



Committee and Date

Cabinet

13 March 2024

CABINET

Minutes of the meeting held on 21 February 2024

In the Council Chamber, Shirehall, Abbey Foregate, Shrewsbury, SY2 6ND

10.00 am

Responsible Officer: Ashley Kendrick

Email: ashley.kendrick@shropshire.gov.uk Tel: 01743 250893

Present

Councillor Lezley Picton (Chairman)

Councillors Cecilia Motley, Ian Nellins, Robert Macey, Gwilym Butler, Dean Carroll, Kirstie Hurst-Knight, Mark Jones, Dan Morris and Chris Schofield

107 Apologies for Absence

Apologies were received from Tanya Miles, Executive Director of People.

108 Disclosable Interests

No declarations were received.

109 Minutes

RESOLVED:

To confirm the minutes of the meeting held on 17 January 2024 as an accurate record.

110 Public Question Time

There were no public questions.

111 Member Question Time

Members' questions had been received from the following:

Councillor Julian Dean, in relation to promoting better planning outcomes. In response to a supplementary question seeking reassurance that the two previously adopted motions would be implemented, the Executive Director of Place advised that actions are in play and work is taking place on applications in the system.

Councillor Andy Boddington, in relation to Tollgate Lane play area. The Portfolio Holder confirmed that he would raise the matter with the relevant officer outside the meeting to try to expedite repairs.

Councillor David Vasmer, in relation to the future of the Quarry. In response to a supplementary question, the Portfolio Holder referred Councillor Vasmer to the response previously provided.

The questions asked and written responses are available from the web page for the meeting [Agenda for Cabinet on Wednesday, 21st February, 2024, 10.30 am — Shropshire Council](#)

112 Scrutiny Items

The Leader advised that there was one scrutiny item which would be discussed under the following agenda item.

113 Response to report of the Health Overview and Scrutiny Committee - Rural Proofing in Health and Care

Members were reminded that it was agreed to bring a report back to Cabinet to respond to the recommendations of the Task and Finish Group. This report set out that response and the prioritisation of the recommendations within the report.

Members noted that the Council was in the process of adopting five of the recommendations within the next 6-12 months, with the remaining recommendations being considered in the medium term (12 months plus). The Leader confirmed that the preferred approach was to deal with the recommendations in smaller sections and that a response would be forwarded to the Chair of the Health Overview and Scrutiny Committee. Furthermore, updates would be taken back to the committee on a six monthly basis.

The Chair of the Task and Finish Group requested that an update is provided when a recommendation had been achieved.

RESOLVED:

That Cabinet endorsed the next steps as out lined in the report.

114 Estimated Collection Fund Outturn For 2023/2024

The Portfolio Holder for Finance, Corporate Resources and Communities presented the report which set out the projected outturn as deficits for Council Tax and Non-Domestic Rates (NDR) for the year ending 31st March 2024, and how they affect the budget for 2024/25.

RESOLVED:

That Cabinet:

- i) Noted the overall Collection Fund estimated deficit of £6.285m for the year ending 31st March 2024, comprised of an estimated deficit of £1.016m for Council Tax and an estimated deficit of £5.269m for Non-Domestic Rates (NDR), and the reasons for this.

- ii) Noted the distribution of the Collection Fund estimated deficit for Council Tax and NDR to the major/relevant precepting authorities and the Secretary of State.
- iii) Noted Shropshire Council's share of the overall estimated deficit of £3.612m, comprised of an estimated deficit of £0.835m for Council Tax and an estimated deficit of £2.777m for NDR.
- iv) Noted the inclusion of Shropshire Council's share of the overall estimated deficit for Council Tax and NDR in the 2024/25 budget

115 Treasury Management Update Quarter 3 2023/24

The Portfolio Holder for Finance, Corporate Resources and Communities presented the report which provided an update on the treasury management activities of the Council in the third quarter of 2023/24, and highlighted the economic factors that influenced the decisions. It also reviewed the performance and compliance with the Treasury Management Strategy.

Members noted that the internal treasury team achieved a return of 5.28% on the Council's cash balances, outperforming the benchmark by 0.09% and generating additional income of £16,290 in the quarter (the benchmark rate is the commercial rate for interbank short term borrowing).

However, Council cash balances are expected to reduce due to the use of reserves in recent years and the ongoing capital investment programme, which may lead to external borrowing being required in 2024/25.

RESOLVED:

That Cabinet reviewed the position as set out in the report:

- a) Reducing cash balances, the result of the Council's long term financial management approach, indicates a need to take out external borrowing during 2024/25, as reflected in the Treasury Management Strategy 2024/25. This brings to an end a period of strong cash balances which have enabled reduced capital finance costs over the last 10 years.
- b) Noting the summary of the wider economic environment and the Council's borrowings and investments set out in Appendix A
- c) Noting the performance within prudential indicators for quarter 3, 2023/24 (Appendix B)

116 Financial Monitoring Report Quarter 3 2023/24

The Portfolio Holder for Finance, Corporate Resources and Communities presented the report which included a synopsis and an executive summary of the report on finance

monitoring for 2023/24; highlighting key issues, recommendations, and risks related to the council's financial position and performance.

Members noted that savings to 31 December of £39.8m had been achieved, which is 77.4% of the £51.4m target. However, there are spending pressures of £28m in demand-led areas, which have been reduced to £8m in the year through the application of £20.5m of reserves.

The Portfolio Holder advised that the overall forecast for the year represents a £14.5m budget pressure, and any remaining overspend at year-end will be charged to the General Fund Balance.

Members were reminded that this report had been discussed at length at the Transformation and Improvement Overview and Scrutiny Committee.

Concern was expressed regarding the remaining general fund at the end of Q3, however the Portfolio Holder was confident that as of 1 April 2024, reserves would be repopulated to £30m.

It was felt that the Council needed to understand where the pressures are coming from before agreeing how the demand should be managed. This could be due to an increase in the number of people accessing services, an increase in the complexity of needs or an increase in the unit cost.

It was noted that the council was not alone and that this was a sector wide issue.

RESOLVED:

1. That Cabinet noted the following:
 - a) That at the end of Quarter 3 (31 December 2023), the current expected level of savings delivery is £39.798m. That savings not yet confirmed amount to £11.593m.
 - b) That demand-led services are forecasting significant overall budget pressures of £28.495m in the year, which are likely to continue into the coming year. These are pressures are included within the budget for next year. After planned application of £20.5m of reserves set out in the reports for Q1 and Q2, the net budget pressure in People directorate is reduced to £7.995m.
 - c) Net service pressures across all areas amount to £14.632m (see table1).
 - d) The result of A-C above with no further actions and including changes to corporate budget forecasts and anticipated grant income is a forecast overall overspend of £14.533m.
2. That Cabinet approved the following, in line with the Q1 and Q2 monitoring reports:
 - The reallocation of £9.7m of earmarked reserves to the General Fund Balance

- The application of £20.5m of funds from the General Fund Balance to mitigate pressures in social care
3. That Cabinet approved that Shropshire Council acts as accountable body for the Innovation Regions Programme.

117 Performance Monitoring Report Quarter 3 2023/24

The Portfolio Holder for Culture and Digital introduced the report which was written as an exception report with all key performance indicators being provided in the dashboard. Members noted that the Q3 report is not fully complete with all the agreed performance indicators due to the time taken to implement the new approach, obtain data and the focus on getting it right. Work will continue to move towards a complete PMF set of indicators and progress will be reported at Q4. At least 4 of the remaining 8 indicators will be reported in Q4.

Members were reminded that this report was discussed at the Transformation and Improvement Overview and Scrutiny Committee, where two new KPIs had been requested following the discussions around demand pressures.

Members thanked officers for the updating of the dashboards, which made the data much clearer.

Reassurance was sought with regards to the timescale for upgrading streetlighting.

Concern was raised regarding the number of children who are waiting in excess of five months to receive an Education Health Care Plan as it was felt that early intervention could reduce costs. It was confirmed that the Council were not the sole contributor to the production of EHCPs.

RESOLVED:

That Cabinet:

1. Reviewed and considered performance dashboard information alongside this exception report
2. Noted progress to date in achieving the outcomes of The Shropshire Plan (TSP) and commented as appropriate.

118 Financial Strategy 2024/25 - 2028/29

The Portfolio Holder for Finance, Corporate Resources and Communities introduced the report which set out the budget plans for Shropshire Council for 2024/25, including £56m spending reductions and £6m demand reduction measures, and aligns the Shropshire Plan with the financial strategies for revenue spending, capital investment, and treasury management.

Members were advised that the proposed spending reductions of £62m were categorized

into six types: reduce cost, target operating model, manage demand, charge more, generate new income, and stop/cease services.

Members noted that Appendix 1 set out the necessary planning to ensure that reserves are retained at a safe level through the MTF5 period.

It was noted that Shropshire Council were one of many councils across the country who were being faced with demand pressures and had difficult decisions to make.

Members acknowledged the level of reserves was due to increase and the finance team were congratulated on their efforts.

Concern was expressed with regards to the amount of expenditure for PWC. The Portfolio Holder stated that the work of PWC must generate cashable benefits.

Thanks were given to those who created the survey on the financial strategy as this had led to an overwhelming response.

Members' attention was drawn to three capital projects which no longer appeared under the priority capital schemes programme which had previously been published in September 2023 and confirmation as to the location of these funds was requested. It was confirmed that these would be included as aspirational projects and that the location of the funds would be provided after the meeting.

It was queried whether the exercise asked about both making savings and whether these savings will reduce the Council's ability to make subsequent savings or increase income. Concern was raised that should savings be made within certain service areas, there would no longer be an in-house team to deliver and PWC would need to do the work involved; thus increasing expenditure. The Portfolio Holder reiterated that PWC would need to provide cashable benefits to drive the spend down and felt that many of the savings made were as a result of their work.

It was suggested that training sessions be organised for the capital strategy and the capital programme.

RESOLVED:

1. That Cabinet noted:

- i) The alignment of this report with other reports on this agenda, including the Fees and Charges proposals, the proposed Capital Strategy, and the proposed Treasury Strategy; also the alignment to the position reported for the current financial year, set out in the Q3 Financial report and the Q3 Treasury Management report.
- ii) The analysis of the financial position of the council set out in this report and confirms the alignment of the new proposals to the outline of the necessary actions for 2024/25 already set out in the December update to the MTF5.

- iii) The levels of reserves in recent years, the forecast levels of reserves at the end of the current year, and the plans set out to ensure the adequacy of the reserves in future years.
- iv) The proposed capital investment programme including the commentary on priority schemes.
- v) The proposed spending reductions for 2024/25.
- vi) The approach of combined spending reductions and replenishment of general reserves.

2. That Cabinet recommended to Council:

- vii) Approval of the budget proposals, including revenue and capital budgets, and the associated strategies, subject to further amendments required by Cabinet, or identified as necessary by the Chief Finance Officer (“CFO”).
- viii) to approve a delegation to the CFO in consultation with the Portfolio Holder - Finance, Corporate Resources and Communities to enable specific work to be commissioned from PwC in line with the conditions set out in paragraph 4.8.

119 Treasury Strategy 2024/25

The Portfolio Holder for Finance, Corporate Resources and Communities introduced the report which proposed the Treasury Strategy for 2024/25. It set out the arrangements for how the council will appropriately manage its arrangements for banking, cash flow management, investments, and borrowing, supporting the delivery of the MTFs and The Shropshire Plan.

RESOLVED:

That Cabinet recommended that Council:-

- a) Approve, with any comments, the Treasury Strategy for 2024/25
- b) Approve, with any comments, the Prudential Indicators, set out in Appendix 1, in accordance with the Local Government Act 2003.
- c) Approve, with any comments, the Investment Strategy, set out in Appendix 2 in accordance with the DLUHC Guidance on Local Government Investments.
- d) Approve, with any comments, the Minimum Revenue Provision (MRP) Policy Statement, set out in Appendix 3.
- e) Authorise the Section 151 Officer 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.

- f) Authorise the Section 151 Officer to use other Foreign Banks which meet Link's creditworthiness policy as required.
- g) Authorise the Section 151 Officer to progress and finalise the restatement and amendment of Cornovii Development Ltd loan agreements.

120 Fees and Charges 2024/25

The Portfolio Holder for Finance, Corporate Resources and Communities presented the report which showed the budgeted income to be received and proposed the level of fees and charges to be applied by Shropshire Council in 2024/25.

Members noted that the fees and charges represent £86.863m of planned income in 2023/24 and are proposed to increase to £98.525m in 2024/25 (an overall 12.6% increase).

It was felt that any increase in car parking charges should be kept in line with other services. Members noted that this was being referred back to Cabinet at a future meeting following a recent call-in.

RESOLVED:

1. Cabinet members agreed and recommended to full Council the recommendations below:

To note the breakdown of the total income for 2023/24 and 2024/25 and in particular that the proposed 2024/25 charges for discretionary services represent £52.822m of the £98.525m of income derived from Fees and Charges.
2. To approve the charges for 2024/25 as detailed in Appendix 3 to be implemented from 1 April 2024.
3. To note that as previously agreed, 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.
4. To note that the proposals to increase car parking fees and charges (arising from the traffic management policies and strategies of the Council) further to the recent decision of Cabinet has been called in for further scrutiny by Councillors. This report does not supersede the call in process; rather, the outcome of the call in process will determine the eventual charges to be levied in 2024/25.
5. To note that proposals in adult social care services for applying charges for telecare services and appointeeships are new proposals and will require further discussion and consultation. Proposed charges will be set on a 'cost recovery' basis, in line with best practice in other councils.
6. To revise housing rents as follows (subject to restrictions or exemptions identified in the Welfare Reform and Work Bill):

- I. Social Housing rents for 2024/25 are increased by 7.7% from 3rd April 2024.
 - II. Affordable rents for 2024/25 are increased by 7.7% from 3rd April 2024.
 - III. 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 in accordance with the terms specified in the lease agreements.
 - IV. All accommodation charges for 2024/25 are increased by 7.7% from 3rd April 2024.
 - V. Service charges continue to be set on the basis of actual cost
7. To review the total estimated income from different fees and charges items, to identify which items generate the most income, and to consider whether the benchmarking already undertaken for those sources of income is placing the council in the upper quartile for charges, based on comparison with similar local authorities. This will help ensure that we protect staff by maximizing income.

121 Draft Independent Living and Specialist Accommodation Strategy

The Portfolio Holder for Housing and Assets introduced the report which sought approval for an eight-week public and stakeholder consultation on the draft Independent Living and Specialist Accommodation Strategy. Members noted that any feedback received would be used to improve the strategy before being brought back to Cabinet and Council for approval.

Members welcomed the strategy which represented a commitment to improving the quality of life for vulnerable populations within our local authority.

RESOLVED:

That Cabinet approved the draft Independent Living and Specialist Accommodation Strategy, outlined in Appendix 1 for an 8-week public and stakeholder consultation following which the updated strategy will be presented to Cabinet for approval.

122 Determination of Admission Arrangements 2025/26

The Portfolio Holder for Children and Education presented the report which sought Cabinet approval to determine admission arrangements 2025/26 for Shropshire Council's community and voluntary controlled schools.

Members noted that there were two proposed changes which had been discussed at length in the Local Admissions Forum. The first was to the in-year admission arrangements from 1st September 2024 for all community and voluntary controlled schools as well as own admission authority schools. Shropshire Council was proposing that the Local Authority be responsible for coordinating in-year applications, as well as retaining responsibility for coordinating main admissions rounds. The proposed coordination represented a significant change from the existing position, where the responsibility for in-year applications is delegated to all Shropshire schools. The proposal brings benefits to secure a more consistent approach to pupil movement across Shropshire.

The second was a proposed amendment for St Lawrence CE Primary School in Church Stretton to reduce its Published Admission Number from 34 to 30.

Thanks were given to the School Admissions Manager and her team.

A query was received regarding the exceptionally large year group and whether there were any further large cohorts on the horizon. It was confirmed that the School Admissions Team had worked alongside schools to accommodate all children and that this had been unprecedented. Although there may be some larger year groups working through the system, there were none on a similar scale.

RESOLVED:

That Cabinet determined the proposed admission arrangements 2025- 2026 for Shropshire's community and voluntary controlled schools and further approved the publication of the arrangements in accordance with the School Admissions Code 2021 and to the notification of this to parties specified in the Code.

123 Shropshire Schools Funding Formula 2024-25

The Portfolio Holder for Children and Education presented the report which sought Cabinet approval for the proposed Shropshire Schools Funding Formula 2024/25, which had previously been agreed by the Shropshire Schools Forum.

RESOLVED:

That Cabinet accepted the recommendation of Shropshire Schools Forum on the funding formula for Shropshire schools for the financial year 2024-25 for maintained schools, and the academic year 2024-25 for academies.

124 Severn Valley Water Management Scheme Update

The Deputy Leader and Portfolio Holder for Climate Change, Environment and Transport introduced the report which sought approval to support the Environment Agency, Natural Resources Wales, and Powys County Council in overseeing a public consultation program on the Severn Valley Water Management Scheme and to progress future work as a Joint Project Board.

RESOLVED:

That Cabinet agreed to:

1. Approve the Council's role as part of a Joint Project Board with the Environment Agency, Natural Resources Wales and Powys County Council to take forward work on the SVWM project.
2. Approve the Council's role in supporting public consultation for the SVWM scheme and undertaking this jointly through the Joint Project Board.

- 3. Delegate to the Executive Director of Place, responsibility for progressing work under the Joint Project Board and agree to host the local authority input into the project under the newly formed Marches Forward Partnership.

125 Date of Next Meeting

Members noted that the next meeting is scheduled to take place on Wednesday 13 March 2024.

Signed (Chairman)

Date: