

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 12 November, 2015 at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 18th NOVEMBER, 2015

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

ALSO PRESENT: Councillor A J Eade (Conservative Group Leader) and W L Tomlinson (Liberal Democrat/Independent Group Leader)

CB-47 APOLOGIES FOR ABSENCE

None

CB-48 DECLARATIONS OF INTEREST

None

CB-49 MINUTES

RESOLVED – that the minutes of the meeting held on 15 October 2015 be confirmed and signed by the Chair.

CB-50 ENTERPRISE TELFORD – DELIVERING GROWTH AND PROSPERITY

Key Decision identified as **Enterprise Telford: Delivering Jobs and Growth** in the Notice of Key Decisions published on 14 October 2015.

Councillor S Davies, Cabinet Member: Business, Neighbourhood & Customer Services, presented the report of the Assistant Director: Development, Business & Employment, which provided an update on the successes achieved by 'Invest in Telford' and set out the Strategy for future growth including the 'Enterprise Telford Pledge' to business.

As part of the Council's business supporting and business winning approach, 'Invest in Telford' was launched in 2013 to promote the Borough as a place to invest to both existing businesses and potential new investors. Since then, the Council had dealt with over 3,000 businesses across all sectors and of all sizes, helping to secure and create jobs and securing over £2m of funding for growth. 'Invest in Telford' had also directly secured 21 business investments creating 369 jobs, and supported the expansion of 13 of the Borough's strategic businesses.

It was now proposed to build on these successes, and to respond to the national and regional agendas around economic development – eg: the

Government's devolution policy, the development of a national network of Business Growth Hubs and the launch of another phase of Enterprise Zones. The whole of Telford had been designated as an enterprise area, and it was proposed to introduce an Enterprise Telford Pledge to Business, a copy of which was appended to the report. This extended the offer to business through a bespoke package of support to create a more competitive investment environment. Part of this would be delivered through the new Business Growth Hub which had recently been opened at the Telford Innovation Campus, Priorslee. The Hub would act as a 'one-stop shop' for businesses and brought together the Council's Investment & Business Support Team, the University's Business Solutions team, the Telford Business Board and a range of other local, regional and national business support providers.

Another part of the Strategy was a proposal to establish a £20m Growth Fund to enable the Council to fund the acquisition of land or property, and build premises on behalf of investors for leaseback. This would drive growth and business expansion as well as deliver a revenue return to the Borough. This Fund was the subject of a separate report to Cabinet (see minute CB-53 below).

Members welcomed the proposals, which were vital to keep businesses in the Borough through helping them re-locate to larger premises, as well as attracting new businesses into the Borough. In response to a question about the involvement of the local business community, the Assistant Director and the Cabinet Member stated that the Telford Business Board was very supportive of the Council's approach, and reference was made to a number of testimonials from local companies about the assistance they had received. Reference was also made to the benefit of a healthy local economy in terms of the business rates income that could be used to support front-line services.

RESOLVED – that the 'Invest in Telford' Strategy for Growth and the Enterprise Telford 'Pledge to Business' be approved.

CB-51 SCHOOL FUNDING FORMULA 2016/17

Key Decision identified as **Funding Formula for Telford & Wrekin Schools for 2016/17** in the Notice of Key Decisions published on 14 October 2015

Councillor P R Watling, Cabinet Member: Children, Young People & Families, presented the report of the Assistant Director: Education & Corporate Parenting which sought approval for the proposed 2016/17 funding formula to be applied for mainstream schools in the Borough.

This was an annual process in the context of revisions to Department for Education (DfE) regulations or any other relevant developments. For mainstream school funding in 2016/17, the DfE had made only minor changes to the funding regulations. Following consultation with schools and the Telford & Wrekin Schools Forum, the following changes were proposed for 2016/17:

- One small change to the local funding formula to tighten the criteria for the allocation of split site funding;
- Utilise Dedicated Schools Grant (DSG) funding 'freed up' from the support provided to date for the BSF project and Falling Rolls Fund to support the High Needs budget in 2016/17. These funds were expected to amount to over £500,000 and would replace the 2014/15 DSG carry-forward used to support the current year's budget;
- Move just over £620,000 from funds available for the mainstream school funding formula to High Needs in order to fund increased places in special schools. This was in response to the increasing demand for high needs provision in the Borough along with the likelihood that there would be no increase in DfE High Needs funding in 2016/17.

While the latest figures were not yet available, it was clear that the overall pupil numbers in the Borough were growing significantly, particularly in the primary sector. This would lead to an estimated increase of around £3m in the overall cash sum of Schools Block DSG to be allocated by the DfE for 2016/17.

Councillor W L Tomlinson (Liberal Democrat/Independent Group Leader) welcomed the increased allocations for the High Needs budget, which would help to meet the increasing pressures on this provision and to help ensure that the needs of all pupils were met.

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

CB-52 PUBLIC HEALTH GRANT SAVINGS PROPOSALS 2015/16

Key Decision identified as **Public Health Savings** in the Notice of Key Decisions published on 14 August 2015.

Councillor R A Overton, Cabinet Member: Housing, Public Health & Protection, presented the report of the Assistant Director: Health, Wellbeing & Public Protection which identified savings measures in response to an in-year reduction of £774k in the Public Health Grant received from the Department for Health.

During the summer, an announcement was made to cut the Public Health Grant nationally by £200m in 2015/16, which on a pro-rata basis equated to £774k for Telford & Wrekin. This was very disappointing and seemed contrary to the NHS commitment to preventative health care. Representations had been made to Government, and a letter had been sent to the Minister to detail the impact these cuts would have on the NHS in terms of reduced health gains and future care and treatment costs arising from obesity, physical inactivity, smoking, and alcohol and drug addiction.

The in-year nature of this funding cut had made it a very challenging task to identify savings. £424k was being proposed from the budget for the Assistant Director: Health, Wellbeing & Public Protection, with the detailed breakdown shown in the report. The largest component related to expenditure on smoking

cessation and NHS Health Checks. 78% of the savings would affect external providers, with largely in-year slippage against in-house service areas accounting for the remainder. To achieve the remainder of the savings it was proposed to conclude the offer of free swimming for the over 50s, introduced as part of the 2015/16 Budget Strategy, earlier than anticipated, with a further £144k from the use of non-recurrent reserves and possible use of the corporate contingency to make up any shortfall.

A number of Members questioned the logic and timing of this Government imposed cut on budgets that had already been allocated. It seemed perverse to be cutting programmes designed to improve people's health, as it would only add further to the pressures on the NHS in the long term. Particular concern was expressed about the loss of free swimming for over 50s, and Councillor W L Tomlinson (Liberal Democrat/Independent Group Leader) asked if the implementation of this measure could be delayed from 1 January 2016 to April 2016. If not, what other concessions were available? Councillor E A Clare, Cabinet Member: Leisure Services & Culture, stated that it was very disappointing to have to make these choices but there were other important priorities that would suffer further if the free swimming was extended beyond 1 January. She advised that people over 50 who qualified for a Concessions TLC card would be able to swim for the reduced rate of £1. Councillor Overton urged local people to lobby their MPs about the impact of these cuts on preventative health services.

RESOLVED –

- (a) that the Department of Health's proposed in-year saving of £774k to the Public Health Grant be noted;**
- (b) that the proposals for, and risks of, reducing expenditure in 2015/16 from the budget of the Assistant Director: Health, Wellbeing & Public Protection, as set out in the report, be approved;**
- (c) that the offer of free swimming for the over 50s cease earlier than anticipated from 1st January 2016.**

CB-53 PROPERTY INVESTMENT PORTFOLIO – INVESTING IN TELFORD'S GROWTH

Key Decision identified as **Property Investment Portfolio (PIP)** in the Notice of Key Decisions published on 14 October 2015.

Councillors S Davies, Cabinet Member: Business, Neighbourhood & Customer Services, and L D Carter, Cabinet Member: Council Finance & Service Delivery presented the report of the Assistant Director: Development, Business & Employment which sought approval for the establishment of a £20m Growth Fund to attract inward investment and deliver economic growth and revenue income, through the development of the Council's Property Investment Portfolio (PIP).

The PIP comprised a range of industrial, retail and office premises which played a vital role in accommodating a considerable number of local businesses. It also made an important contribution to the Council's revenue support budget, generating a consistent income stream in excess of £5m per annum to support the delivery of Council services. There was an ongoing programme to dispose of poorly performing assets in order to reinvest in newer, better performing sustainable investments. In tandem with the 'Invest in Telford' initiatives (see minute CB-50), there was an opportunity for the PIP to invest in the construction of new premises with committed tenants, speculative development of industrial units to meet general market demand, invest in existing PIP properties, and acquire and develop suitable employment land. Currently, the PIP was unable to move quickly to commit to schemes because it had to raise capital from disposals first. To provide more flexibility, it was proposed to create a Telford Growth Fund, which would allow the PIP to access borrowing up to £20m to fund further investment to deliver business growth, enable rationalisation of the PIP and increase the revenue return. The report contained a worked example showing the potential return on an investment opportunity. It was anticipated that if the whole £20m was invested, there would be an annual rental return of over £300k, along with a further £300k from business rates. Opportunities to use this borrowing provision to grow the PIP would be subject to a business case.

Councillor A J Eade (Conservative Group Leader) expressed concern at the proposal for further borrowing that would increase the Council's debt. He asked if any other alternatives had been explored, and expressed the view that private sector solutions should be looked at in order to minimise the risk to the Council if the predicted returns from this investment were not forthcoming. The Cabinet Member: Business, Neighbourhood & Customer Services stated that this would not be speculative development, and the Fund would only be used once a lease or rental agreement was agreed. Income would be generated from this investment through rent and business rates, and it was vital that the Council was able to increase its revenue income streams in order to try and protect front-line services from the Government cuts in grant funding.

RESOLVED –

- (a) that authority be delegated to the Assistant Director: Development, Business & Employment, in consultation with the Cabinet Member: Council Finance & Service Delivery and the Assistant Director: Finance, Audit & Information Governance, to consider the business case and determine the acquisition and disposal of PIP assets;**
- (b) that authority be delegated to the Assistant Director: Development, Business & Employment to undertake the acquisition and disposal of PIP assets following approval to the business case as set out at (a) above;**
- (c) TO RECOMMEND TO COUNCIL that the necessary changes to the in-year (2015/16) budget framework to enable the strategy detailed**

in the report to be used in this financial year to facilitate the ongoing rationalisation and expansion of the PIP be approved;

- (d) TO RECOMMEND TO COUNCIL that the necessary changes to the Capital Programme and revenue budget from 2015/16 to facilitate the ongoing rationalisation and expansion of the PIP, as outlined in the report, be approved;**
- (e) that authority be delegated to the Assistant Director: Law, Democracy & People Services to seal or sign any documents required to give effect to the above resolutions.**

The meeting ended at 5.52pm

Signed for the purposes of the Decision Notices

**Jonathan Eatough
Assistant Director: Law, Democracy & People Services
Date: 18 November 2015**

Signed:

Date: