



Committee and Date

Cabinet

30th July 2014

CABINET

Minutes of the meeting held on 4 June 2014

In the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

12.30 - 1.10 pm

Responsible Officer: Penny Chamberlain

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Present

Councillor Keith Barrow (Leader)

Councillors Ann Hartley (Deputy Leader), Tim Barker, Karen Calder, Lee Chapman, Steve Charmley, Mike Owen, Malcolm Price and Claire Wild

1 Apologies for Absence

1.1 An apology for absence had been received from Mr Gwilym Butler.

2 Disclosable Pecuniary Interests

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

3 Minutes

3.1 RESOLVED:

That the Minutes of the meeting held on 9th April 2014 be confirmed as a correct record and be signed by the Leader.

4 Public Questions

4.1 There were no public questions.

5 Matters Referred from Scrutiny/Council

5.1 There were no matters received from Scrutiny/Council.

6 Reports of Scrutiny Committees

6.1 There were no reports from the Scrutiny Committees.

7 Revenue Outturn 2013/14

- 7.1 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 provided details of the revenue outturn position for Shropshire Council for 2013/14. A summary was provided of: the outturn for each service area with a commentary on the main variations and an outline of how the position since Period 11; the movements in the Council's general balance; and the Council's reserves and provisions. The Council's financial position for 2013/14 had improved by £0.978m when compared to projections made at Period 11 which had resulted in a net overspend of £0.390m. The Leader expressed his appreciation of the efforts and hard work of the officers in achieving these results and asked the Head of Finance, Governance and Assurance to pass Cabinet's thanks on to the team.
- 7.2 During the ensuing discussion a Member sought the comments of the Leader in response to a section of public opinion which felt the Council was making too many savings given the net overspend in 2013/14 and the amount being held in reserves. In reply the Leader referred to the financial challenges facing the authority over the next few years, particularly in relation to securing savings of £40m in 2014/15, and requested the Member and her Group come forward with some suggestions of their own in this regard and highlighted that they had not taken the opportunity to do so at the February budget meeting. He also commented that the Council was acting prudently given the need to make savings of £80m in the next three years and the Council's reserves were low in comparison to those held by other authorities across the country.
- 7.3 A Member also requested information on the current position of job losses at the end of the year and sought projections for further losses in terms of compulsory redundancies to be made in the near future. In response the Leader referred to reduced unemployment levels in the county and commented that this fall was continuing despite the position at the Council with many of those staff leaving the authority subsequently creating or securing new employment.
- 7.4 **RESOLVED:**
- (a) That it be noted that the outturn for the Revenue Budget for 2013/14 was an underspend of £0.390m, this represented 0.06% of the original gross budget of £639m.
 - (b) That it be noted that the level of general balance stood at £14.497m, which was above the anticipated level included within the Financial Strategy.
 - (c) That it be noted that the level of school balances stood at £5.855m (2012/13 £4.953m).
 - (d) That it be noted that the Outturn for the Housing Revenue Account for 2013/14 was an underspend of £1.426m and the level of the Housing Revenue Account reserve stood at £2.542m (2012/13 £1.041m).

8 Capital Outturn 2013/14

- 8.1 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 – on the final outturn position for the Council's 2013/14 capital programme and the current position regarding the 2014/15 to

2016/17 taking into account the slippage following the closure of the 2013/14 programme, and any budget increases/decreases for 2014/15 and future years.

8.2 **RESOLVED:**

- (a) That approval be given to budget variations of £17,700 to the 2013/14 capital programme, detailed in Appendix 1/Table 1 and the re-profiled 2013/14 capital budget of £47.4m.
- (b) That approval be given to the re-profiled capital budgets of £71.4m for 2014/15, including slippage of £6.6m from 2013/14, £13.7m for 2015/16 and £5.3m for 2016/17 as detailed in Appendix 1/Table 4.
- (c) That the outturn expenditure set out in Appendix 1 of \$40.7m, representing 85.9% of the revised capital budget for 2013/14 be accepted.
- (d) That approval be given to the Highways and Transport programme of schemes for delivery in 2014/15 and authority be delegated to the Area Commissioner (South) in consultation with the Portfolio Holder to approve any changes to the implementation plan of schemes for delivery in 2014/15 within the parameters of the outline capital programme.
- (e) That approval be given to the setting aside of capital receipt of £1.35m to replace the self-financed prudential borrowing previously applied to finance the Solar PV schemes. This would generate an ongoing revenue saving from 2014/15.
- (f) That approval be given to retaining a balance of capita receipts set aside of £13.25m as at 31st March 2014 to generate a Minimum Revenue Provision saving of £530,000 in 2014/15.

9 **Treasury Management Update - Quarter 4 2012/2013**

- 9.1 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 – 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.

9.2 **RESOLVED:**

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

10 **Charging Policy**

- 10.1 The Portfolio Holder for Finance, Resources and Support presented a report by the Head of Finance, Governance and Assurance (Section 151 Officer) – copy attached to the signed minutes – on a proposed charging policy to be followed when setting fees and charges in future. The report recommended officer delegations, in consultation with portfolio holders, to allow in year changes to fees and charges to be agreed and implemented in a speedy manner.

10.2 During the ensuing discussion a Member expressed concern that the proposals would take away the balance of power to make charging decisions from Cabinet and Council in favour of officers and the portfolio holders albeit he acknowledged that there might be certain circumstances when such action was necessary. He also referred to the fees and charges introduced at the new museum and art gallery in Shrewsbury and asked that these be reviewed as soon as possible in order to encourage all, particularly residents of Shropshire, to visit the facility. In turn the Portfolio Holder for Business Growth, ip&e and Commissioning (North) referred to the financial challenges facing the Council over the next few years and commented on the large body of evidence which showed that free entry together with donation boxes did not generate the same amount of income as received through charging for entry. In response to further concerns expressed about the change in decision making the Leader emphasised that Council would continue to approve the schedule of fees and charges on an annual basis and that it would only be in the interim period that officers would be authorised to make changes to ensure revisions could be implemented without delay.

10.3 **RESOLVED:**

- (a) That it be recommended to Council that the Council Charging Policy as detailed in Appendix A of the report be approved.
- (b) That it be recommended to Council that the following proposed officer delegations be approved:

*Where, in exceptional circumstances, it is necessary to amend fees and charges within a year from that agreed by full Council **and** any such amendments follow the principles set out in the approved charging policy, Directors in consultation with the appropriate Portfolio Holder for the service where fees and charges are being amended will have delegated authority to agree these changes subject to:*

- *Any changes to the levels of fees and charges including the introduction of new charges resulting in a budget adjustment must be approved in line with the Council's Virement rules (financial size).*

11 **West Mercia Energy - Joint Agreement**

11.1 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 – on a proposed number of amendments to the West Mercia Energy Joint Agreement.

11.2 **RESOLVED:**

- (a) That authorisation be given for the extension of the West Mercia Agreement to 31st March 2020.
- (b) That the revised Joint Agreement as attached at Appendix A to the report by the Head of Finance, Governance and Assurance (Section 151 Officer) be approved.
- (c) That approval be given to explore options for future trading opportunities.
- (d) That the Chief Executive be authorised to approve further extensions and amendments to the Joint Agreement as necessary.

12 Commissioning Strategy for Shropshire Council

- 12.1 The Leader presented a report by the Director of Commissioning – copy attached to the signed minutes – on the results of the consultation on the Council's draft commissioning strategy entitled "Commissioning for the Future". In proposing the adoption of the strategy the report also identified amendments made to the original consultation draft in order to enhance the effectiveness of the strategy and these were proposed to be incorporated into the final version of the strategy.
- 12.2 A Member asked whether or not the Leader was pleased with the 29 individual responses to the consultation. In response the Leader indicated that he would have liked to receive more with the Director of Commissioning also commenting on the considerable amount of work carried out during the shaping of the document with interested parties prior to the formal consultation which he suggested might be a reason for the number of responses received during the formal period.
- 12.3 **RESOLVED:**
- (a) That approval be given to the commissioning strategy "Commissioning for the Future" for adoption.
 - (b) That the update to the Procurement Strategy be approved.

13 Quarter 4 Performance Report 2013/14

- 13.1 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 fourth quarter of 2013/14 based on the latest performance management framework and reporting methodology. At the corporate level performance was monitored using the Organisational Health Scorecard and in order to direct attention to key emerging messages, dashboards had been produced on relevant indicators for each of the Council's priorities. He indicated that the report summarised the latest measures of performance relating to the four priorities for the Council.
- 13.2 In referring to admissions into residential/nursing care being seen as a last resort a Member suggested that perhaps this was not appropriate in all cases and sought details regarding the safeguards put in place to ensure applicable action was taken in these cases. In response the Portfolio Holder for Adult Services indicated that action taken was dependent upon the level of support considered appropriate for keeping persons in their own home but decisions taken were based on outcomes and the needs of individual persons.
- 13.3 **RESOLVED:**
- That the key underlying and emerging issues that the performance measures identified in the report be noted.

14 Exclusion of Press and Public

14.1 RESOLVED:

That, in accordance with the provisions of Schedule 12A of the Local Government At 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 item.

15 Exempt Minutes

15.1 RESOLVED:

That the Exempt Minutes of Cabinet held on 9th April 2014 be approved as a correct record and be signed by the Leader.

Signed (Leader)

Date: