

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 4 January 2018 at 5.00pm at Addenbrooke House, Ironmasters Way, Telford

PUBLISHED ON WEDNESDAY, 10 JANUARY 2018

(DEADLINE FOR CALL-IN: MONDAY, 15 JANUARY 2018)

Present: Councillors S Davies (Leader and Chair), L D Carter, A R H England, R C Evans, J C Minor, A D McClements, R A Overton, S A W Reynolds and P R Watling.

Also Present: Councillors A J Eade (Conservative Group Leader)

CB-140 Apologies for Absence

None.

CB-141 Declarations of Interest

Cllr S A W Reynolds declared an interest pertaining to Item 9 on the agenda.

CB-142 Minutes

RESOLVED – that the minutes of the meeting held on 7 December 2017 be confirmed and signed by the Chair.

CB-143 2017/18 Financial Management Report

Key Decision identified as **Financial Management Report** in the Notice of Key Decisions published on 6 December 2017.

Reserved for Council

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 net projected outturn position for 2017/18 estimated to be within budget was welcomed as a positive position, given the £13.8m savings required to balance the 2017/18 budget, and £3.7m uncommitted balance remained in the central contingency. Senior Managers would aim to sustain this position over the remainder of the year, so that the one-off contingency benefit was available to support the medium term budget strategy. However, it was noted that with a quarter of the year left, the Council could potentially face significant financial pressures if, for example, the winter was particularly hard or if the NHS faced significant winter pressures.

Children's Safeguarding and Early Help & Support continued to be key areas of focus and both had cost improvement plans in place to reduce costs and deliver savings. These plans were monitored on a regular basis both by senior managers and Cabinet Members. The projections took into account the specific contingency of £2.5m earmarked in the 2017/18 budget strategy for Adult Social Care pressures and the £2.5m Improved Better Care Funding available.

There were a number of variations from the approved budget, including some beneficial variances. The main areas highlighted were:

- A benefit of £2.6m relating to Treasury Management activities - the majority of which related to benefits from low interest rates for short term borrowing.
- Children's Safeguarding & Early Help was a key pressure with an anticipated requirement for £3.5m additional investment necessary this year; an increase of £0.4m since the last report. This mainly related to the cost of placements for Looked after Children and the cost of social workers. A four year model was in place which was designed to deliver efficiencies over the remainder of the year and medium term.
- Adult Social Care – current projections were that additional investment of £1.0m, mainly relating to the purchase of care packages, would be required this year compared to the original budget.

The funding outlook for the medium term was still uncertain however it was anticipated that the Council would need to identify a further £15-£20m savings by the end of 2019/20 on top of the £13m already identified for 2017/18, so it was important that the Council's good track record in managing budgets was maintained and the position in 2017/18 maximised which would assist in future years.

The capital programme totalled £101.7m which included all approvals since the budget was set. At the time of compiling the Cabinet report projected spend was 98% of the budget allocation; actual spend was 42% which indicated that there would be a requirement for some re-phasing at year end.

There were some new allocations and slippage identified which would go forward to Full Council in January for formal approval.

Sales Ledger outstanding debt and Business Rates collection were ahead of target, while Council Tax collection was slightly behind target. Overall, the amount of cash collected was higher than at the same point last year. In total £2.2m more cash had been collected than at the same point last year.

Members welcomed the report and congratulated the Cabinet Member: Finance, Commercial Services & Economic Development, Senior Management Team and Finance Team for their management of the budget and noted in particular that there remained a balance in the central contingency. Dismay was expressed about the lack of recognition by central government of the pressures facing all councils with responsibility for Adult Social Care and Children's Safeguarding and noted the impact on the budget of these pressures.

RESOLVED that –

- (a) the 2017/18 revenue spending currently projected to be within budget be noted and work continue with SMT to sustain this position; and the updated contingency position detailed in para. 5.1 of the report be approved;
- (b) the position in relation to capital spend be noted and **RECOMMEND TO COUNCIL** that the new allocations and slippage detailed in Appendix 3 to the report be approved;
- (c) the collection rates for NNDR, council tax and sales ledger be noted.

CB-144 Service & Financial Planning Strategy – Proposals for Consultation

Key Decision identified as Service & Financial Planning Report in the Notice of Key Decisions published on 6 December 2017.

Council decision – not subject to Call-in

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 report set out the Council's proposed Service and Financial Planning strategy for 2018/19 and 2019/20. By the end of the current financial year, the Council would already have delivered budget savings of £110,000,000. These savings were ongoing, meaning that they had to be made every year and that each year the Council had almost £1,500 less to spend on delivering services for every household in the Borough. The Council had sought to make savings in ways that protected front line services as far as possible.

By the end of 2020/21, based on current projections, the ongoing savings that the Council had to deliver were expected to exceed £143m in direct response to the national austerity programme. Despite the reductions that had to be made, the Council was still a large organisation delivering many services to local people and it was essential that remaining revenue and capital resources was used as effectively as possible to deliver the greatest possible benefit for local people.

Members acknowledged the pressures facing all councils with responsibility for Adult Social Care and Children's Safeguarding which meant that further budget savings had to be made in order to put additional investment in to these key front line services.

In the provisional Local Government Finance Settlement announced by the Secretary of State for Communities and Local Government on 19 December 2017, this would see the Council's Revenue Support Grant cut by over 23% (£4.3m) next year with a further cut of more than 30% in 2019/20. It was announced that for 2018/19 councils would be allowed to increase Council Tax by an additional 1%

(£0.6m in Telford & Wrekin) before a referendum was held. For councils with responsibility for social care, like Telford & Wrekin, this would give an absolute maximum increase of 5.99%. It should be noted that, at this stage, this decision had only been made on a one-off basis. The Council was proposing to continue with its strategy of increasing Council Tax over the next two years by 3.2% pa, which was broadly in line with the current rate of inflation. Whilst it was recognised that an increase of 3.2% would still represent a challenge for many residents, raising additional income from Council Tax needed to be balanced with the pressures facing many services after budget savings of £110m pa had been made.

In Telford & Wrekin a 1% Council Tax increase would raise £0.6m because Council Tax levels were comparatively low, as demonstrated in Appendices 1 and 2 of the report, and because the average property in this area was in B and B.

Strong financial management over recent years had enabled the Council to build up one-off sums of money to invest in the community. In 2018 Telford would celebrate its 50th anniversary and it was important that the Council continued to find ways to invest in communities and in roads, street lights and footways to keep Telford a great place to live, work, visit and do business. The Cabinet Members noted the existing investments that would be delivered in 2018/19:-

Education, Leisure, Economic and Commercial:-

- £17.1m on NuPlace Housing schemes
- £12.6m Telford Growth Deal projects
- £9.4m on various education schemes
- £3.9m for the Newport Innovation and Enterprise package
- £1.6m on a 3G pitch for South Telford

Pride in Our Community including:-

- £18.6m on Highways and Infrastructure schemes
- £3.36m to improve street lighting by continuing to install LED lighting
- £0.85m to improve footpaths,
- £0.7m for estate care parking improvements
- Over £0.7m for environmental pressures
- £0.5m for various small scale projects and local regeneration initiatives and
- £0.108m to continue the Member Pride fund of £2,000 per councillor.

The key proposals set out for consultation in the report were outlined:

A two year service and financial planning strategy to be set out linked to the period of the local authority funding settlement from the Department for Communities & Local Government.

The previous decision to be reaffirmed 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.

A further £2.475m to be invested (more than would be raised from increasing council tax by 4%) into Adult Social Care services in 2018/19 rising to a cumulative £5.05m new investment in 2020/21.

£0.4m to be invested in Children's Safeguarding & Early Help services in 2018/19.

An additional one-off budget contingency of £3m to be created 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.

A programme of capital investments totalling more than £250m set out in Appendix 4 of the report and the continuation of the programme of Pride in Our Community investments totalling £16m over 2 years detailed in Appendix 5 to the report.

Additional budget savings to be made totalling £6.582m in 2018/19 rising to a cumulative total of £12.580m in 2019/20.

A measured approach to be taken to the use of available one-off resources of £4.000m in 2018/19 and £4.975m in 2019/20 to seek to cushion the impact of continuing Government cuts in council funding.

The projections to be noted for the potential budget gap in 2020/21 and work to be started to identify options for how this would be bridged.

The comments in section 4.7 to be noted relating to the consultation issued by the Department for Communities and Local Government (DCLG) relating to proposed changes to the Prudential Framework of Capital Finance.

The statutory consultation period would commence on 5 January and continue until 4 February 2018. At this stage, the consultation was predominantly seeking overarching views on the strategy. It was highlighted that where specific savings required more detailed consultation and equality impact assessment, these would be subject to more detailed and specific consultation in due course.

Final decisions would be taken by the Cabinet at the meeting to be held on 15 February 2018 after the results of consultation with the community and the Finance & Enterprise Scrutiny Committee had been analysed. Recommendations from Cabinet would be considered at a meeting of the full Council scheduled for 1 March 2018 which would agree the budget and Council Tax levels across the Borough for 2018/19.

Members welcomed the report and noted the context of extreme financial challenge highlighted by the Cabinet Member for Finance, Commercial Services & Economic Development.

The Leader of the Council called upon local MPs to support fairer funding for the Council, to support the most vulnerable in the Borough and to send a strong

message to the Government. The Local Government Settlement had not been voted on in Parliament and did not have to be accepted; MPs could vote against it.

A clerical error was noted in paragraph 2.1.7 – the budget savings total was £6.852million in 2018/19.

RESOLVED that the proposed Service and Financial Planning Strategy set out in the report for statutory consultation between 5 January 2018 and 4 February 2018 be approved.

CB-145 Homelessness Reduction Act 2017

Key Decision identified as **New Homelessness Reduction Act** in the Notice of Key Decisions published on 6 December 2017.

Councillor R A Overton, Cabinet Member: Housing & Enforcement, presented the report of the Assistant Director: Commercial Services which highlighted that the Homelessness Reduction Act 2017 (HRA) received Royal Assent on 27th April 2017 and was being implemented 3rd April 2018. It was noted that this would place significantly increased duties on local housing authorities to prevent and relieve homelessness. It would amend the current duties under the Housing Act 1996. The HRA transformed the help councils were expected to provide to all homeless people. It aimed to ensure provision of new support to people who were not entitled to help under the current system. It required councils to try and prevent people from becoming homeless by intervening early and encouraging other public sector bodies to actively assist in identifying and referring those at risk of homelessness.

The Act represented a significant change to homelessness legislation. Key measures were highlighted and included:

- An extension of the period during which an authority should treat someone as threatened with homelessness from 28 to 56 days.
- A new duty to prevent homelessness for all applicants threatened with homelessness, regardless of priority need. (Prevention Duty)
- A duty to assess and agree a personalised housing plan
- A duty to relieve homelessness for all homelessness applicants regardless of priority need. (Relief Duty)
- A new duty on public services to notify a local authority if they came into contact with someone who they thought may be homeless or at risk of becoming homeless. (Duty to Refer)
- A stronger duty to provide advisory services to all. (Duty to Provide Advisory Services)
- A duty to help to secure accommodation (Accommodation Duty).

The Deputy Leader and Cabinet Member for Housing & Enforcement welcomed the legislation as a positive drive to help homeless people and prevent people from becoming homeless. It was noted that there would be an increase in workload for

Officers however the implications were not yet know, particularly as the work required could be above and beyond the time-limited funds.

RESOLVED that –

- (a) the Homelessness Reduction Act be noted and the actions taken by officers to date and those proposed within this report be endorsed;**
- (b) allocation of the two sources of grant funding from the Government to be allocated to tackle homelessness for the next 2 years to enable the new legislation to be successfully implemented be approved;**
- (c) the Assistant Director: Commercial Services be authorised in consultation with the Cabinet Member for Housing and Enforcement to consider and review any changes to the Implementation Plan and changes in processes and procedures as required to comply with the Code of Guidance yet to be published;**
- (d) the Assistant Director: Commercial Services be authorised in consultation with the Cabinet Member for Housing and Enforcement to approve and agree terms for the capital funding to help house homeless clients;**
- (e) authority be delegated to the Assistant Director: Business, Development & Employment in consultation with the Cabinet Member for Finance, Partnerships & Commercial Services to negotiate and complete the disposal of the asset as described in this report known as Carwood;**
- (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 this report.**

CB-146 School Funding Formula 2018/19

Key Decision identified as **T&W School Funding Formula 2018/19** in the Notice of Key Decisions published on 6 December 2017.

Councillor S A W Reynolds, Cabinet Member: Education & Skills presented the report of the Assistant Director: Education & Corporate Parenting. It was reported that each year the local funding formula was reviewed for mainstream schools in the context of revisions to DfE regulations or any other relevant developments. The Council made the final decision on the funding formula having consulted with schools and the Schools Forum regarding any changes. The local funding formula applied both to academies and maintained schools and in 2018/19 would determine the distribution of around £110m of funding.

Proposals for 2018/19 were noted as follows:

- the local funding formula would move towards the DfE's National Funding Formula model for school funding, details of which were published in 2017, and the protection for schools would be improved by increasing the minimum funding guarantee to 0% from the current minus 1.5%;
- a top-slice from mainstream school budgets would be requested from the Schools Forum to support the increasing budget pressure on high needs.

The revised funding formula had to be submitted to the DfE agency - the Education & Skills Funding Agency (ESFA) by 19 January 2018. The report sought Cabinet approval for the proposed 2018/19 funding formula for Telford & Wrekin mainstream schools.

RESOLVED that:-

- (a) **the 2018/19 funding formula for Telford & Wrekin mainstream schools, as consulted on with schools and the Schools Forum, be approved.**

Exclusion of Press and Public

It is recommended that the press and public be excluded from the meeting for the remaining item of business on the grounds that it may involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

CB-147 Special Education Provision

Key Decision identified as **School Organisation - Education Provision** in the Notice of Key Decisions published on 6 December 2017.

Councillor S A W Reynolds, Cabinet Member: Education & Skills declared an interest in the item and left the room.

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

One amendment to the report was noted; that the consultation would run from 19th January to 12th March 2018.

It was reported that as part of the strategy to provide sufficient school places for pupils, the Council had commissioned a review of Special School places across the borough. Key findings from the efficiency assessment indicated that there was a need to expand existing provision to meet demand in the Borough and initial plans had been drawn up to provide an additional 26 places. An opportunity to achieve expansion through the purchase of a new site had been identified and a consultation was proposed on the potential relocation.

It was noted that should the decision be made following consultation to relocate the Special School, the current school site would become available and there would be potential to either reuse the site or sell it, partially offsetting the additional investment required for relocation.

RESOLVED that

- (a) (subject to the completion of the consultation) authority be delegated to the Assistant Director: Business, Development & Employment and Assistant Director for Finance & HR to incur expenses and take all required actions to implement and achieve the proposed re-location of the Special School to the new site as outlined in the report;**
- (b) (subject to completion of the consultation) authority be delegated to the Assistant Director: Business, Development & Employment and Assistant Director for Finance & HR in consultation with the Cabinet Member for Finance, Partnerships & Commercial Services to negotiate and complete the acquisition of the site as outlined below;**
- (c) authority be delegated to the Assistant Director: Business, Development & Employment in consultation with the Cabinet Member for Finance, Partnerships & Commercial Services to negotiate and complete the disposal of appropriate interests in the asset which are deemed surplus to requirements;**
- (d) (subject to completion of the consultation) authority be delegated to the Assistant Director: Business, Development and Employment and Assistant Director for Finance and HR to complete any required processes and enter into any required agreements, transfers or other documentation to give effect to the recommendations contained in the report;**
- (e) 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.**

The meeting ended at 6.05pm

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 10 January 2018

Signed:
Date: