

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 29 June 2017 at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 5 JULY 2017

(DEADLINE FOR CALL-IN: MONDAY, 10 JULY 2017)

Present: Councillors S Davies (Leader and Chair), L D Carter, A D McClements, J C Minor, R A Overton, S A 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-093 Apologies for Absence

Councillors A R H England and R C Evans

CB-094 Declarations of Interest

None

CB-095 Minutes

RESOLVED – that the minutes of the meeting held on 18 May 2017 be confirmed and signed by the Chair.

CB-096 Service & Financial Planning Report – 2016/17 Outturn and 2017/18 Update

Key Decision identified as **Financial Management Report** in the Notice of Key Decisions published on 31 May 2017.

Recommendations for Full Council – not subject to Call-in.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Commercial Services which informed Members of the final outturn position for Revenue and Capital for 2016/17, and the initial trends for the current financial year.

In anticipation of the financial challenges to be faced over the next few years, the Council had actively managed its budget throughout 2016/17 and had ended the year in a very positive financial position. This would not only assist in 2017/18 but would also allow some one off investment in key areas to drive forward improvement and fund developments.

The gross revenue budget for 2016/17 was £433m and the net budget was £122m. The revenue outturn position was within budget with a final net underspend of £0.166m (equivalent to only -0.1% of net budget) after the proposed transfers to reserves and

balances had been made. This position had been achieved after delivering £16m of budget savings in 2016/17, on top of the £80m made in the previous 7 years.

However, the funding outlook for the medium term was still very uncertain, despite the Government's commitment to a Four Year Grant Settlement and due to the current review of the Business Rates Retention Scheme. This was the most significant and fundamental change to local government financing in recent times and encompassed a review of the Relative Needs formulae and moving to 100% Business Rates Retention combined with the transfer of extra responsibilities and Functions to local authorities. The design of the new system was subject to consultation and no detailed information for individual authorities was likely to be known until late 2018.

It was therefore not possible to provide any real certainty on the further cuts which the Council faced but it was anticipated that a further £30m would need to be identified by the end of 2019/20 on top of those savings already approved by the Council for 2016/17 and 2017/18. This brought the total savings to around £130m by the end of this period.

Due to the active and strong financial management exercised by Cabinet Members and budget holders, the Council had been able to create a number of provisions from the 2016/17 outturn position to support its priorities and sustain its financial position going forward.

The main service pressures experienced in 2016/17 related to Early Help & Support (£3.9m overspend, mainly on the cost of purchasing care packages from external providers) and Children's Safeguarding (£4.1m overspend due to a combination of Children in Care placements and the cost of using agency staff).

Capital spend ended the year at £73.7m against an approved estimate of £87.1m which was in the main due to re-phasing expenditure into 2017/18. This underspend would result in some further treasury management savings to be made in 2017/18.

Rates of Council Tax collection (£75m), Business Rates collection (£76m) were ahead of target for the year and Sales Ledger Income collection rate (£37m) was slightly behind.

Summaries of the outturn on revenue and capital, along with major variations, were appended to the report.

In conclusion, the Council faced another very challenging year in 2017/18, and the report highlighted a number of key issues and cost pressures, along with measures being taken to control and monitor expenditure. A further update would be brought to Cabinet in July once the final accounts were completed.

RESOLVED to RECOMMEND to COUNCIL that -

- (a) the Revenue outturn position for 2016/17 and related virements in Appendix 3 of the report, which is subject to audit by the Council's external auditors, be approved;**

- (b) the transfers to reserves and associated approval to spend the reserves as detailed in the report at section 5 and Appendix 2 be approved;
- (c) the supplementary revenue estimate in relation to the additional Adult Social Care Grant announced after the Council's budget was set detailed in paragraph 9.1 of the report be approved;
- (d) the Capital outturn position and related supplementary estimates, re-phasing and virements shown in Appendix 4 to the report and as summarised in the report be approved;
- (e) the performance against income targets be noted; and
- (f) the key issues identified for 2017/18 be noted;

CB-097 Procurement Update Report

Key Decision identified as **Procurement Update Report** in the Notice of Key Decisions published on 31 May 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Governance, Procurement & Commissioning which provided an update on the Council's Procurement Intentions Document and the latest information regarding effective procurement and contract management.

It was noted that council wide procurement continued to drive savings through robust competitive tendering and real time negotiation when brokering services.

The Procurement Team were taking a proactive approach with supporting colleagues to make an early start when retendering. They would contact the contract manager up to 12 months in advance of their contract expiring to support scoping and market management. This would ensure that last minute contract extensions were avoided and that there was time to plan for the most economically advantageous tender.

Early Market engagement was a key factor in getting the outcome right first time and on, or under, budget. The Public Contract Regulations 2015 actively encouraged pre market engagement with suppliers and the Council was fully embracing this opportunity wherever possible.

Examples of recent successful pre market engagement included the Street Lighting contract led by Waste and Neighbourhood Services Performance Team, the Highways retender process which had recently commenced led by the Neighbourhood Services Team; Children's Residential services contracts currently under review by the Procurement and Brokerage Team; and the Older People Residential Care Framework.

The regular Procurement Intentions Document was set out at Appendix 1 to the report. The document presented up and coming procurements for the next few months.

RESOLVED that –

- (a) the procurement updates in the report be noted; and**
- (b) the Procurement Intentions Document (Appendix 1 to the report) be noted and, where indicated, authority be delegated to appropriate officers (as per the Contract Procedure Rules) to progress new procurements through the tender process to contract award.**

CB-098 Young High Street Challenge

Key Decision identified as **Young High Street Challenge** in the Notice of Key Decisions published on 31 May 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Business Development and Employment.

The Borough's strategy for economic growth acknowledged a focus on both major inward investment and business growth and supporting local businesses particularly in high streets was needed in order to grow. High streets were important in their local communities and a number were also important assets in attracting visitors locally and regionally through events such as Wellington's annual literary festival, Newport Show and the Ironbridge walking festival. However, in tandem with the national picture, the borough's high streets were threatened by changes in household spending patterns, shopping culture and recreation trends. The Pride in the High Street programme aimed to address these challenges by supporting local high streets to maintain their role as the centre of communities.

One element which had been missing from most national high street initiatives was the direct engagement of young people. The 'Enterprise Telford - Young High Street Challenge' proposed to build on the work the Council was already doing through the "Life Ready, Work Ready" scheme to engage schools age children in enterprise and business and encourage future entrepreneurs by providing an opportunity for young people to bring new ideas to the regeneration of the Borough's high streets. Working with a Telford-based national name in youth engagement in enterprise, - Enterprise Days – the Challenge would engage with more than 1,000 young people to think creatively about new and innovative ideas to regenerate the borough's high streets, recognising that there was a need to attract young people to the high street as the customers and high street entrepreneurs of the future.

The Young High Street Challenge would see Enterprise Days work with secondary schools to develop innovative and practical ideas to increase the attractiveness of a high street(s) leading to an event in Global Entrepreneurship 2017 to present and select a project or projects to be taken forward and implemented in the Borough. The Challenge would culminate in an event in GEW 2018 to celebrate what has been achieved.

The Challenge would compliment investment through the Pride programme into the physical infrastructure of the borough's communities and high streets and the work through

Festival Telford and Discover Telford to support the marketing and attraction of local high streets. By bringing together all of these elements it was aimed to have a positive and lasting impact on the economies of the borough's high streets, supporting footfall, retaining and growing the high street offer and benefitting residents across the Borough.

Members welcomed the initiative.

RESOLVED that –

- (a) the Young High Street Challenge concept and method of delivery be approved; and**
- (b) authority be delegated to the Assistant Director: Development, Business & Employment to agree the terms and sign the Grant Funding Contract.**

CB-099 Academy Conversion Process: Proposed Recoupment of Costs

Key Decision identified as **Charging for Academy Conversion Costs** in the Notice of Key Decisions published on 31 May 2017.

Councillor S A W Reynolds, Cabinet Member: Education & Skills, presented the report of the Assistant Director: Education & Corporate Parenting which set out an overview of the Academy conversion process, the responsibilities and obligations that applied to the Local Authority, including an indication of the resources needed to meet the requirements, and sought approval for a proposal to secure a contribution from schools, dependent upon the circumstances of the school.

The Academies Act 2010 gave all maintained schools the opportunity to become academies. Academies were independent of Local Authority control and were able to set their own pay and conditions for staff and buy in private services; including buying back services from the Local Authority should they so wish.

There was no statutory requirement for any formal relationship to exist between Local Authorities and Academies beyond that which was required for the delivery of statutory duties. However, councils continued to play a key strategic role locally and Telford and Wrekin recognised that there were significant advantages for both academies and Local Authorities in constructive partnership working.

When entering into an Academy conversion, schools received a grant from the DfE of up to £25,000 towards their conversion costs. The Council received no direct source of funding to cover the costs linked to Academy conversions, however, there was a great deal of officer time required to ensure smooth transfer arrangements were undertaken within a reasonable timeframe.

Given both financial and staffing pressures it was proposed that the Council should seek to recoup costs associated with the Academy conversion process. Recoupment of costs would not reduce school budgets, as the funding was provided separately by Central Government. It was proposed that the Council would seek to recoup a contribution towards

their costs within the range of £4500 to £6500 with the maximum contribution being capped at £6500.

RESOLVED that –

- (a) **the principle of the recoument of the local authority's costs from schools in relation to the academy conversion process from September 2017 be approved; and**
- (b) **authority be delegated to the Cabinet Member for Education and Skills and the Assistant Director: Education and Corporate Parenting to determine the level of charge to be levied dependent upon individual school factors and also to take responsibility for reviewing charges on an annual basis.**

CB-100 Housing Investment Programme

Key Decision identified as **Housing Investment Programme Update** in the Notice of Key Decisions published on 31 May 2017.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Business, Development & Employment which provided an update on the programme to the year ending 2016/17 and an overview of proposals contained within the updated Business Case, appended to the report at Appendix 1.

The Housing Investment Programme (HIP) was a strategic programme, delivering a portfolio of properties for private and affordable rent. Nuplace Ltd was the Council's chosen delivery vehicle for the programme. Having been incorporated in April 2015, Nuplace had been operational for just over two years with 2016/17 being a key year in which the company moved from the purely developmental to the operational phase of the programme. This had allowed many of the assumptions of the original Business Case to be tested for the first time. Over this period Nuplace had:

- Developed, and fully let, 136 houses for private rent at Pool View (Randlay), Woodlands Walk (Madeley) and The Oaklands (Dawley).
- Commenced development of a further 154 homes at The Oaklands, (Dawley), Miners Walk (Madeley), Blossom Walk (Hadley) and Springfields (Newport)
- Pre-let over half of the properties on The Oaklands and Miners Walk, despite these sites not due to be complete until May 2018 and September 2018 respectively.
- Delivered combined income to the Council of £1.322m for financial years 2015/16 and 2016/17, of which £0.538m was as a result of services provided to Nuplace by the Council, and £0.785m represented interest on debt finance provided to Nuplace.
- Delivered a profit before interest and taxation to Nuplace Limited for the year ended 31 March 2017 of £438k, and £274k after interest but before taxation, (based on unaudited accounts)
- Through construction contracts for those sites completed, or in delivery, stimulated growth in the local economy amounting to £77.7m as a result of the investment made in the Housing Investment Programme.

- Worked with Lovell to support employment and training in the local economy by providing 40 weeks of work placements, 314 weeks of apprenticeships and 33 weeks of graduate training.
- Regenerated 20 acres of brownfield land, across six sites in the Borough.

Overall, the programme was performing well against the original priorities. Given continued demand and sustained rental values, development of two and three bed properties should continue to be an integral part of Nuplace's business plan. However, there was a danger that over reliance on one section of the market would make Nuplace's business model vulnerable to changing market conditions. Furthermore, assuming that the private rented sector (PRS) continued to grow at the rate experienced in the previous year, it was likely that by the end September 2018, when Phase 2 developments were complete, that Nuplace would have a significant 14% share of the PRS market in the Borough, with the majority of this being located in south Telford.

In the context of current market conditions and the location, mix and tenure of Nuplace's existing portfolio, opportunities for expansion had been identified which sought to respond to the original objectives contained within the business case. These proposals had been included within an updated Business Case, included at Appendix 1 to the report. This identified a further five sites across which these objectives would be delivered. Feasibility work had been undertaken to varying degrees with a view to determining deliverability and viability with the decision to include the identified sites, or other sites, within the programme to be subject to a full viability appraisal and approval of the HIP Board.

The inclusion of these sites would bring the number of properties to be developed to 500, from the originally envisaged 425, but the principal of development was considered to be largely consistent with the original objectives for the programme.

Members welcomed the programme and noted the importance of a trusted landlord in the PRS and the security of tenure which the Council could provide.

RESOLVED that –

- (a) the revised Business Case included at Appendix 1 of the report be approved;**
- (b) the revised terms of reference for the HIP Board included at Appendix 2 of the Business Case be approved;**
- (c) authority be delegated to the Managing Director in Consultation with the Assistant Director for Finance & Human resources, the Leader and Cabinet Members for Housing & Enforcement and Finance, Commercial Services & Economic Development to:**
 - (i) execute any documents, as required, to implement the recommendations contained within the revised Business Case;**
 - (ii) execute any agreements, as required, for the disposals or acquisition of land required to give effect to the recommendations contained within the Business Case; and**

- (d) authority be delegated to the Assistant Director: Governance, Procurement & Commissioning to seal or sign any documents required to give effect to the recommendations contained in this report.

CB-101 Pride in Our Community by Securing Safer, Cleaner Neighbourhoods through appropriate use of our Enforcement Powers

Key Decision identified as **Fixed Penalty Enforcement Policy & Setting of Fixed Penalty Fines** in the Notice of Key Decisions published on 31 May 2017.

Councillor R A Overton, Cabinet Member: Housing & Enforcement, presented the report of the Assistant Director: Customer & Neighbourhood Services which proposed a revised and robust approach to enforcement activity outlined in this report.

A number of specific Regulatory and Enforcement teams across the Council worked together to deal with various aspects of anti-social behaviour and environmental crime. These included the Public Protection team who dealt with, amongst other things, noise, waste on private land, rodent infestations, statutory nuisance and poor housing conditions, whilst Planning Enforcement Officers dealt with problems such as unsightly land and buildings which affected the amenity of the local area and often also harboured other related problems such as rubbish and rodents. Likewise the Environmental Enforcement team had traditionally dealt with more direct environmental crime such as littering, abandoned vehicles and dog fouling through the use of fixed penalty notices.

It was recognised that to effectively tackle the problems associated with anti-social behaviour and environmental crime the Council needed to ensure that it worked with all stakeholders to encourage them to take responsibility and an active interest in the areas in which they lived, worked and invested.

As part of the Pride in our Community programme keeping the Borough a clean and safe environment to live and work was a key priority for the Council. Over the last few years the number of litter bins across our borough had increased, a new 7 day a week, 362 days a year Household Recycling Centre at Hortonwood had opened, discounts on the bulk collection service had been offered, and a number of enforcement campaigns had been run such as the 'Angry Eyes' campaign which focussed on dog fouling and littering. However despite all of those actions there remained a small minority of the population who blighted the community through incidents of anti-social behaviour such as fly tipping, littering, dog fouling, graffiti etc. The report focuses on the level and type of enforcement activity that was proposed to address this challenge and in doing so working with partners such as the police, Town & Parish councils and the community to tackle the issues together. A programme of training for the Regulatory and Enforcement teams was planned and a communications plan was being developed with the aim of supporting the reduction of all forms of environmental crime by increasing understanding and awareness of the issues and the work the Council does to tackle them.

The Cabinet Member noted recent prosecution successes with regard to taxi drivers plying for hire and fly tipping.

The report was considered alongside the following agenda item, 'Fixed Penalty Enforcement Policy & Setting of Fixed Penalty Fines.'

Members welcomed the report and the message that the Council would take a robust enforcement approach towards those individuals who continued to engage in the anti social behaviours described in the report.

- (a) the revised and more robust approach to enforcement activity outlined in the report be endorsed;**
- (b) the impact of a more robust approach to the enforcement of environmental and other crimes be monitored by the Cabinet Member for Housing and Enforcement working closely with the Assistant Director for Customer & Neighbourhood Services**

CB-102 Fixed Penalty Enforcement Policy & Setting of Fixed Penalty Fines

Non Key Decision

Councillor R A Overton, Cabinet Member: Housing & Enforcement, presented the report of the Assistant Director: Customer & Neighbourhood Services.

Environmental legislation gave Councils the power to issue Fixed Penalty Notices as an alternative to prosecution for certain low level environmental and ant-social behaviour offences. A Fixed Penalty Notice was a means to give a person who had committed a relevant offence the opportunity to pay a fine and in so doing discharge their liability to conviction. The Council had flexibility to set the level of a fixed penalty charges for certain offences whilst the remaining were set in law. Before enforcing the relevant fixed penalty powers the Council was required to set out its Enforcement Policy and set the level of Fixed Penalty Fine to be levied in accordance with Regulations.

RESOLVED that –

- (a) the levels of fixed penalty fines at the levels set out within Section 9 of the Environmental Enforcement Fixed Penalty Notice Policy 2017 as attached at Appendix 1 of the report be approved; and**
- (b) the Environmental Enforcement Fixed Penalty Notice Policy 2017 as attached at Appendix 1 of the report be approved.**

CB-103 Telford & Wrekin Homelessness Strategy

Non Key Decision

Councillor R A Overton, Cabinet Member: Housing & Enforcement, presented the report of the Assistant Director: Commercial Services which fulfilled the statutory duty of the Council as a Housing Authority to review and update its Homelessness Strategy. The existing Homelessness Strategy was developed in 2013 and due to recent changes with the management of the Housing Services there was an opportunity to review the strategy.

A review had been carried out of the borough's current homelessness situation, trends and needs within Telford & Wrekin. This had identified that whilst homelessness applications and acceptances had been on a downward trend, there remained concerns around particular groups such as those suffering from domestic violence and young people.

Engagement sessions were held with various organisations, internal and external services and through the Customer, Community and Partnership Scrutiny Committee to identify key actions to produce a new Homelessness Strategy for the next five years.

Four key priorities had been identified with actions relating to each priority to produce a clear Homelessness Strategy including key actions to deliver these priorities:-

- Provision of high quality housing advice for all
- Prevention of homelessness
- Effective management of temporary accommodation
- Prevention of rough sleeping.

It was proposed to develop the Homelessness Strategy a detailed delivery plan that would be reviewed annually by the Homelessness Partnership Group.

RESOLVED that –

- (a) the Homelessness Strategy for the period 2017 - 2022 be approved; and**
- (b) authority be delegated to the Assistant Director for Commercial Services in consultation with the lead cabinet member for Housing & Enforcement to agree the annual homelessness delivery plan and the annual review of the plan, which will involve taking into account feedback from the Homelessness Partnership Group.**

CB-104 Representation on Outside Bodies 2017/18

Non Key Decision

Councillor S Davies, Leader presented the report of the Assistant Director: Governance, Procurement & Commissioning which set out the appointments to outside bodies that the Council was required to make for 2017/18. Nominations had been sought from the political groups for those appointments that were not by position. Following discussions with the political groups, a list of representatives for approval by Cabinet had been proposed, and this was tabled as Appendix 1.

RESOLVED – that the nominations to represent the Council on Outside Bodies for 2017/18, as set out in Appendix 1 of the report, be approved.

The meeting ended at 5.52pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 5 July 2017

Signed:

Date: