



Committee and Date

Cabinet

16 March 2016

CABINET

**Minutes of the meeting held on 10 February 2016 in the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND
12.30pm - 1.50pm**

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

Present

Councillor Malcolm Pate (Leader)
Councillors Steve Charmley (Deputy Leader), Karen Calder, Lee Chapman, Simon Jones, David Minnery, Cecilia Motley, Malcolm Price, Stuart West and Michael Wood

100 Apologies for Absence

100.1 There were no apologies for absence.

101 Disclosable Pecuniary Interests

101.1 Councillor Mrs Motley declared an interest in the item relating to the Much Wenlock Flood Alleviation Scheme and stated that she would leave the meeting when that item was considered.

102 Minutes

102.1 RESOLVED:

That the Minutes of the Cabinet meetings held on 9 December 2015 and 27 January 2016 be approved as correct records and signed by the Leader.

103 Public Questions

103.1 Alison McKittrick representing the Quarry Swimming and Fitness Forum had submitted a question to establish whether the Council was putting effort into the exploration of management options and cost reduction for specific leisure facilities through increasing community involvement. A written reply was tabled at the meeting and a copy of the full question and response is attached to the signed Minutes.

103.2 By way of a supplementary question, Ms McKittrick queried the implications of the Council's budgetary situation on management contracts relating to leisure facilities.

The Portfolio Holder agreed to provide a written response to this supplementary question.

104 **Matter Referred from Scrutiny/Council**

104.1 There were no matters referred from Scrutiny or Council.

105 **Reports from Scrutiny Committees - Final Report from the Budget 2016/17 Task and Finish Group**

105.1 The Chairman of the Budget 2016/17 Task and Finish Group presented the final report and findings from the Group and thanked all involved for their openness and frank discussion of the budget 2016/17 and the Financial Strategy.

105.2 The Leader thanked the Group for its endeavours and reported that work had already begun on some of the recommendations highlighted by the Task and Finish Group. Other Portfolio Holders echoed this thanks and considered the work to have been extremely useful with areas identified already being investigated, for example, a meeting had been held with Parish and Town Councils when positive feedback had been received on future ways of working.

105.3 Another Member commented that, given the timescales, the Group's recommendations would have no impact on the 2016/17 budget but could be brought into future thinking. Responding to further concerns raised particularly regarding the escalating costs of Adult Social Care [ASC], the Leader gave assurances that Government lobbying was continuing through the local MP, by conversations with the Minister and the inclusion of the Council's Head of Finance, Governance and Assurance on to the Parliamentary Group working on the development of a new assessments scheme for elderly care funding. It was noted that the Council's position re ASC was continually moving and evolving and the following week's Council meeting would provide further information and a forum for further debate on this issue.

105.4 **RESOLVED:**

That the recommendations from the Budget 2016/17 Task and Finish Group be supported, as follows:

- i) The Council should continue to actively lobby the appropriate individuals and organisations about the financial situation it finds itself in; individually and collectively with other local authorities.
- ii) The Scrutiny Work Programme should have the Financial Strategy as a main focus, taking account of the work being done to develop opportunities and proposals to change the way that services are delivered. Scrutiny wish to be involved in the budget setting process at an earlier stage.

- iii) More information on the impact/implications of proposed savings should be included in future years budget proposals, and as the plans for areas set out in the Financial Strategy are refined and more defined.
- iv) Cabinet are asked to highlight the risks and impacts of proposed changes to achieve the Budget 2016/17, to be clear on unforeseen consequences and how they will be managed, tolerated or avoided.
- v) In order to enable a better view of how the Council is deploying its resources, future budgets should be aligned with the future long term strategy of the Council and as well as the more operational split to service areas.
- vi) The work through 2016/17 and future work should pay greater attention to the identification and realisation of income generation and invest to save opportunities by all means available to the Council.
- vii) Communication and engagement with all stakeholders and communities on the reality of the situation affecting the Council and the opportunities and options which are available to deliver current services differently, must be a priority.
- viii) Work with partners needs to continue to ensure that wherever possible plans and actions do not shunt risks and costs between organisations, and joint and integrated working is explored and implemented to maximise the impact of resources.
- ix) The Council should explore with partners, providers and communities how appropriate support can be put in place to enable them to take up opportunities to ensure services that communities' value continue to be available to them.

106 Revenue Monitoring 2015/2016 Quarter 3

106.1 This item was deferred for consideration at the Special Cabinet meeting on 17 February 2016.

107 Capital Monitoring 2015/2016 Quarter 3

107.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed Minutes – detailing the current position for the Council's 2015/16 to 2018/19 capital programme that took 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 2015/16 and future years.

107.2 A Member voiced his disappointment on the lack of innovation and considered that the Council should be investing in order to make future savings. He drew attention

to areas where he believed the Council to be lacking, for example, insufficient investment in empty properties to attract new homes bonus, little spend on the small business scheme, slow to implement LED lighting and the subsequent potential for savings, reduction in disabled facilities grants, the lack of investment in telecare and lack of capital allocation for Broadband. The relevant Portfolio Holders responded to the issues raised.

107.3 Responding, the Leader stressed the need to prioritise the use of capital expenditure to make revenue savings. He added that a proper business plan and schemes for the areas highlighted needed to be compiled; the report provided information of the situation to date rather than a plan for the future.

107.4 **RESOLVED:**

- i) That net budget variations of £10.6m to the 2015/16 capital programme be approved, detailed in Appendix 1/Table 1 and the re-profiled 2015/16 capital budget of £51.4m. Including new allocations of capital receipt funding as follows:
 - £0.379m for the installation of Solar PV on 4 corporate buildings.
 - £0.942m for the HRA new build phase 2 programme, financed from ring-fenced receipts from the disposal of HRA assets.
 - Re-allocation of small business loan scheme repayments (£0.155m) for future use as a small business loan scheme to sustain support to businesses, as agreed by Cabinet 09/12/15
- ii) That the re-profiled capital budgets of £55.9m for 2016/17 and £30.9m for 2017/18 and £15.7m for 2018/19 be approved as detailed in Appendix 1/Table 4.
- iii) That the expenditure to date of £30.6m, representing 59.5% of the revised capital budget for 2015/16, with 75% of the year having elapsed be accepted.

108 **Financial Strategy 2015/2016 to 2025/2026 - Final**

108.1 This item was deferred for consideration at the Special Cabinet meeting on 17 February 2016.

109 **Robustness of Estimates and Adequacy of Reserves**

109.1 This item was deferred for consideration at the Special Cabinet meeting on 17 February 2016.

110 **Estimated Collection Fund Outturn 2015/2016**

110.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed Minutes - to advise Members of the

estimated Collection Fund surpluses/deficits for 2015/16, calculated as at 15 January 2016 for Council Tax and as at 31 January 2016 for Business Rates [NDR], for the year ending 31 March 2016.

110.2 RESOLVED:

- i) That the overall Collection Fund estimated deficit of £12.099m for the year ending 31st March 2016 be noted, comprised of an estimated surplus of £3.664m for Council Tax and an estimated deficit of £15.763m for Non-Domestic Rates (NDR).
- ii) 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.
- iii) That Shropshire Council's share of the overall estimated deficit of £2.974m, comprised of an estimated surplus of £2.987m for Council Tax and an estimated deficit of £5.961m for NDR, be noted
- iv) That the inclusion of Shropshire Council's share of the overall estimated deficit in the 2016/17 budget, be noted.

111 Income Review of Fees and Charges for 2016/2017

111.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed Minutes - on the level of fees and charges to be applied in 2016/17 and the recommended approach to be followed to calculate rent levels for the Council's retained housing stock for the 2016/17 financial year. He stressed that income generation would play an ever increasing important role in the Council's future finances.

111.2 A Member commented that the number of planning appeals was of concern to some Parish/Town Councils and the Council's apparent lack of desire to claim for costs in appeal cases. The Portfolio Holder for Planning, Housing, Regulatory Services and Environment stated that the number of appeals had increased and it had been worth developers appealing however the Council now had the appropriate evidence in order to seek claims for costs in future.

111.3 RESOLVED:

- i) That the breakdown of the total income for 2015/16 and in particular that the charges for discretionary services represent only £16.233m of the £55.560m of income derived from Fees and Charges, be noted.
- ii) That the charges for 2016/17 be recommended to Council as detailed in Appendix 3 to be implemented 1 April 2016, recognising that managers have proposed varying policies for 2016/17 fees and charges ranging from a reduction or freeze in certain areas to above inflation level increases in others, based on the nature of the service, market forces, customer reaction and competition from other providers as well as the state of the

economy. Any changes required further to ongoing reviews will be approved in line with the Council's charging policy, officer delegations and the financial rules.

- 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 it be noted that monitoring reports will identify adjustments required to income budgets in the Financial Strategy which may or may not be offset by corresponding adjustments to expenditure budgets.
- v) That subject to restrictions or exemptions identified in the Welfare Reform and Work Bill it is recommended to Council that
 - Social Housing Rents are reduced by 1% from 4th April 2016.
 - Affordable rents for 2016/17 are reduced by 1% from 4th April 2016.
 - Shared ownership rents continue to be set at 2.75% of the outstanding capital value of the home.
 - Up to 58 Social rents are converted to Affordable rents in accordance with the Homes and Communities Agency grant funding for the Phase 2 new homes building programme.
 - Service charges continue to be set on the basis of actual cost.
- vi) That the Personal Budget Contributions policy for Adult Services which is reviewed annually be recommended to Council.

112 Treasury Strategy 2016/2017

112.1 The Leader presented a report from the Head of Finance, Governance and Assurance – copy attached to the signed Minutes – on the Treasury Strategy for 2016/17 and Prudential Indicators for 2016/17 to 2018/19.

112.2 RESOLVED:

That Council:-

- a) Approve, with any comments, the Treasury Strategy for 2016/17.
- 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 as required.
- g) Note the proposed Prudential Indicators would enable the Authority to use the equivalent of up to 3% of Council Tax in 2016/17 or future years, to fund borrowing under the Prudential Code should the Council decide to do so.

113 Treasury Management Update - Quarter 3 2015/2016

113.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed Minutes – outlining the treasury management activities of the Council during the last quarter.

113.2 RESOLVED:

That the position as set out in the report be accepted.

114 Quarter 3 Performance Report 2015/2016

114.1 The Portfolio Holder for Corporate Support presented a report – copy attached to the signed Minutes - from the Director of Commissioning on the Council's performance against its key outcomes for Quarter 3 2015/16.

114.2 Responding to a Member's query, the Head of Finance, Governance and Assurance advised that the potential underspend shown in paragraph 5.2 of the report would be updated in the information being presented to Council on 25 February 2016.

114.3 RESOLVED:

- i) That the key underlying and emerging issues in the reports and appendices be considered.
- ii) That any performance areas be identified for consideration in greater detail or referral to the appropriate Scrutiny Committee.

115 **Determination of Admission Arrangements 2017/2018**

115.1 The Portfolio Holder for Children and Young People presented a report by the Director of Children's Services – copy attached to the signed Minutes – on the change to the Council's admission arrangements for the 2017/18 academic year and noted that the Local Admissions Forum had approved the proposed arrangements.

115.2 **RESOLVED:**

- i) That the proposal to amend the local authority's designated catchment area for secondary school applicants resident in the Craven Arms area be approved.
- ii) That the admission arrangements for 2017/18 be approved as determined in March 2015 without further amendment.
- iii) That Cabinet, by agreeing to the above, determines the school admission arrangements for Shropshire Council for the academic year 2017/18 and to the required publication of the arrangements in accordance with the School Admissions Code 2014.
- iv) That Officers notify the Secretary of State by 28 February 2016 that Shropshire Council has determined its school admissions arrangements for the 2017/18 academic year.

116 **Transforming Care Partnership Board**

116.1 The Portfolio Holder for Adults presented a report from the Interim Director of Adult Services – copy attached to the signed Minutes – that provided an introduction and overview to the Transforming Care Partnership Board [TCPB] required by NHS England to implement 'Building the Right Support - a national plan to develop community services and close in patient facilities' for people with a learning disability and/or autism. He cautioned that there were still some aspects of the financial arrangements that had yet to be fully explored and close monitoring of the situation would be provided to the Health and Wellbeing Board.

116.2 **RESOLVED:**

- i) That the expectations set out in "Building the Right Support" and letter of 17 November, be noted.
- ii) That arrangements being put in place for a TCP for Shropshire/Telford & Wrekin, be approved.
- iii) That authority be delegated to the Director of Adult Services to sign off the plan prior to submission in conjunction with the respective TCP representatives on behalf of Shropshire Council.

- iv) That the Head of Social Care, Efficiency and Improvement be authorised to be the Council's representative on the TCP.
- v) That future reporting be agreed from the TCP area to the Health & Well Being Board and that they are jointly produced with Shropshire CCG.

117 Preparation of Supplementary Planning Documents

117.1 The Portfolio Holder for Planning, Housing, Regulatory Services and Environment presented a report from the Director of Commissioning – copy attached to the signed Minutes – to provide information on the Supplementary Planning Documents [SPDs] in the process of being reviewed, updated and developed and advised that the formal consultation process would begin in March 2016. He drew particular attention to appendices A to D to the report and commented that this review process presented an opportunity for policy change. He added that the detailed policy guidance within an SPD was vital to fully inform and guide those who sought to develop or manage development in the county.

117.2 RESOLVED:

That the review and development of the following SPD's and appropriate consultation process be noted relating to:

- The Type and Affordability of Housing SPD.
- The Natural Environment SPD.
- The Historic Environment SPD.

118 Application by Woore Parish Council to be considered as a Neighbourhood Plan Area

118.1 The Portfolio Holder for Planning, Housing, Regulatory Services and Environment presented a report by the Director of Commissioning – copy attached to the signed Minutes – on the application by Woore Parish Council for the Parish Council area to be considered as an appropriate area for a potential neighbourhood plan. It was noted that other reports would be made to Cabinet for decision at key stages of the process.

118.2 RESOLVED:

That Woore Parish Council area be confirmed as an appropriate basis for the development of a neighbourhood development plan and the Parish Council be notified accordingly.

119 Membership of the Northern Gateway Partnership

119.1 The Portfolio Holder for Business and the Economy presented a report by the Director of Commissioning – copy attached to the signed Minutes – inviting Shropshire Council to join the Northern Gateway Partnership; comprising seven local authorities and two Local Enterprise Partnerships to consider the wider growth prospects of the new HS2 Hub Station being planned for Crewe as part of the Government's plans to rebalance the UK economy.

119.2 RESOLVED:

That authority be granted to the Deputy Leader and Portfolio Holder for Business and Economy, to represent Shropshire Council on the Northern Gateway Partnership.

120 Exclusion of Press and Public

120.1 RESOLVED

That, in accordance with the provisions of Schedule 12A of the Local Government Act 1972 and Paragraph 10.2 of the Council's Access to Information Rules, the public and press be excluded from the meeting during consideration of the remaining items.

121 University Centre Shrewsbury Student Accommodation

121.1 The Portfolio Holder for Corporate Support presented an exempt report by the Chief Executive – copy attached to the signed exempt Minutes – on the updated student numbers following the first year of recruitment for undergraduate study, the projected student numbers and the implications on the provision of student accommodation in the town.

121.2 RESOLVED:

That the three exempt recommendations detailed in the Chief Executive's exempt report be approved.

122 Award of the Traffic Signals Maintenance Contract 2016

122.1 The Portfolio Holder for Highways and Transportation presented an exempt report by the Director of Commissioning – copy attached to the exempt Minutes - relating to the award of the traffic signals maintenance contract for 2016.

122.2 RESOLVED:

That the exempt recommendation detailed in the Director of Commissioning's exempt report be approved.

123 Much Wenlock Flood Alleviation Scheme - Compulsory Purchase Order

123.1 The Portfolio Holder for Planning, Housing, Regulatory Services and Environment presented an exempt report by the Director of Commissioning – copy attached to the exempt Minutes – seeking approval to make a Compulsory Purchase Order in order to facilitate the Much Wenlock Flood Alleviation Scheme. Having declared an interest in this item, Councillor Mrs Motley left the meeting during consideration of this issue.

123.2 RESOLVED:

That the three exempt recommendations detailed in the Director of Commissioning’s exempt report be approved.

124 Shropshire Council's Smallholding Estate

124.1 The Portfolio Holder for Corporate Support presented an exempt report by the Director of Commissioning – copy attached to the exempt Minutes – to agree the rationale for the remaining stock and whether or not to retain a smallholding network.

124.2 RESOLVED:

That the two exempt recommendations detailed in the Director of Commissioning’s exempt report be approved.

125 Waste Services Update

125.1 The Portfolio Holder for Planning, Housing, Regulatory Services and Environment presented an exempt report by the Director of Commissioning – copy attached to the exempt Minutes – outlining service changes and other arrangements relating to the Council’s Waste Service provision.

125.2 RESOLVED:

That the exempt recommendation detailed in the Director of Commissioning’s exempt report be approved.

Signed (Leader)

Date: