

CABINET

Minutes of a meeting of the Cabinet held on Thursday, 20 February 2020 at 10.00 am in Meeting Rooms G3/G4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

PUBLISHED ON WEDNESDAY, 26 FEBRUARY 2020

(DEADLINE FOR CALL-IN: MONDAY, 2 MARCH 2020)

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 W L Tomlinson, (Liberal Democrat and Independent Group Leader)

Apologies: Councillor A J Eade, Conservative Group Leader

CAB-41 Declarations Of Interest

None.

CAB-42 Minutes Of The Previous Meeting

RESOLVED – that the minutes of the meeting held on 2 January 2020 be confirmed and signed by the Chair.

CAB-43 Financial Management 2019/20

Key Decision identified as **Financial Management Report 2019/20** in the Notice of Key Decisions published on 22 January 2020.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Director: Finance & Human Resources (Chief Financial Officer).

The Service & Financial Planning Strategy, also considered at this meeting, set the context of the continuing and prolonged financial challenges facing the Council in the medium term due to significant reductions in Government funding and increased demand for services, such as care for vulnerable adults and children, inflation and other pressures. It also emphasised the high degree of uncertainty over future funding beyond next year. The projected year-end position for 2019/20 was that spend would be within budget with £1.1m unused contingency funds estimated to be available at the end of the year. The final outturn would depend on the level of any unexpected pressures in the last couple of months of the year, for example additional social care costs or road gritting costs should the weather over the remaining winter period be particularly severe.

This placed the Council in a robust position as it moved into 2020/21 and demonstrated a continuation of the Council's long track record of active and effective financial management despite the severe financial challenges that the Council had faced. The Council continued to exercise a high degree of financial control through active budget management by Cabinet Members, Senior Managers and budget holders across the organisation. The Council's aim was to sustain this position over the final few weeks of the year but also to look to make further improvements, as in previous years, where possible in order to maximise the outturn position for 2020/21.

Children's Safeguarding and Family Support continued to be a key area of pressure with additional investment of £3.320m required, an increase of £0.249m since the last report and had a cost improvement plan in place to reduce costs and deliver savings. The plan was monitored on a regular basis both by senior managers and Cabinet Members.

Adult Social Care required additional investment of £1.945m, an increase of £0.904m since the last report, which related to purchasing care packages. A cost improvement plan was in place which was regularly monitored.

Education & Corporate Parenting was also under pressure with a projected overspend of £0.429m, a reduction of £0.049m since the last report. This was largely due to additional costs for school transport for pupils with high needs. Work to mitigate the pressures was ongoing.

The capital programme totalled £53.1m for 2019/20 which included all approvals since the budget was set. At the time that the report was compiled, projected spend was 85.8% of the budget allocation.

Income collection in relation to Business Rates was ahead of target, while collection for Council Tax and Sales Ledger income were slightly behind target.

RESOLVED – that

- (a) it be noted that 2019/20 revenue spending is currently projected to be within budget and that SMT will continue to work to sustain this position and the use of contingency detailed in section 5 of the associated report be approved;**
- (b) the position in relation to capital spend be noted; and**
- (c) the collection rates for NNDR, council tax and sales ledger be noted.**

CAB-44 Service And Financial Planning 2020/21 - 2022/23

Key Decision identified as **Service & Financial Planning Report 2020/21 – 2022/23** in the Notice of Key Decisions published on 22 January 2020.

Councillor L D Carter, Cabinet Member: Finance, Commercial Services & Economic Development, presented the report of the Director: Finance & Human Resources (Chief Financial Officer).

Reserved for Council

Councillor L D Carter, Cabinet Member: Council Finance, Partnerships & Commercial Services, presented a series of reports from the Chief Executive, the Chief Financial Officer, the Executive Director for Housing, Communities and Customer Services and the Director: Policy, Customer & Commercial Services. The reports, detailed the Revenue Budget, medium term Capital Strategy and Programme, the Investment and Treasury Management Strategies and Prudential Indicators. In July 2019, following the local elections held in May, the Council's Cabinet agreed a four year programme to "Protect, Care and Invest to Create a Better Borough". The Council's ambition for the borough was for Telford and Wrekin, to be known as: "The place of enterprise, innovation and partnership". The Council's Service and Financial Planning Strategy sought to align available resources with this overarching programme and ambition.

On 28 February 2019 the Council approved a one year service and financial planning strategy for the current financial year. A one year strategy was agreed because the Government were proposing to make major changes to the local government finance system which were due to be implemented from April 2020 and in addition, no Government spending figures were available beyond the end of the current year.

In view of this significant uncertainty over the future of local government finance and what resources may be available to the Council beyond the following year, when the Cabinet considered their draft budget proposals for 2020/21 at the meeting held on 2 January 2020, they again approved a one year strategy for consultation. However, because capital projects needed to be planned over a longer time horizon new capital investment proposals were included for 2020/21 and the following three years. Following the Cabinet meeting, a one month engagement period on the Council's proposals commenced on 3 January 2020 and ended on 31 January 2020. The details of the engagement process were summarised in the report.

The severe financial constraints that the Council had to operate within during a decade of austerity had necessitated very active budget management and financial control by Cabinet Members and officers across the Council. The Council had demonstrated a consistently strong track record of sound financial management delivering a financial outturn within budget and unqualified audit opinions for well over a decade despite having to deliver £123,000,000 annual budget savings by the end of 2019/20 - without the need to implement any emergency spending control measures. The Council's external auditors had consistently reported that the Council's arrangements for securing value for money were satisfactory.

The report identified key strategies including:-

- Increasing Council Tax for 2020/21 by 1.99% and that the Government's additional 2% "Adult Social Care precept" be applied. This gave a total increase of 3.99%, raising £2.69m in total. 3. Investment in the key priorities areas of Adult Social Care and Children's Safeguarding. £3.926m would be invested in Adult Social Care, almost three times as much as would be raised from the Adult Social Care precept of 2%. The Council's net budget for Adult Social Care would be over £45m. An additional £2m would be invested into Children's Safeguarding, giving a total additional investment in to the Children's Safeguarding budget of £4.958m. This amount was well over three times the £1.34m that would be raised from the 1.99% general increase in council tax. The Council's net budget for Children's Safeguarding in the following year would be over £36m. The combined additional investment next year in Adult Social Care and Children's Safeguarding therefore totalled £8.884m (more than 10% of the existing budgets) and the combined total net budget allocation for these services would be in excess of £81.5m.
- Extra investments of £0.15m revenue funding to support housing initiatives, £0.1m to pump prime the Council's work on climate change and just over £0.1m revenue funding for Pride environmental projects.
- In order to fund these new investments, to cover rising demand for many services and inflationary cost pressures a package of budget savings totalling £3.306m in 2020/21 rising to £4.581m in 2021/22 was required, together with the prudent use of £1.434m of available revenue balances to ensure a balanced budget for 2020/21 whilst retaining sufficient flexibility for the uncertain future that the Council faced beyond 2020/21.
- A programme of capital investments totalling more than £234m as set out in the Capital Strategy and Capital Programme reports which included:-
 - £60m for a new "Property & Housing Regeneration and Investment Fund" to enable further long-term investments in the development of good quality homes for rent and further expansion of the Council's Property Investment Portfolio.
 - The proposed Capital Programme would also see £26m invested in an extension to the Council's Pride Programme of environmental improvements over the following four years
 - In addition, £2m pa would be available as a contingency in both 2021/22 and 2022/23 to fund additional priorities such as reducing the Council's carbon footprint and partnering with government and others on other climate change projects and any additional pressures that arose.

The Council needed to be innovative in identifying ways to generate more income to fund key front line services as well as seeking to address key issues for the Borough such as economic regeneration and improving housing standards in the private rented sector. The total revenue benefits to the Council from NuPlace after covering all additional costs in the previous year

were £1.170m and made a pre-tax profit of £0.492m in 2018/19. This was expected to remain around the same level in 2019/20. In addition, Council Tax of £0.28m was payable to the Council from the NuPlace properties and New Homes Bonus of £0.40m would be received by the Council in total based on current build projections and New Homes Bonus payment arrangements. The solar farm generated a surplus after paying all costs of £200k pa. The Telford Growth Fund was delivering ahead of expectations and the total revenue benefit net of additional costs was projected to be £2.9m this year and expected to increase to £3.1m for the schemes currently approved in a full year. Income in the previous year from the Commercial Services teams amounted to £21m. The net benefits from these investments were used to support front line services.

Attached to the report were a number of appendices, including a robustness statement from the CFO, analysis of base budget movements, and details of Reserves and Balances.

The Capital Strategy report was a requirement of the Prudential Code for Capital Finance in Local Authorities. The aim of the strategy was to give an overview of the long-term context in which capital expenditure and investment decisions were made and to highlight the consideration given to risks and rewards as well as the achievement of Council priorities.

The report detailed the revised capital programme for 2019/20 and the proposed capital programme for 2020/21 to 2023/24, together with the Planned Building Investment Programme and the Highways and Transport Capital Investment Programme.

The report on the Treasury Management Strategy detailed the Treasury Strategy to be adopted for 2020/21. The Strategy was set within the parameters of relevant statute, guidance and accounting standards. It was expected the Council would borrow up to £29.6m in 2020/21 based on the current capital programme plans and would adopt a flexible approach to borrowing. In consultation with its treasury management advisors consideration would be given to affordability, maturity profile of existing external financing, interest rate and refinancing risk as well as borrowing source. The investment strategy would generally be to reduce investments in order to reduce counter-party risk and to reduce net interest costs. The Council anticipated holding investments equal to the requirements set out under MIFID II, currently £10m.

The report on Prudential Indicators sought approval of the prudential indicators for 2020/21 to 2022/23 required under the Prudential Code of Capital Finance in Local Authorities to approve the indicators for 2019/20.

Recommendations by Cabinet would be considered at full Council on 5 March 2020 as full Council was responsible for setting the overall revenue and capital budget framework. At that meeting full Council would also set the Council Tax for 2020/21.

RESOLVED to RECOMMEND TO COUNCIL on 5 March 2020 –

- (i) Overview & Revenue Budget Report 2020/21 – 2022/23**
- (a) that the service and financial planning strategy for 2020/21 set out in the set of reports be approved;**
 - (b) that a Council Tax increase of 3.99% (made up of 2% in respect of the Government’s Adult Social Care Precept and a general Council Tax increase of 1.99%) in 2020/21 be approved;**
 - (c) that the investment of a further £3.926m in to Adult Social Care services giving a total net budget of £45.27m for these services in 2020/21 be approved;**
 - (d) that the investment of a further £4.958m in to Children’s Safeguarding & Family Support to protect vulnerable children giving a total net budget of £36.38m for these services in 2020/21 be approved;**
 - (e) that the investment of £0.150m ongoing funding in to housing and homelessness initiatives be approved;**
 - (f) that the investment of £0.1m ongoing funding as an initial investment to pump prime the Council’s work on climate change whilst also seeking to direct the Council’s wider resources as well as external funding opportunities as they arise to further support the Climate Emergency be approved. Decisions on the specific allocation of this new funding to be delegated to the Chief Executive after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services;**
 - (g) that the investment of £0.108m ongoing funding in to small Pride environmental projects be approved. Decisions on the specific allocation of this new funding to be delegated to the Executive Director: Housing, Communities & Customer services after consultation with the Deputy Leader and Cabinet Member for Neighbourhood Services, Enforcement & the Pride Programme;**
 - (h) that the budget savings listed in Appendix 13 to the report totalling £3.306m in 2020/21 rising to £4.581m in 2021/22 be approved;**
 - (i) that a measured approach be taken to the use of available one-off resources of £1.434m in 2020/21;**

- (j) that the continuation of work with partner organisations, including Town & Parish Councils and Voluntary Sector and Community Groups to seek to identify ways to mitigate the impact of some of the cuts to services that the Council can no longer afford be approved and the availability of the £1m Partnership Capacity Fund be noted;**
- (k) that the base budget in Appendix 6 to the report be approved;**
- (l) that the policy framework for Reserves and Balances outlined in Appendix 9 to the report be approved;**
- (m) that the CFO's robustness statement in Appendix 10 to the report be noted;**
- (n) that the Risk Register included at Appendix 3 to the report be approved;**
- (o) that the revenue implications of the medium term capital programme for the period 2019/20 - 2022/23 as set out in the Capital Strategy and Programme reports be approved;**
- (p) that the Director: Finance & Human Resources be authorised to action any virements required following the final allocation of the Dedicated Schools Grant and other related Grants as long as they are within the budget and policy framework be granted;**
- (q) that the Executive Director: Adults Social Care, Health Integration & wellbeing after consultation with the Cabinet Member for Health & Social Care, be authorised to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006 (as amended) be granted;**
- (r) that the Director: Governance be authorised to execute all necessary contract documentation including the affixing of the common seal of the council as appropriate to enable the council to enter into appropriate Section 256 and Section 75 Agreements under the NHS Act 2006;**
- (s) that this suite of service and financial planning reports be approved as the Council's Efficiency Strategy for 2020/21, including the summary document at Appendix 14 to the report, to enable new capital receipts generated in the six year period starting 1 April 2016 to be used to fund the revenue costs of reform as assumed throughout these reports;**

- (t) that the initial projections for the potential budget gap through to 2022/23 be noted and work start now in order to identify options for how this could potentially be bridged;
- (u) that the option to extend the IGMT loan repayment period as outlined in section 25.1 of the report be approved and the Director: Finance & HR and the Director: Prosperity & Investment after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services be authorised to agree the terms;
- (v) that the Director: Finance & H.R. after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services be authorised to fund an advance payment of pension contributions for 2021/22 from the single status reserve if this is financially advantageous to the Council;
- (w) that once all final outstanding grant allocations are received, the Director: Finance & H.R. after consultation with the Cabinet Member for Council Finance, Partnerships and Commercial Services be authorised to amend the use of balances in 2020/21 to accommodate any difference in funding between that currently assumed and the final grant allocations;
- (x) that it be noted that the budget will be reallocated in to the new organisational structure before the start of April 2020;

(ii) Capital Strategy 2020/21

that the Capital Strategy for 2020/21 be approved;

(iii) Capital Programme

- (a) that the report and associated capital estimates for 2019/20 and 2020/21 – 2023/24, which incorporates the Capital Programme (Annex I), the Planned Building Maintenance Programme (Annex II) and the two year Highways and Transport capital investment programme (Annex III) be approved;
- (b) that the following delegations, in line with the approved budgets and any variations or changes to schemes in these programmes which must remain within overall approved budgets, after consultation with the appropriate Cabinet Members be approved
 - (i) that the Director: Prosperity & Investment be authorised to deliver the planned programme of works within the 'Asset Management Plan' and Planned Building Maintenance Programme (Annex II)

(ii) that the Executive Director: Housing, Communities & Customer Service be authorized to deliver the Highways and Transport Capital Investment Programme

(iii) in relation to the new capital allocations:

New Capital Allocation	£m	Delegated (after consultation with the appropriate Cabinet Member) to
Regeneration - Borough Towns / High Streets	5.0	Chief Executive
Roads, Footpaths, Cycle-paths, Car Parking	12.0	Executive Director: Housing, Communities & Customer Service
Structures - Bridges, retaining walls, bus shelters etc	4.0	Executive Director: Housing, Communities & Customer Service
Other environmental improvements	5.0	Executive Director: Housing, Communities & Customer Service

(c) it be noted that further reports will be brought to Cabinet with regard to the 'Regeneration and Investment Fund' and the Capital 'Contingency' to seek approval to allocate funding to specific schemes;

(iv) Investment Strategy 2020/21

that the Investment Strategy for 2020/21 be approved;

(v) Treasury Management Strategy and Update 2020/21

(a) *that the treasury management activities for the first half year be noted;*

(b) *that the Treasury Management Policy Statement (Appendix A to the report) be noted*

(c) that the Treasury Strategy, including the Annual Investment Strategy for 2020/21 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement, which will apply from 2019/20 onwards be approved;

(vi) Prudential Indicators 2020/21

that the prudential indicators proposed in the report as part of setting the budget for 2020/21 be approved.

CAB-45 Telford & Wrekin Council Becoming Carbon Neutral Action Plan

Key Decision identified as **Telford & Wrekin Council Becoming Carbon Neutral Action Plan** in the Notice of Key Decisions published on 22nd January 2020.

Councillor H Rhodes, Cabinet Member: Parks, Green Spaces & the Natural Environment, presented the report of the Programme Executive Lead.

In 2018, the Intergovernmental Panel on Climate Change (IPCC) published a report which advised that global warming must be limited to 1.5°C. Their review of over 6,000 sources of evidence found that, with a rise of 1.5°C, there would be risks to health, livelihoods, food security, water supply, human security and economic growth. It warned that there were only twelve years left within which to take serious action to avert this crisis and avoid the worst impacts.

Telford and its communities had been at the forefront of technological innovation from the first industrial revolution through to the fourth which was seeing rapid changes in clean technology, sustainable materials, transport, and energy storage and generation pioneered in the Borough.

For decades Telford had carried the title Forest City – reflecting the wealth of greenspaces, landscape, forest and woodland which characterised the area and had been afforded protection and enhancement through Council policy and land management. The commitment to this was re-emphasised in January 2020 with the review of the Local Plan to be focussed on establishing a ‘forest community’ with climate change action central to the review.

The Council recognised the adverse impact that Climate Change was having, both globally and locally, and the important role that local authorities could play in addressing this issue. On 25 July 2019, the Council had approved a motion to declare a Climate Emergency making the following key commitments:

- Council operations and activities to be carbon neutral by 2030;
- Collaborate and engage with residents, partners and businesses in Telford & Wrekin and at a regional and national level to achieve aspirations for the borough to be carbon neutral by 2030.

Over the next 12 months the Council would seek to drive further carbon reductions through major development opportunities and strategy - including:

- Promoting Station Quarter – the next phase of the regeneration of the Town Centre – as a Smart Quarter. Scoping the provision of a 100% renewable fast charging Electric Vehicle Forecourt
- Exploring proposals for delivering carbon reductions within the next phase of Nuplace developments – the Council’s wholly owned housing company
- Exploring proposals to deliver carbon reductions in the development and operation of Ni Park – the new flagship Agri Tech Innovation Park
- Explore options to further enhance sustainable transport provision in the borough, working with partners to extend e-charging provision and considering options such as improving bus services, rail connectivity

(including the potential for passenger rail services to the Ironbridge Gorge) and expanding walking/cycling provision

- Placing tackling climate change including the need for mitigation and adaptation at the heart of policy development in the Local Plan review
- Publishing a Local Nature Recovery Strategy which would set out measures to enhance and increase our landscape and woodland resource as well as increase carbon sequestration locally – locking in carbon that would otherwise contribute to climate change.

Cabinet Members welcomed the report and acknowledged the role that climate change had played in the recent flooding of the Ironbridge Gorge and the increasing likelihood of extreme weather events if climate action wasn't taken seriously.

RESOLVED that –

- 1. the Council's Becoming Carbon Neutral Action Plan 2019/20 set out in Appendix 1 to the report outlining how the Council will work to reduce carbon emissions from the Council's operations and activities and influence carbon reduction Borough-wide be approved;**
- 2. it be recognised that the rapidly changing context requires an annual update of the Action Plan reviewing the context, data and evidence; monitoring of progress and inclusion of new actions to further reduce the Council's carbon footprint;**
- 3. the Programme Executive Lead (and any Council Officer authorised in writing by the Programme Executive Lead) in consultation with the Executive Director: Housing, Communities & Customer Services and Cabinet Lead for Parks, Greenspaces and Natural Environment be authorised to amend and/or make additions to the Action Plan in the interests of achieving the objectives of mitigating and adapting to Climate Change both in respect of the Council's own operations and activities Borough-wide.**
- 4. the establishment of a Borough Climate Change Partnership be approved as set out in Section 4.3 of the report to work with the Council to develop and implement a Borough-wide Action Plan to meet the Council's aspiration for Borough-wide carbon neutrality by 2030, recognising that this cannot be delivered without the active participation and shared responsibility from all sectors of the community;**
- 5. that the Programme Executive Lead (and any Council Officer authorised in writing by the Programme Executive Lead) in consultation with the Cabinet Lead for Parks, Greenspaces and Natural Environment be authorised to implement arrangements for the operation of the Partnership.**

- 6. that this report in relation to the Council's response to the Climate Emergency Declaration be referred to Full Council for information as part of the 'Matters Determined by the Cabinet' report.**

The meeting ended at 10.46 am

Signed for the purposes of the Decision Notices

Jonathan Eatough
Director: Governance
Date: Wednesday, 26 February 2020

Signed

Date: Thursday, 19 March 2020