

BOROUGH OF TELFORD & WREKIN

Minutes of the Meeting of the Borough of Telford & Wrekin held on Thursday, 1 March 2018 at 6.00pm at The Place, Oakengates, Telford

Present:

Councillors S L Barnes, S Bentley, K T Blundell, A J Burford, S P Burrell, E J Carter, L D Carter, G K Cook, S Davies, N A Dugmore, A J Eade, A R H England, N A M England, R C Evans, I T W Fletcher, J A Francis, C A Furnival, E J Greenaway, K R Guy, M B Hosken, J Jones, R T Kiernan, A Lawrence, J Loveridge, C N Mason, A D McClements, R Mehta, J C Minor, L A Murray, R A Overton, J Pinter, G C W Reynolds, S A W Reynolds, S J Reynolds (Mayor), K S Sahota, P J Scott, R J Sloan, C F Smith (Speaker), M J Smith, B D Tillotson, K T Tomlinson, W L Tomlinson, C R Turley, and P R Watling

70. Prayers

Rev Keith Osmund-Smith said prayers.

71. Apologies for Absence

Councillors M Boylan, E A Clare, V A Fletcher, N C Lowery, T J Nelson, H Rhodes, J M Seymour, and D G Wright

Councillors J C Ashford and A A Meredith were absent from the meeting.

72. Declarations of Interest

None.

73. Minutes of the Council

RESOLVED – that the minutes of the meeting held on 11 January 2018 be confirmed and signed by the Mayor.

74. Leader's Report & Announcements

The Leader expressed thanks to everyone involved in keeping Telford moving through the adverse weather conditions.

75. Mayor's Announcements

The Mayor drew attention to the inaugural Commonwealth Celebration Event due to take place on the evening of 12 March 2018 at Oakengates Theatre.

76. Public Questions

None received.

78. Cabinet Decisions Made Since the Last Meeting of the Council

Members received the report on the Cabinet decisions made since the last meeting of the Council and, due to the adverse weather conditions, it was agreed that questions would be dealt with by way of written response.

Cabinet - 15 February 2018 - Better Homes for All: Tackling Rogue Landlords & Improving Private Rented Housing

Councillor Andrew Eade asked for a detailed breakdown of the costs associated with the proposals to introduce selective licensing

Cabinet - 4 January 2018 - School Funding Formula 2018/19

Councillor Ian Fletcher requested details of the percentage retained by the Council of the schools grant and what the actual amounts were.

79. Recommendations from Cabinet

Cabinet – 15 February 2018

(i) Driving Delivery of the Council's Priorities

This item was adjourned due to adverse weather conditions.

80. Service & Financial Planning 2018/19 to 2019/20

In light of adverse weather conditions and with the agreement of the meeting, the Speaker announced that the length of speeches for this item would be reduced by half.

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services, presented a series of reports from 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 2018/19. The report included details of savings proposals and investments for 2018/19 and 2019/20 and set out the proposed approach to developing the further savings that would be required through to 2020/21.

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 £110m per annum, meaning that every year there was now £1,500 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.

Following the publication of its draft budget proposals in early January, and a one month consultation period, Cabinet had confirmed its key budget priorities as Adult Social Care and Children's Safeguarding. After implementing the government's new 2% social care precept, the budget for Adult Social Care would increase by £2.2m and Children's Safeguarding and Early Help services would increase by £1.9m.

There were four core elements to the medium term service and financial strategy which were in line with the "Being the Change" ethos to take the organisation forward and deliver budget savings:-

- Focusing on solving problems and promoting social responsibility and action to manage and reduce demand for services,
- Challenging and changing, reviewing and reimagining the way the Council did things
- Reducing dependency on Government grants,
- Being a modern organisation with modern practices and which always got the basics right.

The Council had also adopted a new approach to the budget consultation which would take place throughout the year, rather than being compressed into a 4 week period which would allow greater focus and interaction with the community. The Council had commenced targeted discussions with Town and Parish Councils and voluntary sector organisations during December 2017. This was the start of an ongoing dialogue that would continue throughout the year as budget proposals were developed further. Engagement with the business community and other partners commenced in January 2018 and would also be part of an ongoing dialogue.

Attached to the report were a number of appendices, including savings proposals, Impact Assessments of the savings proposals, the Pay Policy Statement 2018/19, analysis of base budget movements, and details of Reserves and Balances.

As part of the provisional settlement from Government, it had been announced that on a one-off basis for 2018/19 Councils would be allowed to increase Council Tax by an additional 1% (equating to £0.6m in Telford & Wrekin) before a referendum was held. However, due to the economic challenges faced by many local residents, the Council was proposing to continue with its strategy of increasing Council Tax over the next two years by 3.2% pa.

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 2017/18 – 2020/21 and later years and a capital programme of £254m 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 2018/19, 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 2018/19. The Strategy was set within the parameters of relevant statute, guidance and accounting standards. It was expected the Council would borrow up to £43.3m in 2018/19 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 2017/18. The weighted average return on internal investments at the end of December 2017 was 0.19% compared to a benchmark return for the period of 0.19%. The report also included the Council's Minimum Revenue Provision (MRP) Statement, which overall was in line with that previously agreed. However, the Department for Communities and Local Government had issued a consultation paper on proposed changes to the Prudential Framework of Capital Finance which included proposals which would impact on MRP. Until the changes were finalised, it was not possible to assess any financial implications for the Council.

The report on Prudential Indicators sought approval of the prudential indicators for 2018/19 to 2020/21 required under the Prudential Code of Capital Finance in Local Authorities.

Having been moved by Councillor Carter, the budget proposals were seconded by the Leader of the Council, Councillor S Davies.

Councillor A J Eade, Leader of the main opposition group, responded to the budget proposals commenting on the levels of debt, £3.7m funding from central government, and expenditure on Telford's 50th Anniversary celebrations in the context of budget cuts and savings. He supported the principle of the Capital Investment scheme but emphasised the need to involve local Ward Members.

Councillor W L Tomlinson, Leader of the Liberal Democrat/Independent group welcomed the budget and its brave stand and thanks staff for their ongoing commitment. In particular he commented on pressures within Adult Social Care and provided some context around the Council's borrowing to invest.

A number of members spoke both for and against the proposed budget. In particular, a number of speakers emphasised that the budget proposals were to protect services for the most vulnerable people in the longer term. Members speaking against the budget proposals raised concerns over proposed borrowing and associated risks, and sought a redirection of Pride funds to Highways.

Councillor Carter responded at the end of the debate and a vote was taken on the budget proposals in reports D1 and D4 and the proposals were carried.

In accordance with legal requirements and Council Procedure Rule 11.5 a recorded vote was taken to approve recommendations in report D5 (Council Tax setting).

Voting was as follows:

For (31)

Councillors K T Blundell, A J Burford, L D Carter, G K Cook, S Davies, A R H England, N A M England, R C Evans, C A Furnival, K R Guy, J Jones,

J Loveridge, C N Mason, A D McClements, R Mehta, J C Minor, L A Murray, R A Overton, J Pinter, G C W Reynolds, S A W Reynolds, S J Reynolds, K S Sahota, P J Scott, R J Sloan, C F Smith, M J Smith, K T Tomlinson, W L Tomlinson, C R Turley, and P R Watling

Against (0)

Abstentions (13)

Councillors S L Barnes, S Bentley, S P Burrell, E J Carter, N A Dugmore, A J Eade, I T W Fletcher, J A Francis, E J Greenaway, M B Hosken, R T Kiernan, A Lawrence, and B D Tillotson

RESOLVED – that

(i) Service and Financial Planning 2018/19 to 2019/20

- (a) a two year service and financial planning strategy linked to the period of the CSR and the local authority funding settlement from the Ministry for Housing, Communities & Local Government be agreed;**
- (b) 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) a further £2.226m (the equivalent of a 3.7% council tax increase) be invested into Adult Social Care services in 2018/19 rising to a cumulative ongoing £3.509m new investment in 2020/21. In total the Council will be investing an additional £6.5m in to Adult Social Care over the next 3 years;**
- (d) £1.9m be invested in Children's Safeguarding & Early Help services in 2018/19 and £0.75m in 2019/20, a cumulative increase in budget of £2.65m;**
- (e) £1m of usable one-off resources be earmarked to create an additional one-off budget contingency in 2018/19 to be available to support the full implementation of the cost improvement plans for Children's Safeguarding & Early Help and Adult Social Care;**
- (f) additional budget savings totalling £6.852m be made in 2018/19 rising to a cumulative total of £12.580m in 2019/20 as detailed in Appendices 4 and 5 of the report;**
- (g) a measured approach be taken to the use of available one-off resources of £3.334m in 2018/19 and £3.157m in 2019/20 to seek to cushion the impact of continuing Government cuts in council funding;**
- (h) 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 to note the availability of the £744,000 Partnership Capacity Fund be noted;

- (i) in order to further support these discussions and the delivery of other future savings to approve the transfer of the £1m superannuation benefit referred to in section 5.1 the Financial Management report, also on this agenda, to the Invest to Save/Capacity Fund;**
- (j) the Pay Policy for 2018/19 included as Appendix 3 of the report which has already been recommended by the Personnel Committee be approved;**
- (k) the overall service and financial planning strategy set out in this report and the base budget in Appendix 7 of the report be approved;**
- (l) the policy framework for Reserves and Balances outlined in Appendix 9 of the report be approved;**
- (m) the CFO's robustness statement contained in Appendix 11 of the report be noted;**
- (n) the Risk Register contained in Appendix 16 of the report be approved;**
- (o) the revenue implications of the medium term capital programme for the period 2017/18 – 2020/21 set out in the Capital Programme report at appendix E2 of the agenda be approved;**
- (p) authority be delegated to the Assistant Director: Finance & Human Resources 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) authority be delegated to the Assistant Director: Early Help & Support, 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);**
- (r) the Assistant Director: Legal, 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) should any late changes be announced as part of the final Revenue Support Grant settlement, authority to adjust the level of the planned use of one-off resources in 2018/19 to compensate be delegated to the Chief Financial Officer after consultation with the Cabinet Member for Council Finance, Commercial Services & Economic Development;**
- (t) this suite of service and financial planning reports be approved as the Council's Efficiency Strategy for 2018/19, including the summary**

document at Appendix 15, 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; and

- (u) the projections for the potential budget gap in 2020/21 be noted and work start now in order to identify options for how this will be bridged as these savings will be more challenging than those previously agreed by the Council given that they come on top of the £110m of savings already made and may therefore have a significant lead time before spending reductions are delivered.

(ii) 2020/21: Capital Programme

- (a) the report and associated capital estimates for 2017/18 and 2018/19 – 2020/21, 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) authority be delegated to the Assistant Director: Development, Business & Employment to deliver the planned programme of works within the Asset Management Plan and to the Assistant Director: Neighbourhood & Customer Services to deliver the Highways and Transport capital investment programme in line with the approved budgets with any variations or changes to schemes in these programmes, that remain within overall approved budgets, after consultation with the appropriate Cabinet Members; and
- (c) it be noted that following changes to the Prudential Code in late December, the Council is required to approve a summary Capital Strategy before the end of 2018/19. This will be presented to Full Council for consideration and approval during 2018/19 once final guidance has been received.

(iii) 2018/19 Treasury Strategy and Treasury Update Report

- (a) the treasury management activities for the first half year be noted;
- (b) the Treasury Management Policy Statement contained at Appendix A of the report be noted;
- (c) the Treasury Strategy, including the Annual Investment Strategy for 2018/19 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement, which will apply from 2018/19 onwards be approved; and
- (d) authority be delegated to the Council's Section 151 Officer, after consultation with the Chair of Audit Committee and the Cabinet Member for Finance, Commercial Services & Economic Development to make any amendments required arising from the proposed changes to the Prudential Framework of Capital Finance.

(iv) Prudential Indicators

- (a) the prudential indicators proposed in this report as part of setting the budget for 2018/19 be approved; and
- (b) authority be delegated to the Council's Section 151 Officer, after consultation with the Chair of the Audit Committee and the Cabinet Member for Finance, Commercial Services & Economic Development to make any amendments required arising from the potential changes to the Prudential Code for Capital Finance

(v) Council Tax – Formal Resolutions for 2018/19

- (a) the formal resolutions to determine the levels of Council Tax for 2018/19 as detailed in the report be approved.

81. Questions

In light of adverse weather conditions, the meeting agreed that questions would be dealt with by way of written response.

- (i) Councillor Peter Scott asked the following question of Councillor Shaun Davies, Leader

"Now that the Police and Crime Commissioner has agreed to help with funding to implement Civil Parking Enforcement can Cllr Davies give us a more specific timetable on implementation and confirm the Council's willingness to take on this much needed process?"

- (ii) Councillor Eric Carter asked the following question of Councillor Shaun Davies, Leader

"Whilst welcoming the press release regarding the Council's support for adopting CPE does the Leader accept that this was due to the initiative from the Conservative Group, following the motion put forward in Summer 2016 followed by two Scrutiny Committees, where Cllr Lowery and myself suggested that the PCC needed to put in additional funding to help bring this about?."

82. Notices of Motion

Councillor L D Carter moved, in accordance with Council Procedure Rule 7, the following Motion:-

"This Council notes with concern the attempted hostile takeover of GKN by Melrose PLC which threatens the jobs of many high skilled manufacturing workers, their pension funds and the supply chain.

We call upon the Secretary of State for Business, Energy and Industrial Strategy to use his powers under the Enterprise Act 2002 and intervene in the public interest to

block any sale which is against the long term interests of the Company and its workforce.”

The Motion was seconded by Councillor S Davies.

Members were unanimously in support.

RESOLVED - that the Motion be approved.

83. Closure Motion

RESOLVED – that in light of adverse weather conditions, the remaining business of the meeting be adjourned to a date to be agreed by Group Leaders.

The meeting ended at 7.00pm

Mayor:

Date: