

**TELFORD & WREKIN COUNCIL**

**CABINET – 11 JANUARY 2011**

**SERVICE AND FINANCIAL PLANNING 2011/12 TO 2013/14**

**REPORT OF THE CHIEF EXECUTIVE AND THE CHIEF FINANCIAL OFFICER**

**PART A) – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

This report sets out a proposed service and financial planning strategy for the period 2011/12 to 2013/14 with specific budget proposals for 2011/12 and a schedule of planned engagement and consultation activities with the community around the strategy.

Following the Comprehensive Spending Review (CSR) announced in October 2010 it has been clear that the level of Government grant funding for the Council for the next few years would be facing significant grant reductions in both cash and real terms as the Government seeks to bring the national budget back in to balance following the impact of the financial crisis and recession.

The provisional grant settlement for local authorities was finally announced on 13<sup>th</sup> December, later than usual and some detail is still awaited. For this Council, Government grants for day to day services have been reduced by £13.6m next year in cash terms. This equates to over 50% of the expected grant reductions that we will need to make over the 4 year CSR period. A further reduction in grants of over £5m has also been announced for 2012/13. This is on top of £3m grant reductions already made as part of the Government's emergency budget measures during the summer- a total reduction of over 16% in non Education funding by next year. The Government have announced a major review of the local government finance system and so have not released grant allocations for 2013/14 or 2014/15 and projections for these years are therefore subject to significant uncertainty. Figures for education funding have been announced for 2011/12 only as a review of financing of Education will be undertaken next year.

The grant settlement continues the use of a damping mechanism which will result in around £4.3m in extra grant reductions for the Council next year. This is included in the totals above but is funding that Government has calculated should be made available to the council and this area but which it is withholding in order to reduce the impact of grant reductions in other parts of the country.

The scale of grant reductions clearly limits the scope for any new investments over and above existing commitments, but the Council needs to ensure that it delivers community priorities and takes a strategic lead on the regeneration of the Borough so some limited new investments are set out in the report – mainly reflecting additional demands being placed on the Council’s social care services. The report also sets out a package of savings totalling around £15m for 2011/12 (of which some are recycled into Adult Care services) and a process for making further reductions over the medium term period of the strategy. Other adjustments to the budget for 2011/12 set out in the report will save a further £4m.

The proposals in the report have been developed in the light of extensive consultation with the community that has taken place over the last year around service priorities and also sets out a schedule of further consultation activities.

Key proposals included in the report are:-

- Continuation of a comprehensive programme of service reviews and staff restructuring that will generate significant ongoing savings with a 20% target having been set across the board although the actual level of savings will vary between different services First stage proposals from the major review of Adult Care and Children’s services should be available later in January.
- To freeze the level of council tax levied by the Council in 2011/12 continuing the Council’s recent practice of reducing the rate of year on year increase as an acknowledgement of the pressure that household budgets are under and taking advantage of the Government’s tax increase funding grant.
- To make new investments of £1.4m in childrens’ social care services and to protect the adult social care budget by reinvesting savings of £1.6m back in to adult social care services.
- To continue the Council’s investment commitment in key infrastructure projects such as new and improved schools and the regeneration of the Borough Towns and Telford Town Centre.
- To use balances and one-off benefits carried forward from early action on the savings programme taken in 2010/11 to support the budget in 2011/12. This will be replaced ongoing by the full year impacts from the programme of organisation restructuring and service reviews which are well under way, coming through from 2012/13.

## **2. RECOMMENDATION**

**2.1 Members are asked to approve the service and financial planning strategy set out in the report for consultation with the community.**

### 3. SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	<i>The service and financial planning strategy is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priorities.</i>
	Will the proposals impact on specific groups of people?	
	Yes	<i>The proposals contained in this report identify key impacts on specific groups of people. The extensive schedule of planned consultation activities will clarify potential impacts and inform an Equalities Impact Assessment which will be completed on the final proposals to be considered by Cabinet on 22 February 2011.</i>
<b>TARGET COMPLETION/DELIVERY DATE</b>	<i>A series of consultation meetings will be held with community groups during January and February. The proposals contained in the report will also be subject to Member scrutiny during this period. Final proposals will be considered by Cabinet on 22 February 2011 who will make recommendations to full Council on 3 March 2011. The final agreed recommendations will be implemented during 2011/12 and future years.</i>	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	<i>This report sets out the service and financial planning strategy for the council for 2011/12 and the medium term.</i>
<b>LEGAL ISSUES</b>	Yes	<i>This report develops the proposals for the Council's budget and policy framework which will be consulted upon in accordance with the Constitutional budget and policy framework procedure rules that will, in due course result in the Council setting its budget and council tax levels by the March deadline laid down by the Government</i>
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	<i>This report sets out the strategy framework which includes consideration of the corporate risk register – particularly in relation to the availability of balances.</i>

<b>IMPACT ON SPECIFIC WARDS</b>	Yes/No	<i>Borough-wide impact.</i>
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## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

#### **4.1 NATIONAL CONTEXT**

The Government announced a Comprehensive Spending Review (CSR) covering the four year period 2011/12 to 2014/15 on 20th October 2010. This was set in the context of a very significant national budget deficit and considerable uncertainty in the world economy. The CSR set out £81bn of ongoing cuts to public spending over the period of the CSR to eliminate the structural budget deficit. This set the framework within which the Revenue Support Grant and other grant and capital settlements affecting the Council would be determined.

It was clear from the CSR that Communities and Local Government, the Government department from which the Council receives most of its funding could expect very significant budget reductions and that over a four year period local government faced something in the region of 27% real terms grant reductions compared to an average reduction of 8.3% across all Government departments. These reductions would be in addition to the “in-year” grant reductions made in June 2010, shortly after the election, which totalled £3m revenue and £1m capital for this Council.

Also included in the CSR were announcements that the overall national schools budget would be increased in real terms by 0.1% pa, the introduction of a “pupil premium” and that some additional funding would be made available for social care. Major changes to the council tax benefit system coming in to effect from 2013/14 were announced as was a grant to encourage local authorities to set a zero council tax increase in 2011/12. The Government also announced through the CSR the end of ring-fencing of most grants made to local authorities. This gives councils more discretion over how the reduced level of funding should be allocated between competing priorities.

It was clear from the Departmental Expenditure Limits (DEL) set for Communities and Local Government (CLG) in the CSR over the next four years that local authorities could expect some front-loading of grant reductions.

#### **4.2 REVENUE SUPPORT GRANT SETTLEMENT**

The Government announced its provisional Revenue Support Grant settlement for local authorities on 13<sup>th</sup> December 2010, much later than had been expected. . A number of methodology and data changes have been applied as well as reductions in the national funding total available for

allocation to local authorities. This has therefore been a very complex settlement to analyse. The information released by the Government is still incomplete and details of some further provisional grant allocations will not be available until January. While the Council will not have as much time for consultation on our draft Service & Financial Planning strategy as in previous years, the Council has been undertaking extensive consultation with the local community for some time and now that the settlement has been announced, the detailed budget proposals contained within this report which are substantially informed by the result of earlier consultation will be subject to extensive consultation throughout January and early February.

As had been expected the Council faces a significant reduction in Government support over the next four years of around £25 million. Detailed figures were only released for the next two years and over this period cash grants to the Council will be reduced by around £19 million with £13.6 million (over half the total expected reduction over the 4 year CSR period) falling in the next year. This will be mitigated by a grant of around £1.4m if the Council agrees a zero tax rise next year. This scale of front-loading is greater than that indicated in the CSR Departmental Expenditure Limits for Communities & Local Government, clearly pose a real challenge. The strategy put forward in this report for consultation will need to be kept under review and amended as additional information that is still awaited becomes available and in the light of comments received through the consultation process. A major review of the local government finance system is expected to be undertaken in 2011/12 which is why detailed grant figures have only been made available for two years. Projections for 2013/14 and 2014/15 therefore have a high degree of uncertainty.

The grant reductions for next year have been exacerbated by the continued use of so-called “damping”. This means money that should, through the funding formula, come to people in Telford and Wrekin is once again being used to limit the impact of grant reductions in other parts of the country. In total around £4.3m of grants that the Government have calculated should be paid to this Council is actually being withheld next year.

The reduction in Formula Grant next year is £8.8m rising to £14.4m in 2012/13. This includes amounts of £0.48m in 2011/12 and £0.86m which has been “top sliced” nationally to transfer funding to the national Academies programme. In addition to the loss of Formula Grant, the Council also lost £4.8m of other grants. The main components of this were “non front line schools grants” totalling £2.4m which have been deleted. This funding, part of Area Based Grant, was previously used by the Council to support schools and following the reductions in grants the Council will now need to identify scope for making savings in these areas or the scope for continuing some services but having to make a charge to the schools for their provision. The other main grant loss has been on the Early Intervention grant where the Council’s grant entitlement has been reduced by around £0.6m but after a damping adjustment has been applied, the Council will actually see a total reduction next year of around £1.7m. (This additional £1.1m grant damping is included in the figure of £4.3m quoted above). Information is still awaited on a number

of other grants so assumptions have been made on likely reductions. The provisional settlement is subject to consultation which ends on 17<sup>th</sup> January 2011 and it is anticipated that final allocations will be made available to authorities towards the end of January.

Clearly the council has been planning for budget reductions for some time and work is well in hand in developing a new more cost effective organisational structure. Senior management costs have already been halved generating annual savings of £1.75m. A comprehensive programme of service reviews leading into further restructurings of staff and services is in progress and has already generated savings in the current financial year. As part of this programme all Heads of Service have been set a target of identifying proposals that would reduce service costs by 20%.

From April 2009, responsibility for commissioning and funding of social care for adults with learning disabilities transferred from the NHS to local authorities. It was agreed that for 2009-10 and 2010-11, the remainder of the current CSR period, the funding associated with this would be transferred by local agreement between Primary Care Trusts (PCTs) to local authorities and that the transfer agreements would be reported to the Department of Health. From 2011-12, funding will be transferred centrally from the NHS budget and distributed to local authorities. This will be in the form of a specific unringfenced grant called "The Learning Disability and Health Reform Grant" The Council agreed a sum of around £6.5m with the PCT and the Revenue Support Grant settlement confirmed that the Council will receive this switch in funding in line with expectations. The funding is already fully committed to meeting the current costs of care of a number of adults with learning difficulties clients and in funding specialist units such as the West Midlands Specialist Placement Unit. As part of a national initiative, the Council is also awaiting details around the use of around £2.1m local PCT funding which the Secretary of State for Health has indicated should be subject to joint work between the two bodies targeted at providing support as people leave the Health system and integrate back into the community.

The settlement announced by the Government also included details of capital funding. The main changes announced were that there would be no supported borrowing for 2011/12 or 2012/13 but some switching into grants. This switch is helpful to the Council as the benefit of supported borrowing had previously been partially withheld from the Council through the revenue grant damping mechanism. No allocation for primary capital has been announced. The main changes are summarised below:-

- Basic need, increase of £1.149m.
- Schools Modernisation, increase of £0.69m
- Devolved Formula Capital - reduced by £2.416m
- All Education funding only announced for 2011/12 with no indications for future years
- Social Care Capital Grant increase of £0.219m in 11/12 and £0.230m 12/13.
- Disabled Facilities Grant not available yet and expected to be announced in January

- Integrated Transport - cut by £1.22m
- Highways Maintenance - increase of £0.332m

Most capital grants are not ring-fenced and usage of available funding is subject to prioritisation by members.

### **4.3 LOCAL CONTEXT**

In March 2010, the Council approved a 3-year Service & Financial Planning Strategy, which set out the principles that guide the development of our budget and our investment and savings programme. Areas where significant additional investments have been made in 2010/11 include:

- Regeneration of Borough Towns and Telford Town Centre;
- Adult and children's social care services;
- Sports & Learning Communities;
- Parks and play areas;
- Maintaining roads, pavements and street lights.

Over the past few months, we have been reviewing our strategy. Our focuses have been to review our priorities, investment package, service budgets and options for making savings and efficiencies, taking account of:

- Financial and economic pressures;
- Significant service pressures;
- The wide range of national policy developments from the Coalition Government;
- Views of local people.

#### **4.3.1 Financial & Economic Pressures**

The difficult economic situation continues to have a significant impact on the community. In addition to an increase in the cost of living, impacts include:

- Higher unemployment – April 2009-March 2010, 8.1% unemployed, compared to 6% the previous year;
- Limited new house building, restricted availability of mortgages and slow housing market – in October 2010, the Council of mortgage lenders announced that mortgage lending in the UK is at a 10 year low;
- Increase in Council Tax and Housing Benefit applicants – there has been an 18% increase in Housing and Council Tax benefit claims over the last 2 years. So far this year our gross benefit expenditure is £4m higher than at the same point last year.

The Council has a key role to play in mitigating the effects of the economic downturn and planning for recovery, for example by continuing to support more new homes being built.

In recent years, we have focused on securing long-term economic prosperity. The continued development of the Town Centre and regeneration of the

Borough Towns are essential elements of our future budget strategy. It is important that we continue to show confidence, leadership and investment in the future of the area despite the financial challenges that face us

#### **4.3.2 Service Pressures**

Whilst a number of services are experiencing increasing demand, there are particular pressures on social care services for children and adults.

- **Children's Social Care** – in line with national trends, we are continuing to receive an increasing number of child protection referrals, leading to higher numbers of Children in Care. There has also been a significant increase in children remaining in care for longer periods;
- **Adult Social Care** - we have also been experiencing increasing demand for our Adult Social Care Services as a result of increasing numbers and life expectancy of older people and increasing complexity of care.

The Government's proposed changes to the Welfare Benefits system will also have significant financial implications for some households in the Borough. We will need to carefully monitor the impact of these changes, which have the potential to increase demand for a range of our services.

#### **4.3.3 National Policy**

Since the formation of the new Coalition Government, there has been a significant shift in policy in many areas. New policy announcements are being made on an almost daily basis, so a key challenge is to respond to this rapidly changing national policy framework.

There is a particular emphasis on the **Big Society** and the transfer of power to local people and organisations. This includes communities having a greater say over decisions and giving local people, social enterprises, voluntary groups and charities more opportunities to take over the running of local public services.

The Government has also published a number of key White Papers, covering the Localism Bill, NHS, public health and schools. These set out a number of proposals that will impact upon the Council and its partners, including:

#### **4.3.4 Localism Bill:**

- A right to veto excessive council tax rises whereby a referendum would be held if a local authority (including larger parish councils) proposed a council tax increase over a ceiling set by the secretary of State,
- A Community Right to Challenge enabling community groups to express an interest in running local government services,
- A Community Right to Buy which will require local authorities to maintain a list of public or private assets of community value. When assets on the list came up for sale communities would be given the chance to develop a bid and raise the capital to purchase the asset.
- Local referendums to give local people, councillors and councils the power to instigate a local referendum on any local issue.

- A general power of competence which will allow local authorities to do anything apart from that which is specifically prohibited.
- Extensive proposals around Governance, the planning system and social housing reform.

#### **4.3.5 NHS/Public Health:**

- Devolution of responsibility for commissioning services to GP consortia with the abolition of PCTs from 2013 with PCT provider services separated from PCTs by March 2011 and a move to greater 'cluster working' by groups of PCTs during 2011/12;
- All NHS trusts will become or be part of a foundation trust;
- Health and well-being boards to be established within local authorities to join up local NHS, social care and health improvement services;
- Long-term care – the Government has set up a Commission on Long-Term Care to look at a range of ideas for funding long-term care. The Commission is due to report within a year with a White Paper expected in 2011;
- Transfer of responsibility for local health improvement from the NHS to local authorities;
- Ring-fencing of the public health budget with a new health premium to reduce health inequalities;

#### **4.3.6 Schools:**

- Fast-track mechanism for schools to achieve Academy status (schools free from local authority control funded directly by the Government) and the lowest performing schools to be considered for conversion to Academies;
- Encourage new providers to set up alternative provision Free Schools (non-profit making schools that will have similar freedoms and flexibilities as Academies);
- Ensure there is support for schools to collaborate through academy chains and multi-school trusts and federations;
- Give local authorities a 'strong strategic role', co-ordinating fair admissions and developing school improvement strategies (local authorities will be able to provide whatever form of improvement they choose);
- Raise the age that all young people are expected to take part in education or training to 17 by 2013 and to 18 by 2015;
- Introduce additional 'Pupil Premium' funding to raise the attainment of disadvantaged pupils and alongside this, a new national funding formula (following consultation);
- Establish a new collaborative incentive (financial reward for weaker schools that improve their performance) and the Education Endowment Fund for innovative projects to raise the achievement of deprived children in underperforming schools.

We also need to take account of other Government priorities, recently published in Government Department Business Plans. These include:

- Meet people's **housing aspirations** – incentives for councils to facilitate housing growth;
- Reform the **planning** system;
- Secure an **economy** that is more resilient, and more balanced between public and private sectors and between regions;
- Improve **local sports facilities**.

#### **4.3.7 Community Priorities**

In developing the budget, our aim is to align resources with priorities. Our starting point is the vision for Telford & Wrekin of:

***“A successful, prosperous and healthy community which offers a good quality of life for all the people of Telford & Wrekin”***

This vision is supported by a clear set of priorities for action – our community priorities. These are:-

- **Active Lifestyles**
- **Adult Care & Support**
- **Children & Young People**
- **Community Focused, Efficient Council**
- **Community Protection & Cohesion**
- **Environment & Rural Area**
- **Housing, Regeneration & Prosperity**

The draft strategy set out in this report reflects our priorities framework.

#### **4.3.8 Views of Local People**

The draft strategy has also been informed by a wide-ranging engagement programme with the local community. This started in December 2009 and has continued throughout 2010. Appendix 1 gives further details of the responses, but the headline messages are set out below. Engagement will continue during January 2011 (see Appendix 2 for a summary of the planned engagement programme):

- **Spending Priorities - Day to Day Services**

In January 2010, the Community Panel (534 responses) were asked to consider the importance of 12 day to day services and to prioritise which 5 were most important to the community overall. We also ran a similar exercise in the Borough Towns and at most of our consultation meetings (more than 600 people took part in total).

Whilst there was some variation, there was broad overall agreement that the 4 highest service priorities were:

- **Crime and safety**
- **Maintenance of roads, pavements and street lights**

- **Social services for disabled adults and older people**
- **Education**

Since June 2010, we have also been running a more complex 'spend and save' exercise (110 participants to date). This gives people taking part information about how much money is spent on 10 of our main service areas and asks them to decide how to 'spend' an additional £2m. In terms of 'spending' money, the top priorities were:

- **Adult Social Care**
- **Children's Social Care**
- **Community Protection**
- **Support for Schools**

These two sets of results are fairly consistent. The main differences with the 'spend and save' exercise (where people had information about how much was already spent on services) appear to be a higher priority attached to Children's Social Care and a lower priority attached to maintenance of roads.

- **Spending Priorities - Long-Term Infrastructure Investments**

In January 2010, the Community Panel and people who attended consultation meetings were asked for their views on 10 longer-term (capital) investments. There was a consistently high level of support for long-term investment in:

- **Maintenance of roads and pavements**
- **Extra care housing**
- **Regeneration of the Borough Town Centres**

Views on other long-term investments were more mixed. In particular, members of the Community Panel prioritised 'environmental' investments, such as improving parks and recycling facilities higher than other groups.

- **Savings Options**

In January, we also asked people to put forward any ideas they had for savings options. The most common responses were:

- **Reduce employee/member costs**
- **Cut out red tape/waste (printing, stationery etc)**
- **Reduce street/traffic lights**
- **Increase income (charges, fines and sale of assets)**
- **Outsource or contract out services**

As very few of these suggestions related to services provided directly to the public, we have also been asking people to identify how they would 'save' £5m from a list of 10 services (again providing them with information about how much is currently spent on these services).

In terms of 'saving' money, the top priorities to date are:

- **Adult Social Care**
- **Roads and Transport**
- **Environment & Waste**
- **Leisure & Culture**

The majority of people reluctantly prioritised Adult Social Care for savings, because of the scale of the budget compared to other areas. Similarly, roads and transport and environment and waste were areas that people felt were important, but where further savings/efficiencies could be made due to the relatively large budgets.

#### **4.4 OUR STRATEGY**

##### **4.4.1 Budget Guiding Principles**

The draft strategy put forward for consideration is based on the guiding principles of:

- Spreading our reducing resources fairly and openly across the Borough, whilst taking account of the needs of different areas;
- Developing spending plans that are based on the community's needs and priorities;
- Doing our best to make efficiencies and savings to restrict the level of cuts to services as far as possible;
- Keeping the level of Council Tax as low as possible to ease the financial burden on local tax-payers whilst protecting front line services;
- Keeping the use of Council reserves to a minimum and use only when we need to;
- Setting aside some additional money to deal with any unforeseen circumstances caused by the current economic situation;
- Selling some of the Council's poorer performing land and property to fund community priorities (if it is practical and prudent to do so);
- Setting our fees and charges at realistic but fair levels, ensuring that appropriate concessions are in place for those that need them.

##### **4.4.2 Investments**

Our strategy is based on the principle of 'developing affordable spending plans that are based on the community's needs and priorities' and a continuing commitment that the Council will allocate its reducing resources fairly across the Borough.

We clearly cannot, however, invest in everything. We have therefore had to identify where additional funding is most needed, based on the views and priorities of the community.

Our capital investment programme for the next 3 years is set out in Appendix 3. Key aspects of this programme and how they link to our community priorities are set out in the table below:

<b>Community Priority</b>	<b>Investment Proposals</b>	<b>Rationale</b>
<b>Active Lifestyles</b>	Improving Telford Town Park (£3.5m Parks for People funding)	<ul style="list-style-type: none"> <li>- Key part of transformation of Telford Town Centre</li> <li>- Majority (74%) of Community Panel support improvements to parks and play areas</li> </ul>
<b>Adult Care &amp; Support</b>	Helping people to stay in their own homes (£1m capital)	<ul style="list-style-type: none"> <li>- Increasing demand for Adult Social Care Services</li> <li>- High public priority for additional spending ('spend and save' consultation)</li> </ul>
	Re-investment of £1.6m revenue savings back in to Adult Care & Support services	<ul style="list-style-type: none"> <li>- Re-investment in care services to enable vulnerable people to remain living independently in their own homes for as long as possible</li> </ul>
<b>Children &amp; Young People</b>	Extra funding for Children's Social Care to protect vulnerable children (£1.4m revenue)	<ul style="list-style-type: none"> <li>- Increasing demand for Children's Social Care Services and rising numbers of Children in Care</li> <li>- High public priority for additional spending ('spend and save' consultation)</li> </ul>
	Creating new Sports and Learning Communities and continuing Building Schools for Future programme (£158m capital)	<ul style="list-style-type: none"> <li>- Supports Government priorities to improve the quality of schools and local sports facilities</li> <li>- Majority (72%) of Community Panel support investment (3<sup>rd</sup> highest priority at consultation meetings)</li> </ul>
<b>Environment &amp; Rural Area</b>	Maintaining roads and pavements (£19.8m capital)	<ul style="list-style-type: none"> <li>- Almost universal support (97%) from Community Panel for investment in roads etc (joint 3<sup>rd</sup> highest priority at consultation meetings)</li> </ul>

	Changing Community Recycling Centres/Waste Bulking Station (£1.1m capital)	<ul style="list-style-type: none"> <li>- Strong support (81%) from Community Panel for investment in recycling</li> <li>- Invest to Save</li> </ul>
<b>Housing Regeneration &amp; Prosperity</b>	Improving our Borough Town Centres (Dawley, Newport, Wellington, Leegomery, Hadley, Oakengates £16.6m capital)	<ul style="list-style-type: none"> <li>- Part of a long-term strategy to support recovery and secure economic prosperity</li> <li>- Strong support (83%) from Community Panel for investment in Borough Town Centres (top priority at consultation meetings)</li> </ul>
	Transforming Telford Town Centre (£51m capital – Phase 1)	<ul style="list-style-type: none"> <li>- Part of a long-term strategy to support recovery and secure economic prosperity</li> </ul>
	Supporting more new homes being built, particularly affordable housing in rural areas (£2.9m capital)	<ul style="list-style-type: none"> <li>- Part of a long-term strategy to support recovery and secure economic prosperity</li> <li>- Supports the Government's priority to meet people's housing aspirations</li> <li>-</li> </ul>
	Providing specialist, extra care housing specialist housing for disabled adults and older people (£2.2m capital)	<ul style="list-style-type: none"> <li>- Strong support (88%) from Community Panel for investment in extra-care housing (2<sup>nd</sup> highest priority at consultation meetings)</li> </ul>
	Improving Woodside and Sutton Hill (£4.9m capital)	<ul style="list-style-type: none"> <li>- Part of a long-term strategy to support recovery and secure economic prosperity</li> <li>-</li> </ul>

The BTISLC programme is also currently under review with a significant reduction in the total funding being made available by the Government, of around £40m. expected to be confirmed shortly. However, at the time of preparing this report this reduction and its impact on the phasing of the programme is not fully clear and has not therefore been reflected in Appendix 3, further information is provided in a separate report. Even after the reduction in Government support, this will still be a huge capital investment programme across the Borough's sports and learning communities which will give long term benefits to many people. However, some limited additional funding will be required from the Council of around £0.95m and this has been built in to the investment programme and the revenue consequences included

in the base budget. £0.8m of this is to cover additional costs arising from accelerating the programme and £0.15m to facilitate works in advance at sites for disposal in order to maximise future capital receipts.

In order to free revenue reserves up, the £0.8m which is still uncommitted within the Invest to Save reserve approved as part of the current years budget strategy will be transferred to the redundancy costs provision and a new capital allocation of £0.5m has been built in to the budget projections for next year to fund some Invest to Save schemes of a capital nature.

As reported to Council in March 2010 when the service and financial planning strategy for 2010/11 was agreed, the investment programme is now dependent on around £80m of capital receipts yet to be realised. The Council has an agreed schedule of asset disposals to address this and this schedule is regularly monitored and all the revenue consequences of temporary financing pending these scheduled disposals are built in to the Council's base budget projections contained in this report. This is however a considerable exposure and represents a key risk. This dependency will therefore continue to be subject to close monitoring. If any delay is experienced in generating expected receipts, mitigation factors could include a combination of re-phasing some schemes, identification of other assets for disposal or additional borrowing on a temporary or long term basis.

#### **4.4.3 Savings.**

Over the last four years, savings of around £17m have already been made. As stated earlier, over the period covered by this medium term financial strategy the Council is looking to identify savings proposals of 20% across its budget. The 20% target figure is being used as a guide and obviously indicates the need for substantial service redesign rather than just incremental efficiency measures but actual reductions may vary with delivery of some services ceasing and others facing a much smaller reduction. As far as possible cuts to front line services will be minimised by continuing to seek to make efficiency savings. However, difficult choices will need to be made and cuts to services will be unavoidable given the scale of the financial challenge facing the Council. A schedule showing the targets and phasing for reductions of 20% to staffing and non staffing budgets is attached as Appendix 4a. These savings targets are over and above a principle that has been adopted that no allowance has been made for general inflation or pay awards throughout the medium term period covered by this strategy forcing further savings where these cost pressures arise over and above the 20% savings target. (Some allowance has however been made for contractual inflation). Appendices 4b and 4c summarise non-staffing and staffing savings by Service Delivery Unit and by year

Appendix 5 details specific proposals for savings on non-staffing budgets with a number of further proposals giving a one-off benefit in 2011/12 detailed on the first summary page of the Appendix. The proposals in Appendix 5 total £10.4m before allowing for savings where the benefit "leaks" away from the main General Fund budget e.g. through to capital account, the education budget or a partner organisation. £1.6m of the gross savings come from the

Adult Social Care budget but it is proposed that all savings from this area are reinvested back in to Adult Social Care. This leaves a net figure of £8.1m expected to be available to support the General Fund budget from the proposals detailed in Appendix 5 in 2011/12.

In addition, the Council's staff restructure programme which is aligned with the service review programme is expected to generate savings of £5.1m (after "leakage") next year including £1.3m assumed from the Voluntary Redundancy scheme and holding posts vacant as natural wastage occurs in advance of restructures as detailed in Appendix 4c.

To identify savings and efficiencies, we have been carrying out a rolling programme of restructuring and service reviews. This comprehensive programme started with transport services and a major review of childrens' and adults' services is currently in progress with an initial progress report due to be considered by Cabinet shortly. Our approach has been based on the principle of 'keeping cuts to front line services as a last resort'. Therefore we have considered the savings options suggested through consultation and have wherever possible focused on things that will have minimal impact on services delivered to the public, such as:

- Reducing the number of senior managers (the cost of senior management has been halved over the last 2 years saving £1.75m pa)
- Spending less on computers, telephones, equipment etc;
- Renegotiating contracts;
- Cutting down the number of buildings we use and reducing repair and maintenance.

We have also looked at our fees and charges, as this was another area highlighted through public consultation. Our savings package includes a number of proposals relating to fees and charges, including increasing charges for swimming lessons, school meals, licence fees and parking (Ironbridge and the small Council owned Town Centre car park only) and introducing new charges for pest control and replacement bins. We have focused on services where charges have not increased for a number of years or where our charges are significantly lower than other councils.

Finally, given the scale of the challenge facing us, we have had no option but to consider making some savings to services; some of the higher-value savings of this type are summarised in the table below. We have focused on 'scaling back' services rather than stopping them altogether, carefully weighing up the impact on local people and taking into account the results of consultation. Details of the savings proposals for 2011/12 are included in Appendix 5. Key proposals include:-

<b>Proposal</b>	<b>Comments</b>
Switch off street lighting at night and associated energy efficiency programme (non-residential areas only)	Phase 1 already implemented earlier in 2010 with minimal impact (74% of Community Panel supported in Jan 2010). Switching off street lights was one of the most frequently suggested savings options during consultation.

Various highways savings – reduced spend on repairs to street lights, roads/pavements and drainage	Roads and transport highlighted by public as a priority for saving money ('spend and save' consultation) due to size of existing budget. Capital programme will ensure continuing planned maintenance.
Various transport savings – revise dial-a-ride scheme and Wrekin Connect, changes to bus services	Roads and transport highlighted by public as a priority for saving money ('spend and save' consultation) due to size of existing budget.
Concessionary travel – revert to mandatory concessionary travel service	This proposal relates to half an hour a day between 9.00-9.30am. When this extension was originally proposed, less than half of the Community Panel (46%) thought it was important.
Various environmental maintenance savings – reduced shrub-bed maintenance and reduced frequency of grass cutting and road sweeping	Environment and waste highlighted by public as a priority for saving money ('spend and save' consultation) due to size of existing budget.
Various recycling savings – including removal of bring banks (in pub/supermarket car parks)	Environment and waste highlighted by public as a priority for saving money ('spend and save' consultation) due to size of existing budget. Less need for bring banks due to improvements to kerbside recycling service, including kerbside plastic recycling.
Review non-mandatory milk provision in schools asking parents to opt-in to the scheme rather than provide milk which ends up being wasted.	Telford & Wrekin is one of only 3 councils in the country which exceeds the mandatory provision for school milk. Currently, 20-25% of milk is not drunk and has to be disposed of.

Work is also underway to identify savings of £1.2m to offset (partially) the loss of £2.4m grants that have been classed as “non front line schools grants”. These proposals will count towards the relevant service areas’ 20% savings targets but it is intended that they will be implemented early and make an upfront contribution to the savings target for next year – a key approach will be to ask schools if they wish to purchase services which were previously funded from these grants.

The Council has built up a significant reserve since 2007/08 towards the costs of single status. There remains a considerable amount of work to be done before actual implementation which will not be within the 2011/12 financial year. The position is regularly monitored and if it is considered that additional funds need to be allocated then these can be built into the budget for 2012/13. Not making additional provision during 2011/12 will generate a benefit of around £2.8m on the General Fund and a further benefit of around £0.2m on the Dedicated Schools Grant funded budget. The ongoing provision for the single status settlement is however still provided for in future years.

As reflected in 2010/11 financial monitoring reports, considerable work has already been undertaken in the current financial year pulling the implementation of savings proposals forward and implementing restructures early as reported through financial monitoring. Around £1.5m (£0.6m from non-staff budgets and £0.9m from staffing budgets) will be available from this early action as a one-off contribution towards the budget strategy for next year. In addition, work has been undertaken to challenge VAT payments from the early 1990s due to an error in the legislation. In total, a number of claims for VAT refunds have been made and around £1.7m is expected to be available to be carried forward and used as a one-off benefit in 2011/12.

A review of other one-off benefits that are available has been undertaken in order to offset the front loading of the grant reductions and to allow the savings from restructures and the service reviews to feed through. It has been possible to identify a surplus on the collection fund account, surplus dividends from the Council's investment in West Mercia Supplies and an over-provision for bad debts. In total these will generate around £2.2m to help balance the budget for 2011/12 and avoid the use of General Fund balances.

Work is underway to identify what, if any, scope is available to help partially offset rising Adult Care & Support pressures from the PCT funding of £2.1m to be allocated for joint use by the Council and NHS Telford & Wrekin (PCT) in 2011/12 under the national initiative. However, at this stage no additional benefit has been assumed from this funding until there is greater clarity around its use from the Secretary of State for Health. This same funding currently appears in both NHS and Local Government spending totals!

#### **4.4.4 Base Budget, Council Tax and Balances**

A summary of the Base Budget position is included at Appendix 6 which shows a net base budget of £130.851m for 2011/12 giving a base budget funding gap of £4.97m before the grant reductions.

The medium term financial strategy put forward recommends that the Council does not increase Council Tax for 2011/12. This continues the recent policy of seeking to reduce the year on year rate of council tax increase. It will also enable the Council to benefit from the grant of £1.4m, equivalent to a 2.5% council tax increase offered by the Government which will be forgone if the Council sets any level of increase.

Council Tax in Telford & Wrekin in 2010/11 is again the lowest in the Midlands region for the services this Council provides (£129 lower than the Midlands average at Band D in 2010/11). It is also significantly below the national average for other unitary authorities (£115 lower than the unitary authority average at Band D in 2010/11). With no increase proposed, we do not envisage any significant change in this position. A chart comparing the level of Council Tax for services provided by this authority to that charged in other parts of the Midlands is attached as Appendix 7.

Appendix 8 summarises the overall balances position of the Council after taking account of the various earmarked reserves and the risks faced by the Council. This shows around £4.2m available as part of medium term budget

strategy considerations after setting £1.1m aside to supplement the base budget contingency of £1.6m on a one-off basis in 2011/12 and the transfer of the remaining £0.8m revenue Invest to Save funds to the redundancy costs provision. The considerable uncertainties faced next year will need to be allowed for in any strategy and an adequate contingency is therefore required. A contingency at this level will help us deal with unexpected variations or some delay in implementing savings proposals. As previously explained, no allowance has been made for any inflation or pay awards over the period of this strategy apart from an amount which has been earmarked to offset known income shortfalls and contractually committed inflation. This is currently held centrally pending confirmation of the minimum amounts that will need to be allocated to services in order to achieve a realistic budget during these years.

#### 4.5 MEDIUM TERM GENERAL FUND STRATEGY - SUMMARY

<b>Projected Budget Gap</b>	<b>11/12 £m</b>	<b>12/13 £m</b>	<b>13/14 £m</b>	<b>14/15 £m</b>
Base Budget gap See Appendix 6	5.0	10.1	12.7	13.7
Formula grant loss - excludes council tax increase grant for 2011/12	8.8	14.4		
Other grant losses	4.8	4.5		
Total assumed grant loss (per CLG DEL announced in CSR)			19.2	23.7
Investment in Looked After Children Placements	1.4	1.4	1.4	1.4
<b>Sub total</b>	<b>20.0</b>	<b>30.4</b>	<b>33.3</b>	<b>38.8</b>
Savings proposals including additional income – see Appendix 5 (after estimated leakage and <b>net of social care investment of £1.6m</b> )	-8.1	-12.6	-15.5	-15.5
Savings from staff restructure (after estimated leakage)	-5.1	-13.1	-14.4	-14.4
<b>Total Projected Budget Shortfall before use of balances and Council Tax increases</b>	<b>6.8</b>	<b>4.7</b>	<b>3.4</b>	<b>8.9</b>
Usage of Specific One Offs <ul style="list-style-type: none"> <li>• Suspend contribution to single status provision on one-off basis</li> <li>• Council tax surplus</li> </ul>	(2.8)			
	(1.2)	(0.3)	(0.3)	(0.3)
<b>Restated shortfall before use of general balances and council tax increases</b>	<b>2.8</b>	<b>4.4</b>	<b>3.1</b>	<b>8.6</b>
Council Tax grant = 2.5% increase for 2011/12	(1.4)	(1.4)	(1.4)	(1.4)
<b>Remaining gap – to be found from use of balances / further savings or council tax increases</b>	<b>1.4</b>	<b>3.0</b>	<b>1.7</b>	<b>7.2</b>

As previously stated, a major review of the local government finance system is expected to be undertaken in 2011/12 which is why detailed figures have only been made available by the Government for two years. Projections for 2013/14 and 2014/15 therefore have a high degree of uncertainty.

#### **4.6 DEDICATED SCHOOLS GRANT**

As part of the Local Government finance settlement The Department for Education (DfE) has announced a Dedicated Schools Grant (DSG) one year budget settlement for schools including the mainstreaming of relevant grants into the DSG. Approximately 90% of the base DSG funding is delegated to schools with the remainder being retained for central expenditure on pupils relating, in the main, to Special Educational Needs (SEN) including behaviour. All of the DSG relating to the mainstreamed grants previously delegated to schools will be delegated in 2011/12.

The DSG amount is based on a guaranteed unit of funding per pupil (GUF). The proposed 2011/12 allocation is based on the same GUF as that of 2010/11 increasing only by the amount of per pupil mainstreamed grant received. For Telford and Wrekin the 2011/12 GUF is £4,854 comprised of the existing 2010/11 figure of £4,219 plus £635 per pupil grant.

In addition a new Pupil Premium has been introduced for deprived pupils. This is a flat rate of £430 per deprived pupil applicable nationally and will be paid to Local Authorities as a specific grant and passported to schools. The national allocation of this premium is £625m in 2011/12 rising to £2.5bn by 2014/15. The amount received by Local Authorities will be driven by the January pupil census and current eligibility for free school meals although there are aims to extend the coverage of this premium to pupils formerly eligible for free school meals in 2012/13 onwards. Telford & Wrekin current estimates indicate a total grant of approximately £1.8m for Pupil Premium but this is an early estimate and January census data will be required to provide a more accurate forecast.

In line with previous years the DfE also sets a per pupil minimum funding guarantee. However, unlike previous years, the guarantee is set at a negative level, to ensure no school has a reduction in its budget of more than 1.5% per pupil before any Pupil Premium is applied. The impact of the minimum funding guarantee and the additional Pupil Premium will have varying effects on our schools depending on the number of deprived pupils on roll. Some schools with minimum levels of deprived pupils will experience real reductions to their funding, some will stand still at 2010/11 levels and some with high numbers of deprived pupils will attract additional funding. Schools will be held accountable by the Government for how they use the allocated premium by setting new measures within the performance tables and requiring schools to publish on-line how they have used the premium. However, the pupil premium will not be ring fenced at school level.

The Government have also introduced the operation of a cash floor at local authority level to ensure the protection of Councils with falling pupil numbers. For 2011/12 this has been set at the level of minus 2%. Whilst Telford &

Wrekin, on latest estimates, anticipate a fall in pupil numbers, particularly within the secondary sector, we do not anticipate the level of reduction triggering the operation of the cash floor mechanism.

The Government plans to undertake a full review of the schools funding system for future years as outlined within the White Paper "The Importance of Teaching" and as a result have issued only a one year settlement compared to the two year allocation published for all other Local Authority services. This will limit the ability of authorities to plan ahead due to the uncertainty of funding for the following year.

Since 2009/10, Telford and Wrekin schools have experienced a cumulative reduction of over £2million in DSG funding due to falling pupil numbers. This has had a significant impact on funding for a number of our schools with falling rolls. The precise funding loss in 2011/12 will only be available once the January 2011 census has taken place and changes in the methodology of the pupil counts have been incorporated. However, it is clear that some secondary schools, in particular, will once again experience significant reductions in funding due to lower pupil numbers.

The settlement received is much tighter than previous years and some of our schools will face difficult decisions to balance their budgets. Discussions have already begun with the Schools Forum to assess the full implications of the mainstreaming of grants and what action may need to be taken to alleviate any negative impact if considered appropriate. The deletion by the Government of £2.4m of "non-front line schools grants" which were previously paid to the Council will also add pressure to schools budgets as many of these services will have to be withdrawn unless a charging mechanism can be put in place whereby schools pay for those services that they wish to continue to receive. An assumption has been made within the Council's General Fund budget strategy that £1.2m of income will be generated from schools or reductions in services made during 2011/12 to partially offset this reduction. Further work will need to be undertaken on budget modelling to assess the specific financial impacts of the overall settlement and any proposed actions will form part of the overall Education Budget Strategy.

The Education Budget Strategy considers only those areas of expenditure funded by the Dedicated Schools Grant. This grant also funds expenditure on the various central education services. As the total DSG is driven by pupil numbers any reduction in pupil numbers also reduces the amount of funding available to meet the costs of 'Central' expenditure items. The Council's overall process to identify and deliver savings of 20% as part of the Council's budget strategy incorporates the DSG budgets which will assist in mitigating the impact of any loss of funding. Any pressures relating to areas funded by DSG also need to be considered. The current work on budget modelling for 2011/12 indicates a continuing pressure on Special Education placements and support amounting to just over £500k which will need to be considered within the Education Budget strategy.

#### **4.7 NEXT STEPS & TIMETABLE**

As in previous years, engaging and communicating with the community on our future plans will be a key part of the budget process. We will be asking for views on our investment and savings packages and the proposed Council Tax freeze. We will also start to seek views on what our priorities should be in future years.

Our approach is to begin engagement immediately after the publication of the draft budget strategy on 31<sup>st</sup> December 2010. Our engagement plan, which is set out in Appendix 2 includes:

- A postal survey of the Community Panel;
- Meetings with a wide range of groups and organisations;
- 'Your Money, Your Views' – a consultation document summarising the main budget proposals;
- Online 'spend and save' consultation;
- Formal consultation with Scrutiny Committees.

We will also be carrying out a full impact assessment (to be published alongside the final report) to identify what action we can take to remove or reduce any adverse impacts of our final proposals.

Final proposals will be considered by the Council's Cabinet on 22<sup>nd</sup> February 2011 and full Council will consider the recommendations from Cabinet and Scrutiny / Opposition Groups on 3<sup>rd</sup> March 2011.

#### **5. BACKGROUND PAPERS**

- Comprehensive Spending Review Announcements – Treasury Website
- Revenue Support Grant Settlement Announcement – CLG Website
- Service & Financial Planning Report to Cabinet – 8<sup>th</sup> December 2010

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**BUDGET ENGAGEMENT RESPONSES**

**1. WHO HAVE WE TALKED TO?**

The draft strategy set out in this report has been informed by a wide-ranging engagement programme with the local community about their priorities. This started in December 2009 and has continued throughout 2010. This has included:

- Engagement events in the Borough Towns (Newport, Madeley, Wellington, Oakengates and Dawley) – 455 people took part in an exercise prioritising some of our key services (December 2009)
- A postal survey of the Community Panel of 1350 local residents (534 responses, 40% response rate) (January 2010)
- ‘Your Money, Your Views’ – a budget consultation document (275 responses) (January 2010)
- Meetings with external and internal stakeholder groups (various dates), including:
  - Parishes Forum
  - Voluntary and Community Forum
  - Chamber of Commerce
  - Young People’s Forum
  - Connecting Communities Group
  - Rural Forum
  - Disabilities Forum
  - Local Strategic Partnership Executive
  - Head Teachers/Diocesan Representatives
  - Joint Information and Consultation Forum (JICF) – Trade Unions
  - Corporate Employee Focus Group
  - Senior Citizens’ Forum
- £££s for Projects (July/August 2010) - at the same time as talking to people about the budget, we have been encouraging them to take part in £££s for Projects. The votes from £££s for Projects provide useful information about people’s spending priorities at a local level (3,000 votes received);
- ‘Spend and Save’ Exercise (June 2010 onwards) – 110 people have taken part to date in an exercise that involves spending an additional £2m and saving £5m from a range of services (this exercise is ongoing and will be launched online at the end of October).

Section 2 of this appendix summarises the responses received to date that relate to:

- Spending Priorities – day to day services, long-term investments and ‘local’ priorities (identified through £££s for projects); and
- Savings Options.

## 2. WHAT DID PEOPLE TELL US?

### 2.1 SPENDING PRIORITIES

#### a) Running Day to Day Services

In January 2010, the Community Panel were asked to consider the importance of 12 day to day services and to prioritise which 5 were most important to the community overall. We also ran a similar service prioritisation exercise in the Borough Towns and at most of our consultation meetings (more than 600 people took part in total). Everyone who took part was given 5 tokens (each worth £100,000) to 'spend' on the service or services that they thought were most important.

**Table 1 – Service Priorities (January 2010)**

Service	% of Panel who identified as a 'Top 5' priority	Overall service rankings from all events and meetings
Maintenance of roads, pavements and street lights	67%	4
Crime and safety	66%	1
Social services for disabled adults and older people	57%	2
Education	54%	3
Waste collection and recycling	51%	8
Social services for children	48%	5
Environmental maintenance	40%	9
Transport	32%	7
Housing	30%	6
Leisure and culture	23%	10
Economic development/support for local business	19%	11
Benefits advice	6%	12

Table 1 highlights some differences between the results for the Community Panel and the overall results of the service prioritisation exercise carried out at consultation events and meetings. For example, compared to people who took part in meetings and events, the Community Panel appear to place:

- More importance on 'environmental services', such as maintenance of roads, pavements and street lights and waste collection/recycling; and
- Less importance on housing.

However, there does appear be broad overall agreement that the 4 highest service priorities are:

- **Crime and safety**
- **Maintenance of roads, pavements and street lights**
- **Social services for disabled adults and older people**
- **Education**

And the 3 lowest service priorities overall appear to be:

- Leisure and culture
- Economic development/support for local business
- Benefits advice

Since June 2010, we have also been running a more complex 'spend and save' exercise. This gives people taking part information about how much money is spent on 10 of our main service areas and asks them to decide how to 'spend' an additional £2m.

In terms of 'spending' money (Table 2), the top priorities were:

- **Adult Social Care**
- **Children's Social Care**
- **Community Protection**
- **Support for Schools**

Housing & Regeneration and Leisure & Culture were the two lowest ranked priorities in terms of 'spending' money.

**Table 2 – 'Spend' Priorities (October 2010)**

<b>Service Area (Revenue Budget)</b>	<b>Amount 'Spent' (£m)</b>	<b>Rank</b>
Adult Social Care (£35m)	£36m	1
Children's Social Care (£19m)	£35m	2
Community Protection (£3m)	£26m	3
Support for Schools (£2m) e.g. - Raising school standards and improving behaviour and attendance - Helping children with Special Educational Needs	£25m	4
Other Children and Young People's Services (£6m) e.g. - Play schemes and activities - Children's Centres (0-5 years) - Youth service	£17m	5=
Jobs and the Economy (£2m)	£17m	5=
Roads and Transport (£14m)	£16m	7
Environment and Waste (£13m)	£15m	8
Leisure & Culture (£5m)	£13m	9
Housing & Regeneration (£3m)	£12m	10

These results are fairly consistent with the previous exercise in January 2010, although it should be noted that the list of services are not exactly the same. The main differences with the 'spend and save' exercise (where people had information about how much was spent on services) appear to be a higher priority attached to Children's Social Care and a lower priority attached to 'environmental services'. Feedback from participants was that these 'environmental' services already had relatively large budgets and therefore did not need additional funding.

## b) Long-Term Infrastructure Investments

In January, the Community Panel were asked for their views on a range of 10 longer-term (capital) investments. Results are shown in Table 4 at the end of this Appendix.

In addition, people who attended consultation meetings were asked in groups to agree the 5 most important long-term investments from the same list of 10, giving reasons for their choices (see also4).

The area that caused the most discussion at consultation meetings was priorities for regenerating the Borough. Table 4 suggests that there is significantly more support for regenerating the **Borough Towns** (83%, ranked as top priority at consultation meetings) than redeveloping **Telford Town Centre** (38%, ranked 7<sup>th</sup> priority).

In the consultation meetings, it was clear that some people feel that there is a clear choice to be made between regenerating either the Town Centre or the Borough Towns – a number of people talked about the Town Centre and the large retail parks being ‘competition’ for smaller businesses in the Borough Towns. The other main reason for the strong level of support for Borough Towns appears to be that people identify more and feel a greater sense of community in their ‘local’ centre’.

27 Community Panel/‘Your Money, Your Views’ respondents commented specifically that they did not think we should be prioritising the Southwater development (particularly new Civic Offices) in the current economic climate. Most of these people did not object to the re-development itself but the timing of it.

Views about regenerating the **New Town Estates** also vary - 65% of Community Panel members support this initiative and 13% oppose it. Although some people feel that a lot of money has already been spent on these areas, particularly South Telford, there also appears to be a general acceptance that there is a need to improve these areas.

Almost three-quarters (72%) of the Panel support the creation of new **Sports & Learning Communities** (this was ranked as the 3<sup>rd</sup>= highest priority overall at consultation meetings).

The issue of **housing** also generated much debate. Interestingly, there appears to be stronger support for Extra Care housing (88%, ranked 2<sup>nd</sup> priority at consultation meetings) than supporting the building of new homes (64%, ranked 6<sup>th</sup> priority). The main reasons for this appear to be concerns about the number of new houses being built, particularly in rural/‘green’ areas and a view that the Council should not get involved in house-building.

Table 4 also shows high levels of support amongst the Community Panel for investing more in **roads and pavements (97%), street lights (88%), improving recycling (81%) and parks/play areas (74%)**. However, at consultation meetings, opinion was divided about the relative importance of these investments. For example, street lights were ranked as the least important priority overall, although the Disabilities Forum placed relatively more importance on this due to safety concerns. Recycling was ranked as 9<sup>th</sup> priority overall, many people expressing the view that we already have an excellent recycling service.

## c) Local Priorities

The responses received through £££s for Projects (more than 3,000 in total) give a useful insight into people's spending priorities at a local, neighbourhood level. The top ten categories of suggestions (with examples of what these categories included) were:

- **Children and young people activities** (325 votes) – activities for youth, under 5s and children with disabilities, holiday and after school activities;
- **Clean up activities** (260 votes) – street and pavement cleaning, clean up of dog fouling, graffiti, bus shelters and wasteland, litter picking;
- **Community gardens** (259 votes) – including allotments;
- **Parks** (240 votes) – including lighting, walking/games areas, skate park;
- **Children and young people facilities** (188 votes) – youth clubs and cafes, shelters and meeting areas, free nursery places and IT facilities;
- **Planting schemes** (157 votes) – hanging baskets, tree planting;
- **Road/pavement repairs** (153 votes) – potholes, dropped kerbs, repainting road markings, road drainage;
- **Sports and leisure facilities** (138 votes) – courts/areas for ball games, BMX/bike tracks, bowling greens, football pitch posts and nets, sports equipment for older people and improvements to swimming pools;
- **Community celebrations** (121 votes) – music, art, literary and cultural festivals, spring fair;
- **Community accommodation** (117 votes) – improvements to community buildings, halls and car parks, drop in advice centre/community cafe, more council garages.

The top ten categories account for around 65% of the total. In contrast to the results of the 'spend and save' exercise (see Table 2), there appears to be more emphasis at a local level on activities and facilities for children and young people and environmental improvements.

## **2.2 SAVINGS OPTIONS**

In January, we also asked people to put forward any ideas they had for savings options. We received 308 responses from 'Your Money, Your Views'/Community Panel including<sup>1</sup>:

### **Reduce employee/Councillor costs**

- Get rid of more senior managers/non-essential jobs (26)
- Reduce Councillor expenses (21)
- Reduce/freeze employees' pay (17)
- Stop final salary pensions and other benefits (10)
- Use volunteers/people doing community service for environmental maintenance etc. (7)
- Manage poor performance (5)

### **Cut out red tape/waste**

- Reduce the frequency/quality of publicity material and review use of translation/interpretation (23) and less consultation (5)
- Buy less stationery/furniture/ICT (13)
- Reduce printing and postage (12)
- Stop all refreshments/lunches/hospitality (9)
- Less meetings (8)

### **Reduce/change services**

- Reduce the number of street lights or use more energy efficient lights (21)
- Reduce/review traffic lights/management (12)
- Proactive road surfacing i.e. do the job properly the first time to save patching several times later (invest to save) (5)

### **Bring more money in**

- Increase fees and charges (13), particularly introduce a small charge for bus passes (6)
- More fines/penalties for people who litter, don't recycle etc. (7)
- Sell land/assets (8)

### **Get the best price for services**

- Outsource/contract out services e.g. catering and review existing contracts e.g. TWS (6)

All issues raised 5 or more times shown (full results will be put on the Council's Website at the end of the consultation period)

Very few of these suggestions related to services provided directly to the public. Therefore, as part of the 'spend and save' exercise we have been asking people to save £5m from a list of 10 services (again providing them with information about how much is spent on these services).

In terms of 'saving' money (Table 3), the top priorities were:

- **Adult Social Care**
- **Roads and Transport**
- **Environment & Waste**
- **Leisure & Culture**

The majority of people reluctantly prioritised Adult Social Care for savings, because of the scale of the budget compared to other areas. Similarly, roads and transport and environment and waste were areas that people felt were important, but where further savings/efficiencies could be made. Support for schools was the lowest ranked priority in terms of 'savings'.

**Table 3 – ‘Savings’ Priorities (October 2010)**

<b>Service Area (Revenue Budget)</b>	<b>Amount ‘Saved’ (£m)</b>	<b>Rank</b>
Adult Social Care (£35m)	£112m	1
Roads and Transport (£14m)	£83m	2
Environment and Waste (£13m)	£73m	3
Leisure & Culture (£5m)	£70m	4
Jobs and the Economy (£2m)	£46m	5
Housing & Regeneration (£3m)	£44m	6
Other Children and Young People’s Services (£6m) e.g. - Play schemes and activities - Children’s Centres (0-5 years) - Youth service	£41m	7
Children’s Social Care (£19m)	£23m	8
Community Protection (£3m)	£20m	9
Support for Schools (£2m) e.g. - Raising school standards and improving behaviour and attendance - Helping children with Special Educational Needs	£18m	10

**Table 4 – Long-Term Investment Priorities (January 2010)**

<b>Proposed Investment</b>	<b>% of Panel who strongly supported or supported</b>	<b>Overall ranking (consultation meetings)</b>	<b>Examples of comments and reasons for prioritisation (consultation meetings)</b>
Invest more in roads and pavements	97%	3=	“please repair the crumbling infrastructure”, “ice/frost has caused damage”, “save money – prevent accidents”, “make easier for disabled people”, “people’s morale affected by shabbiness”, “should include public footpaths and bridleways”, “everyone uses”
Extra care housing	88%	2	“Need a lot more money – ageing population, demand will increase”, “deaf people need to have specialist accommodation ... and not become isolated”, “looking after those who need help – better quality of life for elderly and disabled”, “need to live independently”
Invest more in street lighting	88%	10	“Really important for older people and deaf people who rely on their eyes”, “helps to feel safe”
Improve Borough Town Centres	83%	1	“Places where you can have more specialist shops and community facilities as well”, “heart of local communities”, “their inhabitants deserve and need to see that their neighbourhood is in its own way as valuable and valued as the Town Centre”, “improve local economy”, “support smaller business”, “everyone has an affinity with one of the six”
Improve recycling facilities	81%	9	“Save the planet!”, “save landfill costs/tax”, “extend to business/industry”
Improve parks and play areas	74%	8	“We need to maintain along with areas for wildlife”, “giving people something to do – reducing crime”, “people enjoying their environment”, “no more development on green places, access to all”
Create new Sports & Learning Communities	72%	3=	“Schools should have dual roles”, “more things for children and young people to do”, “more schools like Hadley Learning Community”, “investing in children and young people for the future”, “local communities can benefit from facilities”, “sport important”
Improve New Town Estates	65%	3=	“Because some of them are becoming physically run-down and need restoration”, “reducing stigma and reputation”, “reducing crime”, “improving places we live and community pride”, “improve existing housing prior to building more”
Support more new homes	64%	6	“To help local people stay local”, “should be more cheaper, rented accommodation and social housing”, “especially rural

			areas and make sure there are more affordable homes”, “happy home helps to maintain happy family”, “growing town – low wage area”
Re-develop Telford Town Centre	38%	7	“Attract people to visit – late night opening/entertainment like ‘Star City’ in Birmingham”, “to improve the economy”, “because it is merely a shopping complex not a town centre”, “Telford needs a ‘heart’”, “create community spirit”, “bring in new wealth, image, attract new businesses”