

Cabinet

Friday 27 January 2023

Minutes

Attendance

Committee Members

Councillor Isobel Seccombe OBE (Chair)

Councillor Margaret Bell

Councillor Peter Butlin

Councillor Andy Crump

Councillor Andy Jenns

Councillor Kam Kaur

Councillor Jeff Morgan

Councillor Wallace Redford

Councillor Heather Timms

Councillor Martin Watson

1. General

(1) Apologies

None.

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

None

(3) Minutes of the Previous Meeting

The minutes of the meeting of Cabinet held on 15 December 2022 were agreed as an accurate record.

(4) Public Speaking

None.

2. 2023/24 Budget and 2023-28 Medium Term Financial Strategy - Updated Information

Councillor Peter Butlin (Deputy Leader of the Council) introduced the published report which provided an update on the current financial position since the publication of the last report in December:

- The report was set against a backdrop of uncertain economic times.
- The Local Government finance settlement confirmed the positive allocation for Local Government, but again was only confirmed as a one-year settlement for 2024/25. The change from the estimates in the December report gave a short term loss of grant in 2023/24 of £0.472m, which rose to an overall on-going gain of £0.674m by the end of the MTFs in 2027/28.
- In terms of Council Tax and business rates, there were still some outstanding figures relating to the Council Tax base increase.
- Reserves were key to managing the short-term budget position and the reserves strategy was unchanged from the current financial year. The review of reserves identified £44.1m as available for use in this budget cycle, in addition to the £23.1m of investment funds that were as yet unallocated. The review of general risk reserves had identified the need to maintain the £26m from 2021/22, although there were changes to specific allocations highlighted in the report. The Section 151 Officer would not support the budget as balanced and sustainable if the £26m general risk reserves were not sustained.
- Since the report to Cabinet in December, there had been two further material changes which were summarised in the report: additional Adult Social Care pressures of £2.28m and a saving from reducing the DSG overspend offset provision by £2m due to additional High Needs Block funding from Central Government.
- The Capital Strategy had not changed since the previous report.
- The changes outlined in the report were provided to Cabinet for information to consider when finalising a balanced budget for 2022/23 and a sustainable MTFs for 2022-27 as part of the Cabinet's budget resolutions to Full Council on 7 February 2023.

In response to questions from Councillor Roodhouse, Councillor Butlin advised that the County Council was required to set its budget before those of the lower tier councils which required a level of prediction in terms of what the lower tiers would do. He understood that whilst the other districts and boroughs had considered the issue of Council Tax Support Schemes, they had not deemed them affordable. Councillor Butlin advised that £44.1m reserves had been identified as available for use in this budget cycle, in addition to the £23.1m of investment funds that were as yet unallocated. The Section 151 Officer required the general risk reserve of £26m to be maintained for the budget to be considered balanced and sustainable.

Resolved

That Cabinet:

1. Notes the latest resource and spending information, the advice and the impact on the emerging budget proposals presented in the report;
2. Notes the Strategic Director for Resources' risk assessment on the level of general reserves, as detailed in Appendix B of the report;
3. Publishes, in light of the information provided, their 2023/24 budget resolutions for recommendation to Council on 7 February 2023; and

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4. Authorises the Strategic Director for Resources to incorporate the outstanding resource information into the budget resolutions to be considered by Council on 7 February 2023.

3. Allocation of 2023/24 Dedicated Schools Grant

Councillor Kam Kaur (Portfolio Holder for Education) explained that the Dedicated Schools Grant (DSG) was the ring-fenced grant from Government that provided each local authority with an allocation of funding for schools and services for pupils. She indicated that the report outlined the context and position for each of the four blocks of the DSG, and the current proposed allocations.

There were no questions or comments on the report.

Resolved:

That Cabinet:

1. Approves the allocation of the Schools Block DSG, as outlined in Section 3 of the report;
2. Approves the Early Years Block DSG allocation of funding for all early years providers as outlined in Section 4 of the report;
3. Approves the allocation of the High Needs DSG budget for 2023/24, as set out in Section 5 of the report; and
4. Supports the proposals for allocating the 2023/24 Central School Services DSG budget, as set out in Section 6 of the report.

4. Treasury Management Strategy and Investment Strategy

Councillor Peter Butlin (Deputy Leader of the Council) presented the Treasury Management Strategy and Investment Strategy for endorsement. He noted that this was an annual report which had greater significance due to the implications of the Warwickshire Property and Development Group (WPDG) and the Warwickshire Rescue and Investment Fund (WRIF). A key aspect covered in the strategy was the intention to pre-pay the Council's next 3 years' pension fund contributions in April 2023, yielding a one-off gross benefit of £6.2m, through the pension fund being able to invest the pre-payment earlier to achieve a return equivalent to the discount provided.

In response to a question from Councillor Jerry Roodhouse regarding the Council's overborrowing position and the associated risk, Councillor Butlin advised that he was comfortable with the level of borrowing, which focussed on invest to save schemes.

Councillor Isobel Seccombe observed that unexpected events (eg Covid, the war in Ukraine and the associated outcomes of them both in terms of the price of energy and the increasing cost of living) were happening more frequently and it was important for the Council to take a wise view of finances as a result.

In terms of the proposed pre-payment of pension fund contributions, Councillor Andy Crump, noted the significant checks and balances that were required. Overall, he considered this to be a good report.

Resolved:

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That Cabinet recommends to Council that:

1. The Treasury Management Strategy for 2023/24 (Appendix 2 to the report) be approved with effect from 1st April 2023.
2. The Investment Strategy for 2023/24 (Appendix 3 to the report) be approved with effect from 1 April 2023.
3. Council requires the Strategic Director for Resources to ensure that gross borrowing does not exceed the prudential level specified (Appendix 2 to the report, at Section 3.22, Table 12 "Authorised Borrowing Limit").
4. The revised lending limits for the Warwickshire Property Development Group come into immediate effect (Appendix 3 to the report at Annex 7).
5. The revised lending limits for the WRIF come into immediate effect (Appendix 3 to the report at Annex 7).
6. Council requires the Strategic Director for Resources to ensure that gross investment in non-Treasury investments does not exceed the prudential levels specified (Appendix 3 to the report at Annex 7).
7. Council authorises the Strategic Director for Resources to undertake delegated responsibilities in respect of both strategies (Appendix 2 to the report at Annex 7, and Appendix 3 to the report at Section 2.5).
8. Council requires the Strategic Director for Resources to implement the Minimum Revenue Provision (MRP) Policy (Appendix 2 to the report at Section 2.11).
9. Council requires the Strategic Director for Resources to enact an early payment of pension fund contributions subject to the conditions set out in Appendix 1 to the report at Section 5.14 being met.

5. 2022-23 Financial Monitoring - Forecast Position as at Quarter 3

Councillor Peter Butlin (Deputy Leader of the Council) presented this report, noting that in terms of the revenue forecast, an overall overspend was still forecasted since the position at quarter 2. He noted that the net overspend would be funded from Directorate and General risk reserves, and at 1.9% difference to budget it remained within the acceptable tolerance limit. Councillor Butlin commended officers, who were dealing with inflationary pressures, for keeping the overspend at these levels.

Councillor Isobel Seccombe noted that it had been a challenging year to manage budgets and added her thanks to officers.

There were no questions or comments on the report.

Resolved:

That Cabinet:

1. Notes the adjusted forecast overspend of £6.689m (1.9%) that would need to be funded from the Directorate and General Risk Reserves at the end of 2022/23;
2. Notes the forecast delivery of savings for 2022/23 of £9.415m (91.9%), a shortfall of £0.829m against the target;
3. Notes the forecast capital spend for 2022/23 of £99.834m;

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4. Approves the reprofiling of spend on the capital programme of £14.214m from 2022/23 into future years and notes the carry forward of s278 contributions of £1.030m and the reduction in the estimated Warwickshire Recovery and Investment Fund and Warwickshire Property and Development Group capital spend of £31.041m flowing from the refreshed business plans;
5. Approves the reclassification of the Digital Road Map Programme of activity as an Investment Fund; and
6. Approves the transfer of £10.872m to the 'Available for Use' reserve following the reserve review to support the MTFS and the Council Plan.

6. A426/A4071 Avon Mill/Hunters Lane Improvements, Rugby

Councillor Wallace Redford (Portfolio Holder for Transport & Planning) introduced this report which sought authority to proceed with the required statutory applications, processes and agreements for the preliminary and detailed design stages associated with the proposed scheme as outlined in the report.

Councillor Jerry Roodhouse sought further information about the proposed Starbucks 'Drive-Thru' in/out access junction and requested sight of the consultation responses to enable a more detailed discussion to take place.

Councillor Secombe suggested that it would be helpful for local members to be kept informed on a weekly basis.

Councillor Jonathan Chilvers noted that paragraph 3.1 of the report referenced a proposed segregated foot/cycleway and bridge and questioned whether there were any figures available about the anticipated level of modal shift.

Resolved:

That Cabinet:

Approves the further development of the A426/A4071 Avon Mill/Hunters Lane Improvement scheme in Rugby and authorises the Strategic Director for Communities, in consultation with the Portfolio Holder for Transport and Planning, to take all necessary steps required to progress the scheme to Outline Business Case (OBC) submission stage including:

- (i) Finalising designs and determining land requirements;
- (ii) Commencing negotiations with third-party landowners;
- (iii) Negotiating terms and entering agreements for alterations to private accesses;
- (iv) Securing all necessary statutory consents (including licences and planning permissions) and entering any necessary agreements with other regulatory bodies;
- (v) Exercising any statutory rights of entry for the purposes of carrying out surveys, examinations or other investigations or executing works;
- (vi) Undertaking public and wider stakeholder consultation;
- (vii) Submission of an Outline Business Case (OBC) to the Department for Transport (DfT) in accordance with the programme outlined in Section 7 of the report.

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7. Customer Platform

This report was introduced by Councillor Andy Jenns (Portfolio Holder for Customer and Transformation) who explained that the development of a new Customer Platform was fundamental to delivering the objectives of the Council's Digital & Data Strategy to improve digital service delivery to residents. He explained that an assessment of the products available on the market had taken place and the advantages and disadvantages were detailed in the report.

Councillor Jeff Morgan emphasised that it was a key requirement for the platform to integrate with the proprietary systems that were used by Adult Services and Childrens Services.

Councillor Isobel Seccombe requested that the project plan include a presentation of the system for Members for assurance purposes and this was supported by Councillor Jenns.

Resolved:

That Cabinet:

1. Supports the implementation of the Microsoft Technology Platform as the Council's customer platform and as a replacement for the existing Firmstep solution;
2. Approves the investment of up to £2,000,000, to be funded from the monies set aside for the digital roadmap, for the procurement of an external partner to support the implementation of the Microsoft Technology Platform; and
3. Authorises the Strategic Director for Resources, in consultation with the Portfolio Holder for Customer and Transformation, to undertake an appropriate procurement process for an implementation partner and authorises the Strategic Director for Resources to enter into all necessary agreements on terms and conditions considered acceptable to him.

8. WFRS Preparedness for Potential Industrial action

Councillor Andy Crump (Portfolio Holder for Fire & Rescue and Community Safety) presented this report which sought to provide reassurance of the Fire and Rescue Service's preparedness for potential industrial action. In proposing the recommendations, he suggested a third recommendation "that Cabinet commits to continuing with a collective coherent approach to negotiation of rates of firefighter pay through the national negotiating bodies".

Councillor Jerry Roodhouse noted that the issues raised were national issues and commented that it was essential that councillors be kept advised of the emerging situation.

Councillor Isobel Seccombe noted that the report was an observation on the current position and welcomed the opportunity to provide confidence that the Cabinet was aware of the situation and was taking the necessary steps. She welcomed opportunities to keep group leaders apprised of the situation.

Resolved:

That Cabinet:

1. Notes the current situation in relation to firefighter pay and the potential for industrial action;

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2. Supports the steps being taken by WFRS to plan for and mitigate against the impact of industrial action on communities in Warwickshire; and
3. Commits to continuing with a collective coherent approach to negotiation of rates of firefighter pay through the national negotiating bodies.

9. Warwickshire Recovery & Investment Fund Investment Strategy and Business Plan

Councillor Peter Butlin (Deputy Leader of the Council) explained that the report presented a refreshed strategic document outlining the Warwickshire Recovery and Investment Fund's investment activities. The objectives of the WRIF were comprehensively detailed in the report.

Councillor Isobel Seccombe welcomed the report and the Council's flexibility to respond to business need in the county.

Resolved:

That Cabinet:

1. Approves the Warwickshire Recovery Investment Fund ("WRIF") Investment Strategy attached at Appendix 4 to the report;
2. Approves the WRIF Business Plan attached at Appendix 5 to the report;
3. Authorises the Strategic Director for Communities in consultation with the Portfolio Holder for Finance and Property to make such additional changes to the Investment Strategy as he considers necessary but only where such changes do not reduce or remove any of the current checks and balances on investments included within the Strategy or Business Plan; and
4. Authorises the Strategic Director for Communities in consultation with the Portfolio Holder for Finance and Property to update the process for BIG Fund assessments as set out in Section 4.5 of the report.

10. Reports Containing Exempt or Confidential Information

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 paragraphs 3 and 7 of Schedule 12A of Part 1 of the Local Government Act 1972.

11. Exempt Minutes of the 15 December 2022 Meeting of Cabinet

The exempt minutes of the Cabinet meeting held on 15 December 2022 were agreed as an accurate record.

12. Supported Housing - Dispersed Accommodation

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Councillor Andy Crump (Portfolio Holder for Fire & Rescue and Community Safety) introduced this item and summarised the exempt report.

Resolved that the recommendations as set out in the exempt report be approved.

13. Bermuda Connectivity

Councillor Peter Butlin (Deputy Leader of the Council) introduced this item and summarised the exempt report.

Resolved that the recommendations as set out in the exempt report be approved.

14. Warwickshire Property & Development Group (WPDG) Business Plan for 2023

Councillor Peter Butlin (Deputy Leader of the Council) introduced this item and summarised the exempt report.

Resolved that the recommendations as set out in the exempt report be approved.

The meeting rose at 3.05pm

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Chair