



Committee and Date

Cabinet

16 March 2016

CABINET

**Minutes of the special meeting held on 17 February 2016 in the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND
12.30 pm - 1.45 pm**

Responsible Officer: Jane Palmer
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Present

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

126 Apologies for Absence

126.1 Apologies for absence were received from the Deputy Leader, Councillor Steve Charmley.

127 Disclosable Pecuniary Interests

127.1 None were declared.

128 Public Questions

128.1 There were no questions received from members of the public.

129 Matters referred from Scrutiny or Council

129.1 There were no matters referred from Scrutiny or Council.

130 Revenue Monitoring 2015/16 Quarter 3

130.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed Minutes – setting out the revenue forecast for 2015/16 as at Quarter 3 and identified current projections on delivery of savings included within the forecast.

130.2 The Leader commented that the growth in elderly care figures represented a problem that needed to be acknowledged. In answer to a Member's concerns relating to the figures illustrated in paragraph 5.3 of the report illustrating the non delivery of Amber savings, the Leader acknowledged the funding gap that was

being funded by one-off sources of funding. He added that unpalatable decisions would need to be made the following year but the situation would not be fully known until the settlement figures for that year were known.

- 130.3 In answer to the concerns raised re the Amber savings, the Chief Executive advised that Officers and Directors had plans that they believed to be robust but they were not yet sufficiently evidenced to allow the Section 151 Officer to factor them in at this stage.
- 130.4 A Member commented on the spiralling costs of Adult Social Care [ASC] and considered that rigorous scrutiny was required with professionals in ASC being brought in to advise the process. The Leader stressed that ASC was critical but was not solely a Shropshire problem but part of a national trend. He stated that it was essential to make Government understand the issues and acknowledge this national problem. The Chief Executive stated that, subject to the agreement of the Portfolio Holder, assistance from the LGA could be sought but he stressed that Shropshire was no more and no less affected by rising ASC costs than any other authority.
- 130.5 The Leader added that preventative measures needed to be investigated thoroughly. A Member commented that technology was available that could help in some parts of Shropshire but the current Broadband cover would not allow this to be implemented across the whole of the Council's area at the moment.
- 130.6 The Portfolio Holder for Adults stated that the Council's ASC had a good track record of delivering savings and was effective in delivering a high quality service. He stressed that the Council's spend in this area was not discretionary and demand was rising exponentially. He added that the Council needed to be smarter in predicting demand and he concluded that he would be happy to work with scrutiny to look into the issues in detail.
- 130.7 The Head of Finance, Governance and Assurance commented that the ASC budget was large and volatile and decisions made in recent years had had a great impact on the current position. He added that small variations in this budget area made a significant difference but with more and improved data the Council would be able to make decisions from an informed position going forward.
- 130.8 In drawing the debate to a close the Leader commented that the Council's main priority was to protect vulnerable people but this did not exclude consideration of efficiencies in this area. He reminded Members of the ongoing Government lobbying and the Government panel looking at how settlement figures would be calculated in future. All political groups were willing to join the necessary Government lobbying on this issue.

130.3 RESOLVED:

- i) That the recommended level of general balances to support the 2016/17 revenue budget at £28.20m, noting that the projected balance will be below this for 2016/17, be approved;

- ii) That the projected recommended level of general reserves for the following two years at £26.45m in 2017/18 and £20.13m in 2018/19 be noted.

131 Financial Strategy 2016/17 to 2018/19

131.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed Minutes – detailing the 2016/17 budget and identifying the proposals for 2017/18 and 2018/19 budgets to be further developed throughout 2016/17. He reiterated the offer previously made to the Opposition Leaders to come forward with initiatives to make savings in 2016/17. The opposition Members raised concerns about their view of the Council's current financial position and the position of the country as a whole under the current Government.

131.2 Responding to a Member's concerns regarding the current highways maintenance system and the patching of roads, the Portfolio Holder for Highways and Transportation commented that he would continue the discussion outside of the meeting but stressed that management of assets would be undertaken more robustly with major works being prioritised appropriately and brought to the fore.

131.3 A Member commented on the current Capital Programme and believed it to be lacking. The Leader responded that he had requested information on the prioritisation of the Capital Programme with a view to identifying income through investment. He re-iterated the need for a fair settlement of the money that was available from Government to be able to provide good services for the local community.

131.4 **RESOLVED:**

- i) That the 2016/17 budget of £565.377m including the savings proposals detailed in Appendix 3 and excluding internal market adjustments be agreed and recommended to Council.
- ii) That the changes required to the 2016/17 budget as a result of the Final Local Government Settlement, revised business rates and collection fund estimates and revised Adult Services growth projections be noted
- iii) That the changes required to future years' budgets as a result of the Final Local Government Settlement and a review of business rates and Adult Services growth projections be noted.
- iv) That the revised funding gap for the years 2017/18 and 2018/19 be noted.
- v) That the revised Capital Programme as set out in the report be agreed and recommended to Council.
- vi) That the potential requirement for virement between pay and non-pay (contract payment) budgets resulting from the review of ip&e Limited, which are not reflected in this report be noted.

vii) That the potential for investment and further savings proposals resulting from the review of the Council’s ICT requirements which are not reflected in this report be noted.

132 Robustness of Estimates and Adequacy of Reserves

132.1 The Leader presented a report by the Head of Finance, Governance and Assurance – copy attached to the signed Minutes – on the robustness of estimates made for the purposes of the budget calculations and the adequacy of the proposed reserves as required under Section 25 of the Local Government Act 2003.

132.2 RESOLVED:

- i) That the recommended level of general balances to support the 2016/17 revenue budget at £28.20m, noting that the projected balance will be below this for 2016/17, be approved;
- ii) That the projected recommended level of general reserves for the following two years at £26.45m in 2017/18 and £20.13m in 2018/19 be noted.

133 Exclusion of Press and Public

133.1 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 the press be excluded during consideration of the remaining item.

134 Review of ip&e Ltd

134.1 The Deputy Portfolio Holder for ip&e presented an exempt report by the Chief Executive – copy attached to the signed exempt Minutes – summarising the performance of ip&e Ltd to date with recommendations relating to its staff and its business activities.

134.2 RESOLVED:

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

Signed (Leader)

Date: