

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 13 October at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 19 OCTOBER 2016

(DEADLINE FOR CALL-IN: MONDAY, 24 OCTOBER 2016)

Present: Councillors S Davies (Leader and Chair), L D Carter, 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)

Announcements:

The Leader, Councillor S Davies noted the sad and untimely passing of Councillor Clive Mollett. He paid tribute to his services to the Council and extended sympathies to his family. Councillors A J Eade and W L Tomlinson echoed the tribute and also extended their sympathies.

The Leader expressed his concerns at the recent statement by Owen Paterson MP who had called for the authority to be abolished over its campaign to keep the threatened A&E department at the Princess Royal Hospital.

CB-033 Apologies for Absence

Councillors E A Clare, A R H England.

CB-034 Declarations of Interest

None.

CB-035 Minutes

RESOLVED – that the minutes of the meeting held on 15 September 2016 be confirmed and signed by the Chair.

CB-036 2016/17 Financial Management Report

Key Decision identified as Financial Management Report in the Notice of Key Decisions published on 14 September August 2016.

Reserved for Council

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

It was reported that the net projected outturn position for 2016/17 was estimated to be within budget, after applying £3.2m 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.

Members noted that this was an improvement on the previous report, which reflected the strength of the financial management despite the level of savings taken out of budgets in 2016/17 and previous years.

Despite the Government's commitment to a Four Year Grant Settlement, it was noted that the funding outlook for the medium term was still very uncertain due to the number of changes in the pipeline outside the Revenue Support Grant process. However, it had been anticipated that a further £15-20m savings would need to be identified by the end of 2019/20 on top of the £12m already identified for 2017/18.

It was reported that work was currently underway to develop a range of options for further savings which would feed into the budget strategy next year. It was agreed that it was inevitable that many of these new savings proposals were likely to have greater front line service impacts than the savings made to date which had focussed on driving down staffing levels and other costs and improving efficiency within the organisation.

Children's Safeguarding and Early Help & Support continued to be key areas of pressure that had cost improvement plans in place, monitored on a regular basis by senior managers and Cabinet Members, to reduce costs and deliver savings. Members noted the pressures in this area and that the impact would be significant in years to come; it was felt that up until now the availability of contingencies had diminished the impact. It was highlighted that although the impact of the Government's welfare reforms could not be demonstrated at this time, it was essential to continue the fair funding campaign, particularly as the Cabinet had made a commitment to pledge 90% of any funds received would go towards Children and Adult care services.

A number of variations from the approved budget were reported, including some beneficial variances. The key areas highlighted were:

- A benefit of £2.5m relating to Treasury Management activities - the majority of which related to benefits from low interest rates for short term borrowing and the current Treasury Management Strategy of keeping the majority of new borrowings very short term.
- A one off benefit of £0.6m following the final winding-up of Transforming Telford Ltd.
- Early Help & Support had projected an overspend of £3.7m, mainly relating to the cost of care packages. This was an improvement of over £0.3m compared to the position reported in July. A cost improvement plan was in place to deliver savings which should reduce this as the year progressed.
- Children's Safeguarding also continued to be a key pressure with an overspend of £2.8m, the majority relating to the cost of Children in Care

placements. A cost improvement plan was in place to review costs and the placement strategy.

It was noted that the capital programme totalled £92.3m which included all approvals since the budget was set. At the time of compiling the report projected spend was 93% of the budget allocation. Some new allocations, virements and slippage had been identified which would go to Full Council in November for formal approval.

Sales Ledger and Business Rates collection were ahead of the targets set. The level of outstanding Council Tax debt was slightly behind the target set for the year.

It was noted that there was a correction to recommendation 2.1 (i) in the Report; projected revenue spending was for 2016/17 and not 2015/16.

RESOLVED-

- a) to note the 2016/17 revenue spending was currently projected to be within budget and work continued with SMT to sustain this position;**
- b) that the position in relation to capital spend be noted and TO RECOMMEND TO COUNCIL that the new allocations, virements and slippage detailed in Appendix 3 of the Report be approved**
- c) that the collection rates for NNDR, council tax and sales ledger be noted.**

CB-037 Youth Justice Plan 2016/17

Key Decision identified as Youth Justice Plan in the Notice of Key Decisions published on 14 September 2016.

Reserved for Council

Councillor P R Watling, Cabinet Member: Children, Young People & Communities presented the report of the Director of Children's and Adults Services, which provided Members with details of the annual youth justice plan, on behalf of Herefordshire Council, Shropshire Council, Telford and Wrekin Council and Worcestershire County Council in accordance with the guidance "Youth Justice Plans: YJB Practice Note for Youth Offending Partnerships".

The Youth Justice Plan appended to the report set out how youth justice services across West Mercia were structured and funded and identified key actions to address identified risks to service delivery and improvement. The plan outlined the partnerships priorities for 2016/17 and provided commentary on the three national performance indicators for youth offending services. It was noted that:

- the rate of first time entrants to the youth justice system had increased in three of four local authority areas between 2014 and 2015, the reasons for this had been unclear. One of the priorities in 16/17 would be to investigate this and establish the reasons behind the increased rates. Members sought

clarification on the local authority areas and it was noted that Telford and Wrekin was one of the four local authorities in which there had been an increase; Herefordshire was the local authority where a slight decrease had been recorded. It was further clarified that overall the rate in West Mercia had increased against the national rate which has slightly reduced.

- in 2015/16 there was one custodial sentence in Telford equating to a rate of 0.06, this compared favourably to the West Mercia rate of 0.14 and the national rate of 0.37.
- the proportion of young people re-offending and the number of actual re-offences had decreased by -50% between 2010 and 2014; in the year ending June 2010 there were 370 offenders in the cohort and 337 re-offences compared to a cohort size of 140 with 168 re-offences in 2014.

The hosting arrangement for the service transferred to the Office of the West Mercia Police and Crime Commissioner from 1st April 2016. As part of the governance structures Telford & Wrekin Council had delegated responsibility to oversee the implementation of the plan to the Community Safety partnership. This would support the delivery of the Youth Justice Plan by realigning local priorities with the Community Safety Plan and the Police and Crime Plan to reduce offending and reoffending. This would also work towards understanding behaviours related to offending that would manage demand on high cost services.

RESOLVED TO RECOMMEND TO COUNCIL that–

- a) the Youth Justice Plan 2016/17 be approved approval and the West Mercia YOS responsibilities be endorsed; and**
- b) delegated authority be granted to the Community Safety Partnership to oversee the Implementation of the Youth Justice Plan.**

CB-038 Procurement Update Report

Key Decision identified as Procurement Update Report in the Notice of Key Decisions published on 14 September 2016.

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services presented the report of the Assistant Director: Governance, Procurement and Commissioning, which provided Members with an update on the Council's Procurement Intentions Documents and progress with procurement and contract management. An additional appendix was circulated which showed detail of savings on service contracts. Members noted that the savings in the report and appendices did not show the significance of the savings that had been achieved by the Council to date and that were in the pipeline.

It was noted that council wide procurement continued to drive savings through robust competitive tendering and real time negotiation when brokering services. Savings derived from effective procurement had contributed to the Cost Improvement Plans in place across the council.

Savings secured in recent months included:

- £50k re-negotiating a block contract within adults services,
- £31k per annum reviewing a young person's long term care placement,
- £15k through a change of procurement route for an ICT Product,
- £7k on our new insurance contract,
- £7k per annum on our hygiene contract,
- £3k extra income through increased commission from vending machines.

An opportunity for further savings had been proposed for consideration through the trial of electronic signatures when issuing legal documents.

RESOLVED that -

- a) **the procurement updates in the report be noted;**
- b) **the Procurement Intentions Document (appended to the report) be noted and delegation to the appropriate officers (as per the Contract Procedure Rules) to progress new procurements through the tender process to contract award, be approved;**
- c) **a waiver of the relevant Contract Procedure Rules to allow a pilot to trial the use of electronic signatures by the Procurement, Brokerage and Licensing Teams for a period of 3 months be approved.**

CB-039 West Mercia Energy Joint Agreement

Key Decision identified as West Mercia Energy (WME) Joint Agreement in the Notice of Key Decisions published on 14 September 2016.

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services presented the report of the Assistant Director: Finance and Human Resources which provided Members with details of the proposed update to the main agreement for West Mercia Energy (WME) between the constituent authorities, together with the related financial regulations, contract standing orders and scheme of delegation. A draft proposal had been agreed by Legal and Finance officers and would be ratified through each authority's cabinet process. Details of the changes were provided in Part B of the report. It was reported that the suggested governance changes would not impact on the Council's Constitution.

RESOLVED

- a) **that the discussions taking place between the owning Authorities; Telford & Wrekin, Shropshire Council, Herefordshire Council and Worcestershire Council be noted;**
- b) **to note that current governance arrangements for WME may be amended in line with the report;**

- c) that authority be delegated to the Assistant Director of Finance and Human Resources to finalise and execute amendments to the governance arrangements in Consultation with the Assistant Director of Governance, Procurement and Commissioning.

CB-040 Enterprise Telford – Driving Growth and Prosperity

**Non Key Decision
Reserved for Council**

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services presented the report of the Assistant Director: Business, Development & Employment which updated Members on the strategy for economic development that was launched in May 2016, progress to date and the proposal to increase the size of the Growth Fund by a further £30m, creating a Fund of £50m.

It was reported that over the last 3 years more than £150m of business investment in the borough and the creation or safeguarding of more than 2,000 jobs had been seen from the Council's business winning and business supporting approach. Members noted the key highlights, which included:

- the £83m investment by the Ministry of Defence into the logistics hub at Donnington;
- inward investment from major manufacturing businesses -
 - WZ (Moneta) Packaging,
 - The Recycling Group,
 - XYZ and
 - Filtermist who invested in Telford's flagship investment site, T54;
- significant expansions by existing Telford businesses-
 - BAE Systems,
 - Stadco,
 - Craemer and
 - Heinz.

In order to underpin the Enterprise Telford offer to business the Council had established a £20m Growth Fund which was being used to invest directly into land and property enabling local businesses to expand and draw in new investors. The investment fund was delivering new jobs and with £14.7m already committed to borough wide schemes, was set to deliver a gross income of £1.2m pa and a net income after borrowing of £400k pa - plus further income from growth in business rates. The investment was having an impact across the Borough and would enable the delivery of a further 1000 jobs.

The Fund had enabled the multi million pound investment by Magna International at T54, which would deliver in excess of 300 jobs and safeguarded more than 160 jobs in Newport following the Council's acquisition of the Audley Avenue Industrial Park.

Members noted that the first phase of Enterprise Telford had not only generated income, secured jobs and stimulated enterprise, benefitting all parts of the borough but importantly it was increasing the Council's asset base, which had been deficient historically. It also supported the Council's Strengthening Families strategy and created aspiration amongst young people in the borough. Tangible benefits could be demonstrated in the business and enterprise nationally and internationally attracted to the area and Members noted the positive feedback given by businesses reproduced in the report.

The proposal to increase the size of the Growth Fund by a further £30m would create a Fund of £50m. The potential gross return from the £50m Fund would be £3m pa - £1m pa net of borrowing, plus further growth in business rates which would help the Council to address the impact on frontline services from the ongoing reduction in Government grant. The Telford Growth Hub was the focus for engaging with investors and delivering wide ranging business support with hot desk facilities for start-ups. In less than 12 months the Hub had engaged with over 1500 people and 250 businesses had visited and used the facilities.

RESOLVED:

- (a) that the success of the Council's business winning and business supporting approach and the opportunities being generated through the Enterprise Telford campaign be noted;**
- (b) that an increase of £30m in the Growth Fund, to facilitate the expansion of the PIP as set out in the report, be approved and authority be delegated to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Lead for Council Finance, Partnerships and Commercial Services to consider and approve each business case for investment.**
- (c) TO RECOMMEND TO COUNCIL that the PIP be granted approval to undertake prudential borrowing to undertake the acquisition and disposal of PIP assets and/or investments in strategic infrastructure, following approval of the business cases as outlined in the report**
- d) TO RECOMMEND TO COUNCIL that the necessary changes to the capital programme and revenue budget to facilitate the ongoing rationalisation of the PIP and strategic investments as outlined in the report be approved**
- e) the continuation and extension of the Telford 'Deal for Business' be approved and authority be delegated to the Assistant Director: Business, Development & Employment, in consultation with the Assistant Director: Finance & Human Resources and the Cabinet Member for Council Finance, Partnerships & Service Delivery, to enter into agreements with businesses in line with the terms set out in the Cabinet Report of 27th March 2014**

- f) 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 the report.

CB-041 Shropshire Hills Area of Outstanding Natural Beauty (AONB) - Proposal for the creation of an independent Conservation Board

Non Key Decision

Cllr R A Overton, Cabinet Member: Housing, Leisure & Health presented the report of the Assistant Director: Business, Development & Employment which provided Members with details on a proposal by the Shropshire Hills AONB Partnership, of which TWC is a member, to move to a new structure based on the establishment of an independent Conservation Board. Endorsement had also been sought from Shropshire Council's Cabinet.

This independent structure would allow the Shropshire Hills AONB Partnership to attract additional grant funding and to explore further opportunities to become financially sustainable in the long term. As an independent body it would also give the Partnership greater identity and potential to lobby for investment. A detailed business case had been prepared by the Partnership and was appended to the report.

Members noted that where the proposal was supported by both Councils and a recommendation was made to DEFRA to move to an independent structure - the AONB Partnership would run a wide ranging public engagement across the whole of the designated area to seek input from communities and businesses which were not currently engaged in the existing AONB Partnership. It was anticipated that this engagement, along with input from the two local authorities, the existing partnership and formal advice from DEFRA, would shape the vision and scope of the Conservation Board.

RESOLVED that:

- (a) support for the proposal to create a Conservation Board as a new structure for the management of the Shropshire Hills Area of Outstanding Natural Beauty be approved;**
- (b) it be approved that Telford & Wrekin Council write jointly with Shropshire Council to Defra, requesting that Defra draft the Parliamentary Order required under the Countryside & Rights of Way Act (2000) for the creation of a Conservation Board to manage the Shropshire Hills Area of Outstanding Natural Beauty;**
- (c) authority be delegated to the Assistant Director: Business, Development & Employment (and any officer authorised in writing by that Assistant Director) to exercise all of the Council's powers regarding the creation of a Conservation Board to manage the Shropshire Hills Area of Outstanding Natural Beauty.**

CB-042 Highway Asset Management Policy & Strategy

Non Key Decision

Cllr A D McClements, Cabinet Member: Transport, Customer & Neighbourhood Services presented the report of the Assistant Director: Customer & Neighbourhood Services, which highlighted the vital role that the highway network; roads, footpaths, street lighting, bridges and other highway assets play in supporting the Borough's communities and businesses. It was noted that it was also the Borough's most expensive asset to maintain. In support of this the Council had developed a vision for the highway network, transforming the way the service was delivered. The highways vision for Telford & Wrekin was outlined in the report 'Keeping Telford Moving'.

The Cabinet Member reported on the Highway Asset Management Policy & Strategy that had been developed setting out the newly developed vision for highways in the Borough as well as the Council's approach to implementing asset management. The report sought approval of the Highway Asset Management Policy & Strategy appended to the report. Members noted that the Government's formula for allocating funding had changed and therefore the adoption of the policy and strategy would ensure the Council could maximise available highway maintenance funding.

The overarching aim of the vision 'Keeping Telford Moving' formed the basis of the Asset Management Policy and Strategy which linked corporate priorities with asset management principles. The document focused on 12 key asset management policy objectives along with a delivery strategy for each.

RESOLVED that

- (a) the Telford & Wrekin Highway Asset Management Policy and Strategy and its supporting appendices be approved;**

- (b) authority be delegated to the Assistant Director of Customer & Neighbourhood Services (and any officer authorised in writing by that Assistant Director) to prepare documents and develop, agree, adopt and implement policies, strategies and capital programmes in accordance with the provisions of the Highway Asset Management Policy & Strategy and its Appendices.**

The meeting ended at 5.32pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 19th October 2016

Signed:

Date: