on 2 March 2017:

- (i) Overview and Revenue Budget 2017/18 – 2019/20**
- (a) that the feedback from consultation summarised in Appendix 14 and from Scrutiny in Appendix 12 be considered**
- (b) that the Impact Assessments contained in Section 23 and Appendices 2 and 15 of the report be noted**
- (c) that the overall service and financial planning strategy set out in the report and the base budget in Appendix 7 of the report be approved**
- (d) that a Council Tax increase of 3.2% for 2017/18 (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 two years from 2018/19 to 2019/20 to match the period of the CSR and 4 year settlement be approved**

- (e) that the additional savings and pressures detailed in Appendix 1 of the report be approved**
- (f) that the commitment to continue to work with partner organisations, including Town & Parish Councils and Voluntary Sector and Community Groups to seek to identify ways to mitigate the impact of some of the cuts to services that we can no longer afford and the creation of the £695,000 Partnership Capacity Fund approved by Cabinet on 5 January 2017 be noted**
- (g) that in order to support the discussions with partner organisations, the transfer of £1.5m to the Invest to Save/Capacity Fund approved by Cabinet on 5 January 2017 which will provide further transitional funding for a Partnership Support Programme in line with the delegations and principles approved by full Council in March 2016 be noted.**
- (h) that the policy framework for Reserves and Balances outlined in Appendix 9 of the report be noted.**
- (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 Managing Director be authorised after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services to allocate funding from the Destination Telford and Organisational Development reserves.**
- (k) that the Pay Policy for 2017/18 shown at Appendix 3 of the report and which has been recommended by Personnel Committee be approved**
- (l) that the Assistant Director Business, Development & Employment be authorised to agree the final details of the Telford Land Deal – including agreement of the Transfer of Liability/Residual Land package after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.**
- (m) that the Assistant Director: Governance, Procurement & Commissioning 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 finalise the Telford Land Deal – including documents required to give effect to the agreement for the transfer of HCA liability/residual land, after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.**
- (n) that the Assistant Director: Finance & Human Resources be authorised to action any virements required following the final allocation of the**

Dedicated Schools Grant and other related Grants as long as they are within the budget and policy framework.

- (o) that the Assistant Director: Early Help & Support be authorised, 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).
- (p) that the Assistant Director: Governance, Procurement & Commissioning 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.
- (q) that a further £2.9m of available one-off resources be transferred to the one-off contingency fund approved by Cabinet on 5 January 2017 to provide a total amount of £9.8m.
- (r) that should any late changes be announced as part of the final Revenue Support Grant settlement, authority to adjust the level of the £9.8m contingency fund to compensate be delegated to the Chief Financial Officer after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services.
- (s) that this suite of service and financial planning reports serve as the Council's Efficiency Strategy for 2017/18 to enable new capital receipts generated in the three year period starting 1 April 2016 to be used to fund the revenue costs of reform as assumed throughout these reports.
- (t) that the CFO's robustness statement contained at Appendix 11 of the report be noted.
- (ii) **Capital Programme**
 - (a) that the report and associated capital estimates for 2016/17 and 2017/18 – 2019/20, which incorporates the Capital Strategy, the Capital Programme (Annex I), the Planned Building Maintenance Programme (Annex II), and Asset Management Plan (Annex III) and the three year Highways and Transport capital investment programme (Annex IV), be approved
 - (b) that the Assistant Director: Development, Business & Employment be authorised to deliver the planned programme of works within the Asset Management Plan and that the Assistant Director: Neighbourhood & Customer Services be authorized to deliver the Highways and Transport capital investment programme in line with the approved budgets with any variations or changes to schemes in these programmes, that remain within overall approved budgets, after consultation with the appropriate Cabinet Members.

(iii) **2016/17 Treasury Strategy and Treasury Update**

- (a) that the treasury management activities for the first half year be noted;
- (b) the Treasury Management Policy Statement as shown at Appendix A of the report be noted; and
- (c) the Treasury Strategy, including the Annual Investment Strategy for 2017/18 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement, which will apply from 2016/17 onwards be approved.

(iv) **Prudential Indicators**

- (a) that the prudential indicators as proposed in the report as part of setting the budget for 2017/18 be approved.

CB-069 Re-designation of Attendance Areas

Key Decision identified as **Proposed consultation on school organisation including re-designation of attendance areas** in the Notice of Key Decisions published on 25 January 2017.

The Assistant Director: Education & Corporate Parenting was invited to present the report which provided Cabinet with feedback following public consultation on changes to existing attendance areas as outlined in the Cabinet report presented in November 2016 in order to determine whether the proposals should be implemented from September 2018.

The Council had a statutory duty to ensure that there were sufficient school places in the area, promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential. It was also obligated to ensure that there were sufficient schools in the area, promote diversity, and increase parental preference.

In recent years the Borough had experienced an increase in the primary school population, which had in part been due to larger year groups starting school and smaller year groups leaving at the end of year 6. This had also been affected by a higher number of completions of new homes within the Borough over the last few years. These higher cohort numbers were now also impacting on secondary schools and this, combined with new housing development yielding additional pupils, meant that the overall secondary surplus was decreasing and that in some areas of the borough there was a need to rationalise secondary school places.

National guidelines specified that Local Authorities should aim to identify a school place for all pupils within three miles of their home address, although it was recognised that in some rural areas this might not be possible. In Telford and Wrekin planning for school places, based on the projections of pupil numbers and growth in housing development, aimed to achieve this goal. Due to the opening of a new secondary school, Telford Priory, and with the proposed adjustment to school

catchment areas, it was now possible for this aim to be achieved for pupils living in the Muxton area.

The proposals set out in the report were:-

- Lilleshall Primary Attendance Area would give priority to Lilleshall residents
- Muxton Primary Attendance Area would give priority to Muxton residents
- Lawley residents would have a shared attendance area to include both Ercall Wood Technology College and Telford Langley School
- Burton Borough attendance area would be redrawn to include Newport, the rural villages and Lilleshall
- Telford Priory School attendance area would be redrawn to include Muxton residents

Consultation had been over a period of six weeks and included an online survey and an invitation to the public to respond by email or by writing to the Council directly. A number of stakeholders had written direct to their local Councillor and these responses had also been included in the feedback summary presented to Cabinet. Headteachers and Chairs of governing bodies of all school involved, Shropshire and Staffordshire County Councils, Lichfield and Hereford dioceses, local MPs and the Department for Education had all been directly invited to respond.

Cabinet Members were pleased to note that the first three proposed changes listed above received approval from the majority of respondents. However, Cabinet noted that a large number of residents in Muxton had participated in the consultation exercise and parents had expressed concerns about the latter two proposals.

The Assistant Director: Education & Corporate Parenting referred to the comprehensive summary in the report of the main issues that had been raised and the actions that could be introduced to ensure that the proposals could be successfully implemented from September 2018. As set out in the report, concerns included:-

- The distance from Muxton to Telford Priory School
- The safety of the walking route from Muxton to Telford Priory School
- Subsidised transport to Burton Borough School
- Parental choice
- Shared Catchment Area
- School standards and quality of education
- Negative parental views of Telford Priory School
- Unpredictable rate of completion of consented housing in the Newport area

The Cabinet Members noted these concerns and the responses set out in the report, particularly that the proposals did not remove the right of parents to express a preference for a school other than their attendance area school. It was also noted that current year 6 pupils would not be affected by the proposals and younger children currently attending Muxton School would be able to apply for places under the school admission code which meant that the sibling of any children currently attending Burton Borough would be given a higher priority than others living outside the attendance area. All pupils in Muxton and currently attending Burton Borough

School would continue to receive transport until the end of their statutory education. This would also apply to any pupil offered a place at Burton Borough School and due to start in September 2017.

The Conservative Group Leader criticised the proposals and the impact on Muxton residents, in particular citing the perceived impact on parental preference, the safety of the walking route from Muxton to Telford Priory, the quality of education at Telford Priory in contrast to Burton Borough, and the financial benefits from ceasing provision of related home to school transport. He urged Cabinet to reconsider the proposals in light of the overwhelming response to the consultation and engage with Muxton residents to find alternative solutions.

Cllr G C W Reynolds, Cabinet Member: Education, Employment & Regeneration reiterated that the proposals sought to increase local residents' access to schools and that there would be no impact on parental preference. The Cabinet was committed to improving school performance and would work with all schools and academies to reach good or outstanding status. With regard to the safety of the route from Muxton to Telford Priory, she noted that the route was already in use by students from the Humbers and that the route was also served by local buses. She noted that the proposals were not due for implementation for 18 months which gave sufficient time for any additional improvements to the route, eg the addition of a cycle path, to be implemented.

Following a number of questions around the requirement to admit a relatively large number of pupils from the Stafford area to Burton Borough School, the Leader committed to writing to the Secretary of State for Education and local MPs to seek reconsideration of the rules around the admission of pupils from outside the authority area. The Cabinet were also advised that any savings from a reduced requirement for subsidised home to school transport would not materialise until the 2022/23 academic year.

RESOLVED – that

- (a) all the information relating to the consultation on the changes to attendance areas contained within the report be noted and that the following changes to attendance areas be approved for implementation from September 2018:**
 - (i) Lilleshall Primary School attendance area will give priority to Lilleshall residents**
 - (ii) Muxton Primary School attendance area will give priority to Muxton residents**
 - (iii) Lawley residents will have a shared attendance area to include both Ercall Wood Technology College and Telford Langley School**
 - (iv) Burton Borough attendance area will be redrawn to include Newport, the rural villages and Lilleshall**

- (v) Telford Priory School attendance area will be redrawn to include Muxton residents**

- (b) the Assistant Director: Education & Corporate Parenting, in consultation with the Lead Cabinet Member for Education, Employment and Regeneration, be authorised to take all required actions and exercise all the Council’s relevant powers to enable the re-designation of attendance areas.**

The meeting ended at 6.15pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 1 March 2017

Signed:

Date: