

CABINET

Minutes of a meeting of the Cabinet held on Thursday 5 January 2023 at 10.00 am in The Telford Room, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

PUBLISHED ON WEDNESDAY 11 JANUARY 2023

(DEADLINE FOR CALL-IN: MONDAY 16 JANUARY 2023)

Present: Councillors S Davies (Chair), R A Overton (Vice-Chair), E M Callear, L D Carter, R C Evans, C Healy, K Middleton, S A W Reynolds and P Watling.

Also Present: Cllr A J Eade (Conservative Group Leader) and Cllr W L Tomlinson (Liberal Democrats Group Leader)

Apologies: Councillor A J Burford

CAB- Declarations of Interest
202

None.

CAB- Minutes of the Previous Meeting
203

RESOLVED- that the minutes of the meeting held on 15 December 2022 be confirmed and signed by the Chair.

CAB- Leader's Announcements
204

None.

CAB- 2022/23 Financial Monitoring Report
205

The Cabinet Member: Finance, Governance & Customer Services presented the report of the Director: Finance & Human Resources. The report provided the latest financial monitoring position relating to the revenue budget, capital programme and income collection.

Since the approval of the Medium Term Financial Strategy (MTFS) at Full Council on 3 March 2022, there had been significant changes to the economic climate. A rapid increase in the rate of inflation, interest rates and increased demand for services made the Council's financial position more uncertain than before.

Before application of contingencies included in the overall revenue budget, the projected outturn position was expected to be over budget by £4.598m at year end. The majority of general contingencies would be required to fund the projected pressure, which left £36k of uncommitted contingency funds to meet any further pressures which may arise during the remainder of the year.

Variations from the approved budget were primarily in children's safeguarding & family support, adult social care, education & skills and treasury management. The Council had an excellent track record of strong financial management, however, the Council was not immune to the economic climate.

Cabinet Members thanked officers for their work in producing the report and officers across all departments who have made continued efforts to reduce spending.

RESOLVED that:

- a) The 2022/23 revenue budget position be noted;
- b) The allocation of the contractual inflation contingency detailed at Section 5.4.2 of the report be approved;
- c) To RECOMMEND TO COUNCIL the transfer of £6m to a budget strategy reserve, detailed in Section 5.4.4 of the report, which will be used to support the Medium Term Financial Strategy (including the current year if required) be approved and to RECOMMEND TO COUNCIL that the use of £0.180m Special Fund balances for additional lighting works to be undertaken in the Special fund areas be approved;
- d) The position in relation to capital spend be noted;
- e) To RECOMMEND TO COUNCIL that the changes to the capital programme as detailed in Appendix C of the report be approved;
- f) The collection rates for NNDR, council tax and sales ledger be noted.

CAB- Medium Term Financial Strategy 2023/24 – 2026/27
206

The Cabinet Member: Finance, Governance & Customer Services presented the report of the Director: Finance & Human Resources. The report provided an update on the medium-term financial outlook, including key uncertainties and financial pressures. The report also set out the proposals for consultation.

Since the approval of the current Medium Term Financial Strategy on 3 March 2022, there had been significant changes to the national economy. Locally, there had been increased demand for key services and higher costs, particularly in relation to social care and energy costs. It was noted that these pressures were likely to continue to increase in future years.

Due to these factors, the one-year settlement provided by Government and the upcoming local elections in May 2023, it was proposed that a dedicated budget for 2023/24 be set, within the context of the four-year MTFS.

Cabinet Members discussed the impact of the economic situation and discussed proposed investments contained with the report, including a £50m investment into keeping neighbourhoods safe, clean and connected and an additional investment of £2.5m into children's safeguarding.

Cabinet Members discussed the cost of living crisis and welcomed the proposals to not increase the main proportion Council Tax for the upcoming year. Cabinet Members urged the Police and Crime Commissioner, the Fire Authority and Town and Parish Councils across the Borough to not increase their precept to minimise the burden on families.

Cabinet Members noted that the consultation period was an opportunity for opposition Members to put forward any alternative considerations and noted that any comments would be taken into account.

RESOLVED that:

- a) The proposed revised Medium Term Financial Strategy (MTFS) set out in the report for consultation between 6 January 2023 and 5 February 2023 be approved;**
- b) The very high level of uncertainty relating to the medium-term financial outlook for the Council due to:**
 - a. National and International economic pressures resulting in an extremely**
 - b. challenging financial outlook for U.K. public services**
 - c. Rapidly rising costs including energy, food and interest rates which place**
 - d. pressure on the Council's own budgets**
 - e. The impact of rising interest rates, the highest rates of inflation for 40 years**
 - f. and a prolonged anticipated economic recession on our residents and**
 - g. businesses resulting in the Council declaring a cost-of-living emergency at**
 - h. Full Council on 10 November**
 - i. The cost-of-living emergency resulting in escalating demand for many**
 - j. Council services adding to the financial pressures facing the Council.**
 - k. The Government's one-year provisional local government finance settlement**
 - l. not extending beyond the end of March 2024**
 - m. The significant potential changes to the local government finance system**
 - n. which have now been discussed by the Government for many years are now**
 - o. unlikely to be introduced before the next general election but remain a major**

- p. **uncertainty. As does the potential impact of Adult Social Care funding**
- q. **reforms which have been delayed until October 2025 be noted.**
- c) **This high level of uncertainty requires the Council to retain flexibility by limiting new outgoing investments to our highest priorities whilst identifying additional budget savings to ensure a balanced budget for next year and over the medium-term be noted;**
- d) **The considerable level of uncertainty together with local elections due in May 2023, which will result in a new Administration with a new mandate, combine to make it appropriate to set only a one-year detailed budget for 2023/24 in the wider context of this overall MTFS be noted.**

CAB- Affordable Warmth Strategy - Action Plan Update
207

The Deputy Leader and Cabinet Member: Housing, Enforcement & Transport presented the report of the Director: Housing, Employment & Infrastructure. The report provided an update on the work undertaken by the Council and partners to deliver the Affordable Warmth Strategy.

Since the introduction of the Strategy in April 2021, there had been a dramatic rise in energy prices driven by the war in Ukraine. Between October 2021 and October 2022, domestic gas prices had increased by 129% and domestic electricity prices by 66%. In addition, there had been increased costs in food prices, road fuel, rents and other essentials.

In Telford & Wrekin, a third of households had an estimated annual income of below £20,000, which made them more susceptible to being fuel poor. It was expected that around a quarter of people would not turn on their heating this winter, leading to cold homes, which had many harmful impacts on residents, such as health impacts, mould and damp.

Since the adoption of the strategy, the Telford Energy Advice hot line had been developed, a 'one stop shop' which provided advice, home visits and referrals to grant funding for eligible households. Work had also undertaken with school pupils and training for staff members in identifying fuel poverty so that swift referrals for support could be made.

The report outlined the proposed next steps within the strategy, which included maximising the reach and range of support.

Cabinet Members welcomed the report.

The Leader of the Liberal Democrat Group welcomed the report and discussed forward planning of energy production across the Country. The Leader of the Conservative Group welcomed any initiative which would support residents with this issue.

RESOLVED that the actions undertaken in respect of the Affordable Warmth Strategy be noted.

CAB- 208 2023/24 Telford & Wrekin Schools Funding Formula

The Cabinet Member: Children, Young People & Families presented the report of the Director: Education & Skills. The report reviewed the local funding formula for mainstream schools, following consultation with the schools and the Schools Forum.

The report detailed the allocations for Telford & Wrekin. Telford & Wrekin had, for a number of years, mirrored the national funding formula at a local level. The report outlined the process for growing schools using estimated pupil numbers to avoid lag.

In response to a question from the Leader of the Liberal Democrat Group, it was confirmed that budgets remained extremely tight for all schools. Schools were having to look at savings which impacted on the provision provided for children.

RESOLVED that the 2023/24 funding formula for Telford & Wrekin mainstream schools, as set out in paragraphs 4.1 to 4.8 and summarised at paragraph 4.9 of the report be approved.

The meeting ended at 10.56 am

Signed for the purposes of the Decision Notices

Anthea Lowe
Director: Policy & Governance
Date: **Wednesday 11 JANUARY 2023**

Signed

Date: Thursday 16 February 2023