

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 19th September, 2013 at 5.00 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington, Telford

PUBLISHED ON WEDNESDAY, 25th SEPTEMBER, 2013

(DEADLINE FOR CALL-IN: MONDAY, 30th SEPTEMBER, 2013)

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 P.R. Watling

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

CB-27 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 25th July 2013 be confirmed and signed by the Chairman.

CB-28 APOLOGIES FOR ABSENCE

Councillor C.F. Smith

CB-29 DECLARATIONS OF INTEREST

Councillor A.R.H. England declared a personal interest in agenda item 7 – Youth Justice Plan – in relation to his role as a JP in the Youth Court.

Councillor S. Davies declared a personal interest in agenda item 7 – Youth Justice Plan – in relation to his work as a Solicitor representing people in the Youth Court.

Councillor E.A. Clare declared a personal interest in agenda item 9 – Early Works Agreement at Telford Co-operative Academy – in relation to her role as Governor at Sutherland Academy.

CB-30 SOLAR FARM

Key Decision identified as **Commercial Energy Project – Solar Farm** in the Notice of Key Decisions published on 19 August 2013.

Councillor S. Davies, Cabinet Member: Neighbourhood Services, Employment & Skills, presented the report of the Managing Director, which set out an initial business case for the development of a solar farm in the Borough, and the next steps to progress this project.

As part of the Council's wider energy strategy, it was proposed to develop a commercial-scale solar farm of approximately 5MW capacity on Council-owned land at Wheat Leasows. The main reasons for developing a solar farm were:

- Financial benefit – generation of renewable energy would provide an income stream for the Council that could potentially be offset against the Council's energy costs. Income would be guaranteed for a 20 year period via Government schemes.
- Environmental benefit – a 5MW capacity solar farm was likely to save more than 2,300 tonnes of CO₂ and to generate enough electricity to power more than 1,000 homes.
- Economic & Community benefit – including for example the use of local suppliers during the construction phase, and including educational activities as part of the scheme.

To connect with the national Grid, the Council would be dependent on the local Distribution Network Operator, and the costs of this were being evaluated. The business case was still being developed, and was subject to potential changes in the price of the solar panels and in the Feed-In Tariff rate. The initial financial model, showing likely returns based on different rates of energy price inflation, was appended to the report as an exempt appendix. External financial advice was being taken to ensure that the business case was as robust as possible. Another risk associated with the project was obtaining planning consent. A planning consultant had been appointed to co-ordinate the planning process.

There were a number of residential properties near to the proposed site, as well as HLC Queensway School. Councillor P.R. Watling, Cabinet Member for Children, Young People & Families, reported that initial discussions had been held with the School. In addition, there was likely to be interest in the project from the wider community. A communication and engagement plan had been developed, with Phase 1 involving direct contact with those living and working in the immediate vicinity, as well as with relevant Ward members and Parish/Town Councils. Once a planning application had been submitted, there would be formal consultation with stakeholders and the wider community on the specific proposals.

Councillor A.J. Eade (Conservative Group Leader) expressed some concerns regarding the risks involved with this scheme, and some of the assumptions in the financial model. There could also be adverse impacts for local residents if large scale screening or security measures were required around the site. The Chair advised that the detailed financial case for the scheme was classified as exempt information, and this part of the report could only be discussed following the exclusion of the public and press later in the meeting.

It was therefore

RESOLVED – to adjourn further consideration of the report until later in the meeting following the exclusion of the public and press.

CB-31 BRINGING EMPTY PROPERTIES BACK INTO USE AND TACKLING ROGUE LANDLORDS

Key Decision identified as **Bringing Empty Homes Back into Use** in the Notice of Key Decisions published on 30 April 2013.

Councillor R.A. Overton, on behalf of the Cabinet Member: Housing, Development & Borough Towns, presented the report of the Assistant Director: Development, Business & Employment, which set out proposals to bring empty properties back into use and tackle rogue landlords by establishing a social lettings agency and implementing a landlord accreditation scheme.

In Telford & Wrekin, there were estimated to be around 400 homes known to have been empty for longer than 6 months, of which around 162 had been inspected to date. 97% of these properties were privately owned. At the same time, the waiting list for social housing was continuing to increase, which meant it was vital for every source of accommodation to be maximised in order to meet demand. Empty properties were often detrimental to local communities if they were left to deteriorate. In response to these issues, it was proposed that the cross-Council Housing Action Team co-ordinate a programme of action/support to identify and monitor empty properties, and work with owners to identify what could be done to bring the property back into use. This could include the renovation, conversion and refurbishment of empty properties via a loans scheme. It was proposed to use £150,000 generated from capital receipts from disposals in Sutton Hill to fund a loans scheme, with loans of up to £20,000 being made available to landlords to bring empty dwellings in Sutton Hill back into use. Loans of between £5,000 and £15,000 were also being made available via the national Empty Homes Community Grants Programme – for which Telford & Wrekin would be an early adopter. Where properties were dilapidated or in a very poor condition, there were a number of other potential solutions including enforcement action, enforced sale or the making of an Empty Dwelling Management Order.

With increasing demand for private rented accommodation, it was proposed to introduce a Landlord Accreditation Scheme and take co-ordinated action to address poor landlord practices. The Scheme would involve the development of a register of landlords that adhered to correct practices. The Scheme would also provide advice and support to landlords in managing their properties. It was also proposed to create a Social Lettings Agency to source affordable, good quality accommodation.

Members welcomed the actions being proposed, particularly the introduction of a Landlord Accreditation Scheme which was a good step in giving tenants reassurance that they were dealing with a responsible landlord. In response to a question from Councillor W.L. Tomlinson (Liberal Democrat/Independent Group Leader), the Home Improvement Team Leader reported that it was hoped to be able to inspect all the known empty properties in the Borough within the next 6-12 months, following which a further report on the situation could be brought to Members.

RESOLVED –

- (a) that a capital allocation and expenditure of £150,000, funded from existing capital receipts, to reduce the significant number of empty homes within Sutton Hill be approved;
- (b) that the implementation of a Landlord Accreditation Scheme, as set out in the report, be approved;
- (c) that authority be delegated to the Home Improvement Agency Team Leader, in consultation with the Cabinet Member: Housing, Development & Borough Towns, to serve an Empty Dwelling Management Order, Compulsory Purchase Order and/or instigate an Enforced Sales Procedure;
- (d) that an Enforced Sales Procedure on an empty property be commenced where a minimum debt of £1,000 is outstanding on the property.

CB-32 HOMELESSNESS STRATEGY

Key Decision identified as **Homelessness Task Force – Homeless Strategy** in the Notice of Key Decisions published on 30 April 2013

Councillor R.A. Overton, on behalf of the Cabinet Member: Housing, Development & Borough Towns, presented the joint report of the Assistant Director: Development, Business & Employment and the Assistant Director: Family & Cohesion Services, which referred to a revised homelessness strategy that had been developed following a review of the present arrangements for dealing with homelessness. There was a minor amendment to recommendation 2.5 to make clear that the proposed use of capital receipts was a recommendation to full Council. A copy of the draft Strategy was appended to the report, and a minor typographical error on page 38 of the document would be amended.

A comprehensive review of homelessness in Telford & Wrekin had been undertaken by the Council in partnership with a number of other agencies. The key issues identified by the review were an over-reliance on bed and breakfast accommodation to meet the Council's statutory duty on homelessness, and an over-reliance on officers within Family & Cohesion Services to deliver a fully integrated solution to homelessness. The review concluded that officers in a client facing role were not best placed to manage property related functions and this was leading to the inefficient use of resources.

The revised Strategy set out how the Council would work with partners to prevent and tackle statutory and non-statutory homelessness, including eliminating the need for rough sleeping. The Strategy included an action plan setting out how the aims and priorities would be achieved over the next three years. It was proposed that the Development, Business & Employment service area would take over responsibility for managing all property aspects,

including for example negotiating leases and managing repairs and maintenance. Further details were appended to the report, but one immediate action being proposed was the refurbishment of existing accommodation at Refuge at a cost of c£110k, to be funded from the disposal of surplus properties within the homelessness portfolio. The temporary housing needs of service users would be brokered by Development, Business & Employment Services, working with private sector partners using a “Social Letting Agency” type model. The Strategy also addressed the need to accommodate Gypsies and Travellers in transit and tolerance sites, and the need to increase the size of existing sites to meet demand.

A query was raised on the figure quoted in the Strategy for the number of households registered with the ‘Choose Your Home’ scheme. Members, however, welcomed the involvement of charitable and voluntary groups in the development of the Strategy.

RESOLVED –

- (a) that the draft Homelessness Strategy 2013-2016 be approved for consultation, with a final report being brought back to Cabinet for approval later this year;**
- (b) that all property related functions relating to homelessness be transferred to the Development, Business & Employment Service area, and that delegated powers for making decisions relating to the property currently owned or leased for the purpose of providing temporary accommodation (as shown at Appendix 1 of the report) be granted to the Assistant Director: Development, Business & Employment, in consultation with the Cabinet Member for Housing, Development & Borough Towns;**
- (c) that authority be delegated to the Assistant Director: Development, Business & Employment, following consultation with the Cabinet Member: Housing, Development & Borough Towns, to enter into, and award, any contracts necessary for the delivery of the Phase 1 works as outlined in the report;**
- (d) that authority be delegated to the Assistant Director: Development, Business & Employment for the disposal and acquisition of properties in order to deliver the Homelessness Strategy;**
- (e) TO RECOMMEND to COUNCIL that the utilisation of £110,000 of capital receipts towards the refurbishment of Refuge be approved;**
- (f) that it be noted that a revenue budget of £64,000 per annum from 2014/15 was required to allow for the delivery of the Homelessness Strategy, to be met by the identification of further savings from within the Family & Cohesion Service and Development, Business & Employment Service;**

- (g) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to execute all legal documentation necessary to give effect to the resolutions above.

CB-33 **YOUTH JUSTICE PLAN**

Key Decision identified as **Youth Justice Plan** in the Notice of Key Decisions published on 19 August 2013

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Assistant Director: Family & Cohesion Services regarding the Youth Justice Plan which was prepared on an annual basis on behalf of Herefordshire Council, Shropshire Council, Telford & Wrekin Council and Worcestershire County Council. There was an amendment to the recommendation in the report in order to reflect the requirement for the Plan to be approved by full Council. A copy of the Plan for 2013/14 was appended to the report.

The Youth Justice Plan was a statutory document that set out how youth justice services across West Mercia were to be structured, provided and funded. It identified a number of priorities, and key actions to address risks to service delivery and improvement. These included focussing collaborative multi-agency effort on work to improve outcomes for Young Offenders; setting a strategic direction for the Youth Offending Service (YOS) across West Mercia; and to provide support and challenge to the YOS on operational performance.

In respect of the latter, the report detailed current performance on key national indicators for First Time Entrants to the youth justice system, the use of custody, and re-offending rates. These all compared favourably in comparison with national and regional performance. It also provided information on progress made during the first quarter of the year towards the main priorities in the Plan.

Phil Kendrick from the Youth Offending Service was present and was invited to answer questions from Members. In relation to the figures showing a rise in re-offending rates while the use of custody was falling, Mr Kendrick advised that the national trend was seeing persistent re-offending by a smaller group of offenders with complex needs and problems. Work was being done locally to gain a better understanding of this and to reduce the re-offending rate.

RESOLVED –

- (a) **TO RECOMMEND to COUNCIL that the Youth Justice Plan 2013/14 be approved;**
- (b) **that the performance for the first quarter be noted.**

CB-34 WEST MERCIA ADOPTION PROJECT

Key Decision identified as **West Mercia Adoption Project** in the Notice of Key Decisions published on 19 August 2013

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Assistant Director: Children's Safeguarding which sought approval in principle to the development of a West Mercia Adoption Service across Herefordshire, Shropshire, Telford & Wrekin and Worcestershire.

Currently, Telford & Wrekin and Shropshire had a joint adoption service run by Shropshire Council. Herefordshire and Worcestershire each had their own adoption service. In response to new powers being proposed by Government in the Children & Families Bill 2013 (including taking over the running of adoption services that were not deemed to be performing appropriately), it was recognised that by working collaboratively, the four local authorities could deliver a more efficient and effective service to a wider range of children, with particular emphasis on improving the timeliness of placing children and young people for adoption.

The governance arrangements to deliver the project had been agreed and established, with a strategic Project Board made up of the four Directors of Children's Services. An Outline Business Case had been prepared to provide an initial outline of the project and what it sought to achieve. A copy of the Outline Business Case was appended to the report. A number of delivery options had been looked at, and it was proposed that the three most promising options be further explored via cost benefit analysis etc. None of the options precluded going into partnership with a voluntary organisation. Consultation activity with stakeholders was being organised.

Members welcomed the work being undertaken to develop a regional Adoption Service, and noted that it could result in 20% cost savings as a result of greater efficiencies.

RESOLVED –

- (a) That the proposal to develop a West Mercia Adoption Service, as set out in the Outline Business Case appended to the report, be approved in principle;**
- (b) that the options described in the Outline Business Case be explored further;**
- (c) that a further report be received when the Full Business Case is available in February 2014.**

CB-35 **BUILDING SCHOOLS FOR THE FUTURE – APPROVAL TO ENTER INTO AN EARLY WORKS AGREEMENT AT TELFORD CO-OPERATIVE ACADEMY ON THE SITE OF THE OAKENGATES LEISURE CENTRE**

Key Decision identified as **Building Schools for the Future – Approval to Enter into an Early Works Agreement at Telford Co-operative Academy, Oakengates** in the Notice of Key Decisions published on 19 August 2013

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Assistant Director: Education & Corporate Parenting which sought approval to enter into an Early Works Agreement with the main contractor for the Borough's Building Schools for the Future (BSF) programme for development of the site for the Telford Co-operative Academy.

There was an exceptionally tight schedule in order for the new Academy to be open in September 2015 and for the new 3G synthetic pitch to be available by November 2013. To meet these deadlines, Shepherd Construction needed to undertake the enabling works as soon as possible. The total cost of the works under the proposed Early Works Agreement was in the region of £1.18m. Planning applications for the 3G pitch and the main school building were to be determined over the next few weeks, and the Final Business Case was being prepared for submission to the Education Funding Agency. Once the approvals were in place, the Council would enter into a contract with Shepherd Construction for the delivery of the new school and associated works on the Oakengates Leisure Centre site. Detailed financial information and legal advice was contained within the report.

RESOLVED – that authority be delegated to the Assistant Director: Education & Parenting, in consultation with the Cabinet Member: Children, Young People & Families, to enter into an Early Works Agreement with Shepherd Construction Ltd on the Telford Co-operative Academy site, prior to the signing of the main Design and Build contract, allowing enabling works to be undertaken to provide revenue income from the proposed 3G synthetic pitch and to facilitate the opening of the new school building in September 2015.

(NB: Councillor E.A. Clare did not vote on this item)

CB-36 **DESIGNATION OF A NEIGHBOURHOOD PLAN AREA FOR ERCALL MAGNA**

Key Decision identified as **Application for the Designation of a Neighbourhood Area – Ercall Magna** in the Notice of Key Decisions published on 19 August 2013

Councillor R.A. Overton, on behalf of the Cabinet Member: Housing, Development & Borough Towns, presented the report of the Assistant Director: Planning Specialist, which detailed an application from Ercall Magna Parish Council for the designation of their area as a Neighbourhood area for planning purposes.

In May 2011 the Council successfully bid with Ercall Magna Parish Council for the Parish area to become one of the Government's 'Frontrunners in Neighbourhood Planning'. The development of a Neighbourhood Plan required the Council to agree and formally designate the area that would be the subject of the Plan. The proposed Neighbourhood Plan area for Ercall Magna, which reflected the current Parish Council boundaries, was appended to the report. The request was subject to a statutory consultation period, which ended on 24 May 2013. No representations were submitted. It was suggested that the correlation with the Parish Council area would assist in any future referendum and provided a good model for future Neighbourhood Plan proposals. Given that no concerns to the proposed boundary had been raised, it was therefore recommended that the designation request be supported.

RESOLVED – that the Neighbourhood Area application by Ercall Magna Parish Council be supported, and that the area shown at Appendix A of the report be designated as a Neighbourhood Area.

CB-37 SCRAP METAL DEALERS ACT 2013

Non-Key Decision

Councillor R.A. Overton, Cabinet Member for Public Health and Public Protection, presented the report of the Interim Manager – Public Protection, which outlined the Council's responsibilities arising from the introduction of the Scrap Metal Dealers Act 2013.

The Scrap Metal Dealers Act 2013 came into effect on 1 October 2013, replacing the previous registration system for scrap metal dealers. Local Authorities would be responsible for administration and compliance in relation to the Act. A site licence would make it a requirement for a licensee to identify all of the sites within the local authority that were used for the business of a scrap metal dealer, and a site manager to be named for each site. A separate mobile collectors licence would be required for the collection of domestic and commercial scrap metal in the area of the issuing authority. Only suitable dealers would be allowed to operate, with Councils being able to consider relevant criminal convictions when determining whether an applicant was a suitable person to be a scrap metal dealer. There were new requirements for dealers to keep records and it would be an offence for dealers to pay for scrap in cash.

The power to set licence fees had been passed to Local Authorities, and proposed fees for the new licences under the Act were appended to the report. Benchmarking data on other Authorities' proposed fees was also provided to provide comparison, along with a full costing exercise showing the projected costs of administering the new licensing system.

RESOLVED –

- (a) that the proposed licence fees for Site Licences and Collectors Licences set out at Appendix A of the report be approved;**

- (b) that authority be delegated to the Principal Licensing Officer to grant, refuse, vary or revoke licences and to impose licence conditions;
- (c) that authority be delegated to the Principal Licensing Officer, following consultation with the Cabinet Member for Public Health and Public Protection, to establish a policy in respect of determining applications and an appropriate procedure for dealing with representations.

CB-38 EXCLUSION OF PUBLIC AND PRESS

RESOLVED – that the public and press be excluded from the meeting for the following items of business on the grounds that they may involve the disclosure of information relating to the financial or business affairs of any particular person (including the authority holding that information) as defined in paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

CB-39 SOLAR FARM

Key Decision identified as **Commercial Energy Project – Solar Farm** in the Notice of Key Decisions published on 19 August 2013.

Further to minute CB-30 above, Cabinet resumed their consideration of this item of business.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the confidential information relating to the financial case for the scheme. There were slight amendments to the projected surplus figures shown in the report in order to take account of the lost rental income from the current use of the site. The figures for the likely returns from the solar farm shown in the financial model were considered to be on the conservative side. Government was encouraging Local Authorities to find innovative ways of generating income, and this scheme would bring other wider benefits to the environment.

In response to concerns raised by the Conservative Group Leader regarding the borrowing costs for the scheme, the Cabinet Member stated that these costs would be more than recouped from the income generated by the solar farm.

RESOLVED –

- (a) that the submission of a planning application to develop a solar farm on land at Wheat Leasows, as shown on the plan appended to the report, be approved;
- (b) that, subject to planning permission being granted, authority be delegated to the Managing Director, in consultation with the

Cabinet Member for Finance & Enterprise and the Cabinet Member for Neighbourhood Services, Employment & Skills, to procure the design, build and operation contract(s) for the solar farm;

- (c) **that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to execute all legal documentation necessary to give effect to the recommendations contained in the report.**

CB-40 PROVISION OF COMMUNITY MEALS – FROZEN MEALS SERVICES

Key Decision identified as **Provision of Community Meals – Frozen Meals** in the Notice of Key Decisions published on 19 August 2013

Councillor A.R.H. England, Cabinet Member: Adult Social Care, presented the report of the Assistant Director: Care & Support, which sought approval for the completion of arrangements and a tendering process for the award of a contract for the supply and delivery of frozen meals for regeneration and for direct home delivery.

The report detailed the current service provision under the existing contract which was due to expire on 31 March 2014. While the tender for the new contract would primarily be on a like-for-like basis with the current provision, it did allow an opportunity to explore new options for the delivery of this service. Detailed financial and contractual information regarding the service and the tendering process was contained within the report.

RESOLVED –

- (a) **that the re-tendering for the provision of the supply and delivery of individual frozen meals for adults living in the community and to designated regeneration centres within the Borough of Telford & Wrekin be approved;**
- (b) **that authority be delegated to the Assistant Director: Care & Support, in consultation with the Cabinet Member: Adult Social Care, to award a contract for a term of three years (with an option to extend for up to a maximum of a further two years subject to satisfactory performance and pricing) for the provision of frozen meals services in accordance with the Council's Constitution and Contract Procedure Rules, such contract being subject to the terms and conditions recommended by the Assistant Director: Law, Democracy & Public Protection;**
- (c) **that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to execute all documentation required to give effect to any agreement reached pursuant to the resolutions above;**

The meeting ended at 6.07pm.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Law, Democracy & Public Protection
Date: 25 September 2013

Signed:

Date:

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 3rd October, 2013 at 5.15 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington, Telford

PUBLISHED ON FRIDAY, 4th OCTOBER, 2013

(DEADLINE FOR CALL-IN: WEDNESDAY, 9th OCTOBER, 2013)

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

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

CB-41 APOLOGIES FOR ABSENCE

Councillor H. Rhodes

CB-42 DECLARATIONS OF INTEREST

None

CB-43 WASTE MANAGEMENT SERVICES CONTRACT AWARD

Key Decision identified as **Waste Service Management Contract** in the Notice of Key Decisions published on 19 September 2013. In accordance with Regulation 10 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Chair of the Housing, Economy & Infrastructure Scrutiny Committee was informed of the intention to make a key decision where compliance with Regulation 9 (ie: providing at least 28 days notice) was impracticable.

Councillor S. Davies, Cabinet Member: Neighbourhood Services, Employment & Skills, presented the report of the Assistant Director: Neighbourhood & Leisure Services, which provided information on the procurement process to replace waste management contracts, which would expire between 2014 and 2019, with a single contract; and, based on that information, to confirm the selection of a Preferred Bidder for the contract. It was not possible at this stage to provide the name of the Preferred Bidder or detail their proposed solution. He thanked all the procurement team and Assistant Directors who had worked on the project, as well as the members of the Housing, Economy & Infrastructure Scrutiny Committee for their input.

The contract consisted of two phases:

Phase 1 from April 2014 – recycling kerbside collection and treatment and management service, and residual waste treatment/disposal service;
Phase 2 from April 2019 – green and residual waste collection services, green treatment and management of Council owned CRCs.

To obtain best value, the contract period had been reconfigured slightly into a period of 24 years, with a one year option for the Council to extend. The Phase 1 services would commence on 1 April 2014 and continue (subject to early termination) for the full 24 years. Phase 2 services would commence on 1 April 2019 and continue (subject to early termination) for 19 years – with the result that all the services will be co-terminus.

The report detailed the different stages of the procurement process since the publication of the Contract Notice on 6 July 2012. Two final bids (from Bidder Y and Bidder Z) had been submitted, and had been evaluated against the published Evaluation Model – a copy of which was appended to the report. Both bidders' proposals would generate savings for the Council, and both would offer an enhanced service to that currently provided.

It was reported that in order to consider Appendix 2 of the report – the Evaluation Outcome (Scores) – it would be necessary to go into private session. It was therefore moved, seconded and

RESOLVED - that the public and press be excluded from the meeting for consideration of Appendix 2 of the report on the grounds that it may involve the disclosure of information relating to the financial or business affairs of any particular person (including the authority holding that information) as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972.

Appendix 2 of the report was circulated to Members, and the Waste Procurement Project Manager advised that the bids had been subject to detailed evaluation for service quality, price and legal & commercial criteria, and weightings applied to each element. She explained each of the detailed criteria in Appendix 2, and the scores that had been assigned to each Bidder in the Evaluation Model. All the scores were added together in accordance with their weightings, and the total weighted scores for each bid comparatively ranked. The highest scoring bid, which represented the Most Economically Advantageous Tender, was Bidder Y. Questions about Appendix 2 were answered.

The public and press were re-admitted to the meeting, and the report was debated.

During the open session, the Cabinet Member advised that Bidders had been able to submit their own solutions to meeting the specification, and it was clear from the relevant scores in Appendix 2 that Bidder Y had submitted a solution that was at least as good or better than the current service. However, because of the complex commercial and legal rules for the procurement process, it was not possible to provide detailed responses about the service at this stage. However, once all the remaining legal processes had been

completed (which was expected to be in about four weeks time) details of the successful bid and bidder would be released, and there would be a full publicity and engagement process. In response to questions regarding the length of the contract, the Cabinet Member: Finance & Enterprise stated that affordability was key, and it had been established early in the procurement process that a 20 plus year contract would be the optimum length in order to reflect the long term investment needed and to obtain the necessary value for money.

Cabinet Members were satisfied that there had been a full and robust procurement and evaluation process for the Waste Management Services Contract Award, and therefore the outcome of the evaluation could be fully supported.

RESOLVED –

- (a) that on the basis of the information in the report and the Evaluation Outcome (Scores) in Appendix 2, Bidder Y be selected as the Preferred Bidder;**
- (b) that authority be delegated to the Assistant Director: Neighbourhood & Leisure Services to notify both Bidders of the outcome of the procurement process;**
- (c) that, subject to (d) below, authority be delegated to the Assistant Director: Neighbourhood & Leisure Services to work with the Preferred Bidder to award the Contract as detailed within the report and in accordance with the reconfigured contract period;**
- (d) that authority be delegated to the Assistant Director: Neighbourhood & Leisure Services, in consultation with the Cabinet Member: Neighbourhood Services, Employment & Skills and the Cabinet Member: Finance & Enterprise, to negotiate and finalise contractual terms with the Preferred Bidder;**
- (e) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection, to execute any documents necessary to give effect to the above resolutions.**

The meeting ended at 6.02pm.

Signed for the purposes of the Decision Notices

**Jonathan Eatough
Assistant Director: Law, Democracy & Public Protection
Date: 4 October 2013**

Signed:

Date:

TELFORD & WREKIN COUNCIL

**CABINET – 17 OCTOBER 2013
COUNCIL – 21 NOVEMBER 2013**

2013/14 FINANCIAL MONITORING REPORT

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

LEAD CABINET MEMBER: CLLR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1.0 SUMMARY OF KEY ISSUES

1.1 2013/14 Revenue

Current financial monitoring shows revenue spending for the year is projecting to be within budget at year end which is after using £3m of the budgeted contingencies (this includes planned allocation of the contractual inflation contingency) leaving £2.5m available in remaining contingencies. This is a considerably improved position compared to the previous monitoring report considered by Cabinet in July. A great deal of proactive budget management activity has been carried out by the Council's Senior Management Team which has resulted in the identification of just under £2.5m further in-year savings. This has enabled additional pressures, including the 1% pay award costing around £0.65m in year to be covered and, further, the call on contingencies to be reduced by just over £1m compared to the position reported to Cabinet in July.

There are a number of variations from the approved budget, including some beneficial variances. The main areas to highlight are:

- Care & Support Services are projecting an overspend of £3.1m relating to the cost of care packages (an increase of £1.4m since the last report); there are also pressures relating Supporting People which is £0.5m over budget; combined the overall overspend is currently projected at £4.2m;
- The cost of Children in Care Placements continues to be a significant pressure with an overspend of £1.9m being reported, an increase of £0.6m since the last report;
- A shortfall of £0.3m in relation to Lifelong Learning lost grant income;
- ICT – the cost of maintenance contracts is giving rise to an overspend of £0.350m;
- Trading Services including Catering, Cleaning and ICT – loss of trading income from schools gives rise to a £0.2m shortfall against budget.

- A benefit of £0.4m arising from recovery of benefit overpayments;
- A benefit of £1.1m arising from active treasury management;
- A refund from Government of £0.731m in relation to previously top-sliced revenue support grant;
- A benefit of £0.148m from the West Mercia Energy Dividend;
- A benefit of £1.4m from early delivery of savings.

1.2 Capital

The capital programme totals £125.7m which includes slippage from 2012/13 and approvals to date. Spend at the time of compiling this report was around 17% which is broadly in line with the profile of previous years.

The capital programme funding includes a significant amount of capital receipts anticipated to be delivered over the medium term. Failure to achieve, or delays to, the receipts would have financial implications for the Council. The total value of receipts expected in 2013/14 is £46m. As previously reported, monitoring indicates that £31m of these receipts will not now be received until future years. Work has been undertaken to develop a contingency plan should some of the receipts not be forthcoming rather than simply be subject to some re-phasing and the treasury management projections included in this report allow for the cost of this slippage.

1.3 Corporate Income Collection

The collection level for NNDR is ahead of target; council tax and Sales Ledger outstanding debt are behind the targets set for the year.

2.0 RECOMMENDATIONS

2.1 Cabinet Members are asked to

- (i) Note that 2013/14 revenue spend is currently projecting to be within budget at year end and approve the uses of the budgeted contingency detailed in paragraph 5 and savings detailed in appendix 2;**
- (ii) Note the position in relation to capital spend and that Cabinet recommend that Council approve the new allocations and slippage detailed in Appendix 3;**
- (iii) Note the collection rates for NNDR, council tax and sales ledger.**

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	Delivery of all priorities depend on the effective use of available resources. Regular financial monitoring helps to highlight variations from plan so that action can be taken to effectively manage the Council's budget.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	To outturn within, or as close as possible to, budget at 31/3/14	
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.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4.0 2013/14 REVENUE BUDGET

4.1 Financial monitoring is the responsibility of budget holders and is supported by Finance staff using a risk based approach: following considerable reductions in finance resources through savings exercises more focus is given to high risk areas (high value/highly volatile); less frequent monitoring is undertaken on budgets deemed to be lower risk.

4.2 The main changes to the variances since the last report are shown below:

Variations - £m	July Cabinet Report	Change	Current Projected Variation
Children's Safeguarding – Children in Care Placements	+1.348	+0.564	+1.912
Children's Safeguarding – Increased costs relating to parenting assessments	0.000	+0.189	+0.189
Children's Safeguarding – lower costs arising from reduced use of agency staff	-0.084	-0.143	-0.227
Transport Review – lower than budgeted saving relating to the transport review	0.000	+0.192	+0.192
Care & Support – increased cost of care packages	+1.700	+1.361	+3.061
Care & Support – inflation provision and other one-off funding	-0.928	-1.070	-1.998
Care & Support – reduced overspend relating to care leavers	+0.700	-0.102	+0.598
Care & Support – transport costs mainly relating to ALD clients	0.000	+0.120	+0.120
Development, Business & Employment – costs associated with PIP rationalisation	0.000	+0.183	+0.183
Revenues & Benefits – underspends projected in various budgets	0.000	-0.233	-0.233
Customer & People Services – loss of school income relating to catering, cleaning and ICT	0.000	+0.204	+0.204
Public Protection – shortfall of licensing income	0.000	+0.179	+0.179
Public Protection – higher than budgeted income from land charges	0.000	-0.135	-0.135
Treasury – increased benefit from active treasury management	-0.500	-0.600	-1.100
Housing Benefit Subsidy – mainly arising from recovery of overpayments	-0.100	-0.302	-0.402
Net benefit from early delivery of savings	0.000	-1.358	-1.358
Cost of pay award	0.000	+0.655	+0.655
Other Variances	-0.595	-1.000	-1.595
Total Projected Variation	+1.541	-1.296	+0.245
Call on Contingency	-1.541	+1.296	-0.245
Final Projected Variation	0.000	0.000	0.000

4.3 Variations of more than £0.100m are detailed in section 4.4 for each Service Area. The overall 2013/14 budget position is summarised in the table below:

Service Area	Previous Variations - 25/7/13 Cabinet £	Total Current Variation £	Change £
Children's Safeguarding	527,847	1,000,691	472,844
Education & Corporate Parenting	350,000	(74,049)	(424,049)
Family & Cohesion Services	0	184,960	184,960
Development, Business & Employment	212,000	301,686	89,686
Neighbourhood & Leisure Services	110,000	193,900	83,900
Care & Support	2,898,458	4,187,000	1,288,542
Public Health	(347,235)	(317,942)	29,293
Customer & People Services	402,500	215,678	(186,822)
Law, Democracy & Public Protection	0	67,561	67,561
Finance, Audit & Information Governance	(704,961)	(1,270,461)	(565,500)
Cooperative Council Delivery Unit	0	(93,550)	(93,550)
Council Wide	(1,907,240)	(4,150,238)	(2,242,998)
Total Projected Variation	1,541,369	245,236	(1,296,133)
Call on Corporate Contingency	(1,541,369)	(245,236)	1,296,133
Projected Year End Position	0	0	0

This overall position includes meeting the cost of the 2013/14 pay award and net benefits totalling £1.4m arising from the early delivery of savings. There is a further £0.4m benefit anticipated through actively supporting growth in council tax funding in line with the Council's growth policy.

4.4 Projected variances over £0.100m and information relating to savings delivered early are highlighted below.

Service Area	Variance £m
<u>Children's Safeguarding</u>	
Children in Care – currently projecting £1.9m overspend; this reflects 321 CiC at the 13 September (321 at 31 March 2013). The cost improvement plan is well established with the aim of bringing spend back in line with the budget. The Service continues to closely monitor and review all placements, including unit costs and total costs, in line with their Action Plan and Placement Strategy.	+1.913
Contingency – set aside to meet CiC pressures; will be required in full based on current projections.	-0.930

<p>Parenting Assessments – These are specialist assessments of parents’ abilities to meet the needs of their children and are sometimes court ordered. The service is currently exploring more cost effective methods of undertaking this work.</p> <p>Staffing – reduced use of agency staff is projecting a saving of £0.241m</p> <p>Early Delivery of savings – net savings the Service Area is projecting to deliver by year end</p>	<p>+0.189</p> <p>-0.241</p> <p>-0.279</p>
<p><u>Education & Corporate Parenting</u></p> <p>School Transport – projected saving based on current levels of spend</p> <p>Early Delivery of savings – net savings the Service Area is projecting to deliver by year end</p>	<p>-0.100</p> <p>-0.073</p>
<p><u>Family & Cohesion Services</u></p> <p>Transport – the review of transport is not finalised and savings taken out of the budget are not likely to be fully realised in 2013/14.</p> <p>Early Delivery of savings – net savings the Service Area is projecting to deliver by year end</p>	<p>+0.177</p> <p>-0.100</p>
<p><u>Care & Support</u></p> <p>Purchasing budgets – the projected overspend relates to 2013/14 savings taken out of budgets which have not been delivered, increased costs relating to the purchase of externally purchased care and overspends relating to care provided in Council ALD residential and community provision. One-off funds from the CCG are being used in 2013/14 to help offset an element of the significant ongoing additional cost pressures relating to Continuing Health Care clients consistently reported throughout last year.</p> <p>Care Leavers – overspend relating to the cost of supporting 16-18 year olds as they leave care. A review of the service will be completed soon which is hoped will result in cost reductions.</p> <p>Supporting People – delay in achievement of saving combined with an increase in demand for the service.</p>	<p>+3.061</p> <p>+0.598</p> <p>+0.483</p>

Transport – projected overspend from transporting clients.	+0.120
Early Delivery of savings – net savings the Service Area is projecting to deliver by year end	-0.215
<u>Public Health</u>	
Staffing – projected savings arising from vacancies	-0.282
Drugs & Alcohol Services – review of contract arrangements	-0.137
Early Delivery of savings – net savings the Service Area is projecting to deliver by year end	-0.132
<u>Neighbourhood & Leisure Services</u>	
There are currently no variances over £0.1m to report.	
<u>Development, Business & Employment</u>	
Lifelong Learning – largely as a result of loss of government grant funding	+0.295
Estates & Investments – loss in Property Investment Portfolio investment income arising from the longer-term rationalisation of the property portfolio to secure a more sustainable income position ongoing.	+0.183
Southwater – the multi-storey car park currently being constructed is not expected to be operational until April 2014 and therefore the part-year budgeted income anticipated will not be received. However the programme for capital spend has also slipped which will reduce borrowing costs in 2013/14; the benefit of this is included in the Treasury Management underspend shown below.	+0.162
Early Delivery of savings – net savings the Service Area is projecting to deliver by year end	-0.165
<u>Customer & People Services</u>	
ICT – overspend relating mainly to increased costs associated with maintenance contracts.	+0.350
Catering, Cleaning and ICT – loss of school income	+0.200
The service area is also undertaking a review of claimants	

receiving single persons discount which is projected to increase income from council tax. The impact of this is not included in the Service Area position as the actual benefit will accrue in the Collection Fund which is the statutory fund required to account for council tax and part of any additional income generated will benefit the Fire and Police Authorities.	
<u>Finance, Audit & Information Governance</u>	
<u>Treasury Management</u> Benefit of active treasury management seeking to maximise benefits from low interest rates and lower borrowing than anticipated in the early part of the year reflecting slippage on capital spend and capital receipts during 2012/13 and 2013/14.	-1.100
Early Delivery of savings – net savings the Service Area is projecting to deliver by year end	-0.076
<u>Law, Democracy & Public Protection</u>	
Licensing – shortfall in licensing income	+0.179
Land Charges – additional income relating to land charges	-0.135
Early Delivery of savings – net savings the Service Area is projecting to deliver by year end	-0.052
<u>Cooperative Council Delivery Unit</u>	
There are currently no variances over £0.1m to report.	
Early Delivery of savings – net savings the Service Area is projecting to deliver by year end	-0.049
<u>Government Funding Refund</u> –refund in relation to previously top-sliced Revenue Support Grant.	-0.731
<u>Housing & Council Tax Benefit Subsidy</u> Projected benefit from recovery of overpayments.	-0.402
<u>Purchase Rebates</u> Surplus dividend from West Mercia Energy relating to 2012/13 outturn performance.	-0.148
<u>Other One off Resources</u> – identified to contribute to service overspends.	-2.868

CONTINGENCIES

- 5.1 The 2013/14 budget includes a contingency of £2.5m, which is set aside to meet any unforeseen expenditure plus an amount held centrally for contractual inflation totalling £1.67m; and a specific amount of £1.3m earmarked for Safeguarding (children and adults).

	£
General Revenue Contingency	2,500,000
Inflation Contingency	1,670,000
Safeguarding Contingency	1,300,000
Total Contingency	5,470,000
Commitments:	
Current Estimate of contractual inflation (based on 2012/13)	1,322,000
Safeguarding contingency applied to service overspend	1,300,000
Spend approved at Cabinet 25 7 13	116,500
Application Costs for Village Green	25,000
Amount required to meet current Revenue Shortfall	245,236
Total Use of Contingency	3,008,736
Balance remaining in Contingencies	2,461,264

6.0 CAPITAL

6.1 2013/14 Capital Programme

The capital programme totals £125.7m which incorporates slippage and new approvals.

The financial position is shown in the table below which shows spend at 4% of the budget allocation. Projected spend is currently shown at £108m and work is underway to robustly challenge estimates and to confirm whether any further slippage is likely to occur which will be brought forward in the next report.

Priority	Budget £m	Spend To Date £m	% Spent	Projection
Protect and Support our Vulnerable Children & Adults	3.863	0.624	16.2	3.404
Improve the Health & Wellbeing of our Communities	2.234	0.171	7.7	2.253
Protect and Create Jobs as a Business Supporting, Business Winning Council	18.426	4.868	26.4	18.476
Improve Local People's Prospects through Education & Skills	69.655	11.167	16.0	52.417
Regenerate Neighbourhoods in Need	9.873	1.593	16.1	9.764
Managing the Organisation	3.375	0.460	13.6	3.116

Priority	Budget £m	Spend To Date £m	% Spent	Projection
Ensure that Neighbourhoods are Safe and Clean	18.256	3.043	16.7	18.316
Total	125.682	21.926	17.4	107.746

Slippage and new allocations for approval are included in Appendix 3.

The 2013/14 programme relies on £46m capital receipts as part of its funding. Early monitoring indicates that around £31m of these receipts will not now be received until future years. Work has been undertaken to develop a contingency plan should some of the receipts not be forthcoming rather than simply be subject to some re-phasing and the treasury management projections included in this report allow for the cost of short-term borrowing for the current year estimated at £116k.

CORPORATE INCOME MONITORING

- 7.1 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. Current monitoring information relating to these is provided below. The Council pursues outstanding debt vigorously, until all possible recovery avenues have been exhausted, but also prudently provides for bad debts and NNDR rateable value appeals (which can be backdated for several years with the Council having to fund 49% of the cost despite not having benefitted from the income before 1st April 2013) in its accounts.
- 7.2 In summary, the overall position shows collection levels for NNDR are ahead of target while Council Tax collection and sales ledger debt is outside the target set.

INCOME COLLECTION – AUGUST 2013				
	Actual	Target	Performance	Change in cash collected on last year
Collection Levels:				
Council Tax	47.07%	47.76%	0.69% behind target	+ £1,755,388
NNDR	51.69%	50.95%	0.74% ahead of target	+ £1,524,472
Sales Ledger Outstanding Debt	6.11%	5.50%	0.61% behind target	+ £3,848,692

7.3 Council Tax (£66.2m)

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 2012/13	97.3%
Year End Target for 2013/14	97.0%

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

Month End Target	Month End Actual	Last year Actual
47.76%	47.07%	48.06%

Collection is behind target by 0.69% and performance on this time last year by 0.99%. The collection performance is a direct result of the abolition of council tax benefit and the introduction of council tax support. Collection rates for those in receipt of benefit are significantly lower than collection rates for non benefit customers. Pro active telephone calls to benefit customers are taking place prior to summons action, in order to gain either a payment or a payment arrangement.

7.4 NNDR-Business Rates (£70.2m)

The % of business rates for 2013/14 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 2012/13	97.3%
Year End Target for 2013/14	97.3%

Month End Target	Month End Actual	Last year Actual
50.95%	51.69%	50.95%

NDR collection for August is 0.74% ahead of target and performance this time last year, although the good performance is largely due to some internal payments rather than a widespread increase in collection. However, we have introduced pro active telephone calls to businesses that receive a summons with a view to obtaining full payment or making a payment arrangement.

The new Local Government Funding Mechanism is based on the premise that 50% of business rates collected is retained locally (49% Council / 1% Fire Authority) and therefore directly forms part of the Council's overall funding. This transfers more risk to the Council from Central Government as funding can be affected both in-year and on an ongoing basis by changes to the rating list, such as deletions, mergers and appeals. As this is the first year of the new finance system, there is limited historic information available to accurately

predict the financial impact of these changes. Regular monitoring has identified the following trends since the budget was set:

- There is an overall net reduction of £0.3m in the total rateable value listed on the rating list, with increases being more than offset by deletions, mergers and reductions in rateable value. Future business growth will feed into this overall position and we should begin to see a positive impact as part of the growth agenda.
- There has been an increase in reliefs granted, the majority relating to charitable and empty premises reliefs. The amount of mandatory charitable relief has increased beyond the prediction and analysis has shown that this is mainly as a result of the increase in the number of academy schools. The criteria for assessing mandatory charitable relief is set by Government only the 20% discretionary element is left for the council to decide upon.
- Appeals will be a significant cost to the Council but due to lack of information are currently very difficult to predict. Further, a provision will have to be made at year end to meet the cost of outstanding appeals and technical guidance is expected to clarify how this will operate in practice but this will be predicted based upon history of appeals and a view on appeals being successful going forward. This is a challenge nationally, not just locally, the government are aware of the challenges and especially in the context of changing the administration of business rates from 2013. Work is in progress to gather as much information as possible in relation to appeals and officers have been liaising with the Valuation Office as part of this process.

7.5 **Sales Ledger (£36.5m)**

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

The target percent is set relating cumulative debt outstanding from all years to the current annual debit. The targets and performance of income collection for 2013/14 are as follows:

Age of debt	Annual Target %	August 2013	
		£m	%
Total	5.50	2.231	6.11%

Performance for sales ledger outstanding debt is outside target, but performance has improved over the last few months and work continues to reduce the amount of debt outstanding.

8.0 **PREVIOUS MINUTES**

07/03/13 – Full Council, Service & Financial Planning Strategy

25/07/2013 – Cabinet, Financial Monitoring Report

12/09/2013 – Full Council, Financial Monitoring

9.0 BACKGROUND PAPERS

2013/14 Budget Strategy / Financial Ledger reports

Report Prepared by:

Ken Clarke, Assistant Director: Finance, Audit & Information
Governance (Chief Financial Officer) – 01952 383100;

Pauline Harris, Corporate Finance Manager – 01952 383701

Summary of 2013/14 Projected Variations

Service Area	Previous Variations - 25/7/13 Cabinet	Total Current Variation	Change
	£	£	£
Children's Safeguarding	527,847	1,000,691	472,844
Education & Corporate Parenting	350,000	(74,049)	(424,049)
Family & Cohesion Services	0	184,960	184,960
Development, Business & Employment	212,000	301,686	89,686
Neighbourhood & Leisure Services	110,000	193,900	83,900
Care & Support	2,898,458	4,187,000	1,288,542
Public Health	(347,235)	(317,942)	29,293
Customer & People Services	402,500	215,678	(186,822)
Law, Democracy & Public Protection	0	67,561	67,561
Finance, Audit & Information Governance	(704,961)	(1,270,461)	(565,500)
Cooperative Council Delivery Unit	0	(93,550)	(93,550)
Council Wide	(1,907,240)	(4,150,238)	(2,242,998)
Total Projected Variation	1,541,369	245,236	(1,296,133)
Call on Corporate Contingency	(1,541,369)	(245,236)	1,296,133
Projected Year End Position	0	0	0

check = 0

0

Breakdown of Current Variation

Service Delivery Unit	General Variation	1% Salary Increase	(Net Savings)/ Pressures	Total Current Variation
	£	£		£
Children's Safeguarding	1,239,337	40,020	(278,666)	1,000,691
Education & Corporate Parenting	(20,697)	19,358	(72,710)	(74,049)
Family & Cohesion Services	184,944	100,016	(100,000)	184,960
Development, Business & Employment	413,386	53,000	(164,700)	301,686
Neighbourhood & Leisure Services	29,500	83,900	80,500	193,900
Care & Support	4,292,830	109,170	(215,000)	4,187,000
Public Health	(189,959)	3,997	(131,980)	(317,942)
Customer & People Services	(133,350)	146,708	202,320	215,678
Law, Democracy & Public Protection	85,297	34,990	(52,726)	67,561
Finance, Audit & Information Governance	(1,228,961)	34,500	(76,000)	(1,270,461)
Cooperative Council Delivery Unit	(73,776)	29,136	(48,910)	(93,550)
Council Wide	(3,650,238)	0	(500,000)	(4,150,238)
Total Projected Variation	948,313	654,795	(1,357,872)	245,236

2013/14 Revenue Budget Variations over £50,000							Comments
Description	Budget	Variations			Total Variations		
		General	1% Pay Award	Included in Savings Schedule for 13/14			
	£	£	£	£	£		
Childrens Safeguarding							
Children in Care Placements	10,004,147	1,912,771			1,912,771	The 2012/13 reported outturn position was £2.397m overspent. The budget strategy included growth of £600k and a review of costs resulting in a Cost Improvement Plan. The Cost Improvement Plan is well established and is being actioned which should bring costs back in line with base budget. In addition to the service base budget a corporate contingency was established as part of the 2013/14 estimates to meet demand which results in unplanned placement costs. Current forecasts are that the service is having some success in implementing the plan, and cost reductions of around £922k are being forecast to be achieved resulting mainly from "Step Down" within Placements. However, this leaves around £1.9m in placement costs over budget and therefore the forecasts include use of the Contingency in full and a residual overspend of around £0.96m remains. Work continues to assess the placement costs being incurred, including reviewing unit costs, numbers of children in care and the placement strategy, and currently around £151k of further cost reductions has been identified from further "Step down" of care placements. The number of Children in Care at 13th September: 321 compared to 31st March 2013:321	
Corporate Contingency	930,000	(930,000)			(930,000)	Use of one off contingency set aside as part of the budget strategy	
Children in Care Placements					(300,000)	Using DSG to fund the education element of residential placements currently funded from General Fund	
Other placement and parent assessments	487,430	188,792			188,792	Parenting assessments forecast overspend of £106k, relating to growth in both residential and community based assessments within Child Protection. It is intended to use T&W social workers for the remainder of year on any unborn children assessments and plan is for both a further for two residential and community assessments for the remainder of this year. Resource Allocation Management Panel (RAMP) will now be the only way further placements can be authorised to assist in controlling further costs.	
Staffing	4,846,243	(241,159)	40,020	(22,000)	(223,139)	The Cost Improvement Plan referred above also includes a target to reduce the use of Agency staff from the numbers called upon in 2012/13 of around 13fte's. The final 2012/13 Safeguarding overspend included £558,617 for the net cost of agency staff after accounting for vacancy savings - a total of £814k was spent on agency workers in 2012/13. The current forecast is for an outturn of around £310k in 2013/14 with the target number of agency staff being reduced down to 2 by the end of 2013/14. Current number of agency staff 7(Cost improvement plan target at end May- 5)	

2013/14 Revenue Budget Variations over £50,000							Comments
Description	Budget	Variations				Total Variations	
		General	1% Pay Award	Included in Savings Schedule for 13/14			
	£	£	£	£	£	£	
Staffing	Pressure to offset against savings 2013/14				43,334	43,334	Pressure identified mainly in CIC Team and to be addressed in first instance by savings proposed
Variations under £50k		2,377,655	308,933			308,933	Includes Transport,
Total Children's Safeguarding		18,645,475	1,239,337	40,020	(278,666)	1,000,691	
Education & Corporate Parenting							
Corporate Parenting		230,263	(80,771)	575		(80,196)	Use of DSG has led to a projected DSG underspend
Supply Agency		- 56,437	56,306	131		56,437	Reserves previously used to support this budget have been fully spent
Joint/Community Use		728,600	85,051			85,051	Loss of income from Shortwood and Phoenix Schools arising from requirement to implement a new funding formula for schools.
Advisory Mngmnt & Support		433,124	(86,728)	2,524		(84,204)	General operational underspends
Traded Advisory		30,718	(35,612)	1,349	(52,710)	(86,973)	Additional income forecast from traded services to schools compared to budget
Education Services Grant		- 2,930,000	84,398			84,398	Revised Grant projection following the conversion of several secondary schools to Academies - ESG is only paid for pupils in maintained
School Transport		2,780,055	(100,000)			(100,000)	Current projected expenditure is at a similar level to 2012/13 which would result in a saving against the 2013/14 budget.
Progress & Review		416,366	50,860	3,966		54,826	Additional staffing costs compared to budget.
Variations under £50k		9,848,416	5,799	10,813	(20,000)	(3,388)	
Total Education & Corporate Parenting		11,481,105	(20,697)	19,358	(72,710)	(74,049)	
Family & Cohesion Services							
Transport		2,958,064	177,525	14,525		192,050	The overspend reported on Transport is arising in 2013/14 due to savings being taken out of the budget of £533k(out of £857k total Transport savings) which has not yet been delivered in full. There is a review of transport underway, this is unlikely to deliver savings this year so this overspend is likely to prevail unless met from one off's or action is undertaken to meet this elsewhere in the Service area
Other variations under £50k		13,575,796	7,419	85,491	(100,000)	-7,090	Savings within various budgets which are already subject to action to deliver savings or are already underspending in year
Total Family and Cohesion Services		16,533,860	184,944	100,016	(100,000)	184,960	

2013/14 Revenue Budget Variations over £50,000							Comments
Description	Budget	Variations			Total Variations		
		General	1% Pay Award	Included in Savings Schedule for 13/14			
	£	£	£	£	£		
Care & Support							
Purchasing-all types of care for all client groups	37,695,160	3,061,000		(175,000)	2,886,000	The overspend on purchasing budgets now forecast is the result of savings of £1.667m taken out of purchasing budgets, growth in the base cost of externally purchased care of around £1m and overspends on care provided in Council ALD residential and Community provision of £325k . The savings are expected to result from various Transformation initiatives which are as yet not resulting in decreasing costs or are being offset by growing costs of care. The overspend reported throughout 2012/13 included the significant impact of CHC clients no longer funded by the PCT, this position has been reflected within the base budget and is dependant on significant funding from the NHS including £2.771m- "Lansley funding" and £3.4m of one off's of which £2.4m although yet to be received is now agreed and £1m is part of a £3m payment received in 2011/12 and is being released over 3 years. Therefore a total of £6.1m of funding is included within the base budget to offset pressures resulting from the many pressures to impact the Social Care budget including CHC which is estimated to be costing the Council £8.5m per annum.	
Care Leavers	574,560	598,000			598,000	This overspend at the end of 2012/13 was around £700k. The current forecasts reveal an improved position with lower cost care packages being awarded than last financial year. A review of the service is expected to commence shortly and there may be further in year cost reductions.	
Supporting People	2,042,050	483,000		(40,000)	443,000	A large part, £385k of this overspend is as a result of the additional savings agreed with WHT expected to result from a claim against Housing Benefit by the WHT. The remainder is forecast to arise from demand on the service	
Transport		120,000			120,000	This is a forecast based on 2012/13 outturn, the most significant is as a result of transporting ALD clients	
Other variations under £50k	7,612,960	30,830	109,170		140,000		
Total Care & Support	47,924,730	4,292,830	109,170	(215,000)	4,187,000		
Public Health							
Staffing and operational budgets	1,275,000	(281,833)	3,997	(30,730)	(308,566)	This underspend has arisen due to vacancies in posts yet to be filled	
Drugs and Alcohol Services	2,563,032	(137,492)			(137,492)	This is the result of contracts agreed as part of the handover of Public Health. Some contracts have been agreed at lower/higher cost than expected and this is a net result.	
Sexual health Services	1,012,218	99,729		(1,250)	98,479	This is the result of contracts agreed as part of the handover of Public Health. Some contracts have been agreed at lower/higher cost than expected and this is a net result.	
Variations under £50k	3,265,750	129,637		(100,000)	29,637	Savings result from reducing the amount to be paid to the CCG re Community infection prevention and control	
Total Public Health	8,116,000	(189,959)	3,997	(131,980)	(317,942)		

2013/14 Revenue Budget Variations over £50,000							
Description		Budget	Variations			Total Variations	Comments
			General	1% Pay Award	Included in Savings Schedule for 13/14		
		£	£	£	£	£	
Neighbourhood & Leisure Services							
Leisure	Town park - Crazy Golf income	(50,000)	40,000			40,000	Contracts for the construction of the Crazy Golf course in Telford Town Park are out to tender and the course is expected to be operational in the Autumn. Therefore the projected income for 13/14 has been reduced in order to reflect the part year impact of the new facility.
Arts and Culture	The Place Theatre	(677,321)	100,000			100,000	The 2013/14 budget proposals included increased income from The Place of £100k. Whilst income from the pantomime is projected to be above budget and an improvement on last years income it is unlikely that the increased and challenging income target can be met.
Arts and Culture	The Place Theatre		(100,000)			(100,000)	One off from budgeted contingency to meet income pressure.
Arts and Culture	Music Service		22,000		40,000	62,000	Music Service current / historical income pressure.
Public Realm	Winter Maintenance	586,527	66,000			66,000	Additional pressures on the severe weather budget anticipated in order to maintain a service based upon an average winter. This figure will increase if we get periods of prolonged severe weather during winter 2013/14. It is proposed that this is funded from the budgeted contingency.
			(66,000)			(66,000)	One off from budgeted contingency to meet winter maintenance overspend.
Public Realm	Environmental Maintenance	4,465,574	50,000			50,000	Following requests from the public and Members two additional grass cuts have been carried out as an additional to the existing TWS contract following service reductions in 2011/2012. It is proposed that this is funded from the budgeted contingency.
			(50,000)			(50,000)	One off from budgeted contingency to meet cost of additional grass cuts.
Leisure Services	Dawley Sports & Learning Community				43,000	43,000	Estimated additional costs arising from new Dawley Sports & Learning Community compared with existing Phoenix site.
Variations under £50k			(32,500)	83,900	(2,500)	48,900	
Total Neighbourhood & Leisure Services			29,500	83,900	80,500	193,900	
Development, Business & Employment							
Lifelong Learning	Loss of Grant & Salaries	879,690	294,786			294,786	Largely as a result of Government grants no longer being received. This issue was partially resolved through the budget strategy when around £550k of grants were identified as no longer being received. The resulting pressure will be dealt with by savings reported against other service budgets and determining whether DSG underspends can effectively be used to replace General Fund spending.
Estates & investments	Rental Income	(56,000)	56,000			56,000	The retail unit to the front of the Bingo & Bowling recently constructed in Southwater was planned to be operational in 13/14. However due to construction within the area ongoing, the part year budgeted rental income for 2013/14 cannot be achieved. The unit continues to be actively marketed

2013/14 Revenue Budget Variations over £50,000							Comments
Description	Budget	Variations			Total Variations		
		General	1% Pay Award	Included in Savings Schedule for 13/14			
		£	£	£			
Estates & investments	PIP rationalisation		183,000			183,000	The ongoing rationalisation of the PIP has resulted in an in year pressure of £183k. Whilst individual investments have been prudent and developed on a business case basis, funding has been secured through the disposal of very poor properties, which have high yields. However, they do not represent good long term investments and would not support the income target long term. Whilst rationalisation has resulted in a pressure it will deliver certainty in terms of income moving forward. £88k of this has been identified as an ongoing pressure but pressures are greater this year due to the timing of disposals against acquisitions which has left a period where there is no income stream, a delay in receiving ERDF funding to renovate the Business development centre (where we continue to carry considerable voids) and the economic climate. We are due to hear on ERDF in the next month but indications are positive. Moving forward consideration will be given to using prudential borrowings to secure new property before disposal occurs to reduce impact on the income target as costs of borrowing are likely to be lower than loss of rent.
Southwater	Multi Storey Car park	(162,000)	162,000			162,000	The multi storey car park currently being constructed in Southwater is planned to be operational by 1st April 2014. Therefore the part year budgeted income for 2013/14 cannot be achieved.
Development, Business & Housing	Salaries		(88,000)			(88,000)	Budget held centrally by AD for incremental increases in salaries to top of scale. This pressure will be passed to SDU to deliver year on year.
Property & Design	Property rationalisation (Phase 2)		0		(108,100)	(108,100)	Savings associated with further property rationalisation, in addition to that already included within the budget strategy
Variations Under £50k			(194,400)	53,000	(56,600)	(198,000)	Various one off savings including vacancy management within Business and Development Planning.
Total Development, Business & Employment			413,386	53,000	(164,700)	301,686	
Customer & People Services							
ICT	Supplies & Services	1,041,510	8,092		350,000	358,092	Over spend against software maintenance budget for various Council systems. Budget is £243k with costs projected totalling £607k. This is in line with 2012/13
ICT	Income	(2,672,460)	85,276			85,276	Shortfall against service specific income budget of £539k. This is in line with previous years however work is ongoing to win new business from Shropshire Schools and small businesses.
Revenues & Benefits	Supplies & Services	144,300	29,198		50,000	79,198	Additional costs projected on printing and postage as a result of the Governments Welfare Reforms and increase in postage particularly in Revenues to aid collection challenges eg summonses up by 45% this is in line with 2012/13.
Revenues & Benefits	Transfer Payments	400,720			(233,000)	(233,000)	Underspend projected within budgets within Revenues and Benefits through more targeted use of Government funding which has been used to help cover planned revenue expenditure.
People Services	Employees	1,355,020	(51,263)			(51,263)	Under spend from vacant posts that are being held vacant due to restructure of the service.

2013/14 Revenue Budget Variations over £50,000							
Description		Budget	Variations			Total Variations	Comments
			General	1% Pay Award	Included in Savings Schedule for 13/14		
		£	£	£	£	£	
Catering	Employees	1,856,880			(32,230)	(32,230)	Early delivery of restructure savings included in budget strategy for 2014/15.
FM & Cleaning	Income	(3,435,830)	3,659		200,000	203,659	The impact of loss of school and commercial trading income on cleaning, facility management services and catering services. Work ongoing to win new business, particularly from private nurseries within the borough.
PFI Insurance					(93,000)	(93,000)	Saving from insurance on the PFI contract.
Variations Under £50k		6,147,320	(208,312)	146,708	(39,450)	(101,054)	Saving from Burials Service re grounds maintenance costs.
Total Customer & People Services			(133,350)	146,708	202,320	215,678	
Finance, Audit & Information Governance							
Treasury			(1,100,000)			(1,100,000)	Benefit from low interest rates and slippage in 12/13
Variations Under £50k		679,770	(128,961)	34,500	(76,000)	(170,461)	Under spends mainly arising from staffing due to vacant posts and back fill arrangements. £15k saving from Life Assurance Policy due to reducing numbers of staff on old Wrekin terms.
Total Finance, Audit & Information Governance			(1,228,961)	34,500	(76,000)	(1,270,461)	
Law, Democracy & Public Protection							
Licensing	Income	(381,600)	178,800			178,800	Shortfall against licensing income mainly arising from taxi drivers choosing to renew their licenses at Shropshire Council.
Land Charges	Income	(54,570)	(135,430)			(135,430)	Additional income generated from Land Charges. A review is currently being undertaken of prices associated with this service.
Legal	Employees	1,000,410	55,564			55,564	Costs of locum solicitors taken on to address capacity issues within the service.
Variations Under £50k		1,592,330	(13,637)	34,990	(52,726)	(31,373)	
Total Law, Democracy & Public Protection			85,297	34,990	(52,726)	67,561	
Co-Operative Delivery Unit							
Corporate Marketing - Sponsorships	Income	(57,010)	57,010			57,010	Provider of roundabout sponsorship scheme went into administration. Only £20k of income is anticipated for the year which will cover income due from the company in administration in respect of 2012/13.
Corporate Communications	Employees	419,580	(36,179)		(25,000)	(61,179)	Under spends from reduction in hours, vacant posts and officers on maternity leave.
Delivery & Planning	Employees	584,094	(62,396)		(6,000)	(68,396)	Under spends from reduction in hours and vacant posts.
Variations Under £50k		470,836	(32,211)	29,136	(17,910)	(20,985)	
Total Co-Operative Delivery Unit			(73,776)	29,136	(48,910)	(93,550)	
Council Wide							
Housing Benefit Subsidy		(74,540)	(402,998)			(402,998)	Variation from budget as a result of recovery of overpayments. It should be noted that there is no spend to date on B & B accommodation as the temporary leased accommodation has been used and has not been at full capacity as yet.

2013/14 Revenue Budget Variations over £50,000							Comments
Description	Budget	Variations			Total Variations		
		General	1% Pay Award	Included in Savings Schedule for 13/14			
	£	£	£	£	£		
Central Government Grant Refund		(731,000)			(731,000)	The Revenue Support Grant settlement included a reduction in funding relating to central support costs of academies; the information and formula used to calculate this has been changed which results previously disadvantaged local authorities receiving a refund. £351k was returned to the Council in 2012/13; £731k is expected in 2013/14.	
Purchase Rebates	(202,500)	(148,240)			(148,240)	Surplus dividend from West Mercia Energy	
One Off Resources and Additional Funds		(2,368,000)		(500,000)	(2,868,000)	Mainly one off resources and some uncommitted ongoing budgets identified to contribute to the Care & Support overspend	
Total Council Wide		(3,650,238)	0	(500,000)	(4,150,238)		
Total Variations		948,313	654,795	(1,357,872)	245,236		

Capital Approvals

Virements	13/14 £	
Ensure That Neighbourhoods are Safe, Clean and Well Maintained		
Wellington Cemetery	21,356	Prudential
Wellington Civic	15,500	Prudential
Managing the Organisation		
Asset Management Plan - Capital Maintenance	(15,500)	Prudential
Improve the Health & Wellbeing of our Communities		
Playbuilder	(7,271)	Prudential
Parks & Play	(14,085)	Prudential
Total	0	

Slippage

Scheme	13/14 £	14/15 £	15/16 £	Later Yrs £	Comment
Ensure That Neighbourhoods are Safe, Clean and Well Maintained					
Malinslee Local Centre	(30,740)	30,740			Prudential - to 2014/15
Malinslee Local Centre	30,740	(30,740)			Capital Receipt - to 2014/15
Protect & Support our Vulnerable Children & Adults					
Adults & Children ICT Social Care Review	-200,000	200,000			Prudential - to 2014/15
Extra-Care (TMC)	-200,000	200,000			Prudential - to 2014/15
Regenerate Neighbourhoods in Need to Ensure that Local People have access to Housing					
Housing Strategy and enabling	-100,000	100,000			Prudential - to 2014/15
Brookside	-600,000	600,000			Prudential - to 2014/15
Housing	-100,000	100,000			Prudential - to 2014/15
Hadley Local Centre Phase 1 & 2	-584,574	584,574			Grant - to 2014/15
Hadley Local Centre Phase 1 & 2	-285,189	285,189			Prudential - to 2014/15
Woodside	-10,199	10,199			Prudential - to 2014/15
Woodside Local Centre	-24,610	24,610			Prudential - to 2014/15
Woodside Local Centre	-10,575	10,575			Capital Receipts - to 2014/15
Woodside Local Centre	-214,439	214,439			Capital Receipts - to 2014/15
Sutton Hill	-75,237	75,237			Prudential - to 2014/15
Sutton Hill Local Centre	-56,428	56,428			Prudential - to 2014/15
Sutton Hill Local Centre	-1,205	1,205			Prudential - to 2014/15
Protect & Support Jobs as a Business Support, Business Winning Council					
Town Centre	-1,735,000	1,735,000			Capital Receipt - to 2014/15
Managing the Organisation					

Impact of WMS Revenue Sale Receipt received in 12/13 on 13/14 receipts requirement	850,387			Capital Receipts
Impact of WMS Revenue Sale Receipt received in 12/13 on 13/14 prudential borrowing	-850,387			Prudential borrowing
Impact of lower than anticipated capital receipt in 13/14	-29,109,726			Capital Receipts
Impact of lower than anticipated capital receipt in 13/14	29,109,726			Prudential borrowing
Increased use of capital receipts in 14/15 due to receipt re-phased from 13/14		29,094,576		Capital Receipts
Reduced use of prudential borrowing in 14/15 due to receipt re-phased from 13/14		-29,094,576		Prudential borrowing
Changes to the phasing of capital receipts			5,371,150	Capital Receipts
Changes to the phasing of capital receipts			-5,371,150	Prudential borrowing
Changes to the phasing of capital receipts				-5,356,000 Capital Receipts
Changes to the phasing of capital receipts				5,356,000 Prudential borrowing

Improve Local People's Prospects through Education and Skills Training

Newport Infant - internal adaptation to classroom	-150,000	150,000		Grant Funded
Meadows primary	-16,000	16,000		Prudential
Meadows primary	-44,550	44,550		External Funding
Meadows primary	-239,450	239,450		Grant Funded

Total	-4,647,456	4,647,456	0	0
--------------	-------------------	------------------	----------	----------

New Allocations

Scheme	13/14 £	14/15 £	15/16 £	
Improve Local People's Prospects through Education and Skills Training				
Redhill Demountable	5,000			School contribution
Ensure That Neighbourhoods are Safe, Clean and Well Maintained				
Dawley	50,000			Capital receipts
Jiggers Bank Stabilisation	270,000			HCA Grant
Jiggers Bank Stabilisation	100,000			Prudential
Box Road	-40,000			Revenue
Box Road	40,000			Grant
Regenerate Neighbourhoods in Need to Ensure that Local People have access to Housing				
Brookside	-155,000			Funding changed from capital receipts to external funding
Brookside	155,000			Funding changed from capital receipts to external funding
Housing - travellers sites	1,735,227			Grant funded
Housing - travellers sites	374,280			Prudential
housing - Empty Homes Strategy	150,000			Capital receipts - report approved at Cabinet 19/9/13
Protect & Support our Vulnerable Children & Adults				
Disabled facilities grant	4,717			Grant
Total New Allocations	2,689,224	-	-	

TELFORD & WREKIN COUNCIL

CABINET - 17 OCTOBER 2013

DEVELOPMENT OF THE MARCHES LOCAL ENTERPRISE PARTNERSHIP EU INVESTMENT STRATEGY, STRATEGIC ECONOMIC PLAN AND GROWTH DEAL

REPORT OF DIRECTOR: DEVELOPMENT, BUSINESS & CUSTOMER SERVICES

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 The 2014-20 EU structural funds programme will operate as a single national operational programme with the majority of funding being allocated to Local Enterprise Partnerships (LEPs). On the 27 June 2013 we were advised by Government that the notional EU funding allocation for the Marches LEP is approximately £98m. LEPs are now required to submit an EU Investment Strategy, setting out how this notional allocation would be spent to both support economic growth and meet EU priorities. In parallel, LEP's are required to develop their multi-year Strategic Economic Plans and Growth Deal proposals in order to secure a share of the Government's new Single Local Growth Fund (SLGF).
- 1.2 This report explains the context of the Government's proposals for both the EU funding programme 2014-20 and for the Single Local Growth Fund, and sets out the processes put in place by the Marches LEP to deliver the required Plan and Strategy and describes the role of Telford & Wrekin Council's Members and Officers.

2. RECOMMENDATIONS

- 2.1 **That Cabinet note the context and process for the completion of the EU Investment Strategy, Strategic Economic Plan and Growth Deal for the Marches LEP;**
- 2.2 **That Cabinet grant delegated authority to the Director: Development, Business and Customer Services, in consultation with the Cabinet Member for Finance & Enterprise to undertake all steps to progress development, agreement and submission of the Marches EU Investment Strategy, the Marches Strategic Economic Plan and the Marches Deal;**
- 2.3 **That Cabinet grant the following delegated authorities;**
a) **to the Director: Development, Business and Customer Services, in consultation with the Leader, to take decisions on behalf of the Council at the Marches LEP Board or its advisory and sub groups,**
b) **In the absence of the Director: Development, Business and Customer Service this delegation is granted to his designated representative in consultation with the Cabinet Member, Finance & Enterprise, except where the decision involves a change in council policy or variation from the approved Council Budget;**
- 2.4 **That any project ideas or proposals aligning with the EU investment priorities set out in section 4.6 are raised with the Team Leader Investment & Funding, by 31 October 2013.**

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	<ul style="list-style-type: none"> • Protect and create jobs as part of a “business supporting, business wining council.” • Improve local people’s prospects through education & skills training • Protect and support our vulnerable children and adults • regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing • Improve health and wellbeing of our communities and address health inequalitiesput our children and young people first • ensure that neighbourhoods are safe, clean and well maintained
	Will the proposals impact on specific groups of people?	
	Yes	EU funding will have a positive impact across the Borough, helping to reduce unemployment, open access to training, support businesses to grow and address social inequality.
TARGET COMPLETION/ DELIVERY DATE	The EU funding programme will run from 2014-2020 with the anticipated start date for projects being late Summer 2014. The SLGF will come into effect from 2015.	
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	<p>If successful, projects included within the EU Investment Strategy will require match funding. The EU funding intervention rate it is anticipated to be between 60% and 70%.The availability of match funding will need to be considered against other funding priorities of the Council, although it is hoped that the majority of the match funding required will be forthcoming from private or other public sector bodies.</p> <p>The complexity of the work to prepare the EU Investment Strategy, Economic Plan and Growth Deal and tight deadlines for submission, means there is a requirement for partner local authorities to make internal resources available to prepare the submission. For TWC this support will be provided from within existing budgets and resources. This report also gives a brief outline of the Single Local Growth Fund (SLGF). The SLGF is not a source of additional funding, but will be the route through which a number of existing funding streams will be received from 2015/16.</p> <p>The potential impact of the availability of funding to TWC for transport and highways related schemes from 2015/16 is highlighted in paragraph 4.10. As the deadline for the submission of the LEP SLGF Plan is fast approaching, it is recommended that officers confirm the existing funding that will be displaced into the SLGF and identify the services that are currently funded by the displaced funding in order to inform discussions with our LEP partners and inform the budget strategy for 15/16 and future years. Finance advice and support will be provided as requested.</p> <p>JAC 25/09/13</p>
LEGAL ISSUES	Yes	To undertake its involvement in the LEP the authority relies on its general power of competence (section 1 of the Localism Act 2011). The development of the Investment Strategy, Strategic Plan and Growth Deal referred to in this report is at an early stage however the timetable for delivery is tight and the Authority will need to be in a position to respond quickly. The government has indicated that the administration and liability for some LEP EU project funding will

		<p>be the responsibility of the managing authority departments within central government. However, there will still be a requirement to address the Council's own statutory and governance issues for each LEP project.</p> <p>As the governance structure and areas of work outlined in the report develop, the Cabinet will be updated at the appropriate key points. One particular challenge will be setting up the methods of delivery and governance issues outlined in para 4.12 and 4.14 of this report. Legal support will need to be provided to ensure that these challenges are overcome and do not impact upon the successful, timely delivery against the priorities set out in the report.</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough wide impact.

PART B – ADDITIONAL INFORMATION

4. INFORMATION

European Structural and Investment Funds

- 4.1 The 2014-2020 EU structural funding programmes, which include the European Regional Development Fund (ERDF), European Social Fund (ESF) and European Agricultural Fund for Rural Development (EAFRD), are to be aligned under a single strategic framework with the aim being to deliver EU 2020 targets. These funds exist to promote smart, sustainable and inclusive growth.
- 4.2 In March 2013, in response to Lord Heseltine's review, the UK Government announced that for the 2014-20 funding period, it intends to create a single national operational programme, the **Structural and Investment Fund Growth Programme (SIF)**. This programme will include 100% of the UK's allocations for ERDF and ESF, and approximately 20% of its EAFRD allocation. This national operational programme will provide all English LEPs with a notional funding allocation for the seven years 2014-2020 comprising all the above funds.
- 4.3 On 27 June 2013, LEP's were notified of their ERDF and ESF notional allocation with the notional allocation for the Marches LEP being approximately £98m (this allocation does not include EAFRD funding). Of this, Telford & Wrekin and Shropshire, as 'Transition' regions, will receive higher allocations than Herefordshire, which is classified by the EU as a 'Competitive' region.
- 4.4 Each LEP is required to agree and submit an **EU Investment Strategy**, setting out how this allocation will be spent to support economic growth, whilst meeting EU priorities. The allocation will have to be apportioned across the EU funding priorities as directed in the EU's Guidance (see 4.6 below). LEP's must submit their EU Investment Strategies in draft form by the 7 October 2013 which has been completed. The draft strategy comprised an evidence based narrative to explain what the LEP is seeking to achieve, why, and how they have selected strategic level activities to deliver objectives. A strategic activity is designed to deliver a strategic outcome and could be, for example: a group of projects; a major project; a group of services; or a large-scale service.

- 4.5 The Government will work with LEP's through its Funds Teams to help them develop and then implement their EU Investment Strategies once they have been approved. Funds Teams include DCLG, Department of Work & Pensions, BIS Local and DEFRA. Government has also made direct capacity grants to the LEPs for technical assistance and consultancy to support the development of their Investment Strategies and associated Growth Plans (see below).

European Structural Investment Fund Priorities and Targets

- 4.6 The following table details EU Priorities along with the targets that EU funding will need to contribute towards. The emboldened priorities will receive a greater proportion of the ERDF and ESF funding. Activities included within the Marches EU investment Strategy will need to directly contribute towards these targets.

EU Priorities & Funding Apportionment	Targets
<ul style="list-style-type: none"> • Strengthening research, technological development & innovation • Enhancing the competitiveness of SME's • Enhancing access to, use and quality of ICT • Supporting the shift towards a low-carbon economy in all sectors • Promoting climate change adaptation, risk prevention and management • Protecting the environment & promoting resource efficiency • Promoting sustainable transport & removing bottlenecks in key network infrastructures • Promoting employment and supporting labour mobility • Promoting social inclusion and combating poverty • Investing in education, skills and lifelong learning by developing education and training infrastructure 	<ul style="list-style-type: none"> • 75% of the 20-64 year-olds to be employed • 3% of the EU's GDP (public and private combined) to be invested in research and development and innovation • Greenhouse gas emissions 20% (or even 30%, if the conditions are right) lower than 1990 • 20% of energy from renewables • 20% increase in energy efficiency • School drop-out rates reduced below 10% with at least 40% of 30-34 year-olds completing third level education • 20 million fewer people in or at risk of poverty and social exclusion

LEP Strategic Economic Plans and Growth Deals

- 4.7 Running in parallel with the development of the EU Investment Strategy, the Marches LEP must develop proposals for a Growth Deal with Government. Through Growth Deals, LEPs can seek freedoms, flexibilities and resources from Government and a share of a new Single Local Growth Fund (SLGF) to deliver their growth priorities. In return, LEPs are expected to develop ambitious, multi-year Strategic Economic Plans showing how the whole LEP area is going to deliver growth.
- 4.8 LEP's are required to submit their draft Strategic Economic Plans in December 2013, and they are expected to align closely with the LEP EU Investment Strategy.
- 4.9 Government anticipates that a LEP's EU Investment Strategy and its Strategic Economic Plan will be designed and function as an integrated package; both should use the same evidence and rationale. However the Strategic Economic Plan will cover the full range of LEP priorities for intervention while the EU Investment Strategy will be focused on those interventions for which EU structural funds will be used.

4.10 Nationally, the SLGF pot will comprise £2bn for 2015-16 (see table below) and at least that amount in subsequent years up to 2020-2021. The 2015-16 pot includes funding for transport, skills (incorporating ESF skills match funding), and housing (including a proportion of each Local Authorities New Homes Bonus). Existing capital transport funds make up 55% of the SLGF national funding pot. Currently there is limited information on how this will impact on existing budgets but this requires further interrogation as more information becomes available. SLGF funds will be allocated to LEPs, with the magnitude of the allocation being based upon the detail provided in the LEP Strategic Economic Plan. As such LEP's will be in competition with one another for resources, with the quality of the Strategic Economic Plan being critical to maximising the Marches LEP's SLGF allocation.

Size and Source of the Local Growth Fund 2015/16 - £m (National Allocation)	
Local Authority Transport Majors	819
Local Sustainable Transport Fund (Capital)	100
Integrated Transport Block	200
Further Education Capital	330
European Social Fund Match	170
New Homes Bonus	400
Total	2,019
Of which Capital	1,449

4.11. Whilst preparation and submission of draft LEP Strategic Economic Plans and EU Investment Fund Strategies are to run in tandem, the Growth Deal process will initially run to different timescales with the negotiation of Deals anticipated to be completed by July 2014, however Government has advised that it will seek to align the two processes as far as possible.

Development Processes

Constraints & Challenges

4.12 Government wishes to see more efficient management and new models of delivery through the joining up of funding. They expect LEPs to co-operate and work across LEP boundaries in order to increase the scale and maximise the impact of investment.

4.13 Furthermore in view of the constraints on public funding, Government expects LEPs to develop their EU strategies in order to lever in as much private sector investment as possible. Therefore in developing its EU Investment Strategy, the Marches LEP will need to ensure that stakeholders across the private, voluntary and public sectors input into its development. LEPs will need to provide evidence of commitment from businesses and other partners to invest.

4.14 The Marches is a rural/urban LEP and there will be conflicting priorities to reconcile and an effective governance structure, involving senior officers from each of the local authorities, will be key to addressing these issues. TWC's representation on the Marches LEP is outlined at Sections 4.20.

Development Processes

4.15 The Board of the Marches LEP agreed a structure for the development of its EU Investment Prospectus and Strategic Economic Plan on the 20 May 2013.

- 4.16 In August, consultants ARUP were appointed to support in the preparation of the two documents, acting as critical friend and advisor in the development process. Consultancy support is being funded through the LEP Capacity Fund.
- 4.17 Collaboration with other LEPs to identify possible areas for regional co-operation is taking place through West Midlands groups. In addition, the Marches LEP engages on a regular basis with the Stoke/Staffordshire and Worcester LEPs.

Telford & Wrekin Council, Priorities, Representation & Governance

- 4.18 To ensure that the priorities of the Council are represented and prioritised during the development of the Marches EU Investment Strategy and the Strategic Economic Plan, officers from across the Council are engaged in LEP working groups. These officers are responsible for ensuring that Council priorities are tabled for discussion at group meetings and taken forward.
- 4.19 In addition, consultation is being undertaken by officers of the Council with external partners. Most importantly, an engagement event with Telford & Wrekin SMEs was held on the 17 September to ensure that activity which meets the business needs of Telford companies is reflected in the EU Investment Strategy. Over 100 Telford businesses attended this event and were asked to complete a questionnaire to feed into the development of the Investment Prospectus.
- 4.20 The following are the Council's representatives on the Marches LEP Board, Officer Executive and Funding Forum:
Councillor Kuldip Sahota, Leader – LEP Board
David Sidaway, Director Development, Business & Customer Services – LEP Board & Executive
Councillor Bill McClements, Cabinet Member Finance & Enterprise – Funding Forum
Katherine Kynaston, Business & Development Planning Manager – Executive & Funding Forum
Kathy Mulholland, Team Leader Investment & Funding – Funding Forum
- 4.21 In view of the complexities of working within the LEP structure, the importance to the Borough economy of both the EU Investment Strategy and the SLGF and the need to respond quickly in the light of tight timescales delegated authority is sought to the Director Development, Business & Customer Services in consultation with the Leader to make decisions on behalf of the Council at the LEP Board and advisory/sub groups, within the context of Council policy and approved Council budget. An internal LEP Board of senior officers has also been established, sponsored by the Cabinet Member, Finance & Enterprise and chaired by the Director Business, Development & Customer Services. This will ensure co-ordination and strategic planning across those key service areas directly engaged with the LEP so that the Council's interests are effectively represented and our priorities supported. The Board includes:
Cllr Bill McClements, Cabinet Member, Finance & Enterprise (Sponsor)
David Sidaway, Director: Business & Customer Services (Chair)
Jonathan Eatough, Assistant Director: Law, Democracy and Public Protection
Jonathan Rowe, Assistant Director: Neighbourhood & Leisure Services
Ken Clarke, Assistant Director: Finance, Audit & Information Governance
Kate Turner, Assistant Director: Development, Business & Employment
Katherine Kynaston, Business & Development Planning Manager
Kathy Mulholland, Team Leader Investment & Funding
- 4.22 To ensure that the Council is capturing and contributing all potential projects and priorities and feeding these in to the Marches EU Investment Strategy, Members are asked to make

Kathy Mulholland (Team Leader Investment & Funding) aware of any projects or proposals that align with the EU priorities set out in 4.6, by the end of October 2013.

Timescales

7 October 2013	Submission of draft EU Investment Strategy to Government
6 December 2013	Submission of draft Strategic Economic Plan & Growth Deal proposals to Government
31 January 2014	Submission of final EU Investment Strategy to Government

5. PREVIOUS MINUTES

Cabinet – 11 January 2011, CB-110

6. BACKGROUND PAPERS

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190880/13-747an-structural-and-investment-fund-strategies-preliminary-guidance-to-leps-technical-annex.pdf

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224755/131049-development-and-delivery-european-and-investment-fund-strategies-guidance-for-leps.pdf

Report prepared by Kathy Mulholland, Team Leader Investment & Funding - 01952 567572

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 17th October, 2013 at 5.00 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington, Telford

PUBLISHED ON WEDNESDAY, 23rd OCTOBER, 2013

(DEADLINE FOR CALL-IN: MONDAY, 28th OCTOBER, 2013)

PRESENT: Councillor R.A. Overton (Deputy Leader and Chair for the meeting), E.A. Clare, A.R.H. England, W.A.M. McClements, H. Rhodes, C.F. Smith and P.R. Watling

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

CB-44 MINUTES

RESOLVED – that the minutes of the meetings held on 19th September and 3rd October 2013 be confirmed and signed by the Chair.

CB-45 APOLOGIES FOR ABSENCE

Councillors K Sahota (Leader) and S. Davies

CB-46 DECLARATIONS OF INTEREST

None

CB-47 FINANCIAL MONITORING 2013/14

Key Decision identified as **Financial Monitoring 2013/14** in the Notice of Key Decisions published on 19 August 2013.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Finance, Audit & Information Governance, which provided Members with the latest financial monitoring information for 2013/14.

Revenue spending was projected to be within budget at year end, after using £3.0m of the budgeted contingencies (including allocation of the contractual inflation contingency) leaving £2.5m available in remaining contingencies. This was a considerably improved position to that reported in July. A great deal of proactive budget management activity had been carried out by the Senior Management Team, which had resulted in the identification of just under £2.5m of further in-year savings. This had enabled additional pressures, such as the 1% pay award, to be covered and the call on

contingencies to be reduced by just over £1m. However, it was increasingly difficult to protect front-line services in the face of further Government austerity measures, which by 2015/16 would equate to cuts of £75m in the Council's budget.

There were still a number of significant pressures on the budget, including the cost of Children in Care placements (overspend of £1.9m); the cost of Adult Care and Support services (overspend of £3.1m); and the cost of ICT maintenance contracts (overspend of £0.350m). Projected variances of over £0.100m for individual service delivery units were detailed in the report. There were benefits from active treasury management of £1.1m, a refund of £0.731m in relation to previously top-sliced revenue support grant, and a benefit of £1.4m from early delivery of savings. In relation to Adult Care and Support services, the Cabinet Member advised that a large proportion of expenditure went to private sector providers, and there was a need to drive these costs down. He also referred to the on-going issue regarding the below national average funding of Continuing Healthcare by the Clinical Commissioning Group, and the impact this was having on both individuals (who were now having to contribute more for their care) and on the Council's services/budgets.

The capital programme totalled £125.7m, which included slippage from 2012/13. Spend was currently standing at 17%, which was broadly in line with previous years. Funding for the programme included a significant amount of capital receipts anticipated to be delivered over the medium term. As previously reported, monitoring indicated that £31m of these receipts would not now be received until future years, and a contingency plan was being developed should some of the receipts not be forthcoming.

Collection levels for Council Tax and Sales Ledger debt were behind the targets set for the year, but the collection level for NNDR was ahead of target.

Cllr A.R.H. England, Cabinet Member: Adult Social Care, reported that the Council was working with care providers to try and bring down costs. All care packages would need to be reviewed to see whether costs could be reduced through the use of such things as assistive technology. A re-organisation of Adult Care and Support services into five key areas would hopefully generate a saving of £0.5m. Cllr P.R. Watling, Cabinet Member: Children, Young People & Families, reported that all Children in Care budgets were being carefully monitored, and £400k had been saved as part of the strategy to reduce the use of long term care placements. However, the Council was now seeing more teenage children coming into care, which was adding to the cost pressures.

The Opposition Group Leaders asked a number of questions relating to the current financial position. In response to a question from Councillor Eade regarding sponsorship income from advertising on roundabouts, it was reported that less income than anticipated had been generated due to the provider, who had been used for several years, going into administration.

RESOLVED –

- (a) that it be noted that the 2013/14 revenue spend is currently projecting to be within budget at year end;
- (b) that the uses of the budgeted contingency detailed in paragraph 5 of the report, and the savings detailed in Appendix 2, be approved;
- (c) that the position in relation to capital spend be noted, and TO RECOMMEND to COUNCIL that the new allocations and slippages detailed in Appendix 3 of the report be approved;
- (d) that the collection rates for NNDR, council tax and sales ledger be noted.

CB-48 DEVELOPMENT OF THE MARCHES LOCAL ENTERPRISE PARTNERSHIP EU INVESTMENT STRATEGY, STRATEGIC ECONOMIC PLAN AND GROWTH DEAL

Non-Key Decision

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Director: Development, Business & Customer Services, which provided information on the Government's proposals for both the EU structural funds programme and the new Single Local Growth Fund.

The 2014-20 EU structural funds programme would operate as a single national operational programme, with the majority of funding being allocated to Local Enterprise Partnerships (LEPs). The notional EU funding allocation for the Marches LEP was approximately £98m, and it was now required to submit an EU Investment Strategy setting out how this notional allocation would be spent to support both economic growth and meet EU priorities – details of which were included in the report. If successful, projects included within the EU Investment Strategy would require match funding – particularly from the private sector. In parallel, LEPs were also required to develop their multi-year Strategic Economic Plans and Growth Deal proposals in order to secure a share of the Government's Single Local Growth Fund (SLGF). Nationally, the SLGF pot would comprise £2bn for 2015/16, within which were national allocations for transport, skills and housing. It was not a source of additional funding, but would be the route through which a number of existing funding streams would be received from 2015/16.

The Marches was a rural/urban LEP and there were conflicting priorities to reconcile and an effective governance structure, involving senior members and officers from each of the local authorities, would be key to addressing these issues. Details of the Council's representation on the Marches LEP Board were provided in the report. An internal LEP Board had been established to co-ordinate strategic planning across key service areas directly engaged with the LEP, and delegated authority was sought in order for senior Officers to be able to make decisions on behalf of the Council in relation to the

work being undertaken on the Investment Strategy and Strategic Economic Plan. Some resources would be needed to support this. It was important that the Council's interests were effectively represented in order to get the best deal for the Borough from the funding available through the LEP.

RESOLVED –

- (a) that the context and process for the completion of the EU Investment Strategy, Strategic Economic Plan and Growth Deal for the Marches LEP be noted;
- (b) that authority be delegated to the Director: Development, Business & Customer Services, in consultation with the Cabinet Member: Finance & Enterprise, to undertake all steps to progress development, agreement and submission of the Marches EU Investment Strategy, the Marches Strategic Economic Plan and the Marches Deal;
- (c) that authority be delegated to the Director: Development, Business & Customer Services, in consultation with the Leader, to take decisions on behalf of the Council at the Marches LEP Board or its advisory and sub-groups, and that in the absence of the Director, this delegation be granted to his designated representative, in consultation with the Cabinet Member: Finance & Enterprise, except where the decision involves a change in Council policy or variation from the approved Council budget;
- (d) that any project ideas or proposals aligning with the EU investment priorities set out in section 4.6 of the report are raised with the Team Leader: Investment and Funding by 31 October 2013.

The meeting ended at 5.35pm.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Law, Democracy & Public Protection
Date: 23 October 2013

Signed:

Date: