



Cabinet  
11 December 2013  
12.30 pm

Item  
**3**  
Public

## **MINUTES OF THE CABINET MEETING HELD ON WEDNESDAY 13 NOVEMBER 2013**

12.30 pm – 13.20 pm

**Responsible Officer:** Penny Chamberlain  
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### **Present:**

Mr K Barrow (Leader)  
Mr T Barker, Mrs K Calder, Mr L Chapman, Mr S Charmley, Mrs A Hartley, Mr M Owen, Mr M Price and Mrs C Wild

### **86.0 Apology for Absence**

86.1 There was an apology for absence from Mr G Butler.

### **87.0 Disclosable Pecuniary Interests**

87.1 Members were reminded that they must not participate in the discussion or voting on any matter in which they had a Disclosable Pecuniary Interest and should leave the room prior to the commencement of the debate.

### **88.0 Minutes**

88.1 **RESOLVED:**  
That the Minutes of the meeting held on 16th October 2013 be confirmed as a correct record and be signed by the Leader.

### **89.0 Public Questions**

89.1 Mr Stephen Mulloy of Shrewsbury had submitted a series of questions in relation to the New Homes Bonus and the Portfolio Holder for Planning, Housing and Commissioning (Central) had responded – copies attached to the signed minutes.

89.2 Mr Mulloy was invited to ask a supplementary question and in doing so queried whether the Council would be looking at ways it could incentivise house developers to build to higher standards above Sustainability Code level 3. He also referred to recent public meetings held as part of the Join the Conversation process and expressed concern that the Council was not engaging sufficiently with the public.

89.3 In response the Leader commented that the Join the Conversation events had been actively promoted particularly by Radio Shropshire following the initial event at Oswestry and suggested that although these events could have been better attended by the public, numerous members engaged with the Council through Facebook and Twitter. In turn the Portfolio Holder indicated that unlike Shropshire Council other authorities had not made such good use of the New Homes Bonus which following a Government review had subsequently led to monies now being top sliced through Local Enterprise Partnerships. Consequently the Council would be competing with its neighbouring authorities for funds which it had earned. He also commented that whilst Code level 3 was a good standard, building to level 4 and above was even better and efforts were continuing to be made to encourage developers to meet these higher standards. He expressed concern that this level might decrease following the outcome of the Housing Standards Review but indicated that no action should be taken until the review had run its course. All of the money for last year and 2013/14 had been committed by the Council.

#### **90.0 Matters Referred from Scrutiny/Council**

90.1 There were no matters referred from Scrutiny/Council.

#### **91.0 Reports of Scrutiny Committees**

91.1 There were no reports from the Scrutiny Committees.

#### **92.0 Revenue Monitoring Report – Period 6 2013/14**

92.1 The Portfolio Holder for Resources, Finance and Support presented a report by the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed minutes – which set out the Revenue forecast for 2013/14 as at Period 6, and identified management actions being taken to ensure a balanced budget at the end of the financial year. He referred to the key issues highlighted in the report, namely the projected year end overspend of £2.639 million and the projected General Fund Balance as at 31 March 2014 of £9.993 million. The projected overspend at Period 6 had reduced since Period 5, mainly due to the impact of the savings from the Voluntary Redundancy Programme being reflected within the services.

#### **92.2 RESOLVED:**

(a) That it be noted that at the end of Period 6 (27 September 2013), the full year forecast was a potential overspend of £2.639m.

(b) That the impact of this on the Council's General Fund Balance be noted.

### **93.0 Capital Monitoring Report – Period 6 2013/14**

93.1 The Portfolio Holder for Resources, Finance and Assurance presented a report by the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed minutes – on the current position regarding the Council's 2013/14 to 2016/17 capital programme taking into account the latest monitoring information on the progress of the schemes, any necessary budget increases and decreases and the re-profiling of budgets between 2013/14 and future years.

#### **93.2 RESOLVED:**

- (a) That approval be given to the budget variations of £4.7m to the 2013/14 capital programme, detailed in Appendix 1/Table 1 of the report and the re-profiled 2013/14 capital budget of £59.8m.
- (b) That approval be given to the re-profiled capital budgets of £54m for 2014/15 and £15.4m for 2015/16 as detailed in Table 4/Appendix 1 of the report.
- (c) That the expenditure to date of £18.3m, representing 30.7% of the revised capital budget for 2013/14, with 50% of the year having elapsed, be accepted.

### **94.0 Business Plan and Financial Strategy – 2014/15 to 2023/24**

94.1 The Portfolio Holder for Resources, Finance and Support presented a report by the Chief Executive – copy attached to the signed minutes – on proposals for the drawing up of the Council's draft Business Plan and Financial Strategy for the period 2014/15 to 2016/17. This would be a live document, refreshed throughout the year with reports to Cabinet for decision whenever necessary. He emphasised that the Council faced considerable financial challenges over the medium term with an assessment of the difference between costs and resources over the following three years of £80m. It was intended that the document would identify the high level proposals by which the funding gap could be addressed by the Council. Cabinet would be provided with more detail on these proposals at its next meeting following review and consideration by Scrutiny in late November.

94.2 The Leader referred to the savings made by the Council over the last three years and commented that these had been implemented with relatively little public impact and emphasised that the authority was faced again with tackling more challenges which could not go unaddressed. He indicated that in making savings the Council intended to deliver better outcomes appropriate for the 21<sup>st</sup> century.

94.3 During the ensuing discussion a Member referred to the lack of detail in the proposals and commented that presumably more information would be forthcoming in due course. He also referred to the large scale savings to be made and expressed concern that 50% of employees would be leaving the authority with many of its services becoming run

through profit making initiatives with the resulting loss of local democracy and direct control. In response the Leader indicated that by doing things differently and redesigning its services the Council would make the necessary savings and deliver better outcomes for local people.

94.4 Another Member referred to the Council's priority of listening to its customers in order to focus on their needs and asked for further clarification on how this might work holistically across the area. In relation to zero based budgeting she also sought clarification regarding the measures being put in place to ensure minor remedial action was not taken when more major works were required to deal with certain issues. Following reference to the future sale of the Shirehall she also queried the possibility of some form of community assistance being given to enable assets to be transferred to the third sector in the event of the full market price not being achievable by them. In response to her comments and queries the Leader indicated that the Council was actively looking into local commissioning and praised the concept of zero based budgeting as a means of focusing on the delivery of outcomes. In referring to the £2.6m annual revenue costs for running the Shirehall he also indicated his willingness to discuss the concept of community action trusts with the Member outside of the meeting particularly in so far as it might relate to the Bishop's Castle Business Park. Confirmation was also given that whilst not in the public domain much of the information being used in the commissioning process namely, customer journeys and process mapping was available for Members and that this evidence formed the basis of how the Council delivered services from a customer's perspective.

94.5 **RESOLVED:**

- (a) That the projected funding gap over the period 2014/15 to 2016/17 of £80m. £41.5m falling in 2014/15 be recognised.
- (b) That the Draft Business Plan and Financial Strategy attached at Appendix 1 to the report be noted and the proposals for setting the Council's budget for the three years 2014/15 to 2016/17 be agreed.
- (c) That the basis and amount of Council Tax Support Grant to be allocated to Town and Parish Councils for 2014/15 council tax reduction scheme as £0.581m be agreed.

**95.0 Treasury Management Update – Quarter 2 2013/14**

95.1 The Portfolio Holder for Resources, Finance and Support presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed minutes – on the treasury management activities of the Council in the last quarter of 2013/14. The report highlighted the economic environment in which treasury management decisions had been made and the interest rate forecasts of the Council's Treasury Advisor, Capita Asset Services (formerly Sector Treasury Services). It also provided an update on the

internal treasury team's performance which achieved a return of 0.55% on the Council's cash balances outperforming the benchmark by 0.29%.

**95.2 RESOLVED:**

That the position relating to the treasury management activities of the Council in the second quarter of 2013/14 as set out in the report by the Head of Finance, Governance and Assurance (Section 151 Officer) be accepted.

**96.0 Treasury Strategy 2013/14 – Mid Year Review**

96.1 The Portfolio Holder for Resources, Finance and Support presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed minutes – on a mid-year review of the Treasury Strategy which had been prepared in compliance with CIPFA's Code of Practice on Treasury Management 2011 and covered the following matters:

- An economic update for the first six months of 2013/14;
- A review of the Treasury Strategy 2013/14 and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2013/14;
- A review of the Council's borrowing strategy for 2013/14;
- A review of any debt rescheduling undertaken; and
- A review of compliance with Treasury and Prudential limits for 2013/14.

**96.2 RESOLVED:**

That the mid-year position in respect of the Treasury Strategy as set out in the report by the Head of Finance, Governance and Assurance (Section 151 Officer) be accepted.

**97.0 Delegation of Functions to Birmingham City Council for the Purposes of Illegal Money Lending Enforcement**

97.1 The Portfolio Holder for Business Growth, ip&e and Commissioning (North) presented a report by the Head of Public Protection – copy attached to the signed minutes – on the proposed delegation of functions to Birmingham City Council for the purposes of illegal money lending enforcement. Authorisation was being sought to enable their Regulatory Services to investigate illegal money lending activities and to institute proceedings against illegal money lenders operating within the Shropshire Council area. The costs and risks of any action would lie with Birmingham City Council.

**97.2 RESOLVED:**

(a) That approval be given to the delegation of the function of enforcement, including undertaking investigations, under Part III of the Consumer Credit Act 1974 and the

power to institute proceedings under this Act and any other relevant legislation to Birmingham City Council for any matters associated with illegal money lending in Shropshire.

- (b) That approval be given to, with any necessary amendments, the ‘Protocol for Illegal Money Lending Team Investigations’ set out in Appendix A of the report and delegated authority be given to the Public Protection Service Manager for Safer & Stronger Communities and the Portfolio Holder for Business Growth, ip&e and Commissioning (North) to enter into this protocol with Birmingham City Council on behalf of Shropshire Council and to make and approve any amendments to the protocol where required.

**98.0 Exclusion of Press and Public**

**98.1 RESOLVED:**

That in accordance with the provisions of Schedule 12A of the Local Government Act 1972, Section 5 of the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations, and Paragraph 10.2 of the Council’s Access to Information Rules, the public and press be excluded during consideration of the following items.

**99.0 Exempt Minutes**

**99.1 RESOLVED:**

That the exempt Minutes of the meeting held on 16<sup>th</sup> October 2013 be confirmed as a correct record and be signed by the Leader.

Signed ..... (Leader)

Date: 11 December 2013