

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 14 February 2019 at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 20 FEBRUARY 2019

(DEADLINE FOR CALL-IN: MONDAY, 25 FEBRUARY 2019)

Present: Councillors S Davies (Leader and Chair), L D Carter, A R H England, R C Evans, H Rhodes, 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-047 Apologies for Absence

None.

CB-048 Declarations of Interest

Councillors S Davies declared an interest in CB-054 as his wife was a teacher at Thomas Telford School.

Councillor S A W Reynolds declared an interest in the CB-054 as her daughter was a teacher in a Local Authority School.

CB-049 Minutes

RESOLVED – that the minutes of the meeting held on 3 January 2019 be confirmed and signed by the Chair.

CB-050 2018/19 Financial Management Report

Key Decision identified as **Financial Management Report** in the Notice of Key Decisions published on 16 January 2019.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Assistant Director: Finance & Human Resources and Chief Financial Officer.

The strength of financial management was reflected in the projected year end position which was now estimated to leave around £7.95m uncommitted at year end comprising the contingency, and a significant VAT refund. This placed the Council in a good position to move into 2019/20 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.

Children's Safeguarding and Early Help & Support continued to be a key area of pressure and has a cost improvement plan in place to reduce costs and deliver

savings. The plan is 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 £2.7m relating to Treasury Management activities, a successful claim to HMRC for a VAT refund due to changes in regulations for leisure activities totalling £2.673m, a benefit of £0.6m relating to the Property Investment Portfolio and early delivery of benefits from the Council's £50 Growth Fund Investments, an anticipated requirement of additional investment of £3.5m to Children's Safeguarding & Early Help which was the position after applying £0.5m of balances set aside (the majority relating to the cost of Children in Care placements); an allocation from the national Business Rates Levy Account which was in surplus of £0.585m which would be received during 2018/19, a projected overspend of £0.5m relating to Education & Corporate Parenting..

The capital programme totalled £71.8m, which included all approvals since the budget was set. Spend was projected at around 86.7% and updates to the capital programme would be presented to full Council on 28 February 2019 as part of the Service & Financial Planning reports.

Income collection in relation to the Sales Ledger Outstanding Debt was ahead of target, whilst collection for Council Tax and NNDR were slightly behind target. Total cash collected was £4m greater than at the same point last year.

There was a high degree of confidence that the Council would end 2018/19 with a significant balance remaining in the corporate budget contingency even if further pressures did arise before year end. Therefore part of the projected available amount of £5.549m, together with the benefit arising from the £2.673m VAT refund could be earmarked for investment in key community priorities which were set out at section 5.2 to the report.

RESOLVED that –

- (a) it be noted that 2018/19 revenue spending is currently projected to be within budget and work will continue with the Senior Management Team to sustain this position;**
- (b) it be RECOMMENDED TO COUNCIL that the transfers to reserves set out in Section 5.2 of the report be approved and authority be delegated to the Managing Director, after consultation with the Cabinet Member for Finance, Commercial Services and Economic Development to allocate this funding to specific projects;**
- (b) the position in relation to capital spend and Cabinet be noted; and**
- (c) the collection rates for NNDR, council tax and sales ledger be noted.**

CB-051 Service & Financial Planning 2019/20 to 2020/21

Key Decision identified as **Service & Financial Planning Report** in the Notice of Key Decisions published on 16 January 2019.

Reserved for Council

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 Strategy and Programme, the Investment Strategy and Treasury Management Strategy and Prudential Indicators, updated the medium term financial projections and reaffirmed the Council's commitment to delivering the second year of its two year strategy whilst also allocating some additional funding for investment in the key priority areas.

On 1st March 2018 the Council approved a two year service and financial planning strategy for both 2018/19 and 2019/20. The Cabinet considered their draft budget proposals for 2019/20 at the meeting held on 3 January 2019 when they were approved for consultation. A one month engagement period on the Council's proposals had taken place and the details of the engagement process were summarised in the report.

Since 2010, the Council had had to make budget savings of £117m per annum, without the need to implement any emergency spending control measures. The final Local Government Finance Settlement was announced on 29 January 2019 with no changes being made despite the representations made by Councils and the Local Government Association. This would mean the Council's Revenue Support Grant would be cut by 30.65% (£4.335m) next year.

Due to the uncertainty surrounding the Government's Comprehensive Spending Review and the significant changes expected to be introduced to the local government finance system from April 2020, it was not considered appropriate to set a detailed strategy beyond 2019/20. It was unlikely that the Council would have any real clarity on its funding for 2020/21 until the settlement was received in December 2019. These changes could potentially have significant implications.

The report identified key strategies including:-

- Continuing with the strategy of increasing Council Tax by 3.2% next year. The Council would also make maximum use of the powers conferred by the Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018.
- Implementation of previously approved savings totalling £6.064m in 2019/20.
- Investment in the key priority areas of Adult Social Care, Children's Safeguarding and maintaining existing bus subsidies. £3.296m would be invested in Children's Safeguarding & Family Support to protect vulnerable children, over and above the £0.75m already built into the budget model for Children's Safeguarding & Family Support in 2019/20 with an additional contingency of £0.847m set aside to fund any additional cost pressures should they arise next year. Whilst the number of looked after children remained stable, the costs of some placements with complex and challenging needs exceeded £9,000 per week. The proposals would also deliver a further investment of £0.842m for Adult Social Care services which was over and above the £0.77m already built into the budget model for Adult Care in 2019/20. Maintaining existing subsidised bus routes would cost £0.330m.

- A programme of capital investments totalling more than £189m as set out in the Capital Strategy and Capital Reports which included:
 - Over £50m for road and transport improvements
 - Over £30m for school projects
 - Over £28m for further investment in NuPlace, our wholly owned housing company, projects
 - Almost £19m of investment through the Telford Growth Fund,
 - £9m for the Newport Innovation and Enterprise package – NI Park,
- A measured approach to the use of available one-off resources to cushion the impact of continued Government cuts in Council funding.

The Council needed to be innovative in identifying ways to generate more income to fund key front line services as well as seeking to address key issues for the Borough such as economic regeneration and improving housing standards in the private rented sector. Total revenue benefits to the Council from NuPlace in the previous year were £1.238m and made a pre-tax profit of £0.343m in 2017/18. This was expected to increase to £0.5m in 2019/20. In addition Council Tax of £0.2m would be payable to the Council from NuPlace properties and New Homes Bonus of £0.17m based on current build projections. The solar farm generated a surplus of £200k. The Telford Growth Fund was delivering ahead of expectations with the total revenue benefit projected to be £1.2m this year and expected to increase to £1.5 for the schemes currently approved. Income last year from the Commercial Services Team totalled £19.4m. The net benefits from these investments would be used to support front line services.

Attached to the report were a number of appendices, including the Pay Policy Statement 2019/20, analysis of base budget movements, and details of Reserves and Balances.

The Capital Strategy Report 2018/19 & 2019/20 was a new requirement of the Prudential Code for Capital Finance in Local Authorities and it aimed to give an overview of the long-term context in which capital expenditure and investment decisions were made.

A report was received on the Capital programme for 2018/19 and the proposed capital programme for 2019/20 to 2021/22 together with the Capital Strategy which included the proposed Asset Management Plan and related Building Maintenance and the Highways and Transport capital investment programme.

The Planned Building Investment Programme 2019/20 identified the proposed planned building capital maintenance programme for the 2019/20 financial year in accordance with Service and Financial Planning 2019/20 and 2020/21.

The investment strategy was a new report for 2019/20 in order to meet the requirements of statutory guidance issues by the Government. It focused on non-treasury investments and outlined the service delivery objectives, risk management arrangements and liquidity.

The report on the Treasury Management Strategy detailed the Treasury Strategy to be adopted for 2019/20. The Strategy was set within the parameters of relevant statute, guidance and accounting standards. It was expected the Council would borrow up to £34.4m in 2019/20 based on the current capital programme plans, and

would adopt a flexible approach to borrowing. In consultation with its treasury management advisors consideration would be given to affordability, maturity profile of existing external financial, interest rate and refinancing risk as well as borrowing sources. The investment strategy would generally be to reduce investments in order to reduce counter-party risk and to reduce net interest costs. The Council would anticipate holding investments equal to the requirements set out under MIFID II, currently £10m.

The report on Prudential Indicators sought approval of the prudential indicators for 2019/20 to 2021/22 required under the Prudential Code of Capital Finance in Local Authorities.

Recommendations by Cabinet would be considered at full Council on 28 February 2019 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 2019/20.

RESOLVED to RECOMMEND TO COUNCIL on 28 February 2019 –

(i) Overview & Revenue Budget 2018/19 – 2020/21

- a) that the service and financial planning strategy for 2019/20 set out in the set of reports, linked to the period of the current Comprehensive Spending Review, the local authority funding settlement from the Ministry for Housing, Communities & Local Government and the uncertainties surrounding future financial arrangements for local authorities be agreed;
- b) that the previous decision that Council Tax should be increased by 3.2% (made up of 2% in respect of the Government's Adult Social Care Precept and a general Council Tax increase of 1.2%) in both 2018/19 and 2019/20 be reaffirmed;
- c) that a further £0.842m be invested in to Adult Social Care services, which is over and above the £0.77m built in to the budget model for 2019/20 for Adult Social Care in March 2018;
- d) that £3.296m more be invested in to Children's Safeguarding & Family Support to protect vulnerable children. This investment comes on top of £0.75m for children's safeguarding built in to the budget model for 2019/20 in March 2018. A further £0.847m be invested in a contingency specifically to address any further cost pressures facing these services during 2019/20;
- e) that £0.330m be invested to maintain existing subsidised bus routes;
- f) that work to deliver the budget savings totalling £6.064m in 2019/20 that were approved at Council in March 2018 be continued;
- g) that a measured approach be taken to the use of available one-off resources of £2.961m in 2019/20 to seek to cushion the impact of continuing Government cuts in council funding and allow the level of investment required in Adult Social Care and Children's Safeguarding;

- h) that work with partner organisations, including Town & Parish Councils and Voluntary Sector and Community Groups be continued to seek to identify ways to mitigate the impact of some of the cuts to services that we can no longer afford and to note the availability of the £0.6m Partnership Capacity Fund;**
- i) that the Local Tax Support Scheme set out in Appendix 15 to the report be approved;**
- j) that the Pay Policy for 2019/20 included as Appendix 3 to the report be approved;**
- k) that the overall service and financial planning strategy set out in this report and the base budget in Appendix 6 to the report be approved;**
- l) that the policy framework for Reserves and Balances outlined in Appendix 9 to the report be approved;**
- m) that the CFO's robustness statement in Appendix 10 to the report be noted;**
- n) that the Risk Register included at Appendix 14 to the report be approved;**
- o) that the revenue implications of the medium term capital programme for the period 2018/19 - 2021/22 set out in the Capital Strategy and Programme reports be approved;**
- p) 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;**
- q) that the Assistant Director: Adult Social Care, in consultation with the Cabinet Member: Adult Social Care, be authorised to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006 (as amended);**
- r) 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;**
- s) that this suite of service and financial planning reports be approved as the Council's Efficiency Strategy for 2019/20, including the summary document at Appendix 13 to the report, to enable new capital receipts generated in the six year period starting 1 April 2016 to be used to fund the revenue costs of reform as assumed throughout these reports;**

- t) that the initial projections for the potential budget gap through to 2021/22 be noted and work start now in order to identify options for how this could potentially be bridged.

(ii) **Capital Strategy**

that the Capital Strategy for 2018/19 and 2019/20 be approved.

(iii) **Capital Programme**

- a) that the report and associated capital estimates for 2018/19 and 2019/20 – 2021/22, which incorporates the Capital Strategy, the Capital Programme (Annex I to the report), the Planned Building Maintenance Programme (Annex II to the report), and Asset Management Plan (Annex III to the report) and the two year Highways and Transport capital investment programme (Annex IV to the report) be approved;
- b) that the Assistant Director: Business, Development & Employment and Assistant Director: Commercial Services be authorised to deliver the planned programme of works within the Asset Management Plan and the Assistant Director: Customer & Neighbourhood Services be authorised 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.

(iv) **2019/20 Investment Strategy**

that the Investment Strategy for 2019/20 be approved.

(v) **2019/20 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 (Appendix A to the report) be noted; and
- c) that the Treasury Strategy, including the Annual Investment Strategy for 2019/20 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement, which will apply from 2019/20 onwards be approved;

(vi) **Prudential Indicators**

that the prudential indicators proposed in the report as part of setting the budget for 2019/20 be approved.

CB-052 CSE Inquiry Update

Key Decision identified as **CSE Inquiry Update** in the Notice of Key Decisions published on 16 January 2019.

Cllr S Davies, Leader, indicated that, in the spirit of the terms of reference of the CSE Inquiry Member Advisory Group, the Leader, Deputy Leader and Cabinet Member for Children and Family Services would not make comment on this report.

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services presented the report of the Monitoring Officer which invited Cabinet to approve the next phase of the Inquiry process, specifically the recruitment and appointment of the Independent Chair. The recruitment pack had been approved by the Members Advisory Group when it met on 12 February 2019. The Cabinet needed assurance that the process was progressing as quickly as possible, without jeopardising either a fair or a transparent process. However, the Cabinet should not, other than in the most exceptional circumstances, seek to influence the process. Councillor Carter accepted that the recruitment pack proposed by the Commissioning Body was professional and comprehensive and was assured that this was also the view of the Members Advisory Group when it met. Councillor Carter had observed the meeting and was further re-assured by the clear support from the survivors' representatives on the Committee for the pack and the proposed way forward.

Councillor Carter noted that a slight amendment to para 4.1 of the Cabinet Report, last line to insert "a progress report on Part B of the Final Commission is" and delete "the terms of reference of the Inquiry are".

Councillor Carter noted that he had listened to the comments from the Member Advisory Group, and addressed some of the concerns raised by a Member of the Group. He went on to note that the terms of reference should not be an issue for this Council, including the Member Advisory Group. Cabinet had taken steps to ensure the independence of the process and it must be respected that the terms of reference were the responsibility of others – ie the Commissioning Body, the Independent Chair and survivors. The recruitment pack was required to give a high level indication of the issues that needed to be addressed but going into the detail of what the terms of reference could look like was an issue that Part B of the Final Commission would address.

In moving the recommendations, Councillor Carter encouraged the Commissioning Body to start the recruitment process detailed in the report as quickly as possible.

RESOLVED that, having taken into account comments from the Member Advisory Group, Part A of the Final Commission as set out in Appendix A to the report be approved.

CB-053 Superfast Telford Broadband Programme

Key Decision identified as **Superfast Telford Broadband Programme** in the Notice of Key Decisions published on 16 January 2019.

Councillor H Rhodes, Cabinet Member: Transport, Roads & Broadband, presented the report of the Assistant Director: Business, Development & Employment.

Superfast Telford was the Council's broadband delivery programme which would transform the way people lived, worked, learnt, socialised and did business. The first phase was a £5.6m project led by the Council in partnership with British Telecom (BT) as part of the National Programme managed by Broadband Delivery UK (BDUK). The provision of the new network infrastructure had now reached over 9,000 homes and businesses and delivered Superfast fibre at 24Mbps+ to 98.21% of residents and businesses this put the borough in the top third of coverage across all UK Local Authorities and regions and significantly exceeded the national BDUK target of 95%. As well as exceeding the national target, only 1.12% of the Borough had less than 15Mbps+ which also exceeded the Government's national Universal Service Obligation to provide 10Mbps+ by 2020. Stakeholders had been kept well informed throughout the first phase and the take up of broadband continued to increase growing from 34% in May 2018 to 52% currently.

RESOLVED that the achievement of 98.2% superfast broadband coverage significantly exceeding the national target and the continued high levels of take up of new infrastructure by residents and businesses across the Borough be welcomed.

CB-054 School Admission Arrangements 2020

Key Decision identified as **School Admission Arrangements 2020** in the Notice of Key Decisions published on 16 January 2019.

Councillor S A W Reynolds, Cabinet Member: Employment, Education & Lifelong Learning, presented the report of the Assistant Director: Education and Corporate Parenting.

The Council had a statutory duty to annually determine the arrangements for admission to its community and voluntary controlled schools and to formulate a complying scheme for co-ordinating admissions at the main points of entry. The local authority was required to consult the public on its arrangements at least once every seven years, in line with its statutory duties, in order to ensure that admission arrangements continued to promote and enable fair access for pupils, secure preference and meet the needs of the community. A public consultation took place for six weeks between 26 November 2018 and 18 January 2019. The consultation sought view on two key areas:

- proposed oversubscription criteria for admissions to community and voluntary controlled schools in September 2020
- the designation of a shared attendance area for three primary schools being Priorslee and Redhill Academies and the new Free School to be opened on the new housing development planned on the Millers site adjacent to the M54 Junction 4

The proposed oversubscription criteria for the community and voluntary controlled schools in September 2020 was set out in the report.

RESOLVED that –

- (a) the Admission Arrangements be determined as outlined in the report and the Assistant Director, Education and Corporate Parenting be authorised to implement these arrangements for all community and voluntary controlled schools at the main points of entry (i.e. Reception, Year 3 for junior schools, and Year 7 for transfer from primary to secondary school) from September 2020.**

- (b) the redesignated shared catchment area for Priorslee and Redhill Academies and the new proposed Free School on the Millers site development be approved.**

The meeting ended at 5.36 pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 20 February 2019

Signed:

Date: