

CABINET

Minutes of a meeting of the Cabinet held on Thursday, 30 May 2019 at 4.00 pm in Meeting Rooms G3/G4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

PUBLISHED ON WEDNESDAY, 5 JUNE 2019

(DEADLINE FOR CALL-IN: MONDAY, 10 JUNE 2019)

Present: Councillors S Davies (Chair), R A Overton (Vice-Chair), A J Burford, L D Carter, R C Evans, C Healy, R Mehta, S A W Reynolds, H Rhodes and D Wright.

Also Present: Councillor E Carter (in place of Councillor A J Eade) and W L Tomlinson (Liberal Democrat/Independent Group Leader).

Apologies: Councillor A J Eade (Conservative Group Leader).

CAB-1 Declarations of Interest

None.

CAB-2 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting held on 14 March 2019 be confirmed and signed by the Chair.

CAB-3 Service & Financial Planning Report - 2018/19 Outturn Report and 2019/20 Update

Key Decision identified as **2018/19 Outturn Report and Initial Trends for 2019/20** in the Notice of Key Decisions published on 26 April 2019.

Councillor L D Carter, Cabinet Member for Finance, Commercial Services and the Economy presented the report of the Assistant Director: Finance & Human Resources, Chief Finance Officer.

Cabinet Members noted that despite some areas of significant pressure, the Council had ended the year in a positive financial position, which assisted the in the 2019/20 management of the budget and allowed a number of one-off investments in key areas to make the borough a better place to live, work, learn, visit and do business in. Going forward this was expected to result in a more sustainable financial strategy.

The gross revenue budget for 2018/19 was £428m and the net budget was £121m. The revenue outturn position was within budget with a final net underspend of £0.275m (which was equivalent to only -0.23% of net budget) after the proposed transfers to reserves and balances had been made. This

position had been achieved after delivering £7.6m of budget savings in 2018/19, on top of the £110m made in the previous 9 years giving a total of £117m - equivalent to around £1,500pa for every home in the Borough.

The funding outlook for the medium term was very uncertain with significant changes to the local government finance system due to be implemented from April 2019, however, there was very little information available about what the impact of the changes would be on the Council. Using the limited information that was available, it was anticipated that the Council would need to identify around £30m of further savings over the next three years on top of the £117m already delivered to the end of 2018/19.

Due to the strong financial management during 2018/19, the Council had been able to create a number of provisions from the 2018/19 outturn position to support its priorities and sustain its financial position going forward. A number of favourable variations had also been secured during the year which contributed to the overall positive position. These were noted by Cabinet Members as outlined in the report.

The key areas of pressures during 2018/19 were noted. It was reported that:-

Children's Safeguarding & Early Help ended the year with a service overspend of £3.1m. Spend during the year was higher than the budget at there was an increasing number of more expensive specialist placements for looked after children with complex and severe behaviours or emotional health needs over the course of the year. The Council had invested additional funding of £4.893m into the Children's Safeguarding & Family Support budget over the next year highlighting the very high priority placed by the Council on safeguarding children. A cost improvement plan was in place which was monitored on a regular basis by senior managers and Cabinet Members.

Adult Social Care ended the year with a service overspend of £0.379m. As reported throughout the year, the cost of purchasing care packages from external providers and high demand led to a pressure of £4.3m. This was mitigated by additional income totalling £4.4m from grant funding, CCG funding and client contributions. As part of the 2018/19 budget strategy, the Council had committed additional investment totalling £0.65m into the Adult Social Care budget over the next three years. The Service also had a Cost Improvement Plan in place to deliver better outcomes and efficiencies

The Capital Outturn position 2018/19 was noted; capital spend ended the year at £57.6m against an approved estimate of £71.7m which was in the main due to re-phasing expenditure into 2019/20. This underspend would result in some further treasury management savings in 2019/20.

The Income monitoring position was noted; overall cash collection was good with over £15m more cash collected than in the previous year. The collection rates for Business Rates were ahead of the target for the year although Council Tax collection and Sales Ledger was very slightly behind target. All

debt had been pursued rigorously and continued to be collected after the end of the financial year with all appropriate recovery avenues being pursued.

It was noted that 2018/19 was the fourth year of operation for NuPlace Ltd, the Council's wholly owned housing investment company. NuPlace was a separate legal entity and as such prepared its own accounts but as NuPlace was wholly owned by the Council, consolidated group accounts were also prepared. The unaudited accounts showed that NuPlace had generated an operating profit before taxation of £0.492m in 2018/19 but as expected no dividend was distributed. The Council also received income from NuPlace totalling £1.2m during 2018/19 net of additional interest and other marginal costs.

It was reported that the draft formal statement of accounts would be considered at the Audit committee on 30 May 2019 and would be audited by Grant Thornton, the Council's external auditors, during June and July. The accounts would also be available for public inspection for 30 working days from 31 May 2019. Summaries of the outturn on revenue and capital along with major variations were shown as appendices to the report.

It was noted that in 2019/20, the Council faced another very challenging year. A number of key issues had been highlighted in the first high level review of the budget position. Once the final accounts were completed more detailed monitoring would take place and a further more detailed report would be presented at the July meeting of the Cabinet with an updated position.

Cabinet Members welcomed the continued position of strength of the Council, despite one off costs and applauded the efforts of all Council teams delivering over services to the people of Telford & Wrekin.

RESOLVED to RECOMMEND to COUNCIL that –

- (a) the Revenue outturn position for 2018/19 and related virements in Appendix 3 of the report which is subject to audit by the Council's external auditors be approved;**
- (b) the transfers to reserves and associated approval to the relevant Assistant Directors to spend the reserves detailed in section 5 of the report be approved;**
- (c) the Capital outturn position and related supplementary estimates, re-phasing and virements shown in Appendix 4 of the report and as summarised in the report be approved;**
- (d) that delegated authority be granted to the Assistant Director: Finance & HR to make any minor changes required as the outturn is finalised, in consultation with the Cabinet Member for Finance, Commercial Services and the Economy;**
- (e) the performance against income targets be noted; and**

(f) the key issues identified for 2019/20 be noted.

CAB-4 Telford and Wrekin Council – Our 4 Year Programme To Invest, Protect And Care For The Borough

Key Decision identified as **Telford and Wrekin Council – Our 4 Year Programme To Invest, Protect And Care For The Borough** in the Notice of Key Decisions published on 16 May 2019. The relevant Scrutiny Chair had been informed of the decision.

The Leader, Councillor S Davies, presented the report of the Managing Director which identified the Council's strategic focus through to 2023 and a process to drive its delivery following the outcome of the local elections in May 2019. In response to the results of the election, it was proposed that the Council adopted the following five "Community Commitments":

1. Continue to fight the closure of the Princess Royal Hospital's 24/7 A&E and consultant led Women and Children's Centre.
2. Continue to keep Telford and Wrekin's Council Tax among the lowest in the Midlands.
3. Continue to invest £80m per year in protecting the most vulnerable adults and children in the community, including those who are victims and survivors of sexual exploitation and domestic abuse.
4. Continue to Invest £50m in roads and footpaths across Telford and Wrekin and to continue to invest in creating new jobs for residents.
5. Continue to fight any proposed merger with Shropshire Council or other authorities as the borough is best served by retaining its own council.

The Administration's ambition was for Telford & Wrekin to be a family friendly borough and Telford & Wrekin Council would seek to protect, care and continue to invest in services and the community despite the severe financial challenges that still lay ahead. To support this, underpinning these five "Community Commitments", were 13 themes to inform the organisation's delivery focus:

- Working for Every Community
- Improving Health & Wellbeing across Telford & Wrekin
- Securing the best start in life for Children & Young People
- Investing in Telford & Wrekin
- Supporting inclusive growth, jobs and new skills
- Supporting home owners and renters
- Making Telford & Wrekin Safer
- A Home for Heroes
- Improving Transport in Telford & Wrekin

- Ensuring a Sustainable Environment in Telford & Wrekin
- Our, past present & future – Community Pride
- Making Telford & Wrekin A Great Place to Visit
- Culture, Leisure & Arts at the Heart of Telford & Wrekin

The key actions that had been identified to deliver against these themes were set out in Appendix 1 to the report and the steps to driving delivery of the commitments and objectives were set out in the report.

RESOLVED – that

- (a) the proposed five “Community Commitments”, organisational themes and actions as set out at paragraphs 4.2, 4.3, and 4.4 of the report be adopted;**
- (b) the proposed review of the Council’s service and financial planning policy framework to drive the delivery of these commitments, themes and actions as set out at paragraph 4.7 of the report be endorsed; and**
- (c) the proposed timetable for Cabinet to receive a refreshed Council Plan in July be endorsed.**

CAB-5 The Annual Governance Statement 2018/19

Non Key Decision

Councillor S Davies, Leader, presented the joint report of the Chief Financial Officer and the Monitoring Officer, attached to which was the draft Annual Governance Statement for 2018/19.

Under the Accounts & Audit Regulations 2015, the Council was required to produce an Annual Governance Statement, and it was best practice that it was signed by the Leader and Managing Director of the Council. The Statement accompanied the Annual Accounts. The Statement included an action plan to ensure that the Council continued to improve its existing governance arrangements. The action plan attached to the 2017/18 statement (implemented during 2018/19) had been reviewed and updated and was appended to the report.

The Annual Governance Statement and Local Code of Good Governance outlined that the Council was continually reviewing and improving its procedures to maintain and demonstrate good corporate governance, and that it had in place robust systems of internal control. The Council could be assured that during 2018/19, including during organisational and personnel changes, the existing governance arrangements had continued to support proper governance. Assurance for the Annual Governance Statement was provided by all areas of the Council including senior management, Members, the Chief Financial Officer, the Monitoring Officer and internal audit.

The Council's current Code of Good Governance, had been approved in June 2018 to reflect the CIPFA/SOLACE updated framework including revised principles and guidance but further application and good practice had been received during the year and the local code had therefore been updated further. The Code continued to reflect the Council's culture and values, including the "Being the Change" document.

RESOLVED – that the Annual Governance Statement 2018/19, attached as Appendix A to the report, be approved and that the information in the report be noted.

The meeting ended at 4.32 pm

Signed for the purposes of the Decision Notices

Joanthan Eatough
Assistant Director: Governance, Procurement & Commissioning
Date: 5 June 2019

Signed

Date: Thursday, 13 June 2019