



Committee and Date

Cabinet

1 March 2017

CABINET

**Minutes of the meeting held on 8 February 2017 in the Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND
12.30 pm - 1.30 pm**

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, Stuart West and Michael Wood

118 Apologies for Absence

Apologies for absence were received from Councillor M Price.

119 Disclosable Pecuniary Interests

None were declared.

120 Minutes

RESOLVED:

That the Minutes of the Cabinet meeting held on 18 January 2017 be approved as a correct record and signed by the Leader.

121 Public Question Time

No questions had been received from members of the public.

122 Scrutiny Items

There were no scrutiny matters to consider.

123 Treasury Strategy 2017/18

The Leader and Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan presented a report from the Head of Finance, Governance and

Assurance [s151 Officer] on the Council's Treasury Strategy for 2017/18 and the recommended Prudential Indicators for 2017/18 to 2019/20 and congratulated the achievements of the staff who undertook this work.

Responding to a Member's query, the Head of Finance, Governance and Assurance stated that he would provide a written response on the level of debt transferred from Oswestry Borough Council and North Shropshire District Council on 1 April 2009.

RECOMMENDED:

- i. That the Treasury Strategy for 2017/18 be approved, with any comments.
- ii. That the Prudential Indicators, set out in Appendix 1, in accordance with the Local Government Act 2003, be approved, with any comments.
- iii. That the Investment Strategy, set out in Appendix 2 in accordance with the CLG Guidance on Local Government Investments, be approved, with any comments.
- iv. That the Minimum Revenue Provision (MRP) Policy Statement, set out in Appendix 3, be approved, with any comments.
- v. 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.
- vi. That the Section 151 Officer be authorised to use other Foreign Banks which meet Capita's creditworthiness policy, as required.

124 Financial Strategy 2017/18 to 2019/20 - Final

The Leader and Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan presented the report from the Head of Finance, Governance and Assurance [s151 Officer] on the Council's Financial Strategy 2017/18 to 2019/20. He stressed that the Financial Strategy reflected a time of unprecedented uncertainty in local government finance with the impact of significant changes in local government funding making it impossible to calculate the impact on the Council and making the development of a long-term financial strategy impossible.

He drew attention to the two stage approach to be taken by the Council through the development of a short term financial strategy 2017/18 to 2018/19 based on achievable, lower impact savings proposals and using one-off resources to close the resultant gap; the second stage ahead of the 2019/20 financial year would result in the development of strategies alongside the emerging themes from Central Government. He stressed that the Council had a vision and a willingness to 'make things happen'.

The Leader concluded that the Council had, and would continue, to make strong representations to the Government to seek a redistribution of existing finances whilst recognising that the current Government had inherited the financial problems.

Responding to a Member's query, the Leader stated that the suggested precept was 3.99%. Referring to the level of consultation responses received, he noted that local people had nevertheless been given the opportunity to comment. Another Member queried the value of making comment given the demise of local government generally and the impact on services for local people.

With particular reference to Adult Social Care, he stated that the service provided should be based on 'need' rather than 'outcomes' and the key issue was the lack of resource. The Leader agreed that resources did not match demand but new innovations within the Council's Strategies were being developed. He added that Central Government had acknowledged that there was a problem with support for elderly care. Returning to the issue of 'need', the Portfolio Holder for Adults commented that national criteria for needs assessment had been established by the Government; early intervention was key in order to avoid the level of 'need' being reached.

RECOMMENDED:

- i. That Council agree the 2017/18 budget of £563.330m including the savings proposals previously approved by Council and the revised proposals to deliver a balanced budget in 2017/18 as outlined in Appendix 3.
- ii. That the Head of Finance, Governance and Assurance (Section 151 Officer), in consultation with the Leader of the Council, make amendments to the Financial Strategy following receipt of the Final Local Government Financial Settlement. The Council General Fund Balance and/or Financial Strategy Reserve can be used to enable any reduction in resources or increase in costs to be managed through this process. If timing is sufficient, the final position to be approved by Council on 23 February 2017.
- iii. That the changes required to the 2017/18 budget as a result of the Final Local Government Settlement and revised business rates and collection fund estimates be noted.
- iv. That the revised funding gap for the years 2018/19 and 2019/20 be noted.
- v. That the revised Capital Programme, as set out in the report, be agreed and recommended to Council.
- vi. That the Policy for Flexibility around the use of Capital Receipts, as set out in Appendix 7, be agreed and recommended to Council.

125 Fees and Charges 2017/18

The Leader and Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan presented a report from the Head of Finance, Governance and Assurance [s151 Officer] on the level of fees and charges to be applied in 2017/18/.

RECOMMENDED:

- i) That the breakdown of the total income for 2016/17 and 2017/18 be noted and in particular that the proposed 2017/18 charges for discretionary services represent only £33.433m of the £73.466m of income derived from Fees and Charges.
- ii) That the charges for 2017/18 be recommended to Council as detailed in Appendix 3 to be implemented 1 April 2017, recognising that managers have proposed varying policies for 2017/18.
- iii) That as previously agreed, it be noted that 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:
 - Social Housing rents for 2017/18 are reduced by 1% from 3rd April 2017.
 - Affordable rents for 2017/18 are reduced by 1% from 3rd April 2017.
 - 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%.
 - Service charges continue to be set on the basis of actual cost.

126 Robustness of Estimates and Adequacy of Reserves

The Leader and Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan presented a 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 and stated that the Council's use of reserves was prudent with risks were covered.

A Member praised the efforts of the Officers concerned in managing this area. He queried the release of £5M from the General Fund Balance to be used to help fund the known funding gap in the 2019/20 financial year. The Head of Finance,

Governance and Assurance [s151 Officer] explained the risks before the Council because of future Central Government funding uncertainties. The Leader commented that he welcomed ideas and input from all political persuasions to deal with the Council's current financial situation.

RESOLVED:

- i) That the recommended level of general balances to support the 2017/18 revenue budget at £13.29m be approved , noting that the projected balance will be above this for 2017/18;
- ii) That the projected recommended level of general reserves be noted for the following two years at £16.80m in 2018/19 and £33.68m in 2019/20.
- iii) That it be noted that the Council's General Fund Balance and/or Financial Strategy Reserve may be amended as required to facilitate any amendments required to the Financial Strategy following receipt of the Final Local Government Financial Settlement.

127 Estimated Collection Fund Outturn for 2016/17

The Leader and Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan presented a report from the Head of Finance, Governance and Assurance [s151 Officer] on estimated Collection Fund surpluses/deficits for 2016/17 for Council Tax and NDR for the year ending 31 March 2017.

In answer to a Member's query, the Head of Finance, Governance and Assurance [s151 Officer] explained that the Council's percentage collection rate could change from year to year and the fund dropped to zero to start afresh in the next financial year.

RESOLVED:

- i) That the overall Collection Fund estimated surplus of £6.109m be noted for the year ending 31st March 2017, comprised of an estimated surplus of £2.669m for Council Tax and an estimated surplus of £3.440m for Non-Domestic Rates (NDR).
- ii) That the distribution of the Collection Fund estimated surplus for Council Tax and 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 £4.162m, comprised of an estimated surplus of £2.183m for Council Tax and an estimated deficit of £1.979m for NDR, be noted.
- iv) That the inclusion of Shropshire Council's share of the overall estimated deficit in the 2017/18 budget be noted.

128 Financial Monitoring report Quarter 3 2016/17

The Leader and Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan presented a report from the Head of Finance, Governance and Assurance [s151 Officer] consolidating the previous separate revenue and capital monitoring reports into one financial monitoring report.

A Member commented on the scheme to convert to LED street lighting and suggested that this should be completed in a timelier manner in order to invest to save. The Director of Place and Enterprise reported that the Council was in Year 2 of a five-year programme and the benefits of the programme were well recognised. The Head of Finance, Governance and Assurance agreed to provide an update to the Member on other issues on which he requested additional information.

RESOLVED:

- i) That it be noted that at the end of Quarter 3 (31 December 2016), the full year revenue forecast is a potential underspend of £0.244m;
- ii) That the impact of this on the Council's General Fund Balance be considered.
- iii) That net budget variations be approved of £6.215m to the 2016/17 capital programme, detailed in Appendix 3/Table 6 and the re-profiled 2016/17 capital budget of £53.951m.
- iv) That re-profiled capital budgets be approved of £66.058m for 2017/18 and £25.800m for 2018/19 and £2.320m for 2019/20 as detailed in Appendix 1/Table 9.
- v) That the capital expenditure to date of £26.972m be accepted, representing 50% of the revised capital budget for 2016/17, with 75% of the year having elapsed.

129 Treasury Management Update Quarter 3 2016/17

The Leader and Portfolio Holder for Strategy, Financial Strategy, Budget and Business Plan presented a report from the Head of Finance, Governance and Assurance [s151 Officer] on the treasury management activities of the Council in the last quarter.

RESOLVED:

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

130 Community Right To Challenge Expressions of Interest for the Future Delivery of a Library Service in Church Stretton

The Portfolio Holder for Leisure and Culture presented a report from the Director of Place and Enterprise on the Council's approach to the redesign and commissioning of the library service in Church Stretton and the progress to date.

RESOLVED:

- i) That the valid expressions of interest under the Community Right to Challenge legislation in relation to the redesign of Shropshire Council's library services in Church Stretton be confirmed and accepted; and
- ii) That all future decisions on this area of work be delegated to the Director of Place and Enterprise in consultation with the Portfolio Holder for Leisure and Culture to ensure the delivery of the recommended approach.

131 Determination of Admission Arrangements 2018/2019

The Portfolio Holder for Children and Young People presented a report from the Director of Children's Services on the determination of admission arrangements 2018/19.

RESOLVED:

- i) That the proposal to amend the local authority's admission arrangements in the following respects be approved:
 - a) The merger of the designated catchment area of Hope, Worthen and Westbury Primary Schools;
 - b) The rationalisation of the designated secondary school catchment areas for individual properties at Hope Bagot, Hemford and Roughton;
 - c) The reduction of the Published Admission Number of St Giles CE Primary School, Shrewsbury.
- ii) That the admission arrangements for 2018/19 be approved without further amendment to those determined in February 2016.
- iii) That the publication of the approved admission arrangements for Shropshire Council for the academic year 2018/19 be agreed in accordance with the School Admissions Code 2014.

132 Social Value Charter for Shropshire

The Portfolio Holder for Corporate Support presented the report from the Director of Place and Enterprise on the development of a Social Value Charter for Shropshire. The Portfolio Holder for Adults commended the report and congratulated the Officers working to take this initiative forward.

RECOMMENDED:

That Council adopts the Social Value Charter for Shropshire, as detailed in Appendix 1 to the report.

133 Tender of New Contract for 0-25 Public Health Nursing Services (From October 2017)

The Portfolio Holder for Health and Wellbeing presented a report from the Director of Public Health on the proposed redesign, commissioning and procurement of a new 0-25's Public Health Nursing Service. Members applauded this service redesign and its benefits to children and young people in Shropshire.

RESOLVED:

- i) That procurement of a new "0-25 integrated Public Health Nursing Service" be approved as outlined in the report for an initial period of three years commencing 1st October 2017 with the option to extend, exercisable by the Council, for up to four further 12 month periods.
- ii) That delegated authority be granted to the Director of Public Health in consultation with the Portfolio Holder for Health and Wellbeing, to progress the procurement process up to preferred bidder stage, prior to seeking further Cabinet approval to award the contract in June 2017.

134 Social Care System I.T. Replacement

The Portfolio Holder for Corporate Support presented a report from the Head of Human Resources and Development seeking authority for the Director of Adult Services to enter into negotiations and to enter into a contract for a replacement IT system for Adult and Children's Social Care.

RESOLVED:

That delegated authority be granted to the Director of Adult Social Care in consultation with the Portfolio Holder for Corporate Support to negotiate and agree a contract with the identified preferred Social Care I.T. System provider, within the agreed budget for this system as set out in the Cabinet and Council papers as detailed in the report.

135 Exclusion of Public and Press

RESOLVED:

That, in accordance with the provisions of Schedule 12A of the Local Government Act 1972, and Paragraph 10.4 (3) of the Council's Access to Information Procedure Rules, the public and press be excluded during consideration of the following item.

136 Minutes

RESOLVED:

That the exempt Minutes of the Cabinet meeting held on 21 December 2016 be approved as a correct record and signed by the Leader.

Signed (Leader)

Date: