



Cabinet

12 March 2014

12.30 pm

Item

3

Public

MINUTES OF THE CABINET MEETING HELD ON WEDNESDAY 19 FEBRUARY 2014

12.30 pm – 14.30 pm

Responsible Officer: Penny Chamberlain

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Present:

Mr K Barrow (Leader)

Mr T Barker, Mr G Butler, Mrs K Calder, Mr S Charmley, Mrs A Hartley, Mr M Owen, Mr M Price and Mrs C Wild

133.0 Apologies for Absence

133.1 An apology for absence had been received from Mr L Chapman.

134.0 Disclosable Pecuniary Interests

134.1 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.

134.2 Mr T Barker drew attention to his position as the Council's representative on the Area of Outstanding Natural Beauty Partnership and Management Board and to the report by the Head of Economic Growth and Prosperity on the SAMDev Plan. He indicated that although there might be a perception of his bias on the issue in fact he had taken no part in their decision making and pointed out that since then he received considerably more information on the matter.

134.3 Mrs C Wild left the room prior to the commencement of the debate on the report by the Head of Economic Growth and Prosperity on the SAMDev Plan and took no part in the consideration of and voting on the item. She returned to the room for the commencement of the discussion on the Quarter 3 Performance Report.

135.0 Minutes

135.1 RESOLVED:

That the Minutes of Cabinet meetings held on 15th January and 22nd January 2014 be approved and signed by the Leader as a correct record.

136.0 Public Questions

136.1 Question/Statement One

Mr S Mulloy of Shrewsbury submitted a series of questions in relation to affordable housing targets. A copy of these questions with the response from the Portfolio Holder for Planning, Housing and Commissioning (Central) is attached to the signed minutes.

By way of a supplementary question Mr Mulloy asked if the Portfolio Holder would meet with him and other small developers prior to meeting with the Minister. In response the Portfolio Holder indicated his willingness to meet with Mr Mulloy and others.

136.2 Question/Statement Two

Mr S Mulloy of Shrewsbury submitted a question in relation to the Treasury Strategy policy to lend money to housing associations and if this funding could be used to build open market housing. A copy of the question with the response from the Portfolio Holder for Planning, Housing and Commissioning (Central) is attached to the signed minutes.

By way of a supplementary question Mr Mulloy referred to a particular application for the development of 2 new homes and commented that with one dwelling being just a replacement only one was actually a new home. He also asked whether in a period of having to make financial savings the Council would still be making funds available to local registered providers. In response the Portfolio Holder indicated that whilst further action was needed to provide homes in the area the Council was very supportive of the issue and featured amongst the top tier of local authorities nationally delivering affordable homes. He also undertook to look into the planning case referred to by Mr Mulloy.

136.3 Questions/Statements Three to Five

At this point in the meeting the Leader indicated that he would use his discretion for questions/statements three to five to be put later in the meeting during the consideration of the report on the SAMDev. (Minute 147 refers)

137.0 Matters Referred from Scrutiny/Council

137.1 There were no matters referred from Scrutiny/Council.

138.0 Reports of Scrutiny Committees – Performance Management Scrutiny Committee and Looked After Children – Rapid Action Group

- 138.1 The Chairman of the Performance Management Scrutiny Committee presented a report by the Performance Manager - copy attached to the signed minutes – on the view of Overview and Scrutiny of the Council's Business Plan and Financial Strategy. The report summarised the work undertaken to date, the key findings and the Committee's observation.
- 138.2 The Leader confirmed that the outcomes from the Looked After Children Rapid Action Group would be referred to the Performance Management Scrutiny Committee for consideration prior to any reference to Cabinet.
- 138.3 During the discussion a Member referred to the omission of any reference to charging for green waste collections and queried whether serious negotiations had commenced with the Council's contractor, Veolia, to achieve the budget savings without any diminution in service. In response the Leader expressed support for charges not to be introduced for green waste collections and commented that a number of internal and external options were being considered to make the necessary savings without reducing the service. He also commented that the Rapid Action Groups had and would continue to provide a valuable challenge to the redesign work currently being undertaken throughout the Council.

138.4 **RESOLVED:**

That the recommendations of the Performance Management Scrutiny Committee be accepted, namely:

- (a) That the Final Strategy and Business Plan represented a reasonable, robust set of figures and actions to achieve the Council's outcomes based on major budget reductions and service changes.
- (b) That there was a role for Overview and Scrutiny to assist, support and challenge the redesign process and monitor the outcomes for the Leader's budget, adopting the new Rapid Action Group (RAG) methodology.

139.0 Shropshire Schools Funding Formula 2014/2015

- 139.1 The Portfolio Holder for Children's Services introduced a report by the Director of Children's Services – copy attached to the signed minutes – on proposals drawn up by the Schools Forum on the funding formula for Shropshire maintained schools and academies for the financial year 2014/15. The wider school community in the county had been consulted on the proposed formula during the early autumn of 2013. In commending the Forum's proposals to members she concluded by emphasising that both the authority and Forum together with local Members of Parliament would continue to lobby central Government for a fairer funding deal for rural areas. She then invited Mr Bill Dowell, the Forum's Chairman, to present their findings and the report to Cabinet for approval.

139.2 In response Mr Dowell outlined the work undertaken by the Forum to meet the future needs of young people in Shropshire and maintain provision in the rural areas whilst avoiding turbulence and volatility and subsequently finding the right balance for large, medium and small schools. In particular he referred to the county being one of the lowest funded authorities in the country and the Task and Finish Group set up on School Sustainability which through detailed analysis would identify and model a range of potential options to address these funding pressures and in conclusion commended the proposals in the report to Members. In turn the Leader thanked Mr Dowell for all the efforts of the Forum on the matter.

139.3 During the ensuing discussion a Member referred to his own lobbying of the Minister with regard to ensuring a fairer share of funding for rural shires and commented on the need to secure a more constant funding package in future. In turn the Portfolio Holder confirmed that cross party working was taking place through the Schools Forum on the issue. A further Member also paid tribute to the hard work of Mr Dowell thereon.

139.4 RESOLVED:

That the recommendations of the Shropshire Schools Forum on the funding formula for Shropshire schools for the financial year 2014/15 be ratified by Cabinet, as required by the Dedicated Schools Grant financial regulations and conditions of grant.

140.0 Revenue Monitoring Report – Period 9 2013/14

140.1 The Portfolio Holder for Resources, Finance and Support presented a report by the Head of Finance, Governance and Assurance (Section 151) – copy attached to the signed minutes – which set out the revenue forecast for 2013/14 as at Period 9, and identified management actions being undertaken to ensure a balanced budget at the end of this financial year.

140.2 RESOLVED:

(a) That it be noted that at the end of Period 9 (27 December 2013), the full year forecast was a potential overspend of £1.941m.

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

141.0 Capital Monitoring Report – Period 9 2013/14

141.1 The Portfolio Holder for Resources, Finance and Support presented a report by the Head of Finance, Governance and Assurance (Section 151) – 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.

141.2 RESOLVED:

- (a) That approval be given to the budget variations of £7.7m to the 2013/14 capital programme, detailed in Appendix 1/Table 1 of the report and the re-profiled 2013/14 capital budget of £52.1m.
- (b) That approval be given to the re-profiled capital budgets of £58.3m for 2014/15, £13.5m for 2015/16 and £5.3m for 2016/17 as detailed in Appendix 1/Table 4 and subject to the approval of the Capital Strategy 2014/15 to 2016/17 report, also on this Cabinet agenda.
- (c) That the expenditure to date of £28.9m, representing 55.5% of the revised capital budget for 2013/14, with 75% of the year having elapsed, be accepted.

142.0 Business Plan and Financial Strategy – 2014/15 to 2016/17

142.1 The Leader presented a report of the Head of Finance, Governance and Assurance (Section 151) – copy attached to the signed minutes – on the Final Council Business Plan and Financial Strategy which included the latest financial position for 2014/15 following the Final Local Government Finance Settlement announced on 5th February 2014. The resource and expenditure projections had also been updated for the latest estimate of the Council's share of Business Rates, the collection funds for council tax and business rates and further information received on specific grants for 2014/15. The report also included an update of the capital programme for 2014/2017 based on current confirmed funding and delivery schedule for schemes. He concluded by expressing his appreciation of all the time spent and hard work undertaken by the Head of Finance on the matter.

142.2 RESOLVED:

- (a) That Council be recommended to approve the Final Business Plan and Financial Strategy attached at Appendix 1 to the report and the proposals for setting the Council's budget for the three years 2014/15 to 2016/17.
- (b) That the projected funding gap over the period 2014/15 to 2016/17 of £80m; £41.531m falling in 2014/15, be recognised.
- (c) That the savings identified in 2014/15 of £39.892m and rephrasing of growth proposals of £1.639m to meet the funding gap be approved.
- (d) That approval be given to the adjustments to the budget for the internal market to ensure that the costs of these services and the recharge cost and income for these services were no longer both reflected in the gross budget.

- (e) That the budget for 2014/15 of £573.139m, after savings and internal market costs adjustments be approved.
- (f) That approval be given to accept Council Tax Freeze Grant for 2014/15 of £1.307m on the basis that Council Tax would be frozen for 2014/15.
- (g) That the financial implications of the transfer of the Programme Management Office and Business Design Team to ip&e be noted.
- (h) That the revised Capital Programme for 2014/15 to 2016/17 as set out within the report be agreed and recommended to Council for approval.
- (i) That in accordance with the regulations, a Capital Allowance of £1million for 2014/15 be approved to enable the Council to retain in full, capital receipts received from the disposal of Housing Revenue Account (HRA) assets (excluding Right to Buy sales). Furthermore, that the capital receipts from such sales be reserved for expenditure on the Council's housing stock.

143.0 Treasury Strategy 2014/15

143.1 The Portfolio Holder for Finance, Resources and Support presented a report by the Head of Finance, Governance and Assurance (Section 151) – copy attached to the signed minutes – on the proposed Treasury Strategy for 2014/15 and the recommended Prudential Indicators for 2014/15 to 2016/17.

143.2 RESOLVED:

That Council be recommended to:

- (a) approve, with any comments, the Treasury Strategy for 2014/15;
- (b) approve, with any comments, the Prudential Indicators, set out in Appendix 1, in accordance with the Local Government Act 2003;
- (c) approve, with any comments, the Investment Strategy, set out in Appendix 2 in accordance with the CLG Guidance on Local Government Investments;
- (d) approve, with any comments, the Minimum Revenue Provision (MRP) Policy Statement, set out in Appendix 3;
- (e) authorise the Section 151 Officer to exercise the borrowing powers contained in Section 3 of the Local Government Act 2003 and to manage the Council's debt portfolio in accordance with the Treasury Strategy;

- (f) authorise the Section 151 Officer to use other Foreign Banks which meet Capita's creditworthiness policy and Money Market Funds again if required as money markets continue to stabilise; and
- (g) note the proposed Prudential Indicators would enable the Authority to use the equivalent of up to 3% of Council Tax in 2014/15 or future years, to fund borrowing under the Prudential Code should the Council decide to do so.

144.0 Treasury Management Update – Quarter 3 2013/14

144.1 The Portfolio Holder for Finance, Resources and Support presented a report by the Head of Finance, Governance and Assurance (Section 151) – copy attached to the signed minutes – on the treasury management activities of the Council in the last quarter. It 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. It also updated Cabinet on the internal treasury team's performance.

144.2 RESOLVED:

That the position as set out in the report by the Head of Finance, Governance and Assurance (Section 151) be accepted.

145.0 Estimated Collection Fund Outturn 2013/14

145.1 The Portfolio Holder for Resources, Finance and Support presented a report by the Head of Finance, Governance and Assurance (Section 151) – copy attached to the signed minutes – on the estimated Collection Fund surpluses/deficits for 2013/14, calculated as at the 15th January 2014 for Council Tax and as at 31st January 2014 for Business rates (NDR), for the year ending 31st March 2014. The report also determined the respective shares of the estimated surpluses/deficits notifiable to the major precepting authorities.

145.2 RESOLVED:

- (a) That it be noted that the overall Collection Fund estimated surplus of £450,101 for the year ending 31st March 2014, comprised of an estimated surplus of £2,461,001 for Council Tax and an estimated deficit of £2,010,900 for Non-Domestic Rates (NDR).
- (b) That the distribution of the Collection Fund estimated surplus and deficit for Council Tax and NDR respectively to the major/relevant precepting authorities and the Secretary of State be noted.

- (c) That it be noted that Shropshire Council's share of the overall estimated surplus of £1,033,493, comprised of an estimated surplus of £2,018,834 for Council Tax and an estimated deficit of £985,341 for NDR.
- (d) That the inclusion of Shropshire Council's share of the overall estimated surplus in the 2014/15 budget be noted.

146.0 Housing Revenue Account Rent Level 2014/15

146.1 The Portfolio Holder for Planning, Housing and Commissioning (Central) presented a report by the Head of Finance, Governance and Assurance (Section 151) – copy attached to the signed minutes – on a proposed approach to be followed to calculate rent levels for the Council's retained housing stock for the 2014/15 financial year.

146.2 RESOLVED:

- (a) That Social Housing rents for 2014/15 be increased in line with the Government's recommended formula rent which would result in an average increase of 5.4%.
- (b) That affordable rents be increased by 3.7% in line with Government guidance.
- (c) That unpooled service charges be not increased in 2014/15.

147.0 Site Allocations and Management of Development (SAMDev) Plan: Proposed Submission or "Final Plan" stage

147.1 The Portfolio Holder for Planning, Housing and Commissioning (Central) presented a report by the Head of Economic Growth and Prosperity – copy attached to the signed minutes – on the fifth or "Proposed Submission" stage of the Site Allocations and Management of Development (SAMDev) Plan. Following approval by Council the Plan would be published for a 6 week period for representations prior to submission to the Secretary of State for a public hearing. He stressed that in addition to housing the Plan covered other areas such as employment sites and that the process which had commenced in 2010 would result in a much more streamlined planning system. He also referred to the hard work and commitment shown by the Members of the Local Development Framework Group and indicated that all Members had been well briefed on events in their divisions.

147.2 At this point in the discussion the Leader invited Mr Waine of the "Hands Off Old Oswestry Hillfort" Group to submit his statement on the SAMDev sites OSW002, 003 and 004 by the hillfort – copy attached to the signed minutes. In response the Portfolio Holder indicated that some comments made to him by other persons on the issue were based on misleading information and that once the position had been explained to them the objections to the proposals had been withdrawn. He referred to his recent visit to

the area and confirmed that following this visit and due consideration of all representations he intended to propose the removal of the 2 sites by the farm and Jasmine Gardens (OSW002 and 003) but retain the Whittington Road site (OSW004). He emphasised that there might be a challenge from the respective developers to these amendments either during the 6 week period for representations and/or the public hearing.

- 147.3 By way of a supplementary statement Mr Waine referred to English Heritage's support for the removal of the Whittington Road proposals and undertook to send the Portfolio Holder images to show the likely effect of the development on the views of the Hillfort. In turn the Portfolio Holder referred to the difficult access to the Hillfort site and the industrial units in the vicinity and expressed disappointment at the views of English Heritage. He commented that in his opinion the proposed amendments were a reasonable compromise on the matter.
- 147.4 On behalf of a Local Member for Church Stretton a Member spoke against the proposals for the New House Farm site during which he referred to the strength of feeling amongst local residents objecting to the inclusion of the site in the Plan and their support for the housing and employment sites proposed by the Town Council. He asked Members to continue their good work with Church Stretton and amend the Plan in line with local opinion.
- 147.5 A Local Member for Church Stretton also spoke against the proposals for the New House Farm site during which he indicated that the development would spoil the area for eternity and expressed support for the alternative proposals put forward by Church Stretton Town Council. He also spoke in relation to proposed amendments to sites at Craven Arms.
- 147.6 At this point in the discussion the Leader invited Mr Braid, Chairman and Mayor of Church Stretton Town Council to submit his question and statement on the SAMDev sites at Church Stretton – copy attached to the signed minutes.
- 147.9 Mr Chancellor, Chairman of the Shropshire Hills AONB Partnership then presented his statement on the SAMDev sites at Church Stretton – copy attached to the signed minutes.
- 147.10 In response to the comments regarding the proposals at Church Stretton the Portfolio Holder indicated that he had visited the area many times and that following due consideration of all the representations he was prepared to remove the New House Farm site and accept the alternative proposals put forward by the Town Council subject to no amendments being made to the Plan until such time that the finite details on the sites were received from the Town Council. He emphasised that there might be a challenge from the New House Farm developers to these amendments either during the 6 week period for representations and/or the public hearing. He also undertook to speak direct outside of the meeting to the Local Member concerned regarding the comments made in respect of Craven Arms.

147.11 A Local Member from Wem referred to the possible impact of future development and highlighted current issues with existing infrastructure in the town. In response the Portfolio Holder thanked the Member for her comments and indicated that he would ask officers about her suggestion regarding a study of infrastructure in the town.

147.2 RESOLVED:

- (a) That the Proposed Submission Plan document be recommended to Council on 27th February 2014 for approval subject to minor amendments and editing, and to changes to the proposals for Church Stretton (subject to receipt of satisfactory evidence of deliverability) and Oswestry.
- (b) That authority be delegated to the Portfolio Holder for Planning, Housing and Commissioning (North) to recommend to Council changes to proposals in Church Stretton, regarding the proposed housing and employment land allocations, and Oswestry, to exclude sites OSW002 and OSW003 off Gobowen Road.
- (c) That authority be delegated to the Head of Economic Growth and Prosperity in consultation with the Portfolio Holder for Planning, Housing and Commissioning (Central) to approve the final version of the draft documents prior to publication.

148.0 Quarter 3 Performance Report 2013/14

148.1 The Portfolio Holder for Performance presented a report by the Performance Manager – copy attached to the signed minutes – on the Council's performance during the third quarter of 2013/14 based on the latest performance management framework and reporting methodology.

148.2 RESOLVED:

That the key underlying and emerging issues that the performance measures identified in the Performance report be noted.

149.0 Development of a University in Shropshire

149.1 The Portfolio Holder for Business Growth, ip&e and Commissioning (North) presented a report – copy attached to the signed minutes – which sought authorisation for work to be undertaken in progressing the development of a detailed business case with the University of Chester research for establishing a new Higher Education institution “of and for” Shropshire, and to begin to undertake joint research activity.

149.2 RESOLVED:

That authority be given to the Chief Executive, in consultation with the Leader of the Council, to commit such expenditure that was necessary to support the development of this business case including, but not limited to, project work, site evaluation, preparation of, and development of evidence for funding bids and also development of potential joint research activities/units.

150.0 Exclusion of Press and Public

150.1 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.

151.0 Exempt Minutes

151.1 RESOLVED:

That the Exempt Minutes of the Cabinet meetings held on 15th January and 22nd January 2014 be approved and signed by the Leader as a correct record.

152.0 The Transfer of Management of the Shared Lives Service – Recommendations for the Award of Contract

152.1 On behalf of the Portfolio Holder for Adult Services the Portfolio Holder for Planning, Housing and Commissioning (Central) presented a report of the Head of Social Care Improvement and Efficiency – copy attached to the signed exempt minutes – on the proposed transfer of the Shared Lives Service following the outcome of the evaluation of the bids provided in response to the opportunity to manage the Services.

152.2 RESOLVED:

(a) That approval be given to the award of the management of the Shared Lives Service contract from 1st April 2014 or such other date as may be required to conclude all contractual issues, for an initial period of three years to the Preferred Bidder, subject to the successful conclusion of negotiations with them, with the option to extend for an additional period of up to 2 years.

- (b) That authority be delegated to the Head of Service Improvement and Efficiency in Adult Services to conclude final contractual negotiations in conjunction with the Procurement Manager with the Preferred Bidder and if successful in reaching final agreement to award the contract and complete all necessary formalities following consultation with the Portfolio Holder for Adult Services and Commissioning (South).

153.0 Externalisation of the Learning, Employment and Training Service

153.1 The Portfolio Holder for Children’s Services presented an exempt report by the Director of Children’s Services – copy attached to the signed exempt minutes – on the outcome of the review undertaken of various options to transform the Learning, Employment and Training Service within a financially sustainable framework.

153.2 RESOLVED:

That the recommendations in the exempt report of the Director of Children’s Services be approved.

154.0 Shrewsbury Flax Mill Maltings

154.1 The Portfolio Holder for Planning, Housing and Commissioning (Central) presented an exempt report by the Head of Economic Growth and Prosperity – copy attached to the signed exempt minutes – on the Flax Mill Maltings Project, Shrewsbury.

154.2 RESOLVED:

That the recommendations in the exempt report of the Head of Economic Growth and Prosperity be approved.

(The full version of Minutes 152 to 154 constitutes exempt information under category 3 of Paragraph 10.4 of the Council’s Access to Information Rules and have accordingly been with-held from publication.)

Signed (Leader)

Date: 12 March 2014