

Cabinet

Thursday, 20 February 2020

Minutes

Attendance

Committee Members

Councillor Izzi Seccombe (Chair)
Councillor Peter Butlin
Councillor Les Caborn
Councillor Colin Hayfield
Councillor Kam Kaur
Councillor Jeff Morgan
Councillor Jeff Clarke
Councillor Andy Crump
Councillor Heather Timms

1. General

(1) Apologies

There were no apologies for this meeting.

(2) Members' disclosure of Pecuniary and Non-Pecuniary Interests

No declarations were made for this meeting.

(3) Minutes of the Previous Meeting Held on 30 January 2020

The minutes of the meeting of the Cabinet meeting held on 30 January 2020 were agreed as an accurate record for signing by the Chair.

(4) Public Speaking

There were no public speakers at this meeting.

2. Treasury Management Strategy and Investment Strategy

Councillor Peter Butlin (Deputy Leader – Finance and Property) introduced the report explaining that the Treasury Management Strategy is an annual report that explains how and where the County Council manages its resources. Officers were commended for the report which was considered to be clear and understandable.

Cabinet's attention was drawn in particular to page 30 of the document pack and the proposal for the early payment of pension fund contributions. This, it is expected, will lead to a gross saving of £4.7m in total cash contributions and provide a net one-off saving of £3.3m.

Regarding ethical investment (Section 8, Page 33) the meeting was informed that whilst this is a strong aspiration, the treasury management function is controlled by statute and the first priorities of the treasury must remain security, liquidity and yield.

Councillor Izzi Seccombe (Leader of the Council and Chair of Cabinet) reminded members that the matter before them is to be considered by Council in March 2020.

In response to the report, Councillor Jerry Roodhouse (Leader of the Liberal Democrat Group) questioned what the money saved by early payment of pension fund contributions would be used for. In addition, he asked what percentage of the pension fund is invested in companies in Warwickshire.

Councillor Richard Chattaway (Leader of the Labour Group) sought clarification over the risks around early payment of pension fund contributions. He observed that pension funds in London are shifting to an ethical basis and counselled that Warwickshire should not get left behind in this.

Councillor Seccombe reminded the meeting that the Warwickshire Pension Fund is now part of a larger pool of funds and as such its influence on investment decisions has changed in nature.

Councillor Butlin noted the role of the Local Pension Board in informing decisions on ethical investment. He added for Councillor Roodhouse that page 2 of appendix 2 includes a list of local companies that the County Council invests in. Any savings will be used for the running of services.

In response to a question from Councillor Chattaway, Richard Ennis (Interim AD Finance) explained that decisions regarding early payment have yet to be confirmed. A final piece of advice is awaited. This concerns the optimum time to enter the market. If the timing is wrong, then the Council could lose out financially. Due to this uncertainty it would not have been appropriate to include it in the 2020/21 budget. It was emphasised to Cabinet the money being discussed is not a bonus.

In closing, Councillor Butlin observed that the £3.2m discussed had not featured in any group's budget.

Resolved:

That:

1. Cabinet recommends to the County Council that the Treasury Management Strategy for 2020/21 be approved and that its provisions have effect from 1st April 2020.
2. Cabinet recommends to the County Council that the Investment Strategy for 2020/21 is approved.
3. Cabinet recommends that the County Council requires the Strategic Director of Resources to ensure that gross borrowing does not exceed the prudential level as specified in

Appendix 1 Annex B, taking into account current commitments, existing plans, and the proposals in the budget report.

4. Cabinet recommends that the County Council delegate authority to the Strategic Director of Resources to undertake all the activities listed in Appendix 1 Annex H of the published report.
5. Cabinet recommends that the County Council requires the Strategic Director of Resources to implement the Minimum Revenue Provision Policy as specified in Appendix 1 Annex I.
6. Cabinet recommends that the County Council requires the Strategic Director of Resources to enact an early payment of pension fund contributions subject to the conditions set out at Section 7.24 of the Treasury Management Strategy being met.

3. Determination of Admission Arrangements and Co-ordinated Scheme for the 2021/2022 Academic Year

In introducing this report Councillor Colin Hayfield (Portfolio Holder for Education and Learning) drew Cabinet's attention to paragraph 1.4 (Page 59) which states that no changes have been proposed for any school where the local authority is the admission authority.

Councillor Richard Chattaway wondered if it might have been useful for the Overview and Scrutiny committee to have reviewed the report. He added that he would be happy for it to be referred to the Overview and Scrutiny Committee.

Councillor Heather Timms (Portfolio Holder for Environment and Heritage & Culture) observed that the report made little reference to environmental implications adding that there would be environmental advantages in aligning home to school transport and admissions.

Regarding the complexity of the arrangements it was agreed that for next year officers be asked to produce a version that could be easily understood by parents and carers.

In closing Councillor Hayfield suggested that if the Overview and Scrutiny Committee was minded to review any aspect of the report it should focus on one element such as the relationship between admissions and home to school transport.

Resolved:

That Cabinet

- 1) approves the Admission Arrangements and Co-ordinated Scheme for school admissions during the 2021/2022 Academic year as outlined in the appendices to the published report.
- 2) authorises the Strategic Director for Communities in consultation with the Portfolio Holder for Education and Learning to approve Admission Arrangements and the Co-ordinated Scheme in future years, unless those arrangements or schemes are subject to consultation as outlined in Section 1 of the published report.

4. Economic Growth Strategy 2020 - 2025

Councillor Izzi Seccombe reminded members that one of the County Council's key priorities is the growth of the economy. In addition, she emphasised the future role of 5G in promoting growth.

Councillor Richard Chattaway emphasised the need to provide an enhanced skills agenda. Councillor Heather Timms noted the growth in the "green economy" and emphasised the need to develop the correct skills in the workforce.

Councillor Jerry Roodhouse suggested that there should be less reliance on Gross Value Added. The next strategy should have a greater emphasis on the evaluation of growth through the use of Warwickshire-specific indicators. In addition, Councillor Roodhouse proposed that attention be given to the circular economy. A public interest debate on the matter was proposed. Finally, Councillor Roodhouse observed that the health economy is strong in Warwickshire with health providers and research and development having a high profile.

Councillor Jeff Clarke highlighted the needs in terms of investment and training of Nuneaton and Bedworth.

Councillor Peter Butlin emphasised the future importance of 5G and added that the extent of construction work in the area highlights the need for civil engineers.

In answer to a question from Councillor Richard Chattaway the meeting was informed that the County Council works with all schools to encourage them to develop the right skills. In Nuneaton a new Education Strategy is being developed. This has received input from all the secondary schools in that part of the county.

Resolved:

1. That Cabinet approve the Economic Growth Strategy 2020-2025
2. That the views and suggestions of all members expressed at the meeting be taken account of in the delivery of the strategy.

5. Exclusion of Members of the Public

Resolved:

That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

6. Exempt Minutes from 30 January 2020

The exempt minutes of the meeting of Cabinet held on 30 January 2020 were agreed as an accurate record for signing by the Chair.

7. Regional Procurement of Fostering Placement Services from Independent Fostering Agencies through a Regional Framework.

Cabinet agreed as per the resolution in the exempt minutes.

The meeting ended at 14.35

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Chair