

**Committee and Date**

Cabinet

23rd March 2022**CABINET****Minutes of the meeting held on 16 February 2022****In the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND****10:30am – 12:40pm****Responsible Officer:** Ashley Kendrick

Email: ashley.kendrick@shropshire.gov.uk Tel: 01743 250893

Present

Councillor Lezley Picton (Chairman)

Councillors Gwilym Butler, Dean Carroll, Rob Gittins, Kirstie Hurst-Knight, Simon Jones, Cecilia Motley, Ian Nellins and Ed Potter

15 Apologies for Absence

There were no apologies.

16 Disclosable Interests

Members were reminded that they must declare their disclosable pecuniary interests and other registrable or non-registrable interests in any matter being considered at the meeting.

Councillor Lezley Picton declared a Pecuniary Interest in Agenda Item 15, Smithfield Riverside Strategic Development Framework, and Agenda Item 16, Shrewsbury Town Centre Redevelopment Phase 1 and stated that she would leave the meeting during consideration of these items, taking no part in the debate or vote.

Members were advised that agenda item 17 would be brought forward, prior to the discussion on items 15 and 16.

17 Minutes**RESOLVED:**

That the minutes of the meeting held on 19th January 2022 be confirmed as a correct record.

18 Public Questions

Public questions were received from the following:

Ian Matthews, in relation to Shrewsbury town centre development

Save our Shirehall, in relation to Shirehall

Stephen Mulloy, in relation to affordable housing and pecuniary interests.

The full questions and responses provided to them are available on the web page for the meeting: [Agenda for Cabinet on Wednesday, 16th February, 2022, 10.30 am — Shropshire Council](#)

19 Members Question Time

Member questions were received from the following:

Councillor Rob Wilson – in relation to the full Business Case for the North West Relief Road.

By way of supplementary question, Councillor Wilson asked if there was any limit on the funding available through DfT and associated timescales from the LEP for funding. Clarification would be sought and provided to Councillor Wilson.

Councillor Rob Wilson – in relation to the SUDS at Cornovii Developments.

By way of supplementary question, Councillor Wilson asked whether there were any aspirations for additions such as rainwater gardens. Councillor Dean Carroll advised that he would speak to the Director of the Cornovii Development Board to seek a response.

Councillor Julian Dean – in relation to Green Homes

Councillor Dean stated that the Economic Strategy of the Council should focus on the development chains and skills that are required if Shropshire Council are to do the required decarbonisation of housing.

Councillor Julian Dean – in relation to street trees.

Councillor Dean felt that the policy should state what happens when trees are removed.

Councillor Alex Wagner (read aloud by Councillor David Vasmer) – in relation to local cycling and walking infrastructure plan funding.

By way of supplementary question, Councillor Vasmer asked whether the funding had been accounted for twice. It was confirmed that the funding had been awarded and then received and had not been accounted for twice.

Councillor Rosemary Dartnall – in relation to an update on Code Red Warning for Humanity.

The questions and responses provided to them are available from the webpage for the meeting, in addition to the recording of the meeting: [Agenda for Cabinet on Wednesday, 16th February, 2022, 10.30 am — Shropshire Council](#)

20 Scrutiny Items

Councillor Claire Wild, Chairman of the Performance Management Scrutiny Committee, presented a report from the Financial Strategy and Budget Monitoring Task and Finish Group, who had been asked to carry out the scrutiny of the budget setting for the 2022-2023 financial year, the medium term-financial strategy and capital strategy, and to monitor performance against the budget and strategy.

Councillor Wild thanked those Members who had attended the Task and Finish Groups and to the staff involved.

It was requested that the Group scrutinises the consultation process which had just been undertaken so that we can learn from it and make it easier for the public to understand.

The commitment to a full analysis of the budget for next year was welcomed.

Members noted the report.

21 Determination of Admission Arrangements 2023 - 2024

Councillor Kirstie Hurst-Knight, Portfolio Holder for Children and Education presented a report that sought Cabinet approval to formally determine the admission arrangements 2023-2024 for Shropshire Council's community and voluntary controlled schools.

Members noted that no changes had been proposed to Shropshire Council's admission arrangements 2023-2024 from those determined last year. Consultation on the arrangements was therefore not required, but a formal determination by Shropshire Council must now take place by 28 February 2022.

Carol Sneddon and her team were thanked for their hard work.

RESOLVED:

- 1.1. That Cabinet formally determine the admission arrangements 2023- 2024 for Shropshire's community and voluntary controlled schools.
- 1.2. That Cabinet, by the determination of the school admission arrangements 2023-2024, agrees to the publication of the arrangements in accordance with the School Admissions Code 2021 and to the notification of this to parties specified in the Code.

22 Capital & Financial Strategy 2022/23 - 2026/27 - Final

Councillor Gwilym Butler, Portfolio Holder for Finance and Corporate Resources, presented a report which outlined the financial strategy for 2022/23 – 2026/27, updating the position from the previous position as approved by Cabinet in January 2022 and reflecting latest information on resources and expenditure pressures. Thanks were given to staff for delivering a budget under difficult circumstances due to a one year settlement being confirmed in December.

Members noted that there was discrepancy in the final budget figure within different reports. The Director of Resources would confirm the final figure and refer back.

Members questioned why the Commercial Investment Programme had £3.4million of unallocated funds. Councillor Dean Carroll, Portfolio Holder for Physical

Infrastructure advised that the Council were seeking the right investments to secure the best financial return. This would be staged over a number of years whilst a more robust supply chain is established.

Councillor Butler urged members to bring forward any alternative budget proposals as soon as possible to enable them to be given the consideration they deserved.

RESOLVED:

That Cabinet Members:

- A. Agreed and recommended to Council the 2022/23 budget of £597.560m outlined in the Budget Book at Appendix 3, including the savings proposals outlined in section 4.5 of the Medium Term Financial Strategy(MTFS) at Appendix 1.
- B. Noted the changes required to the 2022/23 budget as a result of the Final Local Government Settlement and revised business rates and collection fund estimates.
- C. Noted the revised funding gap for the years 2023/24 to 2026/27.
- D. Approved the recommended level of general balances to support the 2022/23 revenue budget of £18.712m, noting that the projected balance is presently significantly below this for 2022/23.
- E. Noted the projected recommended level of general reserves for the following four years at £27.033m in 2023/24, £27.574m in 2024/25, £28.226m in 2025/26 and £30.760m in 2026/27.
- F. Agreed the adoption of the Capital Strategy 2022/23 – 2026/27 attached as Appendix 2.
- G. Noted the prioritised capital schemes identified at Appendix 2 section 8 including the need to identify and confirm funding sources for these schemes.
- H. Agreed the revised Capital programme as set out in Appendix 2 section 6 and Annex B to the Capital Strategy.

23 Treasury Strategy 2022/23

Councillor Gwilym Butler, Portfolio Holder for Finance and Corporate Resources presented the annual report which proposed the Treasury Strategy for 2022/23 and recommended Prudential and Treasury Indicators for 2022/23 to 2024/25.

The Treasury Team were congratulated on their work to date.

RESOLVED:

Cabinet recommends that Council:-

- a) Approve the Treasury Strategy for 2022/23
- b) Approve the Prudential Indicators, set out in Appendix 1, in accordance with the Local Government Act 2003.
- c) Approve the Investment Strategy, set out in Appendix 2 in accordance with the DLUHC Guidance on Local Government Investments.
- d) Approve 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 Link's creditworthiness policy as required.
- g) Authorise the Section 151 Officer to progress and finalise the restatement and amendment of Cornovii Development Ltd loan agreements.

24 Fees and Charges 2022/23

Councillor Gwilym Butler, Portfolio Holder for Finance and Corporate Resource presented the annual report outlining the budgeted income to be received in 2022/23 and the proposed level of fees and charges to be applied by Shropshire Council in 2022/23.

Concerns were raised over the proposed increases to parking charges, especially in outlying towns. It was suggested that any proposed increases should be referred to the Place Overview Committee.

It was noted that any increase to parking fees should be considered in context and should be realistic, balanced and in line with bus charges to incentivise bus travel.

RESOLVED:

Cabinet Members:

- 1.1 Noted the breakdown of the total income for 2021/22 and 2022/23 and in particular that the proposed 2022/23 charges for discretionary services represent only £41.768m of the £82.293m of income derived from Fees and Charges.
- 1.2. Approved the charges for 2022/23 as detailed in Appendix 3 to be implemented 1 April 2022.
- 1.3. 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.

- 1.4. Subject to restrictions or exemptions identified in the Welfare Reform and Work Bill it was recommended to Council that:
 - I. Social Housing rents for 2022/23 are increased by 4.1% from 4th April 2022.
 - II. Affordable rents for 2022/23 are increased by 4.1% from 4th April 2022.
 - III. 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 in accordance with the terms specified in the lease agreements.
 - IV. Service charges continue to be set based on actual cost.

25 Estimated Collection Fund Outturn For 2021/2022

Councillor Gwilym Butler, Portfolio Holder for Finance and Corporate Resource presented the report which set out the estimated Collection Fund surpluses/deficits for 2021/22 as at 15th January 2022 for Council Tax and 31st January 2022 for Non-Domestic Rates for the year ending 31st March 2022, and respective shares notifiable to the major precepting authorities.

Members were advised that there was currently a campaign to encourage residents to receive their council tax bills digitally. For each household that signs up to e-billing, Shropshire Council will plant a tree to help Shropshire go “green”.

RESOLVED:

Cabinet Members:

- 1.1. Noted the overall Collection Fund estimated deficit of £20.031m for the year ending 31st March 2022, comprised of an estimated surplus of £2.915m for Council Tax and an estimated deficit of £22.946m for Non-Domestic Rates (NDR).
- 1.2. Noted the estimated surplus/deficit incorporates the three year phasing of the 2020/21 in year deficit.
- 1.3. Noted the estimated deficit for NDR will be offset by the receipt of s31 grants for extra reliefs awarded as a result of the Covid-19 pandemic.
- 1.4. Noted 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.
- 1.5. Noted Shropshire Council's share of the overall estimated deficit of £8.995m, comprised of an estimated surplus of £2.393m for Council Tax and an estimated deficit of £11.388m for NDR.

- 1.6. Noted the inclusion of Shropshire Council's share of the overall estimated surplus for Council Tax and deficit for NDR in the 2022/23 budget.

26 Treasury Management Update Quarter 3 2021/22

Councillor Gwilym Butler, Portfolio Holder for Finance and Corporate Resource presented the report which outlined the treasury management activities of the Council in the third quarter of 2021/22.

Members attention was drawn to the low interest rates achieved by the internal treasury team with a return of 0.11% on the Council's cash balances, outperforming the benchmark by 0.17%, with a return in excess of 3% on real estate investments.

RESOLVED:

Members accepted the position as set out in the report.

27 Financial Monitoring Report Quarter 3 2021/22

Councillor Gwilym Butler, Portfolio Holder for Finance and Corporate Resource presented the report which set out the projected revenue expenditure for the financial year 2021/22 as at Quarter 3, and the Capital expenditure up to the end of Quarter 3 and the main budget variances and mitigating plans were outlined to help bring expenditure within budget by year end.

Reassurance was requested that the revenue budget for Acton Scott Historic Working Farm would remain in the budget for the next financial year. It was confirmed that the budget would not be removed at present; however the Council was not in a position to pre-empt the future of Acton Scott and would be looking at various options alongside the Acton family for how the farm could be operated in the future. A report would be coming back to Cabinet in the near future.

Concern was raised that it appeared that there had not been a great deal of progress in the reduction of the projected overspend since Q1. Members were advised that the bulk of expenditure took place between Q2 and Q3 which have an impact on the figures presented within the report.

RESOLVED:

Cabinet Members:

- A. Noted that at the end of Quarter 3 (31st December 2021), the full year revenue forecast is a potential overspend of £4.346m;
- B. Considered the impact of this on the Council's General Fund balance.

28 Performance Monitoring Report Quarter 3 2021/22

Councillor Rob Gittins, Portfolio Holder for Digital, Data and Insight presented the Q3 performance report which showed progress against outcomes within the Corporate Plan: A Healthy Environment, A Good Place to do Business, Sustainable Places and Communities, More People with a Suitable Home, Embrace our Rurality, Care for those in Need at any Age and Your Council.

Members noted that overall, performance was positive; however challenges still remained with regards to Looked after Children and the Homelessness Strategy. The Portfolio Holder for Children and Education provided clarification that the increase in repeat referrals represented one or two families with all monthly referrals being scrutinised and that this percentage increase (0.7%) was not a cause for concern. Members acknowledged the court delays with regards to Looked After Children and that this was currently being worked on.

RESOLVED:

Cabinet Members:

- A. Considered and endorsed, with appropriate comment, the performance to date.
- B. Considered the emerging issues in this report as set out in paragraph 8.3
- C. Reviewed both the appendix and performance portal to identify any performance areas that they would like to consider in greater detail or refer to the Performance Management Scrutiny Committee.

29 Variation to West Mercia Energy Joint Agreement

Councillor Gwilym Butler, Portfolio Holder for Finance and Corporate Resource presented the report which advised Members of the requirement for the WME Joint Agreement to be varied to update the distribution formulae for surpluses each year. The new method ensures that if any Member Authority adjusts their margin independently, the impact is limited to the Member Authority making the change.

Members noted that Herefordshire had already obtained approval to agree to the amendment.

Councillor David Vasmer questioned how the agreement would be affected by the increase in energy prices. Councillor Butler extended an invitation to Councillor Vasmer to attend the next meeting of the WME Joint Committee for further information.

RESOLVED:

Cabinet approved that:

- 1.1. The West Mercia Energy Joint Agreement be varied to amend the formulae for the distribution of the accumulated surplus each year as set out in section 5 of this report;
- 1.2. Authority is delegated to the Executive Director of Resources to finalise and approve the execution of the variation to the Joint Agreement.

30 **Smithfield Riverside Strategic Development Framework**

After declaring an Interest, Councillor Lezley Picton left the room and Councillor Ed Potter took the Chair for the remainder of the meeting.

Councillor Ed Potter, Portfolio Holder for Economic Growth, Regeneration and Planning presented the report which set out the outcomes of the consultation and presented the final Smithfield Riverside Strategic Development Framework document for approval.

Members welcomed the report and felt that it was a positive step forward in increasing visitor numbers and job opportunities.

Concerns were raised that the visuals differed from those presented as part of the Shrewsbury Town Centre Redevelopment. There was further concern regarding the lack of a bus station, which had been identified as a key element in the consultation.

Reassurance was provided to Members that there were no discrepancies between the two proposals; the framework proposed focussed on a specific area and not the whole town centre. Members were assured that new bus facilities would be a feature of the new Riverside Development.

RESOLVED:

Cabinet agreed to:

- 1.1. Acknowledge the outcomes of the consultation process, as summarised in this report.
- 1.2. Approve the final Smithfield Riverside Strategic Development Framework document (appendix A), incorporating amendments informed by the outcomes of the consultation process.
- 1.3. In line with the current Local Plan and the draft Shropshire Local Plan (2016-2038), and specifically draft policy S16.1 (2), it is agreed that the Smithfield Riverside Strategic Development Framework (SDF), being an associated masterplan document of the Big Town Plan, is to be considered as a material consideration in decision making on relevant planning applications. The weight afforded to the SDF in decision making will be dependent upon the circumstances of each application.

31 Shrewsbury Town Centre Redevelopment Phase 1

Councillor Ed Potter, Portfolio Holder for Economic Growth, Regeneration and Planning presented the report on progress of the due diligence, feasibility and business case preparation for alternative development options for the former Pride Hill shopping centre, the provision of multi-agency office accommodation and associated activities in Shrewsbury town centre.

It was noted that the scheme would bring forward objectives that had been identified in the Big Town Plan and included sustainable transport options.

Concern was raised that the proposals were inconsistent with those of the Smithfield Strategic Development Framework and that a different response to the consultation may have been received if the visuals had been the same.

Further concern was raised that there were no corporate or economic strategies in place, together with the lack of LTP4 and LCWIP which raised questions as to how the scheme could be approved at present. It was felt that the project could be taking away from the priority of getting policy in place before investing in infrastructure. Members were assured that the new “mobility strategy” for the Big Town Plan had been commissioned and these issues would be addressed as part of that work.

Further information was requested regarding the consultation fees of £3million and a request was received for full member consultation at each stage of the development, without delegating authority to officers. The Executive Director of Place would respond to the requests for further information.

Certain Members felt that consideration should be given to investing and improving existing infrastructure and that these were long term aspirations for new investment based on a one year budget. Members were reminded that discussions had been ongoing since 2018 and that the process had to be started at some time.

Members noted that immediate investment in Shirehall was required as the building had to meet current health and safety regulations whilst still in operation. Members were advised that significant structural work would need to be carried out to bring the building up to standard for ongoing use due to its original concrete construction, including heavy use of asbestos. It was also stated that any long-term refurbishment works to Shirehall to improve efficiency would not be comparable to that of a modern, purpose-built building.

Concern was raised regarding staff being encouraged to work from home and not in Shirehall. It was confirmed that this was in line with government guidance due to Covid and that whilst fire safety work is ongoing, restrictions on the number of people in the building were in place.

RESOLVED:

Cabinet agreed to recommend to Council to:

- 1.1. Approve the preferred option identified in the outline business case for the construction of a Multi-Agency Hub, on the site identified by the Smithfield Riverside master planning process and take forward as a capital project; such approval limited at this stage to progressing the project to detailed design (RIBA Stage 3: Spatial Coordination, or equivalent), requiring funding of £1.715m. A further report will be presented to Council for final approval of the design, gross development cost and funding for the construction of the project.
- 1.2. Approve the submission of a planning application for the demolition of the Riverside Shopping Centre and the former Riverside medical practice to facilitate the construction of the proposed Multi-Agency Hub within the current gross cost estimate for demolition of £3.853m, and to take forward as a capital project to completion of tender documentation and receipt of tenders.
- 1.3. Approve the preferred option identified in the outline business case, and submission of a planning application for the demolition of the former Pride Hill shopping centre, for the delivery of a leisure-led redevelopment of the site, with the adjacent Raven Meadow's surface car park, for a multi - storey travel hub and associated development and take forward as a capital project; such approval limited at this stage to progressing the project to detailed design (RIBA Stage 3: Spatial Coordination, or equivalent), requiring funding of £1.580m. A further report will be presented to Council for final approval of the design, gross development cost and funding for the construction of the project.
- 1.4. Delegate responsibility to the Executive Director of Place, in consultation with the Section 151 Officer and the Portfolio Holder for Economic Growth, Regeneration and Planning to progress the capital projects (1.1 – 1.3 above), to include, but not limited to, the following:
 - 1.4.1. Progress a procurement and delivery strategy for Smithfield Riverside, incorporating the projects summarised in items 1.1 -1.3 above.
 - 1.4.2. Progress life-cycle carbon assessments in relation to the projects summarised in items 1.1 and 1.3 above.
 - 1.4.3. Engage with the Environment Agency, via the River Severn Partnership, to seek opportunities provided by the national Defra Adaptive Pathways Pilot for the River Severn, to assess and manage climate related risks, incorporating adaptation into the design and delivery of the Smithfield Riverside development programme.
 - 1.4.4. Enter negotiations with the Marches Local Enterprise Partnership to ensure the 'Getting Building' funding remains relevant to the Pride Hill project; scope and agree variations as required to the Grant Funding Agreement (GFA).
 - 1.4.5. Identify funding of £3.295m to deliver the above development activities, as scheduled in appendix C.

- 1.5. Further to recommendation 1.1, declare the Shirehall building and associated environs within the site boundary marked in red in appendix I, surplus to requirements.
- 1.6. Delegate responsibility to the Executive Director of Place, in consultation with the Portfolio Holder for Physical Infrastructure, to agree and implement the disposal and marketing strategy as the recommended option for the Shirehall site; agree terms and conditions of sale, all subject to approval at Full Council.

Signed (Chairman)

Date: