

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 31st May, 2012 at 5.00 p.m. at the Civic Offices, Telford

PUBLISHED ON WEDNESDAY, 6th JUNE, 2012

(DEADLINE FOR CALL-IN: MONDAY, 11th JUNE, 2012)

PRESENT: Councillor K.S. Sahota (Leader and Chair), E.A. Clare, S. Davies, A.R.H. England, W.A.M. McClements, R.A. Overton, H. Rhodes and C.F. Smith

ALSO PRESENT: Councillor S. Bentley (substitute for Conservative Group Leader) and Councillor W.L. Tomlinson (Lib Dem/Independent Group Leader)

CB-1 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 26th April 2012 be confirmed and signed by the Chairman.

CB-2 APOLOGIES FOR ABSENCE

Councillor P.R. Watling and Councillor A.J. Eade (Conservative Group Leader)

CB-3 DECLARATIONS OF INTEREST

None

CB-4 WASTE MANAGEMENT SERVICES PROCUREMENT

Key Decision identified as **Waste Management Procurement** in the Forward Plan published on 16th March 2012.

Councillor S. Davies, Cabinet Member: Neighbourhood Services & Co-operative Council, presented the report of the Assistant Director: Environment & Leisure which proposed the commencement of a formal procurement process for Waste Management Services.

Further to the report to Cabinet in February 2012, a market sounding event was held to canvass industry views on the most cost effective and flexible way for the future delivery of the Council's waste management service. Further work had been undertaken on the scope and framework of a future contract, details of which were appended to the report. It was proposed that all the existing contracts that expired between 2014 and 2019 be procured together now through a single process in order to maximise synergies and minimise procurement costs. An overview of the proposed procurement process was appended to the report. In order to allow the single procurement of all existing

contracts, it was proposed to extend by one year (to April 2014) the current residual/municipal waste disposal to landfill contract.

Bids for services were to be evaluated in 3 lots to attract market interest and maximise competition. It was proposed that a 20 year contract (commencing in 2014) would provide best value to the Council, with services being phased-in as current contracts ended in the period up to 2019. To ensure the new contract remained flexible and efficient, a benchmarking review would be undertaken up to every 5 years. Part of the contract provided for the provision (by the appointed contractor) of a waste transfer station, which was seen as necessary in order to minimise costs from landfill tax. During the procurement process, the Council would assess the options for a waste transfer station site and monitor the proposals put forward by the bidders.

Councillor S. Bentley (Conservative Group) expressed a number of reservations about the proposals, which he felt would not benefit the Council. The potential revenue streams to the Council from the processing and recycling of waste had not been explored, and it was suggested that Scrutiny should examine the issue before the Council went to the procurement stage. The Cabinet Member advised in response that a lot of work had taken place in preparing this strategy, which was informed by experts within the waste management field. In terms of the provision of a waste transfer station, advice was clear that the risk should be with the private sector, and that the Council did not have the money to build such a facility without incurring more significant borrowing costs. Given the pressure to reduce the amount of waste going into landfill, it was important to get on with the procurement process now.

RESOLVED –

- (a) that the commencement of a formal procurement process for Waste Management Services, as detailed in the report and its appendices, be approved;**
- (b) that authority be delegated to the Assistant Director: Environment & Leisure, in consultation with the Cabinet Member for Neighbourhood Services & Co-operative Council and Cabinet Member for Resources & Service Delivery, to progress the procurement process until the Council is in a position to award the contract;**
- (c) that it be noted that a further report will be brought back to Cabinet detailing the outcome of the procurement process and to seek approval to award the contract at the appropriate time;**
- (d) that the current residual/municipal waste disposal to landfill contract be extended by one year to April 2014, for the reasons outlined in the report;**

- (e) that authority be delegated to the Assistant Director: Law, Democracy and Public Protection to execute any documents necessary to give effect to the above recommendations;
- (f) that £0.27m available from Environment Services underspends in 2011/12 be allocated to fund project costs.

**CB-5 PLANNING FOR SCHOOL PLACES – HOLLINSWOOD
INFANT AND JUNIOR SCHOOLS**

Key Decision identified as **Planning for School Places – Hollinswood Infant and Junior Schools** in the Forward Plan published on 10 May 2012.

Councillor W.A.M. McClements, on behalf of the Cabinet Member: Children, Young People & Families, presented the joint report of the Assistant Director: Education, Culture & Skills and the Assistant Director: Family & Cohesion Services which sought approval to consult stakeholders on the possibility of a school merger to establish one primary school to replace Hollinswood Junior and Hollinswood Infant Schools.

The Headteacher at Hollinswood Infant School had submitted formal resignation from the end of the summer term 2012. It was therefore proposed to apply the Council's policy on infant and junior school provision to consider the options available following consultation with stakeholders. One option was the merger of the Infant School with Hollinswood Junior School. Initial discussions had been held with headteachers and governors to explain the timetable and process necessary for consultation to take place in time for any possible changes to take effect from January 2013.

In response to a question about what would happen to the current school sites if a merger took place, the Assistant Director: Education, Culture & Skills advised that the two sites were only 50 yards apart and so the buildings on both sites would probably be retained as part of a single school.

RESOLVED –

- (a) that authority be delegated to the Assistant Director: Education, Culture & Skills to engage in formal consultation with key partners and stakeholders regarding the possible merger of Hollinswood Infant & Hollinswood Junior Schools;
- (b) that a further report on the outcomes of consultation be brought to the Cabinet meeting on 26th July 2012.

CB-6 ANNUAL GOVERNANCE STATEMENT 2011/12

Non-Key Decision

Councillor R.A. Overton, Deputy Leader, presented the joint report of the Assistant Director: Finance, Audit & Information Governance and the

Monitoring Officer, attached to which was the draft Annual Governance Statement for 2011/12.

Under the Accounts & Audit Regulations 2011, the Council was required to produce an Annual Governance Statement, and it was best practice that it was signed by the Leader and Managing Director of the Council. The Statement included an action plan to ensure that the Council continued to improve its existing governance arrangements into 2012/13. The action plan attached to the 2010/11 statement (implemented during 2011/12) had been reviewed and updated and was appended to the report.

The Annual Governance Statement outlined that the Council had been adhering to its Local Code of Corporate Governance, continually reviewing and improving its procedures to maintain and demonstrate good corporate governance. The Council could be assured that during 2011/12, including during the organisational changes, the existing governance framework had continued to support proper governance. Assurance for the Annual Governance Statement was provided by all areas of the Council including senior management, Members, the Chief Financial Officer, the Monitoring Officer and internal audit.

RESOLVED – that the Annual Governance Statement 2011/12, as shown at Appendix A of the report, be agreed.

CB -7 REPRESENTATION ON OUTSIDE BODIES 2012/13 – ENGLISH SEVERN & WYE REGIONAL FLOOD & COASTAL COMMITTEE

Non-Key Decision

Councillor R.A. Overton, Deputy Leader, presented the report of the Assistant Director: Law, Democracy & Public Protection, which requested Cabinet to make a Member appointment to the newly established English Severn & Wye Regional Flood & Coastal Committee.

The English Severn and Wye Regional Flood & Coastal Committee (RFCC) had been established by the Environment Agency under the Flood and Water Management Act 2010, and replaced the former Severn Trent RFCC. The new RFCC consisted of a chair appointed by the Minister for Environment, Food & Rural Affairs, eight Local Authority representatives, and six persons appointed by the Environment Agency. As a Lead Local Flood Authority, Telford & Wrekin was entitled to appoint one representative to the new RFCC.

The main list of appointments to outside bodies for 2012/13 would be considered by Cabinet at its 28 June meeting. However, this appointment was being considered before then because the Environment Agency had requested confirmation of the Council's appointee to the RFCC by 1 June. Group Leaders had been asked to submit any nominations for this appointment. One nomination, for Councillor H. Rhodes, had been received.

RESOLVED – that Councillor H. Rhodes be appointed as the Council's representative on the English Severn and Wye Regional Flood & Coastal Committee for 2012/13.

CB-8 UPDATE ON CONFIGURATION OF HOSPITAL SERVICES IN SHROPSHIRE, TELFORD & WREKIN

The Leader welcomed Adrian Osborne (Communications Director) and Chris Needham (Associate Director of Estates) from the Shrewsbury and Telford Hospital NHS Trust, who were present to give an update to Members on the reconfiguration of hospital services.

Mr Osborne stated that the Full Business Case for the reconfiguration proposals was last week approved by the Strategic Health Authority. This meant that detailed work could now start on the new Women and Children's Unit at the Princess Royal Hospital (PRH), planning permission for which had been granted. Preparation work was also underway on centralising adult inpatient surgery at the Royal Shrewsbury Hospital and moving head and neck inpatient services to the PRH. Feedback from patient and public workshops was being incorporated into a Travel and Transport Plan. Some indicative drawings of the exterior and interior of the new Women and Children's Unit were shown, and it was stressed that patients, families and local groups were being closely involved in the detailed planning and design.

Members welcomed the news that the Full Business Case had been approved, and that the PRH would be getting a fantastic new facility. Councillor W.L. Tomlinson (Liberal Democrat/Ind Group Leader) asked that the Trust and its contractors liaise with local Ward Councillors during the construction period at the PRH, so any issues arising from the work could be addressed. In response, Mr Needham stated that there would be a lot of publicity and information for local residents about what to expect during the construction phase, and local Elected members would be involved in this.

Mr Osborne also reported that the Trust had just appointed Mr Peter Herring as their new Chief Executive. Mr Herring currently worked at the Countess of Chester Hospital, and would be joining the Trust in September. The outgoing Chief Executive, Adam Cairns, would be leaving at the end of June, and interim arrangements would be in place from then until September. Members thanked Mr Cairns for all his work in securing the future of acute health services in Shropshire, Telford & Wrekin, and wished him well for the future.

CB-9 EXCLUSION OF PRESS AND PUBLIC

RESOLVED - that the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

CB - 10 SOUTHWATER ENERGY SERVICES PROVISION

Non-Key Decision

Councillor C.F. Smith, Cabinet Member: Housing, Regeneration & Economic Development, presented the report of the Assistant Director: Development, Business & Housing, which sought approval to appoint a contractor as the Energy Services Provider for the Southwater development.

A central component of delivering a sustainable Town Centre was the creation of a District Heating Network (DHN) which could supply heat and electricity, generated on site, to buildings throughout Southwater. In a previous report to Cabinet in July 2011, it was identified that, once constructed, the Energy Centre (from which the DHN would be operated) and associated pipework would become an asset owned by the Council, which could then be marketed to a service provider. Since then, a comprehensive procurement process had been undertaken, details of which were set out in the report. This included full financial and qualitative evaluations of the submitted tenders.

One of the tenderers had put forward a proposal that would allow the Council to receive rental income, as well as the benefit of energy cost savings. In response to a question, the Cabinet Member advised that District Heating systems were commonplace in many parts of Europe, and were now becoming more accepted in the UK as a means of reducing energy costs.

RESOLVED –

- (a) that the appointment of Vital Energi Utilities Ltd (Vital) as Southwater’s Energy Services provider be approved;**
- (b) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member for Housing, Regeneration & Economic Development, to conclude contract negotiations and enter into a lease with Vital;**
- (c) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member for Housing, Regeneration & Economic Development, to conclude contract negotiations and enter into a Service Level Agreement with Vital Energi Utilities Ltd for the supply of energy to Council owned buildings;**
- (d) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to seal or sign any documents required to give effect to the resolutions above.**

The meeting ended at 5.45 p.m.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Law, Democracy & Public Protection
Date: 6th June 2012

Signed:

Date:

TELFORD & WREKIN COUNCIL

**CABINET – 28 JUNE 2012
COUNCIL – 12 JULY 2012**

SERVICE & FINANCIAL PLANNING REPORT – 2011/12 OUTTURN

**REPORT OF THE ASSISTANT DIRECTOR: FINANCE, AUDIT &
INFORMATION GOVERNANCE (C.F.O.)**

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1.0 SUMMARY OF KEY ISSUES

1.1 2011/12 Financial Outturn

The gross revenue budget for 2011/12 was £409m and the net budget for reporting purposes just over £129m. The revenue outturn position is within budget with a final net underspend of £1.8m (-1.42% of net budget).

It has been a very challenging year with government grant funding being cut by £13.6m and the major programme of restructuring and services reviews, which began in 2010, continuing across all Council services to deliver the level of savings required. The outlook promises to be equally difficult with local government facing a period of significant pressure on resources and increasing demands on services due to the recession. Given this context it is a particularly positive year end position which demonstrates the stringent financial management in place throughout the year and the efforts of employees across the Council to make efficiency savings wherever possible and to deliver planned savings as early as possible. Within the overall position provision has also been made for the £2.1m required as part of the 2012/13 budget strategy and to create an Invest to Save fund totalling £1m (including £0.5m approved at Cabinet in February) which will assist with the delivery of future savings.

The main pressures experienced during 2011/12 were :

- The cost of Adult Social Care purchasing - a net overspend of £0.993m which is after offsetting other funding available from vacancies and one off reserves and additional NHS grants against the impact of the PCT's withdrawal of funding for some cases of continuing healthcare needs and the use of one off balances available in 2011/12. Most of the cost of supporting these people then falls on the Council. It also takes into account the £0.490m one off winter pressure funds announced by the Government in early January.

- The cost of Children in Care – an overspend of £1.5m relating to both placements and the use of agency workers
- The cost of Specialist Education – an overspend of £0.664m relating to stated provision
- Income shortfalls – a shortfall of £1.9m, the majority relating to PIP rentals, planning fees, building control fees and school meals income.

There are benefits from restructure savings, vacant posts, concessionary transport, treasury management and New Homes Bonus (unringfenced grant).

1.2 Capital

Capital spend ended the year at £71m against an approved estimate of £84m which was in the main due to re-phasing into 2012/13.

1.3 Income Monitoring

Council Tax (£59m), business Rates (£65m) and sales ledger income collection (£35m) were slightly behind target for the year.

1.4 General

The draft formal statement of accounts will be available in July as KPMG begin the external audit and will also be available for public inspection for 20 working days from 2 July over the same period.

- 1.5** Summaries of the outturn on revenue and capital along with major variations are shown as appendices.

2.0 RECOMMENDATIONS

2.1 In relation to the 2011/12 Financial Outturn, Members are asked to approve the following recommendations which will go forward to Full Council for approval:

- (i) The Revenue outturn position and related virements in Appendix III for 2011/12 which is subject to audit by the Council's external auditors. This includes the following transfers into provisions and reserves: £2.145m to support the 12/13 budget strategy; £1m to create an Invest to Save Fund (including the £0.5m approved in February's financial monitoring); £0.330m to support Council Wide Capacity/Training; £1.5m to fund severance costs associated with the delivery of ongoing revenue savings; £0.400m to address Environmental issues.
- (ii) Authority to approve bids against the Capacity and Environmental works reserves be delegated to the Managing Director after consultation with the Cabinet Member for Resources and Service Delivery.

(iii) **Approve the Capital outturn position and related supplementary estimates, virements and re-phasing shown in Appendix IV as summarised in the report.**

(iv) **Note performance against income targets**

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Delivery of all priority objectives depend on the effective use of available resources. Financial management ensures best use of resources.
TARGET COMPLETION/DELIVERY DATE	Outturn forms the basis of the formal statement of accounts which are audited during July and will be published by the end of September.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed throughout the report.
LEGAL ISSUES	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and take action if overspends /shortfalls emerge. There is a requirement to publish the Statement of Accounts by the end of September.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough Wide

4.0 PREVIOUS MINUTES

03/03/11 – Full Council, Service & Financial Planning Strategy

26/7/11 – Cabinet, 2011/12 Financial Monitoring

20/10/11 – Cabinet, 2011/12 Financial Monitoring

24/11/11– Council, 2011/12 Financial Monitoring

22/12/11 – Cabinet, 2011/12 Financial Monitoring

23/2/12 – Cabinet, 2011/12 Financial Monitoring

PART B) – ADDITIONAL INFORMATION

5.0 2011/12 REVENUE BUDGET

5.1 The Council had a gross revenue budget of £409m for 2011/12 and the final net revenue outturn position is as follows (a summary is provided in Appendix I):

	£m
Net Budget	129.452
Net Expenditure	127.609
Net Underspend	-1.843
Percentage Net Variance	-1.42

5.2 Variations by Service Delivery Unit are summarised below and further detail is provided in Appendix II.

Service Area	Budget	Outturn	Variance
	£	£	£
Safeguarding	17,961,780	19,602,997	1,641,217
School Improvement	4,889,410	7,950,582	3,061,172
Family & Community Services	15,574,260	13,703,142	(1,871,118)
DSG	0	281,931	281,931
Property & ICT	(3,870,190)	(3,075,954)	794,236
Economy & Skills	3,044,650	2,884,352	(160,298)
Environmental Services	27,606,760	26,651,511	(955,249)
Housing & Planning	5,017,740	4,879,184	(138,556)
Care & Support	43,808,166	44,801,584	993,418
Customer, Leisure & Libraries	8,939,090	8,046,820	(892,270)
Governance	679,350	285,179	(394,171)
Finance	0	(424,770)	(424,770)
Core Services	1,175,590	805,603	(369,987)
Council Wide	4,625,334	(4,158,082)	(8,783,416)
Total Projected Variation	129,451,940	122,234,079	(7,217,861)
Required for 2012/13 budget strategy - Approved at Full Council in March 2012		2,145,000	2,145,000
Creation of Invest to Save Fund - £0.5m approved at Cabinet in February 2012		1,000,000	1,000,000
Creation of Council Wide Environmental Fund		400,000	400,000
Transfer to Council Wide Capacity/Training Fund (Total Fund £698k in 12/13)		330,000	330,000
Transfer to Severance Fund		1,500,000	1,500,000
Projected Year End Position	129,451,940	127,609,079	(1,842,861)

Notes: the above figures are before pensions accounting entries (IAS 19) and impairment costs which will be finalised for the production of the Statement of Accounts – these are technical entries which are reversed out in the Income &

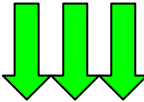








Expenditure Account and do not impact on the overall outturn position shown above. DSG represents the net adjustment to General fund to carry forward unspent DSG to 12/13.










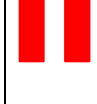
5.3 The position includes the following transfers into provisions and reserves: £2.145m to support the 12/13 budget strategy; £1m to create an Invest to Save Fund; £0.330m to support Council Wide Capacity/Training; £1.5m to fund severance costs associated with the delivery of ongoing revenue savings; £0.400m to address Environmental issues.










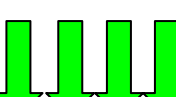
5.4 Variances over £0.100m are highlighted below.



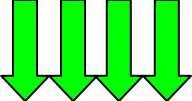
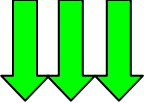


Key		
£0 to £100k	↑ ●	Underspend
£101+to £250k	↑↑ ●	Overspend
£251+to £500k	↑↑↑	
over £500k	↑↑↑↑	

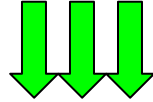





Service Delivery Unit	Actual Variation £m	
<p><u>Safeguarding</u></p> <p>Children in Care – there were 302 children in care at the end of the year. The overspend is after taking into account the additional £1.4m invested in Looked After Children as part of the 11/12 budget strategy.</p> <p>Agency Staff – overspend arising from the use of agency staff to cover vacancies during the year; the position is net of the savings arising from the vacant posts being covered.</p>	+1.062	↑↑↑↑
	+0.462	↑↑↑
<p><u>School Improvement</u></p> <p>School/Premature Retirement/Redundancy Costs – overspend arising from approved schools' redundancies due to the need to reduce costs and mitigate the ongoing financial pressure on schools.</p> <p>Schools Multicultural Development Service/ Alternative Education Provision and Behavioural Partnership – saving arising</p>	+0.294	↑↑↑
	-0.343	↓↓↓

Service Delivery Unit	Actual Variation £m	
<p>from posts being held vacant pending restructure.</p> <p>School Improvement – savings arising from restructures implemented earlier than budgeted.</p> <p>Delegated Schools Budgets – underspend resulting from the change in admission policy for early year children under 5 for the maintained sector.</p> <p>Standard Fund Allocation – flexible use of standards fund grant applied in 2011/12.</p>	<p>-0.420</p> <p>-0.264</p> <p>-0.463</p>	<p></p> <p></p> <p></p>
<p><u>Family & Community Services</u></p> <p>Specialist Education – the majority of the overspend relates to stated provision, which reflects the costs of new statements and additional support hours required during the year.</p> <p>Specialist Education – the overspend is a combination of a shortfall in recoupment income as fewer pupils are placed within T&W schools and the cost of pupils placed outside Telford & Wrekin i.e. in other Local Authority schools.</p> <p>Nursery Provision – the effect of single point of admission to Early Years settings.</p> <p>Restructure Savings – savings arising from restructures delivered earlier than budgeted.</p> <p>Employees – reduced expenditure across a number of service delivery units due to vacancies being held pending finalisation of restructures.</p> <p>Transport – savings resulting from a number of operational efficiencies and demographic changes.</p>	<p>+0.260</p> <p>+0.404</p> <p>-0.261</p> <p>-0.669</p> <p>-0.901</p> <p>-0.323</p>	<p></p> <p></p> <p></p> <p></p> <p></p> <p></p>

Service Delivery Unit	Actual Variation £m	
<p>DSG – the impact of single point of admission for Nursery age children affects both the maintained and independent sectors. The underspend against these budgets (included in Family & Community and School Improvement above) will be carried forward as unspent DSG and re-invested in the schools budget. The £282k is the net adjustment to the General Fund required to carry forward the correct amount of DSG.</p>	+0.282	
<p>Property & ICT</p> <p>PIP Properties – shortfall in rental and service charge income due to the higher level of voids in the current economic climate.</p> <p>Catering – shortfall of income received from paid meals</p> <p>Property & Design – underachievement of fee income; the target will be reviewed in 2012/13.</p> <p>Employees – reduced expenditure arising from vacancies due to restructures.</p> <p>ICT – shortfall in income from schools and council project work relating to a change in policy on internal charging</p> <p>ICT – capitalisation of project related capital costs to mitigate the fee income shortfall above.</p>	<p>+0.199</p> <p>+0.160</p> <p>+0.388</p> <p>-1.164</p> <p>+0.747</p> <p>-0.350</p>	<p>       </p>
<p>Housing & Planning</p> <p>Employees - reduced expenditure arising from vacancies and restructures</p> <p>Planning – shortfall in planning fees due to the downturn in the economy.</p> <p>Building Control – shortfall in fee income</p>	<p>-0.726</p> <p>+0.199</p> <p>+0.188</p>	<p>    </p>

Service Delivery Unit	Actual Variation £m	
Temporary Accommodation – loss of housing benefit due to drop in demand of temporary accommodation	+0.216	
Temporary Accommodation – savings in leasehold rents on temporary accommodation.	-0.161	
<u>Economy & Skills</u>		
Employees – savings from vacancies and restructures	-0.382	
Railfreight – cost of interim management arrangements.	+0.110	
<u>Environmental Services</u>		
Concessionary Transport – net benefit arising from the change in methodology in the scheme administration.	-0.324	
Highways & Transport – New ways of working project (total place) relating to up front enhancement and maintenance of road infrastructure enabling efficiencies in future years	+0.177	
Winter Maintenance – costs in excess of available budget	+0.151	
TWS Staff Oncosts – increased costs due to change in methodology used by Shropshire Pension Fund	+0.112	
Waste Enforcement – replacement costs for refuse and recycling containers across the borough.	+0.218	
Employees - savings from posts held vacant due to restructures	-0.802	

Service Delivery Unit	Actual Variation £m	
<p><u>Care & Support</u></p> <p>Purchasing budgets - the reported overspend is against a gross purchasing budget of £33.8m across all client groups, including residential care, home care, day care and adult placements. The pressure has mainly arisen from the withdrawal of funding by the PCT from clients previously receiving NHS funding due to their ongoing primary health need. These costs are now falling either on the individual or in most cases on Council budgets. This projection is over and above costs impacting and funded ongoing in previous years and reflects the full year impact of clients reassessed by the PCT in 2010/11 and those reassessed in 2011/12. The position is being kept under close review and continues to be discussed with the PCT. The overall position takes into account the use of one-off monies available in 2011/12.</p> <p>Loss of internal services income due to PCT review of CHC clients.</p> <p>NHS Funding – a mix of additional one off and ongoing funding from the Government and PCT to fund Local Authority Social Care, and having to be deployed against displaced PCT spending.</p> <p>Winter Pressures Funds – one off funds in recognition of the care pressures experienced during the winter period; given to the PCT and transferred to Local Authorities to support Social Care Services.</p> <p>Other funding available to offset the purchasing overspend including vacancies and the use of one off reserves</p>	<p>+4.749</p> <p>+0.475</p> <p>-2.108</p> <p>-0.490</p> <p>-2.040</p>	<p></p> <p></p> <p></p> <p></p> <p></p>
<p><u>Customer & Leisure Services</u></p> <p>Restructure savings – employee savings arising from restructures across the whole service area.</p>	<p>-0.911</p>	<p></p>

Service Delivery Unit	Actual Variation £m	
Finance – employee savings arising from the service restructure	-0.318	
Governance – employee savings arising from the service restructure	-0.101	
Core Services – employee savings arising from the service restructure	-0.187	
Treasury – benefits from the re-phasing of schemes from 2010/11 to 2011/12 and the impact of new investments taken early in the year, together with the impact of the 100 day budget and changes to the investment portfolio	-0.496m	
New Homes Bonus - Unringfenced grant	-0.741m	
Accelerated Non-Staff Savings – 2012/13 savings proposals delivered early in 2011/12.	-0.576	

6.0 **RESERVES & BALANCES**

6.1 The main General and Special Fund balances were £3.686m at 31st March 2012. Subsequent to closedown the full risk based evaluation of all balances will be undertaken to determine an updated view of balances available for the budget strategy.

6.2 The position on the main General and Special Fund Balances is:

	£m
Balances at 1 st April 2011	3.263
Contribution to General Fund Balances	0.423
Balances at 31st March 2012	3.686

The General/Special Fund balance forms part of the Council's overall reserves and balances.

- 6.3 As agreed at Full Council in March 2012, £2.145m funds have been carried forward as part of the 2012/13 budget strategy.
- 6.4 Following a detailed review, it is proposed that the following transfers to reserves are approved:
- (i) **Council Wide Environmental Fund:** £0.400m; resources to meet a range of environmental issues across the borough, such as pot-holes and fly-tipping.
 - (ii) **Council Wide Capacity/Training Fund :** £0.330m (together with other available reserves this gives a total of £0.698m to invest in capacity/training); to provide capacity in the Council, to support major projects and deliver savings, together with training as part of the Corporate Training Programme.
 - (iii) **Severance Fund :** £1.5m; to meet one-off costs associated with the Council restructure programme which is delivering ongoing savings of over £9.6m in 12/13.
 - (iv) **Invest to Save Fund :** £1m to create an Invest to Save Fund which will be used to support projects to deliver future savings (note £0.5m of this was approved by Cabinet in February)
- 6.5 Transfers to reserves and balances are included in the overall financial outturn position shown. Another review of reserves and balances will be undertaken over the Summer.

7.0 2011/12 CAPITAL PROGRAMME

- 7.1 The capital programme for 2011/12 was £84.2m; spend at year end was £71.7m giving a year end variation of £12.6m which is summarised in the table below:

Priority	Budget	Spend		Variance
	£m	£m	%	£m
Adult Care & Support	1.270	0.558	44	-0.712
Active Lifestyles	0.738	0.640	87	-0.098
Community Protection & Cohesion	1.938	1.751	90	-0.187
Children & Young People	40.341	28.529	71	-11.812
Housing, Regeneration & Prosperity	24.958	23.318	93	-1.640
Efficient, Community Focussed Council	4.778	4.394	91	-0.384
Environment	10.246	12.478	122	+2.232
Total	84.269	71.668	85	-12.601

7.2 The main scheme delays/re-phasing to 2012/13 are shown below with detail included in Appendix IV.

	£m
<ul style="list-style-type: none"> • Children & Young People - Building Schools for the Future: programme delays resulting in re-phasing to 12/13 	9.342
<ul style="list-style-type: none"> • Children & Young People – Schools: various schemes which will be re-phased into 12/13 including St Georges Primary extension, Muxton Primary extension, Teagues Bridge Primary extension. 	2.470
<ul style="list-style-type: none"> • Adult Care & Support - Social Care ICT Review: review commenced later than anticipated and plans have been updated which has resulted in re-phasing 	0.588
<ul style="list-style-type: none"> • Parks & Play Areas – re-phasing due to consultation activities 	0.228
<ul style="list-style-type: none"> • Environment - Highways Maintenance: a combination of: the A442 drainage scheme being delayed due to traffic management implications; a review of the column replacement programme (due to be completed in July 2012); the need for road closures for other small scale maintenance schemes; and other minor schemes 	0.518
<ul style="list-style-type: none"> • Environment – Transport: a combination of: DfT grant funding received late in 11/12 and therefore being slipped to 12/13; consultation ongoing on a number of projects; work on illuminated signs and bollards on roundabouts which will be combined with resurfacing work in 12/13; other minor schemes. 	0.372
<ul style="list-style-type: none"> • Environment – Property Investment Portfolio: acquisitions under delegated authority (covered by new approval requests in this report) 	-3.460
<ul style="list-style-type: none"> • Housing, Regeneration & Prosperity: market engagement fund and housing strategy – schemes progressing through legal process 	1.173

- Housing, Regeneration & Prosperity - Sutton Hill: re-phased to 12/13 0.368
- Housing, Regeneration & Prosperity - Town Centre: spend profile updated in line with current plans; the overall project is within budget. -0.953

7.3 There are a number of new approvals and virements which are also detailed in Appendix IV and require formal approval.

7.4 The funding for the capital programme in 2011/12 included £2.683m estimated income from capital receipts . The actual income received in year was lower at £1.214m which was attributable in the main to the Council's share of the receipt from the sale of West Mercia Supplies completing in 2012/13 and not 2011/12 as anticipated.

8.0 **CORPORATE INCOME MONITORING**

8.1 The Council's budget includes significant income streams which are regularly monitored to ensure they are on track to achieve targets that have been set and so that remedial action can be taken at a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. The Council pursues outstanding debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts in its accounts.

8.2 In Summary, the overall position shows collection of NNDR and Council Tax collection Sales Ledger debt behind the target set for the year.

INCOME COLLECTION – 2011/12 YEAR END			
	Actual	Target	Performance
Collection Levels:			
Council Tax Collection	97.8%	98.0%	0.2% Outside Target
NNDR Collection	98.3%	99.1%	0.8% Outside Target
Debt Levels:			
Sales Ledger	6.39%	4.50%	1.89% outside target

8.3 **Council Tax (£59.2m)**

The percentage of the current year liability for council tax which the authority should have received during the year, as a percentage of annual collectable debit. The measure does not take account of debt that continues to be pursued and collected after the end of the financial year in which it became due. The final collection figure for all financial years exceeds 99%.

Year end performance 2010/11	98.0%
Year End Target for 2011/12	98.0%

Performance is cumulative during the year and expressed against the complete year's debit.

Year End Target	Year End Actual	Last year Actual
98.0%	97.8%	98.0%

The actual percentage collection for 2011/12 equates to payments received of £57,972,012 against a gross liability of £59,204,111. Performance is below target and behind performance in 2010/11. The benefits case load has exceeded 20,000 live cases for the first time which is a reflection of the current financial climate. This is an indication of the impact of the economic climate on the citizens of the borough and that people within the area are genuinely struggling to pay their bills.

8.4 **NNDR-Business Rates (£64.8m)**

The % of business rates for 2011/12 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

The measure does not take into account the debt that continues to be pursued and collected after the end of the financial year in which it became due. As a general rule the final collection figure for any financial year exceeds 99%.

Year end performance 2010/11	99.1%
Year End Target for 2011/12	99.1%

Year End Target	Year End Actual	Last year Actual
99.1%	98.3%	99.1%

The actual percentage collection for 2011/12 equates to payments received of £63,616,766 against a gross liability of £64,828,803. Performance is below target and behind performance in 2010/11. Benchmarking with other local authorities shows that this follows a national trend, with most authorities experiencing an average one percent decrease in performance from this time last year.

8.5 Sales Ledger (£34.9m)

This includes general debt and Social Care debt. Debt below 2 months is classified as a normal credit period.

The target percents is set relating cumulative debt outstanding from all years to the current year annual debit. The targets and performance of income collection are as follows:

Age of debt	Annual Target %	March 2012	
		£m	%
Total	4.50	2.23	6.39

There is £2,230,038 outstanding which is older than 2 months, which is 6.39% of the rolling debt figure. Performance is outside target on all debt categories, however there are plans in place to reduce the debt outstanding over the coming months.

9.0 **BACKGROUND PAPERS**

2011/12 Budget Strategy and Financial Ledger reports
2012/13 Budget Strategy

Report Prepared by:

Ken Clarke, Assistant Director: Finance, Audit & Information Governance – 01952 383100; Pauline Harris, Corporate Finance Manager – 01952 383701

TELFORD & WREKIN COUNCIL

CABINET – 28 JUNE 2012

SERVICE & FINANCIAL PLANNING UPDATE

**REPORT OF THE MANAGING DIRECTOR AND THE ASSISTANT
DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE (CHIEF
FINANCIAL OFFICER)**

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

1. PURPOSE

When the budget for the current year was set specific savings proposals totalling over £19m were approved. However, a target of £0.88m remained where specific proposals needed to be developed. This report gives a progress update against this remaining target for 2012/13 and on the more significant challenge of identifying proposals for the further remaining projected gap of around £3.7m for 2013/14.

2. RECOMMENDATIONS

2.1 The additional 2012/13 savings proposals included in Appendix 1 be approved and an Impact Statement completed.

2.2 Authority to approve Invest to Save bids be delegated to the Managing Director after consultation with the Cabinet Member for Resources and Service Delivery.

3. INFORMATION

3.1 Service and Financial Planning Strategy.

The Service and Financial Planning report approved at Council in March included a set of principles used in developing the strategy and articulated the key features of the strategy that was adopted. It is now timely to review both the principles and strategy as these should inform the development of further savings proposals and particularly to express these as concisely as possible so that they can be more easily communicated both within and outside the Council.

Four key principles have been agreed, i.e. that when developing the service and financial planning strategy we should:

- In line with our co-operative values, work together with and involve our residents and employees in developing our strategy;
- Adopt a commercial approach and facilitate growth;
- Minimise the impact of savings on front-line service delivery;
- Minimise the impact of savings on our employees as far as possible.

In line with these principles, the starting point for our strategy is to focus on areas that do not have significant impact on front-line service delivery or employees, such as:

- **Improving procurement** e.g. re-tendering contracts, reviewing and robustly re-negotiating existing contracts, making greater use of framework agreements and getting added social value from procurement;
- **Property rationalisation and generation of capital receipts** – we have ambitious plans to invest in schools, regeneration and other capital projects to transform the Borough. In order to minimise the burden of ongoing debt repayments we're committed to a significant programme of asset sales totalling £110m over the medium term;
- **Driving down non-staffing costs that have minimal impact on service delivery** - reviewing and challenging budgets 'line by line' e.g. stationery, hospitality etc to ensure we have exhausted as many options as possible before considering changes or reductions to services.

However, due to the scale of the budget gap, some impact on service delivery and employees is inevitable. Our approach involves:

- **Carrying out planned, long-term service re-design, based around priorities**, not quick-fix options, such as withdrawing services or changing eligibility criteria e.g.
 - Children's Services – better help for people in the early stages of difficulties and more targeted help for families with complex needs;
 - Adults' Services – re-ablement to help ill or disabled adults learn or re-learn how to live independently;
 - Customer Services – more enquiries dealt with first time through a single point of contact
- **Facilitating growth** – becoming a business-winning council, increasing prosperity in the Borough and maximising income from business rates and the New Homes Bonus;
- **Working co-operatively with local people, organisations and partners** e.g.
 - Co-production and other new service delivery partnerships with the community;
 - Joining up services better to remove overlap and duplication;

- Partnership with Town and Parish Councils to secure environmental improvements;
 - Encouraging local people to recycle more and reduce waste disposal costs.
- **Increasing income generation and external trading** – a more commercial approach and a particular focus on providing support services at affordable cost to local Voluntary & Community Sector organisations, Town & Parish Councils, partners, schools;
 - Our aim is to actively seek applications for voluntary redundancy and to promote flexible working arrangements in order to keep compulsory redundancies to a minimum although some continuing **targeted restructuring activity** is inevitable.

3.2 2012/13 - Remaining Budget Gap.

When the budget for the current year was approved in March, specific savings proposals totalling £19m gross were agreed (on top of over £22m of ongoing savings achieved during the 2009/10 to 2011/12 period). However, a further £0.88m of savings were needed but had not been specifically identified at that stage. Appendix 1 details just over £0.9m of proposals that will meet this remaining target for 2012/13.

3.3 2013/14 - Remaining Budget Gap.

On 17th May 2012, the Government issued a series of documents that provide more information on how the new Local Government Finance system will operate. However, there are still many gaps in the information needed before accurate projections of the actual funding shortfall for next year can be made. It is therefore proposed that for the time being the projections used in the March Council report are retained although as additional information becomes available on the new system these projections will be kept under review.

The March projections showed that around a £3.7m further savings will be needed for 2013/14 on top of the £9.3m gross savings proposals already included in the March Council report for next year (and assuming that the £0.9m required in 2012/13 is found on an ongoing basis – per Appendix 1).

These projections assume that the Council's £2.1m share of national NHS funding passported via the PCT for adult social care expenditure is still available in 2013/14 although this has not yet been confirmed but we are aware that this funding remains in the national control totals for 2013/14 and 2014/15.

Following positive discussions with the PCT on the approach to redressing to some extent the significant shift in funding for Continuing Healthcare cases, it is considered appropriate to reduce the projected shortfall of £3.7 to £2.7m to reflect an anticipated reduced cost to the Council from 2013/14 for Continuing Healthcare cases.

Clearly identification of further savings becomes increasingly difficult each year but proposals that would generate £2.7m are detailed below:-

	£m
Improved procurement – New arrangements for supporting people	0.350
Driving down non-staffing costs with minimal front-line service impact – various operational efficiencies	0.820
Service reviews – Oakengates Theatre and Employment Services	0.150
Additional income including dividends from West Mercia Energy and income from invest to save projects	0.480
Targeted restructures in OI/HR, Finance, Audit & Information Governance and Development, Business & Housing (Full year impact £0.5m)	0.300
Phasing of one-off funding available to smooth the introduction of the new local Council Tax Support scheme following the Government's proposed cut of 10% to Council Tax Benefit subsidy. To be funded from further ongoing savings in 2014/15.	0.600
Total	2.700

3.4 Invest to Save Initiatives/New Income Opportunities.

A different approach has been used to identify these further savings with no specific targets being set for service areas and no differentiation between staffing and non-staffing budgets and the active pursuit of “invest to save” and new income opportunities.

The Government have given clear messages that local authorities should seek to reduce their reliance on Government grant given the severe financial constraints on public expenditure currently being experienced and which are expected to increase in severity beyond the current Comprehensive Spending Review period. It is therefore essential that public services identify and actively develop opportunities for new income streams whilst at the same time seeking to address community needs.

The Council has a £0.5m revenue invest to save reserve which was approved at Cabinet in February and a number of the savings proposals now put forward are dependent upon investment up front in order to achieve ongoing revenue savings. It is recommended that these invest to save bids are reviewed by the Cabinet Member for Resources and Service Delivery and authority delegated to the Managing Director after consultation with the Cabinet Member to approve the bids. However, bids total well in excess of the resources available although some of the investment could potentially be capitalised. Subject to consideration by the managing Director and Cabinet Member, revenue bids totalling just over £0.6m could initially be approved and

capital expenditure of £2.7m in order to generate ongoing revenue savings although the amount of debt outstanding will increase. The Final Accounts report for 2011/12, also on this agenda, recommends the contribution of a further £0.5m in to the Invest to Save Reserve, this would leave a balance of around £0.4m to help fund any further bids that come forward as further work on developing further savings proposals progresses

3.5 Next Steps.

To ensure we are meeting our duty under the Equality Act an initial scoping exercise of individual future budget savings proposals has been carried out. This scoping exercise has identified suggested requirements for impact assessments and consultations, as follows:

- No specific impact assessments or engagement activities have been identified for the individual 2012/13 proposals included at Appendix 1 and the planned review of fees and charges in mid 2012/13. An overarching Impact Statement will however be prepared.
- Individual impact assessments and engagement activities have been initially identified for some of the 2013/14 additional savings proposals and the 2013/14 and 2014/15 proposals included in the March Council report. This scoping exercise will be discussed with Cabinet Members for agreement to action from lead Cabinet Members.
- Following Cabinet Members agreement, impact assessments and engagement activities will be carried out over the coming months - starting well in advance of previous Council practise to ensure maximum opportunity for those affected by savings proposals to comment on them.

Further work is currently in progress to generate further savings proposals including:-

- Further review of income sources and opportunities from adopting a more commercial approach in appropriate circumstances.
- Under-taking a strategic review of budgets by reviewing the out-turn position for 2011/12 to identify any potentially ongoing areas of underspend and other opportunities for ongoing savings not already included in savings proposals.
- Review of the level and apportionment of Central Establishment/Support Service Charges.
- Work co-ordinated through the Procurement Steering Group to identify further opportunities for savings from better procurement.
- Seeking to firm-up the position on Continuing HealthCare costs
- Assessing whether additional income from New Homes Bonus over and above the levels already assumed could reasonably be expected and built in to financial projections.

As further information becomes available on the implications of the new Local Government Finance system which will be operational from 2013/14 updates will be brought to Members.

Regular monitoring will be undertaken to ensure that savings proposals are implemented on time and that the Council's overall service and financial planning strategy remains on track.

Report Prepared by Ken Clarke, Assistant Director: Finance, Audit & Information Governance & Chief Financial Officer, (01952) 383100

No.	Saving Type: Procurement, Operational, Income or Other	Description of Saving	
Care & Support - Karen Kalinowski			
1	Procurement	Alternative funding of Wrekin Housing Trust housing related support services through Housing Benefit (100% government reimbursement) instead of Council Supporting People (Care & Support) funding.	
Total Care & Support			
Law, Democracy & Public Protection - Jonathan Eatough			
2	Operational	Amendment to the way that scrutiny is supported	
Total Law, Democracy & Public Protection			
Finance, Audit & Information Governance - Ken Clarke			
3	Operational	Audit & Information Governance - savings from further restructure	
4	Operational	Accountancy - deletion of vacant post/vacant hours not filled during the Service restructure	
5	Procurement	Reduction in external audit fee	
6	Operational	Deletion of PA to Director post	
Total Finance, Audit & Information Governance			
Customer & People Services			
7	Operational	Savings on equipment, printing, postage and publications	
8	Operational	Car Lease Budget	
9	Operational	Reduced maintenance & lease costs of delivery van	
10	Operational	Mobile Library saving on fleet costs	
11	Operational	HR/OI Service Review outcome (staff savings)	
Total Customer & People Services			

Environmental & Leisure Services - Jonathan Rowe			
12	Income / Procurement	Leisure Services: Improved Direct Debit Collection (health & Fitness, golf and swimming) rates through using existing framework contracts for DD collection	
Total Environmental & Leisure Service			
Development, Business & Housing - Dave Sidaway			
13	Operational	Further restructure of service area	
14	Operational	Various non staffing savings - line by line exercise	
15	Operational	Release leakage budget from bottom line for Cleaning and Catering as part of the Property & ICT restructures	
16	Operational	Replace lighting at Portico House with more efficient equivalents and save energy costs	
17	Operational	Installation of a Building energy Management System at Oakengates Leisure Centre which remotely monitors heating, lighting, ventilation and air conditioning systems	
Total Development, Business & Housing			
Co-operative Council			
18	Operational	Delivery & Planning/Community Engagement/ Corporate Communications/Policy & Strategy - various operational efficiencies including equipment, stationery, printing, room hire, subscriptions and community newspaper	
Total Co-operative Council			
Total 2012/13 Savings identified			

	Additional	
2012/13 Budget £	2012/13	Lead Officer
	250,000	Chris Harrison
	250,000	
153,500	14,870	Phil Griffiths
	14,870	
	19,194	Jenny Marriott
	27,240	Ken Clarke
	45,000	Ken Clarke
	23,500	
	114,934	
7,940	3,500	John Harris
14,630	4,000	John Harris
8,000	4,000	Sharon Smith
22,340	3,000	Sharon Smith
	150,000	Angie Astley
	164,500	

618,000	5,000	Stuart Davidson
	5,000	
	50,000	David Sidaway
	75,000	David Sidaway
	194,000	David Sidaway
	1,000	
	3,500	
	323,500	
	39,370	Rachael Jones / Jon Power / Nigel Newman / Fliss Mercer
	39,370	
	912,174	

An increasing number of leisure providers have outsourced the management of their DD collection. The main benefit being increased collection rates and reduced bad debts.
Restructure of service area to facilitate new way of working as described in recent cabinet reports
Line by line assessment of non staffing budgets
Staffing savings as shown in Appendix 4 of the Budget report anticipated that £711,135 of Property & ICT restructure savings would leak from the general fund. These imnitial estimates have now been revised.
Budgets underspent in 2011-2013

SAVINGS PROPOSALS

Impact on the Community and possible alternative/mitigation	Staffing impact
None if current Housing benefit regulation/eligibility continues	None
The proposals will impact upon the capacity of the scrutiny team to support scrutiny committees but the proposals have been agreed with the Chair of Scrutiny and the Scrutiny Management Board.	See rationale
	0.6 FTE

See risks	No direct saving but capacity to pick up administration associated with Telford Ice Rink which is to be retained in house and was not allowed for at the time of the Leisure Restructure due to original outsourcing proposals.
None	Further restructure of service area
None	None
None	None
None as budget underspent	Minimal

Impact on other council service or partner budget	Other risks and impacts and possible mitigation
Funding from Housing Benefit instead of Care & Support. Housing benefit reimbursed by central government	Impact of changes to Housing benefit under Welfare Reforms may adversely impact (insufficient information at this stage to know) which could remove access to alternative funding source
None	None

None	Risks associated with involvement of third party. Appropriate protections can be built into service contract
None	
None	
None	
None	Joint training for team to be provided where possible and use of Corporate Training

TELFORD & WREKIN COUNCIL

CABINET - 28th JUNE 2012

TITLE – YOUTH OFFENDING SERVICE (YOS) REVIEW

**REPORT OF ASSISTANT DIRECTOR OF FAMILY AND COHESION
and CABINET MEMBER FOR CHILDREN & YOUNG PEOPLE**

LEAD CABINET MEMBER – CLLR PAUL WATLING

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 To determine the most appropriate service model for providing an effective Youth Offending Service (YOS) which meets the Council's priorities and statutory obligation.

2. RECOMMENDATIONS

- 2.1 That work should progress to establish a distinct core model for a West Mercia Youth Offending Service (YOS) and to consider the optimum delivery mechanisms for non core services using a commissioning approach.
- 2.2 That West Mercia Probation Trust as our partner to provide a "clinical lead" for a core YOS, as part of the transition process, is agreed as the preferred way forward, and that implementation should proceed to achieve this. That the Director of Children's Services is given delegated authority to negotiate and agree the terms of this agreement in consultation with the portfolio holder for Children, Young People and Families
- 2.3 That this arrangement is reviewed after 18 months; to allow exploration by the Local Authorities, jointly and individually; through the YOS Management Board, commissioning a single core YOS through a competitive process to secure a third party provider from year three, if that is the conclusion of the review.
- 2.4 That the Assistant Director: Law, Democracy and Public Protection be given delegated authority to sign or seal any such agreement

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Council priorities?	
	Yes	<i>If yes, please list relevant priority</i>

		<ul style="list-style-type: none"> • Vulnerable Children and Adults Protected and Improved Life Chances for All – Healthy & Positive Lifestyles - reduced risk taking behaviour and rates of reoffending • People Feeling Safe and Proud of Where They Live – Creating a Safer Community – promote and address crime through partnership working, ensure public protection and encourage people to take a greater role in their community and create a cohesive community
	Will the proposals impact on specific groups of people?	
	Yes	Through greater integration of services and an increased emphasis on early intervention and prevention we will improve outcomes for children, young people and their families. This will have a positive impact on outcomes by reducing the number of first time entrants to the criminal justice system and reoffending rates for young offenders.
TARGET COMPLETION/DELIVERY DATE	<ul style="list-style-type: none"> • Target Implementation Date – 1st October 2012 – Initial Phase • Target date for publishing detailed proposals to employees – 31st May 2012 	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The 2012/13 gross controllable budget, agreed by the YOS Board for the pan Shropshire YOS is £1.829m funded by a combination of partner contributions and grants from the Youth Justice Board. Telford & Wrekin contribution to the controllable budget is £489k, which reflects a £100k saving on the original contribution implemented in 2011/12. A further £18k needs to be saved to achieve a 20% reduction in the original Telford & Wrekin contribution. It is therefore estimated that controllable funding available for the recommended West Mercia model from Telford & Wrekin, including available grant funding, would be will

		<p>be £875k for a full year. Close financial monitoring and control of costs will need to continue to ensure there are sufficient resources available to implement the transition and continuation of the service within the second half of 2012/13.</p> <p>Further work needs to be completed with other partners to ensure the required service can be met within these resources but it is anticipated that the greater integration, consistency of approach and the economies of scale which will arise from such a model will enable the Council's needs to be addressed within the proposed resource envelope. Changes in other Children's services with an emphasis on targeted early intervention and prevention may also impact on the level of need and therefore resource requirement.</p> <p>TAS 24.5.12</p>
<p>LEGAL ISSUES</p>	<p>Yes</p>	<p>Section 38 (1) of the Crime & Disorder Act 1998 ("the Act") places a duty on local authority to secure the provision of all youth justice services in their area. Interpretation of that section of the Act suggests that where a local authority so chooses, this allows it to engage with an external provider to <u>secure</u> the youth justice services, rather than to provide it itself.</p> <p>Lawyers from the Borough of Telford & Wrekin (the lead authority in partnership with Shropshire Council) , and Worcestershire County Council (the lead authority in partnership with Hereford County Council) have agreed that s38(3) (b) of the Act, provides an acceptable, low risk, method of obtaining the service provision via the West Mercia Probation Trust ("WMPT"). The intention is that fees payable to the WMPT will be drawn from a fund , established under the Act and maintained by the local authority, into which other 'partner, organisations</p>

		<p>contribute, with the service being provided under a 'partnership agreement.' As this process does not involve a formal procurement process there is a theoretical risk of a challenge but the respective views of the local authority lawyers is that this risk is low and that the approach is both reasonable and defensible.</p> <p>There should be a review of any contracts and arrangements which have previously been entered into by the YOS to assess what steps need to be taken to implement change.</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>Other impacts/risk/opportunities include:</p> <ul style="list-style-type: none"> • A need to disaggregate the existing YOS (based upon a national funding allocation) and partner budgets • A need to manage protection arrangements for employee disaggregation and protection arrangement across partners • A need to manage partner relationships carefully • Through a YOS local authorities are responsible for funding and delivering all interventions for young offenders. Proposals provide a greater incentive to local authorities to develop preventative services and more effective alternatives to custody for young people.
HR Issues	Yes	<p>In addition to the usual formal consultation with trade unions and employees in the service area, it will be necessary to work closely with all partners to reach agreement on populating proposed new disaggregated structures in order to maximise the redeployment potential for employees and thus manage the risks, including the costs of any potential redundancies.</p>
IMPACT ON SPECIFIC WARDS	Yes	<p>Borough wide impact.</p>

PART B) – ADDITIONAL INFORMATION

3. INFORMATION

4.1 Current YOS situation

- 4.2 The Crime and Disorder Act 1998 requires a local authority to establish, in cooperation with partner agencies, one or more Youth Offending Teams (YOTs) for their areas. The Act also prescribes that a YOT should include representatives from probation, police, PCT or health and a local authority (specifically social workers and a nominated officer from education services). Each YOT should have a manager responsible for coordinating the work of youth justice services locally.

Telford and Wrekin Council meets this requirement through a joint arrangement, with Shropshire Council, hosted by this authority. This was formed in 2000. The primary functions of the Youth Offending Service are to prevent offending and reoffending by children and young people, to safeguard young people within the youth justice system and who are vulnerable to becoming victims of youth crime and to protect the public from harm. The service is overseen by a Management Board comprising senior managers from all of the partner agencies and is currently chaired by the Director of Children Services in Shropshire.

- 4.3 West Mercia has two Youth Offending Services. One covers Shropshire and Telford and the Wrekin, the other covers Herefordshire and Worcestershire. Both services perform well according to inspection reports and they have been effectively managed as joint services across Local Authorities. However, the landscape is changing for Local Authorities and in criminal justice thinking and it is timely to review how the service is delivered. The four Local Authorities, NHS, Police and Probation Trust in West Mercia have established a project to look at the options to do this, and to then support the implementation of a new service, in line with the preferred model chosen through the options appraisal. A project board comprising the Children's Services Directors from each Local Authority and a senior representative of the statutory partners for Youth Offending Services of Police, Probation, and NHS has been established to govern and direct the work of the project.
- 4.4 The key strategic issues (drivers for change) informing this project are:
- The challenging financial position and the need to use resources more effectively whilst continuing to secure effective services
 - Some Councils becoming commissioning bodies, rather than direct providers of services
 - The drive towards local service delivery across all sectors

- The focus on early intervention and prevention to achieve better outcomes for children and adults
- A renewed focus on work with troubled families
- The reduction in numbers of youth offenders, and use of custody

4.5 **Vision, Outcomes and Benefits**

4.6 The project board has established a vision which focuses on preventing youth crime, rather than simply responding to it. This places the Youth Offending Service at the heart of a wider system explicitly focused on prevention and diversion. This will lead to:

- A clear, joined up route for young offenders to obtain timely and appropriate services that integrate with other local services such as health, adult services, children's services, police, schools and others.
- Improved outcomes for young offenders including a reduction in reoffending rates and the use of custody, as well as better life outcomes as set out in Every Child Matters (to be safe, healthy, enjoy and achieve, make a positive contribution, achieve economic wellbeing)
- A viable single and efficient YOS for West Mercia
- Financial savings of at least 20% over a two year period to April 2015

4.7 **Principles for change**

4.8 The project board has also agreed a number of principles for change against which a number of delivery options have been tested. These include:

- Focus on outcomes - young offenders are children first, and although services are performing well, there is an aspiration to improve outcomes for young offenders
- Build on existing strengths of current services
- Collaborate to establish shared services across West Mercia where this needs to be consistent and requires specific expertise
- Make best use of scarce resources
- Apply intelligent, evidence based commissioning
- Maintain and develop local service delivery
- Develop strong leadership in regional criminal justice arrangements
- Ensure there is a strategic and operational fit with development of Prevention and Early Intervention services in Local Authority Services

5.0 **APPRAISAL OF OPTIONS**

5.1 The Youth Offending Service is a statutory service which must be established by the Local Authority in co-operation with other statutory

partners. The purpose of the service is:

- To co-ordinate the provision of youth justice services for all those in the area who need them
- To carry out those functions assigned in the Youth Justice Plan which is agreed annually by each Local Authority

5.2 To consider the options for creating a service across West Mercia, and determine what could be delivered at this level, and at a more local level, the activities (functions) have been defined according to whether they are statutory functions, and whether they specifically have to be undertaken by the Youth Offending Service.

The definitions are set out below (the proposed split of activities (functions) is shown in Appendix A):

Core - activities which are statutory youth justice services (involving assessment, case management, enforcement and court services) which have to be undertaken by a Youth Offending Team (YOT) Member or a YOT under statute,

Non core statutory - youth justice services which need to be available, but do not necessarily have to be undertaken by a YOT member or the YOT.

Non core non mandatory or discretionary - services which are relevant and currently delivered or co-ordinated by YOTs as the result of particular historical funding initiatives, national policy and guidance or local arrangements.

5.3 Two main delivery options have been considered. These are:

- An Integrated Youth Offending Service, incorporating all existing services, particularly statutory services.
- A core Youth Offending Service across West Mercia where a “clinical lead” is provided by the West Mercia Probation Trust, with non core services being commissioned or provided by the local authority.

5.4 The project board concluded that a core YOS across West Mercia with some commissioned non core services provides the best fit against the guiding principles set out in paragraph 4.8.

5.5. **Delivery of Core Service on a hosted basis**

5.6 The host agency will manage (provide a “clinical lead”) for the core services on behalf of the Local Authorities which have statutory responsibility for establishing the YOS for their area. This would be done under a formal partnership (managing agent) agreement, or under contract with each Local Authority if not hosted by a Local Authority, with appropriate governance through a new single YOS Management Board to ensure that the YOS is held to account for delivery at local level for each Local Authority, as well as at strategic level across West Mercia. Each Local Authority would need to

produce a Youth Justice Plan for its area, which would underpin the partnership agreement with the host.

- 5.7 Employment options for staff are being explored, through a formal employee consultation process. The key element is to establish a flexible workforce committed to a service across West Mercia, but with local delivery and engagement with a wider range of services.
- 5.8 Although some of the current non-core services may be able to be directly commissioned by a Local Authority (LA), or alternative arrangements made, it is likely that there will be some in-house provision remaining beyond the next six months. In the medium term it is most practical if the host agency also manages these as part of the YOS, within an appropriate management structure. This provides the opportunity for them to be managed on a West Mercia basis and to prepare for the future as commissioned services. It should be noted that it is envisaged that some non core services in Telford will be delivered by the existing Council teams.
- 5.9 The budget for the Core YOS and the remaining non-core services would be set in line with the size of the new service, probably hosted by a Local Authority to allow maximum flexibility around use of resources, and drawn down by the host agency.
- 5.10 The host is likely to need to provide contracting and procurement support to the YOS, as this function is not well developed, and the scale of commissioning does not warrant separate procurement services.
- 5.11 Establishing a hosted service on this basis is likely to be achievable by October 2012 in shadow format, with formal implementation from April 2013.
- 5.12 Two options have been considered for hosting the Core YOS
 - Core Service hosted by a single Local Authority
 - Core Service hosted by West Mercia Probation Trust (WMPT), achieved by WMPT assuming a clinical lead role, with the majority of staff continuing to be employed by each Council
- 5.13 Both options fit with the principles for change and are achievable. However, there are synergies and additional benefits from core service being hosted by WMPT. It is likely that greater savings can be made through these synergies, and the potential for integrated management of some services over time. This option is compatible with a longer term direction of travel for a new YOS Board to commission the core service from a third party following further review after 18 months.

6. **PROPOSAL**

- 6.1 Having considered the most effective approach, it is proposed that the best way forward is for West Mercia Probation Trust to provide a “clinical lead” for the core YOS, as part of the transition process, and that implementation should proceed to achieve this.
- 6.2 The arrangement will be reviewed after 18 months to allow exploration of commissioning the Single Core YOS through a competitive process to secure a third party provider from year three, if that is the conclusion of the review.
- 6.3 The effectiveness of the new service will be evaluated as part of implementing the commissioning cycle. Opportunities for formal, external evaluation of the new core YOS service for West Mercia will also be explored to support the review, given that there is no direct comparison, and it would be useful to ascertain what has been critical to success.
- 6.4. Non core services will be subject to a commissioning review to gather more information and determine the optimum range and delivery of these services, as well as the best commissioner for those services. The review will be completed before October, and a clear implementation plan drawn up by that time. The interim position for non core services will be as part of the Youth Offending Service, and aligned to the core. In Telford this review will consider opportunities for delivering some non core activities through existing Council services in order to remove overlap and duplication, to enable a “Think Family” approach to be adopted and to ensure an improved transition between services.
- 6.5 There is a commitment to establish a single IT and business systems approach. This will ensure consistency, and will generate efficiencies, though these are still to be determined. However, whilst this is proposed in principle, implementation will be subject to a robust business case.
- 6.6 A detailed review of property options will be undertaken when the detailed structure, size and design of the Core YOS and non-core service is known. This will take account the following principles:
- That the Youth Offending Service operates on a hub and spoke basis, with a central point for teams such as human resources, finance, business support systems. This could operate from existing premises, ideally near the host location.
 - That opportunities to develop local links, and for flexible working in a range of settings are pursued for the YOS, and WMPT and the Local Authorities.

- 6.7 A new governance structure is proposed and this will be further developed and tested to ensure that the YOS is firmly connected to wider partnership working in each Local Authority area. Clear Terms of Reference for the new management board will be developed that include a statement of purpose to ensure that the YOS is given effective strategic direction, and is held to account by all the partners. A shadow board will be set up to oversee implementation and development of the new YOS, whilst managing transition of the current two YOS from May 2012.
- 6.8. A phased approach to implementation is proposed as a practical way forward, but it is the intention to operate the new West Mercia YOS from October 2012 in shadow form, with formal start in April 2013.

7. CONSULTATION

- 7.1 A high level staffing structure has been developed for consultation with staff and stakeholders. The consultation period began on the 31st May and run for a period of 90 days ending on the 29th August. Staff and stakeholders have been asked to consider a rationale and proposals for restructuring and hosting the service. Detailed staffing proposals will be presented by the end of May and will then form part of the consultation process.

8. CONCLUSION

- 8.1 A Pan West Mercia consortia offers the greatest opportunity to meet the key principles set out in 4.8, at least cost.

9. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 9.1 The risk of disaggregating from Shropshire is that current excellent performance and services to young people could be affected due reduction in scale of operation and the need to make savings. To fulfil statutory and court expectations the YOS has to access services quickly in order to provide the court with assessments, programmes and accommodation for justice to be seen to be done. As well as statutory responsibilities the YOS has, for example very good services for restorative work with victims, including reparative activities. These have to be maintained.
- 9.2 The benefits for having a dedicated Telford and Wrekin YOS service is that it would focus on Telford priorities including links to cooperative principles and ways of working particularly within localities using a “Think Family” approach. However the service would be small and hence not big enough to be viable.
- 9.3 The existing YOS services will not easily fit into the proposed service reconfiguration of children’s services in Telford. For example it is likely that partners would require a shared service to maintain responsibility for attendance, substance misuse, commissioning and

performance, services that are provided elsewhere in the Council. A Telford specific YOS or the hybrid suggested West Mercia model would allow greater integration of services across the Borough.

10. PREVIOUS MINUTES

24th November 2011 Policy Review

**Report prepared by Jas Bedesha, Cohesion Service Delivery Manager,
Telephone: 01952 382101**

Appendix A

Determining a Core Offer Activities Currently Undertaken or Commissioned by the two West Mercia YOTs– Identifying the Core Offer

Activities which in statute have to be undertaken by a YOT/YOT member or are so closely linked to those activities ¹ (WM Core Offer)	Activities which are statutory youth justice services but which do not necessarily have to be undertaken by a YOT member or the YOT	Those activities which are not statutory youth justice services which are delivered or co-ordinated by the YOTs as the result of particular historical funding initiatives or national policy and guidance
<ul style="list-style-type: none"> • Joint decision making for Out of Court (OOC) disposals • Assessment of young people subject to Final Warnings, Cautions and Conditional Cautions • Assessment for bail/remand • Assessment for electronic monitoring (for bail conditions) • Post Court Reports (bed booking and Electronic Yellow Envelope (EYE) process) • Provision of reports to court (Pre Sentence Report - PSRs, Final Disposal Report - FDRs, Specific Sentence Report - SSRs and Stand down reports) • Assessment – ASSET (assessment tool introduced by the Youth Justice Board) including 	<ul style="list-style-type: none"> • Appropriate Adult services • Final Warning Intervention Programmes • Bail Supervision Interventions • Statutory parenting interventions (required under Parenting Orders) • Delivery of reparation activities • Recruitment and support of Community Panel Members • Sexual harmful behaviour work • Following YRO requirements: ISS Interventions Activities and Programmes Unpaid Work Mental Health Treatment Drug Treatment Drug Testing Intoxicating Substance Treatment Education Provision Some 	<ul style="list-style-type: none"> • Provision of Tier 2 and Tier 3 Substance Misuse Interventions • Provision of mental health interventions • Voluntary parenting support • Mentoring • Targeted preventative interventions to those at risk of entering the Youth Justice System (YJS), e.g. Youth Inclusion Support Panel (YISP) • Interventions to engage and maintain young offenders in Employment Training and Education (ETE) placements • Other activities to support intervention plans, e.g. assistance with accommodation etc • <i>Victim contact regarding</i>

Activities which in statute have to be undertaken by a YOT/YOT member or are so closely linked to those activities¹ (WM Core Offer)	Activities which are statutory youth justice services but which do not necessarily have to be undertaken by a YOT member or the YOT	Those activities which are not statutory youth justice services which are delivered or co-ordinated by the YOTs as the result of particular historical funding initiatives or national policy and guidance
<p>substance misuse and mental health screening</p> <ul style="list-style-type: none"> • Assessment for parenting interventions • Case Management – Parenting Orders, Individual Support Orders, Reparation Orders and Detention Order (DTO)/Custodial Sentences • Co-ordination of Referral Order Panels • Risk Management: Likelihood of Reoffending (LoR), Risk of Serious Harm (ROSH) and Vulnerability • Engagement with partnerships where there is a duty to co-operate (e.g. Local Safeguarding Children Board (LSCB), Multi Agency Public Protection Arrangement (MAPPA) • Enforcement of Community/Custodial sentences • Youth Rehabilitation Order (YRO) - assessments • YRO – Case Management for Activity, Programmes, Supervision, 	<p>supervision contacts for a supervision requirement (not all)</p>	<p><i>involvement in restorative processes²</i></p> <ul style="list-style-type: none"> • <i>Victim engagement in restorative processes</i>

Activities which in statute have to be undertaken by a YOT/YOT member or are so closely linked to those activities¹ (WM Core Offer)	Activities which are statutory youth justice services but which do not necessarily have to be undertaken by a YOT member or the YOT	Those activities which are not statutory youth justice services which are delivered or co-ordinated by the YOTs as the result of particular historical funding initiatives or national policy and guidance
<p>unpaid work, Prohibited activity, exclusion and Intensive Supervision and Surveillance (ISS) requirements</p> <ul style="list-style-type: none"> • YRO – monitoring and enforcement only for electronic monitoring, residence, LA Residence, mental health treatment, drug treatment, drug testing, intoxicating substance treatment and education requirements. • YRO – breach only for AC requirement 		

TELFORD & WREKIN COUNCIL

CABINET - 28 JUNE 2012

CIVIC OFFICES SITE – APPROPRIATION

REPORT OF ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

To resolve to appropriate the Civic Offices Site for planning purposes to facilitate its redevelopment.

2. RECOMMENDATION

2.1 That Members, having considered representations received, resolve in accordance with section 122(1) Local Government Act 1972 to reaffirm their decision of 29 March 2012 to appropriate for planning purposes the Civic Office Site as identified Appendix 1 because the land is no longer required to be held for office accommodation and associated car parking purposes.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	A growing local economy to create jobs.
	Will the proposals impact on specific groups of people?	
	Yes	The appropriation of the Civic Offices Site for planning purposes may affect the enforceability of restrictive covenants neighbouring landowners have the benefit of over the Civic Office Site.
TARGET COMPLETION/ DELIVERY DATE	Appropriation of the Civic Offices Site for planning purposes to be completed early 2013.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Provision has been made for dealing with any claims in accordance with advice received from a QC and external valuer. Ongoing financial support and advice will be provided JAC 240512
LEGAL ISSUES	Yes	The Council has the power to make the decision identified in the recommendation and ongoing legal advice will be provided.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The appropriation of the Civic Offices Site for planning purposes will allow its redevelopment which your officers believe will promote the economic, social and environmental well-being of the area.
IMPACT ON SPECIFIC WARDS	Yes	Malinslee Ward

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Background

- 4.1 On 29 March 2012 Cabinet resolved in principle that the Civic Offices Site was no longer required to be held by the Council for office and associated car parking purposes. The Civic Offices Site is shown for identification purposes edged in red on the plan at Appendix 1 to this report.
- 4.2 The Council's in principle decision to appropriate the Civic Offices Site was advertised in a local newspaper on two consecutive weeks (20 April 2012 and 27 April 2012 respectively) allowing a 21 day period from the first advertisement for representatives to be made.
- 4.3 Following the advertising process a single representation has been received (dated 11 May 2012) from the Telford Trustee's (owners of the Telford Shopping Centre) solicitors Nabarro

Appropriation

- 4.4 The regeneration of Telford Town Centre is a key priority for the Council. In May 2009 planning permission was granted allowing the Civic Offices Site to be redeveloped for use as an ASDA superstore. The redevelopment of the land for use as a retail superstore is restrained by restrictive covenants which provide that the land may only be used for office purposes with ancillary car parking. There are also other restrictive covenants that affect the use of the land. Even if the ASDA superstore did not proceed, and even if in the longer term the land were to be used for other planning purposes than as a superstore, it would be important that the restrictive covenants could not prevent beneficial development and uses.
- 4.5 The Council has, in these circumstances, three options for dealing with the restrictive covenants:
- 4.5.1 Release of the rights by agreement
This is only potentially effective where the landowners benefitting from the restrictive covenants can be identified. It is not possible to identify all landowners with the benefit of the rights. There is no certainty that acceptable terms could be achieved even if all landowners could be identified and it is considered unlikely that acceptable terms could be agreed within the timescale required.
- 4.5.2 Section 84 Law of Property Act 1925 application for release from the Upper Tribunal (Lands Chamber)
- 4.5.2.1 The process is time consuming and requires that steps are taken to identify and notify benefitting landowners of their right to object to the removal of the restrictive covenants.
- 4.5.2.2 There is no guarantee the application would be successful.
- 4.5.2.3 In the circumstances officers do not consider that it is appropriate or necessary for the Council to seek to initiate proceedings under Section 84.
- 4.5.3 Appropriating the land for planning purposes
In circumstances where a local authority appropriates land in accordance with section 122 Local Government Act 1972 to a planning purpose section 237 Town and Country Planning Act 1990 authorises the interference with rights (including restrictive covenants) where the land is developed in accordance with planning permission. Landowners with the benefit of an overridden restrictive covenant are entitled to claim compensation. This is calculated on the same basis as if the land had been compulsorily acquired.

Appropriating the Civic Offices Site for planning purposes

- 4.6 In accordance with section 122(1) Local Government Act 1972 in order to appropriate land from one function to another a local authority must be satisfied that the land is no longer required for the purpose for which it is held immediately before the appropriation.
- 4.7 On 29 March 2012 (paragraph 4.1 above) Cabinet resolved, in principle, that the Civic Offices Site was no longer required to be held for office accommodation and associated car parking purposes because that use is due to expire in early 2013. Those circumstances remain unchanged.
- 4.8 Before reaching a final decision as to whether to resolve to appropriate the Civic Offices Site to a planning purpose the Council must:
- 4.8.1 firstly satisfy itself that the appropriation will facilitate the development, redevelopment or improvement of the Civic Offices Site, which, in turn, will contribute to the promotion of the economic, social or environmental well-being of its area; and

- 4.8.2 secondly weigh the benefits of overriding the restrictive covenants against the effect of doing so on landowners who benefit from the covenants taking into account the circumstances and the availability of compensation.
- 4.9 The removal of the restrictive covenant affecting the land is essential to its redevelopment for retail purposes.
- 4.10 The redevelopment of the Civic Offices Site in accordance with the planning permission will contribute to the achievement of the promotion or improvement of the economic, social and environmental well-being of the area in:
- 4.10.1 economic terms – by helping to support the regeneration and enhancement of Telford Town Centre
- 4.10.2 social terms – through the provision of additional employment and investment opportunities which in turn will help to promote increase expenditure within the local economy which will help to support existing businesses within the town and wider region
- 4.10.3 environmental terms – by significantly improving the current Civic Centre Site. The proposal will maximise the Site's potential, will create and reinforce pedestrian linkages to produce a safe and secure environment and will be accessible, and sustainable
- 4.11 None of the alternatives available for dealing with the restrictive covenants are as effective as appropriating the Civic Offices Site for planning purposes. This is so whether or not the ASDA superstore proposal proceeds (as is intended).

Representations received

- 4.12 Following the advertising process (paragraph 4.3 above) a representation was received from Nabarro LLP solicitors on behalf of the Telford Trustees which identifies the following objections to the Council appropriating the Civic Offices Site for planning purposes:
- 4.12.1 **(Paragraph 3) Appropriating the Civic Offices Site for planning purposes is the equivalent of the compulsory acquisition of the Council's own land and as such the Council must demonstrate a degree of requirement or necessity to the use of the power.**
RESPONSE - It is not accepted that appropriating land for planning purposes is equivalent to compulsory purchase. The appropriation must be for purposes for which land could be or could have been acquired under section 226 Town and Country Planning Act 1990 (as amended) ("Compulsory acquisition of land for development and other purposes"). The legal test is therefore whether the Council thinks that the appropriation will facilitate the carrying out of the development/redevelopment or improvement on or in relation to the land so as to promote the economic, social or environmental well-being of its area. Those considerations are the subject of this report and Cabinet's decision.
- 4.12.2 **(Paragraph 4) Appropriation is unnecessary; the Council could sell the land without appropriating it for planning purposes.**
RESPONSE - The Council could sell the land without first appropriating it for planning purposes. However, if it did, there is a serious risk that the site would not be developed for retail purposes in accordance with the planning permission as there is a realistic possibility that the Telford Trustees would be unwilling to release the restrictive covenants affecting the site because of their interest in redeveloping a competing site in their ownership. There is also the question of other unidentified landowners with the benefit of the rights, as referred to in paragraph 4.5.1 above, and the question of time-scale. Officers are satisfied that any alternative would delay, to a considerable extent, and possibly frustrate altogether, redevelopment and therefore jeopardize the economic, social and environmental benefits which it is desired to achieve by redevelopment.

4.12.3 **(Paragraph 5) the Council is using a discretionary power to override third party rights in order to “achieve a financial gain for the Council by selling its land at a more advantageous price”.**

RESPONSE - When rights are overridden there is an obligation to pay compensation. This is calculated on an identical basis to compensation for the breach of a restrictive covenant, that is, on the extent to which the land benefiting from the right is diminished in value. On this basis the landowner benefiting from the right will not suffer any loss of value. It is therefore incorrect to assert that the Council will financially benefit from appropriating the Civic Offices Site for planning purposes.

4.12.4 **Breach of human rights (Paragraph 6 and onwards)**

RESPONSE - The appropriation for planning purposes will not interfere with property rights under Article 1 of the First Protocol to the European Convention on Human Rights. If and when development occurs, property rights will be overridden, at which time compensation will be payable. Any such later interference with human rights serves a legitimate purpose, is in accordance with law, and is proportionate, especially given the payment of compensation.

4.12.5 **Perversity and procedural unfairness (Paragraph 7)**

RESPONSE - The Council accepts that it must act reasonably and fairly, having regard to all material considerations. It has endeavoured to do so in all its actions, including the present proposal that the Civic Offices Site be appropriated for planning purposes in the public interest.

Impact

4.13 In assessing the impact of the proposed appropriation of the Civic Offices Site by the Council for planning purposes the Council has taken into account the representations received from the Nabarro LLP solicitors (on behalf of the Telford Trustees) as referred to above in paragraph 4.12 and the other impacts referred to in Section 3 above.

4.14 A further and final opportunity will be given to the Telford Trustees to make any further written submissions in connection with the proposal to be considered by Cabinet.

Conclusion

4.15 Having taken into account the objections made by the Telford Trustees to the Council appropriating the Civic Offices Site for planning purposes (but subject to receipt of any further written submissions) and weighing these objections against the benefit the redevelopment of the land will bring to the economic, social and environmental well-being of the area, and in particular Telford town centre, your officers are of the view that there is clear evidence that the public benefit of appropriating the Site for planning purposes outweighs the potential private loss that may be incurred and recommend that Cabinet resolve to appropriate the Civic Offices Site for planning purposes in accordance with section 122 Local Government Act 1972.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

None

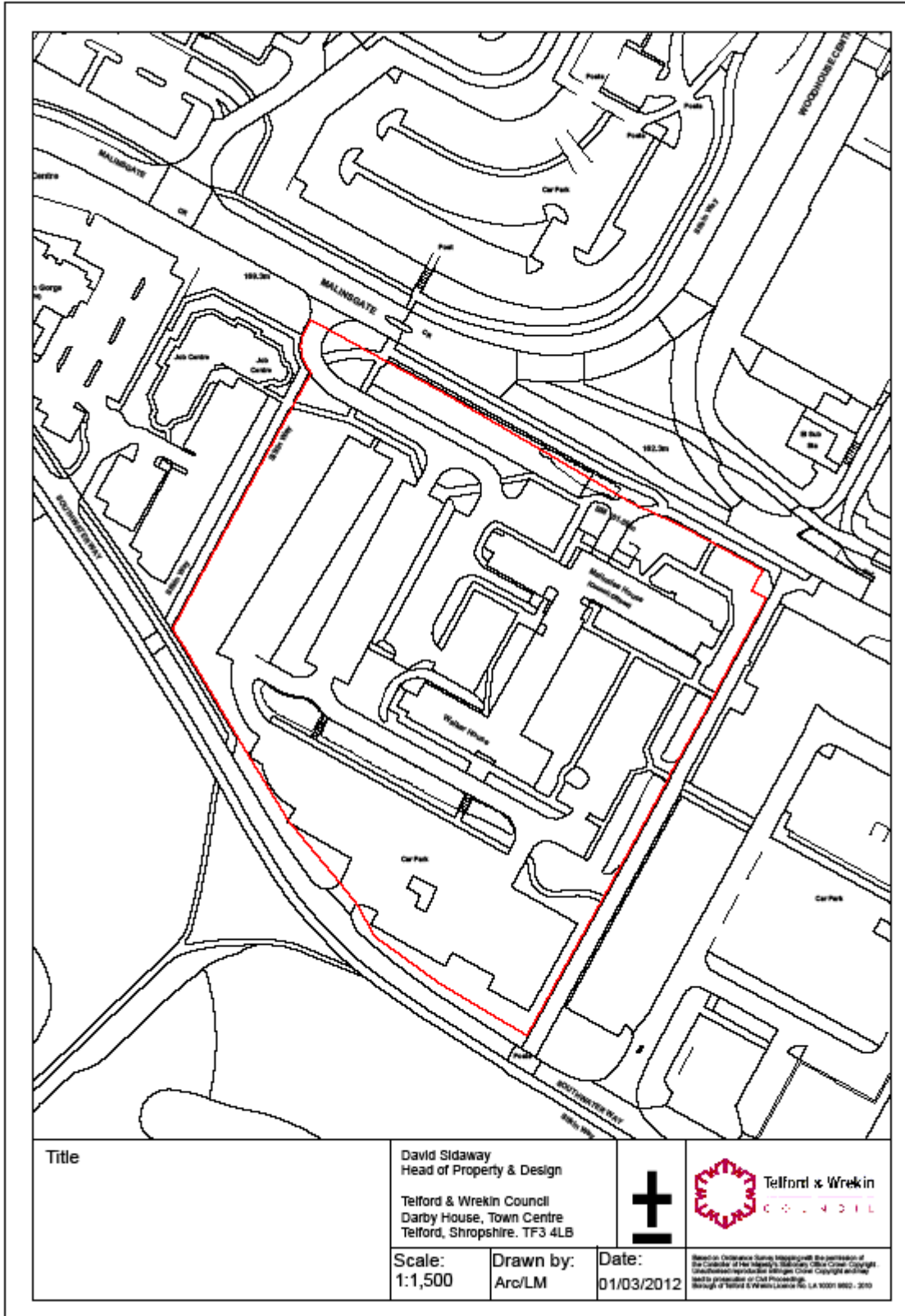
6. PREVIOUS MINUTES



CB 165	9 March 2009
CB 204	11 May 2009
CB 113	29 March 2012

7. BACKGROUND PAPERS

None

Appendix 1 - Plan of land to be appropriated



<p>Title</p>	<p>David Sidaway Head of Property & Design</p> <p>Telford & Wrekin Council Darby House, Town Centre Telford, Shropshire. TF3 4LB</p>		 <p>Telford & Wrekin COUNCIL</p>
<p>Scale: 1:1,500</p>	<p>Drawn by: Arc/LM</p>	<p>Date: 01/03/2012</p>	<p><small>Based on Ordnance Survey data. All rights reserved. The copyright in this document is the property of Telford & Wrekin Council. Copyright and all other rights reserved. © Telford & Wrekin Council. LA 10001 0002 - 2010</small></p>

Appendix 2 - Copy of representation letter from Nabarro Solicitors



By email and recorded delivery (emma.harvey@telford.gov.uk)

Telford and Wrekin Council
Legal Services
3rd Floor East
Civic Offices
Telford
TF3 4HD

For the attention of: Mr Jonathan Eatough, Head of Legal Services

11 May 2012

Our ref: FB/IPT/T1784/00301

Dear Sirs

Proposed development of civic offices site at Southwater Way

In your letter dated 23 March, you said that our client was entitled to make representations in respect of the decisions referred to in the report attached to your letter, which report was due to be considered by the Council's Cabinet at its meeting on 29 March. At its meeting on 29 March, the Council's Cabinet made certain decisions in relation to the Civic Office site, as set out in the minutes of that meeting, as published on 4 April.

The purpose of this letter is to set out our client's representations in relation to those decisions. The contents of this letter repeats to an extent our letter dated 31 October 2011. We wish to make it clear, however, that the steps taken by the Council since that letter do not fully address the issues raised in that letter. Any decision to appropriate the land for planning purposes must be taken under, and in accordance with the requirements of, section 122 of the Local Government Act 1972 (the "1972 Act"). The basis upon which such a decision is taken by the Council is reviewable by the High Court on an application for judicial review.

Any decision by the Council to appropriate, and then for itself or a successor in title to seek to rely on section 237 of the Town and Country Planning Act 1990 (the "1990 Act"), could result in our client being unable to enforce the private law rights set out in our letter dated 7 October 2010, albeit our client would be entitled to statutory compensation. As a result, such an appropriation could result in a significant interference with our clients' rights and would be equivalent to a compulsory purchase of those rights. In support of that view, our client relies on the leading decision on the exercise of the power to appropriate, *R v Leeds City Council, ex parte Leeds Co-operative Society (1997) 73 P & CR 70*, in which McCullough J said: "I regard it as significant that a single provision in the 1990 Act, section 226, empowers an authority both to acquire land compulsorily and to "appropriate" its own

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T1784/00301/83191795 v.1



N A B A R R O

To: Telford and Wrekin Council
Date: 11 May 2012
Page: 2 of 4

land. I see "appropriation", therefore, as the equivalent of compulsory purchase of a council's own land, and the same degree of "requirement" or "necessity" should apply in each case."

The Council wishes to dispose of land which it owns and which we understand will no longer be needed for its original purpose. That process could be carried out without an appropriation. An appropriation is only necessary in law if the Council itself intends to carry out a development of its land or change its use to a different purpose. Presumably, the Council is not proposing to run a supermarket. The only purpose of an appropriation would be to increase the amount which the Council receives for selling its land, by conferring rights upon the purchaser which the purchaser would not otherwise have. Those rights would be exercisable against our clients.

In other words, a discretionary statutory power, which when exercised has the effect of overriding our clients' private law rights, is being exercised in favour of a third party in order to achieve a financial gain for the Council by selling its land at a more advantageous price. Such a process is unsupportable as a proper and valid exercise of public powers. If the Council wishes to negotiate with those entitled to the benefit of restrictive covenants in order to remove those covenants, then of course they can do so. In the final analysis, there is a power to apply to the Lands Chamber of the Upper Tribunal under section 84 of the Law of Property Act 1925 for a discharge or modification of a covenant. An appropriation is not necessary to enable the Council to dispose of its land.

The making of an appropriation, taking into consideration the adverse effect which it has and the possible transfer of a part of the value of the land from one private person to another at the expense of our client, is neither (a) necessary in the language of *McCullough J* or (b) justifiable, having regard to the ordinary obligations of openness and fairness in public law, as today reinforced by the European Convention on Human Rights and the Human Rights Act 1998. The unjustifiable nature of what appears to be proposed is compounded by the deliberate and unacceptable secrecy and withholding of information which has characterised this matter, and which has previously been raised with you.

A decision to appropriate under section 237 of the 1990 Act could have a significant impact on our clients' legal rights. It would be perverse and procedurally unfair for the Council to reach that decision without full and proper consideration of all material considerations, and a full and public decision-making process. The principle of fairness in administrative law applies to decisions to appropriate land as it applies to all administrative decisions which may adversely affect particular members of the public.

Article 6(1) of the European Convention on Human Rights states that "In the determination of his civil rights and obligations or of any criminal charge against him, everyone is entitled to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law." The appropriation of our clients' rights would be a determination of their civil rights and it is highly important that the Council in this context is completely open in its dealings with our clients in respect of any decision to appropriate. To date, the Council has not been open with our clients on this issue: for example,

- (a) According to David Sidaway's witness statement dated 8 March 2011, the Council's Cabinet delegated the use of the power to appropriate under section 122 of the 1972 Act to the Council's Head of Asset & Property Management, at its meeting on 9 May 2009. The relevant section of the report to that Cabinet meeting was, however, not made public and the Cabinet's discussions on the issue were held in private session. This is unjustified and unacceptable.



N A B A R R O

To: Telford and Wrekin Council
Date: 11 May 2012
Page: 3 of 4

- (b) The public minute of the decision to delegate the powers made no reference to appropriation or section 122. It merely stated that delegated authority be given to the Head of Asset & Property Management, following consultation with the Head of Legal Services and the Cabinet Member for Regeneration, "to take any required steps to facilitate the changes detailed in the report." It is not therefore possible for our clients, without access to the report, to see what the decision actually reached was, or the basis and justification for that decision. To make any sense of the Cabinet's decision, one would have to see a copy of the report, which has been withheld by the Council.
- (c) In his witness statement David Sidaway also said that the report to that Cabinet meeting was prepared and the decision taken "to ensure that the Council and Second Respondents," meaning Asda Stores Limited, "were confident that the Council were prepared to utilise these powers, if necessary, to ensure that the development could proceed as planned." As a result, it is clear that the Council has pursued a course to provide Asda with confidence in relation to its land deal with the Council on a confidential basis, without our clients being able to understand the decision taken or its basis or justification. An act akin to a compulsory purchase cannot be carried out with such secrecy and the withholding of information from those who may be adversely affected.

Whilst we have not seen the report to the Cabinet meeting on 9 May 2009, we would also question whether the decision of the Cabinet at that time can remain a valid basis for the delegation of powers, given the changes in circumstances since that time. For example the change in the Council's position in respect of the relocation of its offices since that date, and the decision to exclude the site from the extension of the Primary Shopping Area in the Central Telford Area Action Plan which recognised that in planning terms the site is not appropriate for allocation for retail purposes. It seems to us that there can no longer be any compelling reason to appropriate having regard to the change in circumstances. Please would you now send us a copy of the report to the Cabinet meeting on 9 May 2009 and provide the two confirmations sought in our letters of 5 and 26 August 2011 and 13 September 2011.

The Report of the Assistant Director (Development, Business and Housing) enclosed in your letter dated 23 March recommends to Members that they decide in principle to appropriate the Civic Offices Site for planning purposes subject to the consideration of representations as to the effect taking that step will have on affected landowner's interests. The Report goes on to state that the proposed new use as a superstore is restrained by a number of restrictive covenants which affect the Civic Offices Site, and that to avoid the effect of these restrictive covenants the Council is likely to wish to rely on Section 237. The Report reinforces the concerns expressed elsewhere in this letter about the overriding of our client's private law rights.

The Decision of the Members enclosed with your letter dated 19 April states that the Members have already decided that the appropriation of the Civic Offices Site for planning purposes be approved in principle, subject only to the consideration of representations as to the effect that may have on affected landowner's interests. Furthermore, there is no indication that the Council has considered the wider public interest. We therefore look forward to receiving in due course a copy of the further Report to Members on the issues raised in this letter, and of their Decision based upon that Report.

Finally, the Report enclosed with your letter dated 23 March 2012 states that a full impact assessment will be undertaken as part of the process in considering any representations made if the recommendations are approved. There may be further representations that our client would wish to



N A B A R R O

To: Telford and Wrekin Council
Date: 11 May 2012
Page: 4 of 4

make when it is known what factors have been taken into account by the Council in its impact assessment. It is also not entirely clear whether that impact assessment will deal only with issues raised by consultees, or whether it will be more wide-ranging. In any event, it is difficult for our client to comment any further until it knows what factors the Council has taken into account in making its decision.

Yours faithfully

NABARRO LLP

Enc

TELFORD & WREKIN COUNCIL

CABINET – 28 JUNE 2012

REPRESENTATION ON OUTSIDE BODIES 2012-13

REPORT OF THE ASSISTANT DIRECTOR: LAW, DEMOCRACY & PUBLIC PROTECTION

LEAD CABINET MEMBER – COUNCILLOR RICHARD OVERTON

1.0 PURPOSE

- 1.1 To request that Cabinet approves the nominations made to Outside Bodies as set out in Appendix 1 of the report, subject to any further nominations from the Conservative Group.

2.0 RECOMMENDATIONS

- 2.1 That, subject to any further nominations being received from the Conservative Group, the nominations to represent the Council on Outside Bodies, as set out in Appendix 1 of the report, be approved.

3.0 INFORMATION

- 3.1 The nominations to represent the Council on Outside Bodies dealt with in this report are those which are appointed on an annual basis. Other organisations on which the Council has representation are appointed for varying periods. Reports requesting nominations in relation to these will be brought to Cabinet as required.
- 3.2 Members are reminded that only the named councillor or holder of a Cabinet position should attend meetings of Outside Bodies.
- 3.3 Nominations have been sought from each of the political groups for those appointments that are not by position. Nominations have been received from the Labour and Liberal Democrat/Independent Groups, and these are reflected in Appendix 1. Any further nominations from the Conservative Group will be tabled at the meeting.

4.0 OTHER CONSIDERATIONS

AREA

Equality & Diversity
Environmental Impact

COMMENTS

Not applicable
Not applicable

Legal Implications

The outside bodies to which this report relates are to fulfil functions which are, under the relevant statutory and constitutional provisions, cabinet functions

Opportunities & Risks

Not applicable

Financial Implications

Not applicable

Links with Corporate Priorities

Not applicable

Ward Implications

Not applicable

5.0 **BACKGROUND PAPERS**

None.

Report prepared by Phil Smith, Democratic Services Team Leader – (01952-383211)

REPRESENTATION ON OUTSIDE BODIES 2012-13 – NOMINATIONS

APPENDIX A

ORGANISATION	CABINET MEMBER	OTHER MEMBER(S)	NOMINATION(S) for 2012/13
National/Regional Bodies			
Local Government Association – General Assembly		3 Councillors 1 Observer	1. Cllr K Sahota 2. Cllr S. Davies 3. Cllr R Overton 4. Cllr C Elliott (Observer)
Local Government Association – Unitary Special Interest Group		1 Councillor	1. Cllr K Sahota
Local Government Association – New Towns Special Interest Group		1 Councillor	1. Cllr C Smith
Local Government Association – Urban Commission		2 Councillors	1 Cllr K Sahota 2..Cllr C Smith
Local Government Association – Rural Commission		2 Councillors	1. Cllr H Rhodes 2. Cllr C Turley
Local Government Association – World Heritage Sites Special Interest Group (LAWHF)		1 local Ward Member + 1 Councillor as substitute	1. Cllr D Davies 2. Cllr C Elliott (substitute)

REPRESENTATION ON OUTSIDE BODIES 2012-13 – NOMINATIONS

APPENDIX A

West Midlands Local Government Association – Strategic Advisory Panel (Housing, Planning, Transport & Environment issues)		2 Councillors	1. Cllr C Smith 2. Cllr H Rhodes
Association for Public Service Excellence (APSE)		1 Councillor	1. Cllr J Minor
National Association of Councillors		1 Councillor	1. Cllr A Mackenzie
Association of Councillors – English Region Branch		3 Councillors (one of which <u>must</u> be the representative to the National Association)	1. Cllr A Mackenzie 2. Cllr A England 3. Cllr E Carter (subject to nomination by Conservative Group)
English Severn & Wye Regional Flood & Coastal Committee		1 Councillor	1. Cllr H. Rhodes (appointed by Cabinet on 31/5/12)

REPRESENTATION ON OUTSIDE BODIES 2012-13 – NOMINATIONS

APPENDIX A

West Mercia Supplies/Energy Joint Board	2 Cabinet Members and 2 substitute Cabinet Members to accord with Article 11 of the Board's Constitution		<p>1. Cabinet Member: Resources & Service Delivery</p> <p>2. Cabinet Member: Leisure & Wellbeing</p> <p>3. Deputy Leader (substitute)</p> <p>4. Cabinet Member: Children, Young People & Families (substitute)</p>
West Mercia Supplies/Energy Audit Committee		1 Councillor	1. Cllr W McClements
Shropshire, Telford & The Marches Strategic Rail Group	Cabinet Member: Transport & Community Protection		1. Cllr H Rhodes
Shropshire Organisations			
Ironbridge & Telford Tourism (Telford Tourism Board) (previously Shropshire & Telford Marketing Partnership)	Lead Member for Tourism		1. Cllr C.Elliott
Shropshire Destination Management Partnership	Lead Member for Tourism		1. Cllr C.Elliott
Shropshire Pension Fund		2 Councillors 2 Councillors (substitutes)	<p>1. Cllr M. Smith</p> <p>2. Cllr W McClements</p> <p>3. Cllr A England (substitute)</p> <p>4. Cllr R Overton (substitute)</p>
Age Concern Shropshire, Telford & Wrekin		1 Councillor	1. Cllr R Picken

REPRESENTATION ON OUTSIDE BODIES 2012-13 – NOMINATIONS

APPENDIX A

Shropshire Playing Fields Association	Cabinet Member: Leisure & Wellbeing	+ 1 Councillor	1. Cllr A.R.H. England 2. Cllr H Rhodes
County Sports Partnership (Energize STW)	Cabinet Member: Leisure & Wellbeing		1. Cllr A.R.H. England
STW 2012 Group	Cabinet Member: Leisure & Wellbeing		1.Cllr A.R.H. England
Shropshire Hills Area of Outstanding Natural Beauty		1 Councillor	1. Cllr C Turley
Telford & Wrekin Organisations			
Local Strategic Partnership	Leader		1. Cllr K Sahota
Telford MIND Executive Committee		1 Councillor	1. Cllr F Bould
Community Safety Partnership		1 Councillor	1. Cllr H Rhodes
Racial Equality & Diversity Partnership		1 Councillor	1. Cllr L Murray
Wrekin Landlords Association		1 Councillor	1. Cllr D White
Wrekin Housing Trust		1 Councillor	1. Cllr R Picken

REPRESENTATION ON OUTSIDE BODIES 2012-13 – NOMINATIONS

APPENDIX A

Telford & Wrekin Standing Advisory Council for Religious Education (SACRE)		3 Councillors	1. Cllr L Murray 2. Cllr K Guy 3. Cllr A Jhawar
Telford & Wrekin Council for Voluntary Services		2 Councillors	1. Cllr A England 2. Cllr P Watling
<ul style="list-style-type: none"> • Executive Committee • CVS Projects Ltd. 		2 Councillors	1. Cllr A England 2. Cllr P Watling
Telford & The Wrekin Citizens; Advice Bureau – Management Board		2 Councillors	1. Cllr A England 2. Cllr J Loveridge
Telford & Wrekin Flood Risk Management Board	Cabinet Member: Transport & Community Protection		1. Cllr H Rhodes
Community Health & Enterprise Centre (CHEC)		1 Councillor	1. Cllr G Green
Telford & Wrekin Retirement Association	Mayor		1. Cllr K Guy
Telford Christian Council - Executive Committee		1 Councillor	1. Cllr R Evans
Ironbridge Gorge World Heritage Site Strategy Group		1 Ward Councillor 1 Councillor	1. Cllr C Elliott 2. Cllr C Turley
Wellington Centre Management Committee		2 Councillors	1. Cllr J Thompson 2. Cllr A England

REPRESENTATION ON OUTSIDE BODIES 2012-13 – NOMINATIONS

APPENDIX A

Granville Country Park (Local Nature Reserve) Management Committee		1 Councillor	1.Cllr C Turley
Telford & Wrekin Home Start Management Committee		1 Councillor	1. Cllr J Loveridge
Woodside Regeneration Partnership	Cabinet Member: Housing, Regeneration & Economic Development	1 Ward Councillor	1.Cllr C Smith 2.Cllr R Evans (ward cllr)
Telford & Wrekin Local Admission Forum	Cabinet Member: Children Young People & Families		1. Cllr P Watling
Telford Millennium Steering Group	Cabinet Member: Housing, Regeneration & Economic Development	1 Ward Councillor	1. Cllr C Smith 2. Cllr K Austin
Ironstone (Lawley) Steering Group	Cabinet Member: Housing, Regeneration & Economic Development		1. Cllr C Smith
Lightmoor/TWC Liaison Group	Cabinet Member: Housing, Regeneration & Economic Development	2 Ward Councillors	1. Cllr C Smith 2. Cllr T Hope 3. Cllr C Mollett
Companies Limited by Guarantee/Trusts/Charities, etc.			
Park Lane Centre – (NB: appointed as a Director)		1 Councillor	1. Cllr K Guy
Madeley United Charities of Shropshire -		1 Councillor	1. Cllr A Mackenzie

REPRESENTATION ON OUTSIDE BODIES 2012-13 – NOMINATIONS

APPENDIX A

Meeting Point Trust		3 Councillors	<ul style="list-style-type: none"> 1. Cllr R Overton 2. Cllr C Mason 3. Cllr P Watling
Ironbridge Gorge Museum Trust		1 Councillor	<ul style="list-style-type: none"> 1. Cllr C Turley
Severn Gorge Countryside Trust (nominations for approval at Trust's AGM in October)		5 representatives	<ul style="list-style-type: none"> 1. G Bould 2. Cllr C Turley 3. Cllr D Davies 4. L Lomax 5. Cllr J Loveridge
Telford Trust	Cabinet Member: Leisure & Wellbeing	3 Councillors	<ul style="list-style-type: none"> 1. Cllr A England 2. Cllr N England 3. Cllr A Mackenzie 4. Cllr G Green

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 28th June, 2012 at 5.00 p.m. at the Civic Offices, Telford

PUBLISHED ON WEDNESDAY, 4th JULY, 2012

(DEADLINE FOR CALL-IN: MONDAY, 9th JULY, 2012)

PRESENT: Councillor K.S. Sahota (Leader and Chair), E.A. Clare, S. Davies, A.R.H. England, W.A.M. McClements, R.A. Overton, H. Rhodes, C.F. Smith and P.R. Watling

ALSO PRESENT: Councillor A.J. Eade (Conservative Group Leader) and Councillor W.L. Tomlinson (Lib Dem/Independent Group Leader)

CB-11 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 31st May 2012 be confirmed and signed by the Chairman.

CB-12 APOLOGIES FOR ABSENCE

None

CB-13 DECLARATIONS OF INTEREST

Councillor S. Davies declared a personal and prejudicial interest in relation to Agenda item 6 – Youth Offending Service Review

Councillor A.R.H. England declared a personal interest (as a youth court magistrate) in Agenda item 6 – Youth Offending Service Review

CB-14 SERVICE & FINANCIAL PLANNING – 2011/12 OUTTURN

Key Decision identified as **Service & Financial Planning: 2011/12 Outturn and 2012/13 Update** in the Forward Plan published on 16th May 2012.
Recommendations to Council - not subject to call-in

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Finance, Audit & Information Governance, which informed Members of the final outturn position for Revenue and Capital for 2011/12.

The gross revenue budget for 2011/12 was £409m – the net budget for reporting purposes was just over £129m. The revenue outturn position was within budget, with a final net under-spend of £1.8m (-1.42% of net budget). It had been a very challenging year with government grant cuts of £13.6m, and a major programme of restructuring and service reviews continuing across all

Council services to deliver the level of savings required. The outlook promised to be equally difficult with further pressure on resources and increasing demands on services due to the recession. Given this context, it was a particularly positive year-end position which demonstrated the stringent financial management in place and the efforts of employees across the Council to make efficiency savings wherever possible. Provision had been made for the £2.1m required as part of the 2012/13 budget strategy, and to create an Invest to Save fund totalling £1m which would assist with the delivery of future savings.

There had been a number of service pressures experienced in 2011/12: particularly the cost of children in care (£1.5m overspend relating to both placements and the use of agency workers), adult social care purchasing (£0.993m overspend) and income shortfalls totalling £1.9m. Benefits had arisen from treasury management activities, restructure savings, vacant posts, and concessionary transport. Details of budget variations over £0.100m within each service delivery unit were set out in the report.

Capital spend ended the year at £71m, against an approved estimate of £84m, which was in the main due to re-phasing into 2012/13. The main scheme delays/re-phasing to 2012/13 were detailed in the report, along with a number of new approvals and virements.

Council Tax collection (£59m) and Business Rates (£65m) and sales ledger income collection (£35m) were slightly behind target for the year.

Summaries of the outturn on revenue and capital, along with major variations, were appended to the report.

Councillor A.J. Eade (Conservative Group Leader) expressed concern at the overall overspend on the cost of children in care, and in particular on the amount paid for agency staff. The Cabinet Member for Resources & Service Delivery and Councillor P.R. Watling (Cabinet Member for Children, Young People & Families) stated that there had been an impact as a result of the restructuring of services. However, it was expected that there would now be more stability, and that every effort was being made to reduce the use of agency workers. However, the Cabinet was very clear that it would not put a price on children's safety.

RESOLVED – to RECOMMEND to COUNCIL

- (a) that the revenue outturn position for 2011/12 and related virements, as shown in Appendix III of the report, be approved, subject to audit by the Council's internal auditors. (This includes the following transfers into provisions and reserves: £2.145m to support the 2012/13 budget strategy; £1m to create an Invest to Save fund (including the £0.5m approved in February's financial monitoring); £0.330 to support Council-wide Capacity/Training; £1.5m to fund severance costs associated with the delivery of ongoing revenue savings; £0.400m to address environmental issues);**

- (b) that authority be delegated to the Managing Director, in consultation with the Cabinet Member for Resources & Service Delivery, to approve bids against the Capacity and Environmental works reserves;
- (c) that the Capital outturn position and related supplementary estimates, virements and re-phasing, as shown in Appendix IV of the report, be approved;
- (d) that the performance against income targets be noted.

CB-15 SERVICE & FINANCIAL PLANNING UPDATE

Key Decision identified as **Service & Financial Planning: 2011/12 Outturn and 2012/13 Update** in the Forward Plan published on 16th May 2012 .

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Managing Director and the Assistant Director: Finance, Audit & Information Governance, which provided an update on progress on meeting the remaining target for savings in the current year, and on the more significant challenge of identifying proposals for a projected gap of around £3.7m for 2013/14.

At the March Council meeting, specific savings proposals totalling £19m gross were agreed. However, a further £0.88m of savings were needed but had not been specifically identified at that stage. Appended to the report were details of just over £0.9m of savings proposals that would meet this remaining target.

The March projections showed that around £3.7m further savings would be needed for 2013/14 on top of the £9.3m gross savings proposal already budgeted for. This assumed that the Council's £2.1m share of NHS funding passported via the Primary Care Trust (PCT) for adult social care expenditure was still available in 2013/14 – although this had not yet been confirmed. However, positive discussions with the PCT about reducing the cost to the Council from 2013/14 for Continuing Healthcare cases meant that the remaining projected shortfall could be reduced from £3.7m to £2.7m. It was becoming increasingly difficult to identify areas for further savings, but some initial proposals were included in the report.

A number of the savings proposals now going forward were dependent on investment up-front in order to achieve ongoing revenue savings. It was recommended that these invest to save bids were reviewed by the Cabinet Member and authority delegated to the Managing Director to approve the bids. Work was in progress to generate further savings proposals.

In response to a question from Councillor A.J. Eade, the Cabinet Member advised that a further report would be brought to Cabinet in September, when there would be more detail on the proposed savings proposals – particularly in relation to non-staffing costs. The Cabinet Member added that the situation

was not helped by the uncertainty about the new Local Government Finance system which was due to be operational from 2013/14.

RESOLVED –

- (a) that the additional 2012/13 savings proposals shown at Appendix 1 of the report be approved, and an Impact Statement completed;**
- (b) that authority be delegated to the Managing Director, in consultation with the Cabinet Member for Resources & Service Delivery, to approve Invest to Save bids.**

(Councillor S. Davies withdrew from the meeting room for the following item).

CB-16 YOUTH OFFENDING SERVICE (YOS) REVIEW

Key Decision identified as **Youth Offending Service** in the Forward Plan published on 16th April 2012.

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Assistant Director: Family & Cohesion Services, which set out proposals for determining the most appropriate service model for providing an effective Youth Offending Service (YOS).

Currently West Mercia had two Youth Offending Services – one covering Shropshire and Telford & Wrekin, the other covering Worcestershire and Herefordshire. Although both services performed well, the changing landscape for local authorities and criminal justice agencies had prompted a review of how the service was delivered. A project board (including Children's Services Directors from each LA) had been established, and this group had established a vision which focused on preventing youth crime, rather than simply responding to it. A number of principles for change had also been agreed, against which a number of service delivery options had been tested. Details of this appraisal process were shown in the report. The preferred option was for the delivery of a Core Service across West Mercia on a hosted basis. This would be done under a formal partnership agreement, with a new YOS Management Board to ensure that the service was being delivered. Non-core services would be commissioned by each Local Authority, and it was envisaged that in-house provision would remain in the short term.

In terms of hosting the Core YOS, the best option in terms of synergies and costs was for the West Mercia Probation Trust to provide a "clinical lead" for the Core YOS as part of a transition process that could be achieved by April 2013. This arrangement would be reviewed after 18 months to allow exploration of commissioning the service through a competitive process, as well as gathering more information on the optimum range and delivery of non-core services.

During discussion of the report, Cabinet Members emphasised that the YOS was not being privatised, and that the Service must be user-led and targeted

at those vulnerable young people with complex needs. The aim was to get the best possible service within the constraints of the current economic climate.

RESOLVED –

- (a) **that work should progress to establish a distinct core model for a West Mercia Youth Offending Service (YOS), and to consider the optimum delivery mechanisms for non-core services using a commissioning approach;**
- (b) **that, as part of the transition process, the preferred option for the West Mercia Probation Trust to provide a “clinical lead” for a core YOS be approved, and that implementation should proceed to achieve this;**
- (c) **that authority be delegated to the Director of Children’s Services, in consultation with the Cabinet Member for Children, Young People & Families, to negotiate and agree the terms of the agreement with West Mercia Probation Trust;**
- (d) **that this arrangement be reviewed after 18 months, to allow exploration by the Local Authorities, jointly and individually through the YOS Management Board, of commissioning a single core YOS through a competitive process to secure a third party provider from year three, if that is the conclusion of the review;**
- (e) **that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to sign or seal any such agreement.**

CB -17 CIVIC OFFICES SITE - APPROPRIATION

Key Decision identified as **Civic Offices Appropriation** in the Forward Plan published on 24th May 2012.

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Development, Business & Housing, which requested Cabinet to appropriate the Civic Offices site for planning purposes to facilitate its development.

On 29 March 2012, Cabinet resolved in principle that the Civic Offices site was no longer required to be held by the Council for office and associated car parking purposes. This was advertised in a local newspaper, with a 21 day period for any representations to be made. One representation was received, from the solicitors representing the Telford Trustees – owners of Telford Shopping Centre. A copy of the letter was appended to the report. The representation put forward a number of objections to the Council’s appropriation of the Civic Offices site. These were detailed in the report, along with the Council’s responses. A further letter had been received from the solicitors representing the Telford Trustees following publication of the Cabinet agenda. This letter was tabled at the meeting, and its contents fully

considered by Members together with officer's comments on the representations made. The Council's Commercial Solicitor advised that: in relation to paragraph 3 – it could be demonstrated that the redevelopment of the Civic Offices site would facilitate additional development that would provide additional benefits to the wider regeneration of the Southwater area in the Town Centre.

in relation to paragraph 4 – the Trustees have not indicated in previous correspondence that they would be prepared to surrender their rights by agreement. In addition, discussions had taken place over a long period of time with the Trustee's representatives in an attempt to agree a solution, but these discussions had proven unsuccessful. In addition, the Trustees were not the only landowners with the benefit of rights arising from the restrictive covenants.

in relation to paragraph 5 - this paragraph confused causes and effect. Planning permission had been secured for the site and to enable it to be redeveloped in accordance with this permission, it was necessary to deal with the restrictive covenants affecting the use.

in relation to paragraphs 6 and 7 – these issues had been dealt with in the main report.

Following careful consideration of the representations that had been made, and the responses that had been provided, Members were satisfied that there was clear evidence that the public benefit of appropriating the site for planning purposes outweighed the potential private loss that might be incurred.

RESOLVED – that in accordance with section 122(1) of the Local Government Act 1972, and having considered representations received, the decision on 29th March 2012 to appropriate for planning purposes the Civic Offices site (as identified in the plan at Appendix 1 of the report) because the land is no longer required to be held for office accommodation and associated car parking purposes be reaffirmed.

CB-18 REPRESENTATION ON OUTSIDE BODIES 2012/13

Non-Key decision

Councillor R.A. Overton, Deputy Leader, presented the report of the Assistant Director: Law, Democracy & Public Protection which requested Cabinet to approve the nominations made to Outside Bodies for 2012/13.

Appended to the report was the list of outside bodies to which representatives were appointed on an annual basis. Nominations had been sought from each of the political Groups for those appointments that were not by position, and these were shown in the Appendix. No further nominations had been received from the Conservative Group.

RESOLVED – that the nominations to represent the Council on outside bodies for 2012/13, as set out in Appendix 1 of the report, be approved.

CB-19 EXCLUSION OF PRESS AND PUBLIC

RESOLVED - that the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

CB - 20 TELFORD INTERNATIONAL RAILFREIGHT PARK

Key Decision identified as **Appointment of an Operator for the Telford International Railfreight Park** in the Forward Plan published on 16th April 2012.

Councillor C.F. Smith, Cabinet Member: Housing, Regeneration & Economic Development, presented the report of the Assistant Director: Development, Business & Housing, which sought approval to appoint an operator for Telford International Railfreight Park following a procurement process.

Following the executing of a break clause in the contract by the previous operator, Cabinet in December 2011 agreed to procure a new operator for the terminal through the OJEU procurement process. The report detailed the stages of this process, consultation with industry experts and the engagement of a firm of rail logistics experts to advise on and support the evaluation of tenders received. Two tenders were submitted at Stage 2 of the procurement process, and the evaluation and scoring of the tenders was detailed in the report, including financial analysis and modelling. From a financial perspective, there was a marked difference between the two submissions – with one being cost neutral to the Council and the other requiring an ongoing weekly financial contribution from the Council.

RESOLVED –

- (a) that the appointment of DB Schenker as the operator for Telford International Railfreight Terminal be approved;**
- (b) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member for Housing, Regeneration & Economic Development, to conclude contract negotiations and enter into a Lease and Operating Agreement with DB Schenker;**
- (c) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to take any required procedural steps and enter into any necessary legal agreements to facilitate the transfer of the Transport & Work Act Order undertaking to DB Schenker for the duration of the proposed lease.**

The meeting ended at 5.55 p.m.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Law, Democracy & Public Protection
Date: 4th July 2012

Signed:

Date: