



Committee and Date

Cabinet

28 February 2018

CABINET

**Minutes of the meeting held on 14 February 2018 in the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND
12.30 - 1.10 pm**

Responsible Officer: Jane Palmer
Email: jane.palmer@shropshire.gov.uk Tel: 01743 257712

Present

Councillor Peter Nutting (Leader)
Councillors Steve Charmley (Deputy Leader), Joyce Barrow, Lezley Picton, David Minnery, Robert Macey, Nic Laurens, Nicholas Bardsley, Lee Chapman and Steve Davenport

143 Apologies for Absence

There were no apologies for absence.

144 Disclosable Pecuniary Interests

None were declared.

145 Minutes

RESOLVED:

That the Minutes of the Cabinet meeting held on 17 January 2018 be approved as a correct record and signed by the Leader.

146 Public Question Time

There were no questions from members of the public.

147 Member Questions

There were no questions from Members.

148 Scrutiny Items - Call-in

Cabinet noted that the recent call-in of the Cabinet decision made on 17 January 2018 regarding the New Parking Strategy had been considered by the Place Overview Committee on 12 February 2018 when Cabinet's decision had been upheld. Responding to a Member's concerns, the Monitoring Officer stated that the Member concerned had received legal advice outside of the meeting.

The Chair of the Performance Management Scrutiny Committee presented the findings of the Financial Strategy and Budget 2018/19 Task and Finish Group following its consideration of the budget proposals for 2018/19 and the proposed Financial Strategy 2018/19 to 2022/23. She explained that the Performance Management Scrutiny Committee had now agreed to establish a standing Task and Finish Group to look at budgetary and Financial Strategy issues in order to have a more beneficial influence on the process in future. Responding to a Member's comments, she gave assurances that appropriate Portfolio Holders had been diligent in attending meetings of the Task and Finish Group.

RESOLVED:

That the recommendations of the Financial Strategy Task and Finish Group be supported as follows:

- i. That a Task and Finish Group is established to work alongside the development of plans for the 2019/20 Budget and to maintain an overview of progress and performance in relation to innovation and raising income.
- ii. That a review is completed to identify whether the Council has the skills, experience and capacity in house to deliver the innovation and income delivery through the Council's assets that is required to close the budget deficit.
- iii. That consultation on future Budgets and Financial Strategies is accompanied with clear information and examples that help to illustrate the potential impacts of proposed changes, to inform people's responses.

149 Financial Monitoring Report Quarter 3 2017/2018

The Portfolio Holder for Finance presented a report from the Head of Finance, Governance and Assurance [s151 Officer] detailing the projected revenue expenditure for the whole of 2017/18 as at Quarter 3.

Responding to a Member's query, the Head of Finance, Governance and Assurance stated that he would confirm whether or not the difference in the Adult Services budgets in Quarter 2 and Quarter 3 was the result of a budgetary adjustment within those areas.

Referring to the new delivery model for Early Help Services, the Portfolio Holder for Children and Young People refuted a Member's comments and stated that a great deal of publicity had taken place both on the Council's website and in the local media.

RESOLVED:

- i. That it be noted that at the end of Quarter 3 (31 December 2017), the full year revenue forecast is a potential underspend of £0.059m;
- ii. That the impact of this on the Council's General Fund balance be considered.
- iii. That net budget variations of £10.073m to the 2017/18 capital programme be approved, detailed in Appendix 3/Table 6, and the re-profiled 2017/18 capital budget of £58.276m. Variations include revenue contributions of £0.132m towards school projects and Community Library Schemes and a reduction in HRA revenue contributions of £1.249m.

- iv. That re-profiled capital budgets of £46.290m for 2018/19, £7.487m for 2019/20 and £0.667m for 2020/21, be approved as detailed in Appendix 3/Table 9.
- v. That the capital expenditure to date of £37.655, representing 65% of the revised capital budget for 2017/18, with 75% of the year having elapsed, be accepted.

150 Financial Strategy 2018/19 to 2020/21 - Final

The Leader presented a report from the Head of Finance, Governance and Assurance [s151 Officer] setting out the Council's financial strategy over the next five years, enabling a balanced budget to be set for the years 2018/19 to 2019/20 and considered the potential to set a sustainable and balanced budget in the years beyond.

Referring to the permanent savings from highways maintenance that may be reversible, the Chief Executive explained that these savings would be reviewed in 2020/21 and, at that point in time, if sufficient alternative proposals were in place, then they may be reversed.

RESOLVED:

- i. That 2018/19 budget of £582.151m outlined in the Budget Book at Appendix 7, including the savings proposals outlined in Appendix 4 be agreed and recommended to Council
- ii. That the changes required to the 2018/19 budget as a result of the Final Local Government Settlement and revised business rates and collection fund estimates, be noted.
- iii. That the revised funding gap for the years 2019/20 to 2022/23 be noted.
- iv. That the revised Capital Programme as set out in the report and detailed at section 8 and Appendix 8 be agreed and recommended to Council.
- v. That the continued use of the Policy for Flexibility around the use of Capital Receipts be noted.

151 Robustness of Estimates and Adequacy of Reserves

The Portfolio Holder for Finance presented a technical report from the Head of Finance, Governance and Assurance [s151 Officer] on the robustness of the estimates made for the purposes of the budget calculations and the adequacy of the proposed reserves.

Responding to a Member's query regarding the number of staff redundancies to be implemented by the end of March 2018, the Chief Executive stated that these were voluntary and savings were to be made before the end of the next financial year,

2018/2019. He stated that, until the outcome of the voluntary redundancy scheme and the impact of the digital transformation had been assessed, the level of compulsory redundancies could not be projected. He also stressed that structural changes were to be made within teams and this would have an impact on future staffing.

The Head of Finance, Governance and Assurance [s151 Officer] explained that the reserves calculation was a risk based assessment based on the current Financial Strategy and that before 2022/23 the Council should be reducing the funding gap and thus reducing the risk in later years.

RESOLVED:

- i. That the recommended level of general balances to support the 2018/19 revenue budget at £17.081m, noting that the projected balance will be below this for 2018/19, be approved;
- ii. That the projected recommended level of general reserves be noted for the following four years at £18.830m in 2019/20, £18.879m in 2020/21, £31.518m in 2021/22 and £40.037m in 2022/23.
- iii. That it be noted that further consideration will be made of the implications of figures contained within this report and should there be any material change required, this will be reported to Council on 22 February 2018.

152 Fees and Charges 2018/2019

The Portfolio Holder for Finance presented a report from the Head of Finance, Governance and Assurance [s151 Officer] on the level of fees and charges to be applied in 2018/19.

RESOLVED:

- I. THAT THE BREAKDOWN OF THE TOTAL INCOME FOR 2017/18 AND 2018/19 BE NOTED AND IN PARTICULAR THAT THE PROPOSED 2018/19 CHARGES FOR DISCRETIONARY SERVICES REPRESENT ONLY £34.159M OF THE £72.337M OF INCOME DERIVED FROM FEES AND CHARGES.**
- ii. That the charges for 2018/19 be approved as detailed in Appendix 3 to be implemented 1 April 2018, recognising that managers have proposed varying policies for 2018/19.
- III. THAT IT BE NOTED THAT AS PREVIOUSLY AGREED, ANY CHANGES TO FEES AND CHARGES PROPOSED BY SHROPSHIRE COMMUNITY LEISURE TRUST LTD. IN RELATION TO THE OUTSOURCED LEISURE FACILITIES WILL ONLY BE REFERRED TO CABINET AND COUNCIL FOR APPROVAL IF THE PROPOSED INCREASES EXCEED CONSUMER PRICE INDEX (CPI) FOR THE PRECEDING NOVEMBER.**
- IV. THAT SUBJECT TO RESTRICTIONS OR EXEMPTIONS IDENTIFIED IN THE WELFARE REFORM AND WORK BILL IT IS RECOMMENDED TO COUNCIL THAT**

A) SOCIAL HOUSING RENTS FOR 2018/19 ARE REDUCED BY 1% FROM 1ST APRIL 2018.

B) AFFORDABLE RENTS FOR 2018/19 ARE REDUCED BY 1% FROM 1ST APRIL 2018.

- c) Shared Ownership rents continue to be set at 2.75% of the outstanding capital value of the home at the time of sale and thereafter increased each April by the greater of the preceding September Consumer Price Index plus 1% or 1%.
- d) Service charges continue to be set on the basis of actual cost.

153 Estimated Collection Fund Outturn 2017/2018

The Portfolio Holder for Finance presented a report from the Head of Finance, Governance and Assurance [s151 Officer] detailing the estimated Collection Fund surpluses/deficits for 2017/18, calculated as at 15 January 2018 for Council Tax and as at 31 January 2018 for Non-Domestic Rates, for the year ending 31 March 2018.

RESOLVED:

- i. That the overall Collection Fund estimated deficit of £2.712m for the year ending 31st March 2018, comprised of an estimated surplus of £2.784m for Council Tax and an estimated deficit of £5.496m for Non-Domestic Rates (NDR), be noted.
- ii. That the distribution of the Collection Fund estimated surplus for Council Tax and deficit for NDR to the major / relevant precepting authorities and the Secretary of State, be noted.
- iii. That Shropshire Council's share of the overall estimated deficit of £0.130m, comprised of an estimated surplus of £2.293m for Council Tax and an estimated deficit of £2.423m for NDR, be noted.
- iv. That the inclusion of Shropshire Council's share of the overall estimated deficit in the 2018/19 budget be noted.

154 Treasury Strategy 2018/2019

The Portfolio Holder for Finance presented a technical report from the Head of Finance, Governance and Assurance [s151 Officer] proposing the Treasury Strategy for 2018/19 and recommending the Prudential and Treasury Indicators for 2018/19 to 2020/21.

RECOMMENDED:

- a) That the Treasury Strategy for 2018/19 be approved.

- b) That the Prudential Indicators, set out in Appendix 1, in accordance with the Local Government Act 2003, be approved.
- c) That the Investment Strategy, set out in Appendix 2 in accordance with the CLG Guidance on Local Government Investments be approved.
- d) That the Minimum Revenue Provision (MRP) Policy Statement, set out in Appendix 3 be approved.
- e) That the Section 151 Officer be authorised 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) That the Section 151 Officer be authorised to use other Foreign Banks which meet Link's creditworthiness policy as required.
- g) That Members be asked to note the changes to the CIPFA Treasury Management Code of Practice and Prudential Code and outstanding consultation exercises.

155 Treasury Management Update Quarter 3 2017/2018

The Portfolio Holder for Finance presented a report from the Head of Finance, Governance and Assurance [s151 Officer] outlining the treasury management activities of the Council during the last quarter.

RESOLVED:

That the position detailed in the report be accepted.

156 Business Rates Revaluation Discretionary Relief Scheme 2018-2019

The Portfolio Holder for Finance presented a report from the Head of Finance, Governance and Assurance [s151 Officer] detailing the parameters for the new business rate relief scheme.

RESOLVED:

- i. That the proposals for the new business rate relief scheme for 2018-19 and subsequent financial years be approved, and a delegation be confirmed to the Head of Finance, Governance and Assurance in consultation with the Portfolio Holder for Finance, to finalise the scheme for 2018-19 and subsequent financial years.
- ii. That the use of any remaining government funds to support other businesses on a case by case basis considered by the Council's Section 151 Officer be approved.

- iii. That continuation of £1000 business rate discount in 2018-19 for local pubs with a rateable value up to £100,000 be formally approved.

157 Revocation of Air Quality Management Areas

The Portfolio Holder for Planning and Regulatory Services presented a report from the Director of Public Health on the revocation of two Air Quality Management Areas that were no longer needed because the measured levels of nitrogen dioxide were now below nationally set Air Quality Objective Levels.

RESOLVED:

That the Director of Public Health be authorised to revoke the Shrewsbury No.1 AQMA in Bayston Hill and the Shrewsbury No.2 AQMA centred around Heathgates Roundabout under section 83(2)(b) of the Environment Act 1995. The Orders are attached at Appendix 1 and 2 of the report.

158 Determination of Admission Arrangements 2019/20

The Portfolio Holder for Children and Young People presented a report from the Director of Children's Services on the change to the Council's admission arrangements for the 2019/20 academic year. He added that consultations had taken place between 15 December 2017 and 26 January 2018 and the Local Admissions Forum also supported the proposed arrangements.

RESOLVED:

- i. That the proposal to amend the local authority's admission arrangements be approved, namely:
 - The rationalisation of the designated secondary school catchment areas for properties at Bomere Heath, Hoptonheath, Clunbury, Cockshutt, Morville, Pennerley and Stanwardine.
- ii That the admission arrangements for 2019/20 be approved without further amendment to those determined in February 2017.

- iii That, by agreeing to the above, the school admission arrangements for Shropshire Council for the academic year 2019/20 and the required publication of the arrangements in accordance with the School Admissions Code 2014 be determined.

- iv That Officers notify the Secretary of State by 28 February 2018 that Shropshire Council has determined its school admissions arrangements for the 2019/20 academic year.

Signed

(Leader)

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Date:

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