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.

<u>RESOLVED</u> –

(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: …………………………………

TELFORD & WREKIN COUNCIL

CABINET – 14 NOVEMBER 2013

SERVICE & FINANCIAL PLANNING 2014/15 – 2015/16.

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

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

1.0 PURPOSE:-

To provide an update on:-

- The projected budget gap through to 2015/16 and
- To consider policy towards future Council Tax Freeze grant offers.

2.0 RECOMMENDATIONS:-

2.1 Members are asked to:-

(i) Note the updated projections for the budget gap through to 2015/16 and the timetable set out in this report for finalising the Council's 2014/15 budget.

(ii) Agree that a two year financial strategy will be developed covering the years 2014/15 and 2015/16 to match the Government's spending plans which have been published through to 2015/16.

(iii) Recommend to Council that, in view of the Government's change in treatment of the 2013/14 Council Tax Freeze Grant the Council should, subject to consideration of any feedback through the Budget consultation process, not increase Council Tax in 2014/15, and instead take the Government's Council Tax Freeze Grant.

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	*The service and financial planning strategy is integral to ensuring that*

		available resources are used as effectively as possible in delivering all priority outcomes.
	Will the proposals impact on specific groups of people?	
	Yes	*The proposals contained in this report will impact on Council Tax-payers.*
TARGET COMPLETION/DELIVERY DATE	*This report forms part of the process of developing the Council's overall Service & Financial Planning Strategy for 2014/15 which will finally be approved at full Council on 27th February 2014. The final agreed recommendations will be implemented during the 2014/15 financial year.*	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	*The financial impacts are detailed throughout the report.*
LEGAL ISSUES	Yes	*Decisions in respect of the Council's budget are a matter for Council but recommendations from Cabinet are material considerations when these decisions are made*
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	*Appendix 1 of the report sets out a number of assumptions that have been used in projecting the potential budget gap. Clearly additional information will become available as time progresses and these assumptions will be updated which is likely to impact on the size of the projected budget gap. The report also details current uncertainties over the duration of the proposed Council Tax Freeze grants and the financial impacts of potential courses of action and refers to the risks and potential opportunities arising from the localisation of business rates.*
IMPACT ON SPECIFIC WARDS	Yes/No	*Borough-wide impact.*

4.0 SPENDING ROUND 2013:-

4.1 The Chancellor announced his "Spending Round 2013" on 26th June 2013. As a General Election is scheduled for May 2015, the Spending Round announcements only dealt with national spending plans for

2015/16 and identified £11.6bn further Government savings towards the national deficit reduction programme. The Labour Party have also pledged to match the spending totals for 2015/16 if they win the election. The Chancellor's announcements included a 10% cut in Local Government funding. However, this was a national figure and the impact will vary between authorities. Subsequent announcements indicate that the reduction for this Council will be in the region of 13.7% for 2015/16.

4.2 The Chancellor's other announcements included that the Council Tax referendum threshold in 2014/15 and 2015/16 would be set at 2% and it has also been announced that further council tax freeze grants equal to 1% of the council tax base prior to reductions for Local council Tax Support Schemes would be available in 2014/15 and 2015/16.

5.0 OUR STRATEGY

5.1 The Council has a long track record of effective financial management with revenue out-turn positions being slightly underspent (within the range 0.04% to 1.42% of budget) over the last 5 years despite the very significant challenges that the Council has faced in delivering over £50m pa ongoing revenue savings since 2009/10. This has seen a reduction of over 1,000 posts, a reduction of more than 50% in the size of the Council's senior management team and reductions of more than 40% in "back-office" costs.

5.2 As well as having a successful track record of delivering ongoing savings, this Council is ideally placed to benefit from the Government's financial incentives to allow development. The Borough has in excess of 9,000 approved planning permissions for residential dwellings. Under the new local government finance system introduced on 1st April this year, each new property that is built brings significant financial benefits including council tax (now retained by the Council until the finance system is "reset" which is not scheduled until 2019/20) and New Homes Bonus whilst the marginal cost of delivering services to new properties has, to date, largely been absorbed by making further efficiency measures.

5.3 The Borough's policy of being a "Business Supporting, Business Winning" Council will benefit local people by creating local jobs but will also bring significant financial benefits through retention of 49% of the additional business rates on new industrial, commercial and retail premises until the finance system is reset in 2019/20. However, in order to maximise potential investment in the Borough which has a very real advantage in having large areas of developable land and good transport links, it is essential that we do not take the "easy option" and indiscriminately cut the many Council services that make the area attractive as a place to live/locate and expand businesses.

5.4 The Council is large enough to have economies of scale and an effective critical mass but small enough to understand the needs and priorities of its communities and to move quickly. We can also operate a shared culture which is a lasting benefit from the "One Council" programme commenced in 2009 and continued and developed further through our Co-operative Council approach. The Council's culture is becoming increasingly commercial with new opportunities to generate income which can help support existing front-line services actively sought. Recent examples of this approach include the decisions to develop full business cases for a solar farm and a potential investment in 600 properties for rent at commercial rent levels. Clearly all potential investment ideas will be subject to the development of rigorous business cases which will tend to involve some spend being at risk if through the process of reviewing potential investments they are ruled out on the basis of too great a level of risk or unattractive potential returns.

5.5 Clearly, although the Council is uniquely placed to benefit from a combination of benefits from a new commercial approach and from significant development opportunities within the area which the Council actively supports, given the scale of cuts to Government grants we will still need to identify further savings. Having made very significant reductions in costs already, these further savings will become increasingly more challenging and will have an increasing impact on front line services rather than back office costs.

5.6 The Council has also faced very significant increases in costs as a result of decisions by the former Primary Care Trust (PCT) and now the Clinical Commissioning Group (CCG) over the funding of Continuing Healthcare Cases (CHCs). This has resulted in greatly increased pressures in the Adult Care & Support budget which is currently projected to be around £4m over-spent at year end. However, this must be seen in the context of a transfer of costs from the health service to the Council of £8.5m. (although the CCG has agreed to make a one-off contribution of £2.4m in 2013/14).

5.7 The number of people receiving CHC funding in Telford & Wrekin as at 31 March 2013 had fallen to just 56 throughout the whole Borough, at a time when numbers receiving CHC funding are increasing both nationally and in Shropshire. The ratio of CHC cases per 50,000 population in Shropshire is almost four times higher than in Telford & Wrekin when a lower ratio might be expected in Shropshire given the Community Hospital provision available in Shropshire which the NHS does not provide in Telford & Wrekin. This ratio reflects the extreme pressure being placed on Telford & Wrekin Council's budget and will also reflect additional pressure being placed on "self-funders" within the Telford & Wrekin area.

	Number of people receiving CHC funding per 50,000 population
Telford & Wrekin	17
England	52
Shropshire	64

5.8 To get back to the average number per 50,000 population and using a very conservative average cost of a person receiving a relatively high level of care, of £600 per week indicates a level of underfunding by the NHS of around £3.75m. To equate to Shropshire's figures, and using the same very conservative cost per week, an additional £4.68m would need to be made available by the NHS.

5.9 Care & Support services account for 36% of the Council's net budget and given the scale of the cuts that we must make and the extreme pressure caused by the CCG's decisions on CHC funding, it is unavoidable that savings need to be made in this area. Therefore a package of measures including reviewing every new and existing care package, working with care providers (77% of the budget is spent with external care providers) to reduce costs and use of new "assistive technology" in place of more costly alternatives where appropriate has been put in place. Discussions are also continuing with the CCG with the intention of seeking an ongoing CHC funding split that is more in line with national norms and therefore fairer to the Council and local "self-funders". Additional pressures will be caused by the need to prepare for and implement new systems to accommodate national Adult Social Care reforms with effect from 2016/17.

5.10 Given that the Government's spending plans have only been published at a national level through to 2015/16, it is appropriate to adopt a two year planning horizon, although under current longer term projections it should be noted that further cuts of around £10m pa can be expected (if there is no change to the Budget plans/assumptions of the current Government) through to the end of the decade and decisions that have an ongoing impact must be taken in this context.

5.11 Our current financial strategy can be summarised adopting a more commercial approach and supporting growth in the borough in order to attract additional business rates, council tax and new homes bonus in order to stimulate the local economy, provide jobs for local people and funding to support existing council services in order to minimise as far as possible the cuts that we must make to front line services.

6.0 COUNCIL TAX FREEZE GRANTS

6.1 Telford & Wrekin Council rejected the Council Tax freeze grants for the last two years on the basis that they were one-off and therefore did not help the Council's long term financial sustainability which is essential in the context of the current climate of severe financial constraint. This decision was informed following extensive consultation where the clear view from the community who responded to the consultation was for the Council to pursue a level of ongoing Council Tax increase to help protect local services. However, the 2013/14 freeze grant has now been "base-lined" by the Government i.e. it is not now being treated as one off – had this, change been known in advance some councils may have decided to accept rather than to reject the grant. Clearly it is very unhelpful that the Government have changed the goalposts after the date by which councils had to make their decisions on whether to accept the 2013/14 council tax freeze grant offer. The Council has expressed its disappointment at the lateness of this announcement directly to DCLG as part of the recent technical consultation on future changes to grant methodology. It is conceivable that the Government may have revised its position following feedback from councils such as Telford & Wrekin on the unsustainability of temporary grants.

6.2 The Government have announced council tax freeze grants equal to 1% of council tax base (prior to reductions to the tax base for local council tax support) for 2014/15 and 2015/16. However, they have not yet announced how long these grants will be paid for or indicated when such an announcement will be made.

6.3 However, given that the 2013/14 council tax freeze has been base-lined, there is a strong possibility that the proposed freeze grants for 2014/15 and 2015/16 may also be baselined. If the Government did not baseline the freeze grant at authority level then that money would go back into the mainstream settlement and authorities that had put up Council Tax would get a share of it which would be counter to Government policy.

6.4 If future council tax freeze grants are ongoing rather than short-term, acceptance of the freeze grant which, as it is based on the pre local council tax support council tax base rather than the post council tax support scheme tax base, is effectively worth 1.2% to this Council rather than 1%, becomes much more attractive. Current budget assumptions based on decisions taken at Council in March this year are to increase council tax by 1.9% but Members views are sought as to whether, in the light of the changed treatment of the 2013/14 council tax freeze grant and the cost of living pressures and impacts of welfare reforms for local people, we should, in line with our Co-operative council principles, re-consult the community on whether we should now accept the Council tax freeze grant offers for 2014/15 and 2015/16.

6.5 The Council's financial strategy summarised in section 5.11 above, which is based on the financial benefits for the Council, as well as for local people, from pursuing economic growth is also expected to bring significant financial benefits in terms of additional Council Tax, New Homes Bonus and additional retained Business Rates income. These expected increases to the Councils funding make acceptance of freeze grant offers more possible for the Council than if we were not pursuing this strategy as these financial benefits will reduce the amount of cuts that we would otherwise have to make.

6.6 If, after consultation, the Council accepts the proposed Council Tax Freeze grants, the budget gap in 2014/15 would increase by around £0.35m and if also accepted in 2015/16 by £0.7m compared to the assumed council tax increases of 1.9% for both years approved at Council in March 2013. If, after consultation, the freeze grants were to be accepted but were not baselined by the Government, the Council would face an ongoing shortfall of around £1.9m compared to implementing council tax increases of 1.9%.

7.0 BUDGET GAP PROJECTIONS:-

7.1 When considering the potential budget gap that will be faced by the Council in 2014/15 and 2015/16 a large number of assumptions need to be made, many of which are subject to change. Therefore the figures below should be regarded as best estimates based on currently available information but they will inevitably change as further information becomes available. Some of the key assumptions are included at Appendix 1.

7.2 At Council in March this year, savings of £6.8m to be delivered in later years were approved as well as the savings needed in the current year. After taking these additional savings in to account, the projected budget shortfalls are:-

	£m	
2014/15	5.9	
2015/16	16.9	(Including £5.9m for 2014/15)

In total, therefore the Council will need to have delivered ongoing savings or additional income of around £75m by the end of 2015/16, made up of £51m delivered from 2009/10 to 2013/14 and £23.7m to be delivered over the next two years. To put this in context, these cuts will be equivalent to more than £1,000 for every home in the Borough. Under current Government longer term spending forecasts it is likely that the Council would need to identify further savings of £10m pa through until the end of the decade.

8.0 TIMETABLE

8.1 The proposed timetable for developing the overall Service & Financial Planning Strategy for 2014/15 – 2015/16 is set out below:-

• Further savings proposals to be developed by Senior Managers working with Cabinet members	October/November

• Community Engagement Team to review proposals for impact assessment and engagement requirements	December
• Provisional Settlement received	Expected mid – late December
• Overall Service & Financial Planning Strategy to Cabinet	9th January 2014
• Engagement activities	Start from 9th January 2014
• Consultation closes	10 Feb
• Cabinet – Agree final recommendations to Council	20 Feb 14
• Council – Set council tax, revenue and capital budgets and treasury management strategy for 2014/15.	27 Feb 14

Report prepared by:

- Ken Clarke, Assistant Director: Finance, Audit & Information Governance and C.F.O. (Tel: (01952) 383100) and
- Richard Partington, Managing Director (Tel: (01952) 380102

APPENDIX 1.

KEY ASSUMPTIONS USED IN PROJECTING THE BUDGET GAP.

A number of assumptions have been made in arriving at the projected gap including:-

- The 2014/15 provisional settlement data is not subject to major change when it is received;
- That contributions to the pension fund will not increase by more than has been assumed in the budget model for the next 3 years when the results of the triennial valuation of the pension fund are announced by Shropshire Council;
- That all existing planned savings will be delivered in full and on time including in the key pressure areas of Safeguarding and Care and Support. (Where any change to agreed savings schedules is necessary, it is assumed that alternative in-year proposals are identified by Assistant Directors to replace any proposals that have to be re-phased or deleted) ;
- Any service pressures or developments are funded from further savings proposals within the relevant service area;
- The council accepts the council tax freeze grant offers in both 2014/15 and 2015/16;
- No additional ongoing funding is necessary for implementation of a final equal pay and terms and conditions settlement;
- Other than contractually committed inflation and pay awards of 1% from 2014/15 all inflationary pressures are managed within cash limited service budgets;
- New capital expenditure commitments are strictly controlled and capital receipt targets are achieved;
- Government proposals for top-slicing £400m of new Homes Bonus funding does not result in a reduction of revenue funding received by the Council (if agreement can be reached with LEP members to return revenue funding to contributing Councils);
- The localisation of business rates represents a very significant transfer of funding risk from the Government to Councils. There are significant uncertainties including the potential cost of appeals which can be backdated for many years, the cost of charitable and empty property reliefs and deletions/mergers of properties on the valuation list. In the absence of other information on appeals, our assumptions are therefore based on information provided by the Government at the commencement of the new system;
- Continuing healthcare pressures are funded from within Care & Support resources – including funding from the CCG and other NHS resources (including “Lansley” funding or the additional funding announced in the Spending Round – although conditions attached to this are not yet known.)

TELFORD & WREKIN COUNCIL

CABINET – 14 NOVEMBER 2013

REVISED SCHOOL FUNDING FORMULA 2014/15

REPORT OF THE ASSISTANT DIRECTOR EDUCATION & CORPORATE PARENTING

LEAD CABINET MEMBER – COUNCILLOR PAUL WATLING

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 From April 2013, a new funding formula has been in place for Telford & Wrekin mainstream schools, which meets the requirements of revised Department for Education (DfE) regulations. The DfE has consulted on the impact of the new arrangements and following this has made some changes to the regulations for 2014/15. It has also published details of the funding formulas of all English education authorities.

1.2 Following consultations and discussions with the Schools Forum and schools generally it is proposed to make some changes to the local funding formula for schools in 2014/15 in order to:

- Move the local secondary to primary funding ratio closer to the national average ratio;
- Offer some short term protection to schools with significant reductions in pupil numbers;
- Introduce different lump sums for secondary and primary schools;
- Include an additional factor to offer some budget protection to small rural schools;
- Include an additional factor to provide more funding to schools with higher than average levels of pupil mobility.

1.3 The revised funding formula has to be submitted to the Education Funding Agency (a DfE agency) by 31 October 2013. Telford & Wrekin's formula will be submitted (as is allowed) subject to cabinet approval on 14 November.

1.4 This report seeks Cabinet approval for the proposed revisions to the funding formula for Telford & Wrekin mainstream schools.

2. RECOMMENDATION

2.1 That the revisions to the funding formula for Telford & Wrekin mainstream schools be approved.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	By ensuring that as far as is possible schools receive fair funding for their pupils, this supports the objective to Improve local people's prospects through education and skills training.
	Will the proposals impact on specific groups of people?	
	Yes	Children, young people, parents and the wider community served by schools
TARGET COMPLETION/DELIVERY DATE	The revised funding formula will take effect from 1 April 2014 for maintained schools and from 1 September 2014 for academies. Details of the formula have to be provided to the Education Funding Agency by 31 October, but ours will be submitted (as is allowed) on the basis of being 'subject to Cabinet approval.'	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The revised funding formula redistributes funds between schools as described in the report below. It does not affect the amount of money allocated to T&W by the DfE. The changes lead to redistribution between schools, for example from secondary to primary, but the impact of this in the short-term is mitigated by the national Minimum Funding Guarantee for schools which means that no school's funding can reduce by more than 1.5% per pupil..
LEGAL ISSUES	Yes	The revised arrangements have to comply with the new School Finance Regulations.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	Yes	The revised funding formula will affect all schools in T&W, including academies, with the exception of nursery schools, special schools and independent schools and so will impact upon all Wards across the Borough.

PART B) – ADDITIONAL INFORMATION

4. NATIONAL CONTEXT AND CHANGES TO DFE REGULATIONS

4.1 The DfE required Local Authorities to implement a simpler funding formula for schools from April 2013. These changes are the first stage towards a planned national funding formula for schools, to be implemented in the next spending review period (i.e. at some point in the period from 2015/16). The local funding formula for schools determines how much of the total funding received by T&W is allocated to each individual school.

4.2 Following a review of the 2013/14 formulas implemented by authorities, the DfE has made some changes to regulations for 2014/15. The most significant of these for T&W are as follows:

- If the Schools Forum agrees, additional funding can be allocated to schools with reductions in pupil numbers, but only where the additional places will be required in 2-3 years and the school is classified by Ofsted as ‘good’ or ‘outstanding’.

- Additional funding can be allocated to small schools (less than 150 pupils for primaries, less than 600 for secondaries) if the average distance to catchment pupils second nearest primary school is more than two miles, and three miles for secondary schools.

- It is permissible to have a different lump sum for primary schools compared to secondary schools.

- Mobility funding (i.e. where pupils move schools within the school year) can now be allocated only to schools with mobility above a 10% threshold.

4.3 The DfE has also published details of all English authorities local schools funding formulas. The most significant feature of our funding formula compared to other authorities is our extremely high secondary to primary funding ratio. The national average is 1.28 whereas in Telford & Wrekin it is 1.48. Only 2 of 152 local authorities have a higher ratio than Telford & Wrekin.

5 LOCAL CONTEXT AND PROPOSED FORMULA CHANGES

Pupil number trends and short term protection against reductions of Income caused by falling pupil numbers

5.1 An important feature of the local context for the proposed funding formula is a continuing disparity between pupil number trends in the primary sector (increasing pupils) and the secondary sector (decreasing pupils). In the secondary sector the decrease is concentrated almost entirely within a sub-set of half a dozen schools.

5.2 In the medium term, a reduction in the number of secondary schools (by one) once Telford Co-operative Academy opens and the rise in the secondary population once the increase in primary pupil numbers, particularly in KS1, feeds through, will lead to the situation stabilising. However for 2014/15 there will be local secondary schools that are both small and experiencing significant reductions in pupil numbers.

5.3 In 2013/14 the DfE regulations did not allow us to target additional funding at schools with falling numbers. The regulations are now to be changed to allow this to take place, but only for schools classified by Ofsted as 'good' or 'outstanding' and where places are expected to be needed within the next 2-3 years.

5.4 Any such funding has to be agreed by the local Schools Forum as a 'top-slice' from overall school funding. T&W's forum has agreed a £500,000 top slice for this purpose for 2014/15, to be allocated to schools with a decrease of more than 3% in pupil numbers.

Secondary to primary funding ratio

5.5 In the context of this additional support for schools with falling pupil numbers (in practice secondary schools), it is possible to consider changing the balance of funding between T&W's secondary and primary schools (see paragraph 4.3 above) so that it is nearer the national average.

5.6 Three options were developed and discussed with the Schools Forum and schools generally. These would move T&W's secondary to primary ratio either to:

Option1	the national average (around 1.30)
Option 2	to around 1.35
Option 3	to around 1.40

The ratios reported above reflect the 'raw' unprotected formula. In practice the immediate impact of any changes will be limited by the requirements of the national Minimum Funding Guarantee (MFG) which prevents the funding for any school being reduced by more than 1.5% per pupil per year.

5.7 There was a consensus from schools that we should move towards the national average but differing opinions on how far towards it we should move. A vote at September's Schools Forum produced seven votes in favour of version 2, six in favour of version 3, with one abstention. In response to this vote a further option has been modelled, resulting in a ratio of around 1.38 which is the option which is being recommended for approval – see Appendix A to this report. The figures shown for 2014/15 are based on estimated October 2013 census pupil numbers.

5.8 The most significant change to the funding formula is the proposed change in the balance of funding between the secondary and primary sectors, but in addition to this several other changes are proposed, as described below. The decision on the funding formula rests with the Cabinet, but for Members information, the results of the September Schools Forum vote on each proposal is recorded.

Different lump sums for secondary and primary schools

5.9 In 2013/14 DfE regulations required the same lump sum for both primary and secondary schools. In 2014/15 there can be different lump sums for each sector (which had been the position in T&W prior to 2013/14). It is proposed to have a lump sum of £150,000 for secondary schools and £100,000 for primary schools, reflecting the higher de-minimus costs of secondary schools. *Forum members abstained on voting on this change*, as they considered that it formed an integral part of the overall formula ratio options discussed above and on which they had expressed their views.

Pupil mobility

5.10 It is proposed to introduce a formula factor that allocates additional funding to schools with in-year movement of pupils exceeding 10%. This measure excludes pupils arriving as they enter the first year of the school or leaving when finishing their last year. The amounts proposed are an additional £300 per pupil for each pupil above the 10% threshold in primary schools and an additional £500 for secondary schools. This assists schools to cope with the disruption inherent in dealing with fluctuating pupil populations. *The Forum voted unanimously in favour of this proposal.*

Sparsity

5.11 A new allowable factor has been introduced by the DfE in 2014/15 such that additional resources can be allocated to schools below 150 pupils (primary) and 600 pupils (secondary) where the average distance to the next nearest school for its catchment pupils exceeds 2 miles (primary) or 3 miles (secondary).

5.12 Three T&W schools meet these criteria: Crudgington Primary, High Ercall Primary and Tibberton Primary. It is proposed that an additional £667 for each pupil below 150 is allocated to these schools, i.e. such that smaller schools receive larger allocations. It should be noted that the 3 smallest schools in T&W by pupil numbers do not qualify for this additional support as they fail to pass the sparsity test for their catchment pupils described in 5.11 above. The additional allocation is recommended as it enables support to be provided to some of our smaller schools, but it does thereby create a disparity in funding between small rural and small urban schools.

5.13 *The Forum voted unanimously in favour of the sparsity proposal.*

6. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

6.1 Any change to the funding formula for schools leads to some schools being allocated more funding and some schools less funding compared to the existing formula. In the short term the impact of the changes per pupil is cushioned by the MFG. In addition, the top-slice described above mitigates for one year the reduction in income for some secondary schools associated with significant declines in pupil numbers. However, changing the secondary to primary ratio as proposed is a significant strategic decision. The impact of the change will increase in future years as secondary schools income is allowed to decrease in accordance with the MFG year on year.

6.2 Under current regulations, the formula can be reviewed and if desirable amended each year. I will be kept under review in the context of local circumstances and further changes in government regulations.

7. PREVIOUS MINUTES

Minutes of the meeting of the Cabinet held on Thursday, 8th November, 2012 (concerning the 2013/14 funding formula for schools).

8. BACKGROUND PAPERS

“School Funding reform: Findings from the review of 2013/14 arrangements and changes for 2014/15” DfE, June 2013
“2014/15 revenue funding arrangements: operational guidance for local authorities”. DfE, June 2013
“2014-15 Revenue Funding Arrangements: Additional information for local authorities” DfE, October 2013
T&W Schools Forum, Minutes and accompanying papers of meetings held on 12 July 2013 and 25 September 2013

Report prepared by:
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Finance Team Leader
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App A: Comparisons of Formula Options for 2014/15 using Estimated October 2013 Pupil Numbers

Formula Drivers	2013/14	Minimum Change	Version 1	Version 2	Version 3	Recom-mended
Primary basic per pupil rate	£2,280	£2,327	£2,661	£2,718	£2,656	**£2,689**
Key stage three basic per pupil rate	£4,103	£4,188	£3,731	£3,810	£3,985	**£3,922**
Key stage four basic per pupil rate	£4,445	£4,537	£4,228	£4,318	£4,383	**£3,922**
Primary deprivation rate	£1,725	£1,725	£1,725	£1,725	£1,725	**£1,725**
Secondary deprivation rate	£2,588	£2,588	£2,588	£2,588	£2,588	**£2,588**
Primary attainment rate	£845	£845	£845	£845	£845	**£845**
Secondary attainment rate	£552	£552	£552	£552	£552	**£552**
Looked after children rate	£900	£900	£900	£900	£900	**£900**
Primary Mobility rate	£0	£0	£0	£300	£300	**£300**
Secondary Mobility rate	£0	£0	£0	£500	£500	**£500**
Primary English as Additional Language (EAL) rate	£800	£800	£800	£800	£800	**£800**
Secondary EAL rate	£1,200	£1,200	£1,200	£1,200	£1,200	**£1,200**
Primary lump sum	£175,000	£175,000	£130,975	£100,000	£100,000	**£100,000**
Secondary lump sum	£175,000	£175,000	£130,975	£150,000	£150,000	**£150,000**
Sparsity rate (£ per pupil below 150)	£0	£0	£0	£557	£557	**£557**
Primary Minimum Funding Guarantee (MFG) total	£1,050,971	£512,656	-£1,247,233	-£632,703	£38,477	**-£310,276**
Secondary MFG total	-£453,949	-£589,924	£1,854,297	£1,090,510	£282,948	**£676,843**
Pre MFG - Primary to Secondary Ratio	1.48	1.50	1.31	1.36	1.41	**1.38**

Allocations to Settings	£'000	£'000	£'000	£'000	£'000		£'000 Additional
Abraham Darby Academy	£4,508	£4,866	£4,686	£4,686	£4,686	**£4,686**	
Adams' Grammar School	£2,371	£2,433	£2,345	£2,346	£2,356	**£2,346**	
Blessed Robert Johnson Catholic College	£2,605	£2,348	£2,262	£2,265	£2,265	**£2,265**	£188
Charlton School	£5,143	£5,263	£5,121	£5,237	£5,264	**£5,264**	
Ercall Wood Technology College	£3,329	£3,129	£3,055	£3,056	£3,056	**£3,056**	
HLC Secondary School	£5,948	£5,892	£5,891	£5,892	£5,892	**£5,892**	
Newport High Academy	£1,370	£1,505	£1,465	£1,464	£1,464	**£1,464**	
The Burton Borough School	£4,795	£4,738	£4,561	£4,562	£4,687	**£4,622**	£29
Lakeside Academy	£3,016	£2,747	£2,655	£2,657	£2,657	**£2,657**	£158
The Phoenix Academy	£3,646	£3,352	£3,264	£3,266	£3,266	**£3,266**	
The Sutherland Academy	£2,762	£2,569	£2,492	£2,494	£2,494	**£2,494**	£98
Wrockwardine Wood Academy	£3,722	£3,909	£3,765	£3,764	£3,808	**£3,764**	
Secondary Phase totals	£43,214	£42,751	£41,562	£41,688	£41,893	**£41,774**	£473
Apley Wood Primary School	£1,287	£1,275	£1,315	£1,316	£1,316	**£1,316**	
Aqueduct Primary School	£851	£864	£884	£882	£868	**£875**	
Captain Webb Primary School	£1,087	£1,113	£1,114	£1,115	£1,115	**£1,115**	
Church Aston Infant School	£287	£305	£305	£309	£309	**£309**	
Coalbrookdale and Ironbridge C E Primary School	£718	£734	£735	£736	£736	**£736**	
Crudgington Primary School	£456	£470	£473	£474	£470	**£474**	
Dawley Church of England Primary School with Nursery	£702	£743	£746	£748	£748	**£748**	
Donnington Wood Church of England Junior School	£680	£735	£746	£724	£724	**£724**	
Donnington Wood Infant School and Nursery Centre	£637	£680	£686	£670	£670	**£670**	
Dothill Primary	£1,403	£1,373	£1,422	£1,423	£1,414	**£1,423**	
Grange Park Primary	£1,308	£1,317	£1,364	£1,366	£1,361	**£1,366**	
High Ercall Primary School	£542	£537	£539	£524	£524	**£524**	
HLC Primary School	£1,653	£1,677	£1,687	£1,688	£1,688	**£1,688**	
Hollinswood Primary School	£1,220	£1,256	£1,268	£1,262	£1,258	**£1,258**	
Holmer Lake Primary School	£948	£964	£972	£973	£968	**£973**	
John Fletcher of Madeley Primary School	£1,433	£1,430	£1,467	£1,458	£1,434	**£1,447**	
John Randall Primary School	£841	£854	£855	£856	£856	**£856**	
Ladygrove Primary School	£909	£936	£937	£938	£938	**£938**	
Lawley Primary School	£1,245	£1,289	£1,299	£1,300	£1,300	**£1,300**	
Lightmoor Primary School	£602	£707	£717	£725	£725	**£725**	
Lilleshall Primary School	£708	£740	£745	£747	£736	**£743**	
Meadows Primary School	£993	£1,021	£1,030	£1,031	£1,031	**£1,031**	
Millbrook Primary School	£1,157	£1,174	£1,187	£1,188	£1,188	**£1,188**	
Moorfield School	£862	£865	£867	£867	£867	**£867**	
Muxton Primary School	£1,101	£1,192	£1,204	£1,207	£1,207	**£1,207**	
Newdale Primary School	£1,290	£1,347	£1,376	£1,379	£1,379	**£1,379**	
Newport Church of England Junior School	£842	£816	£823	£813	£813	**£813**	
Newport Infant School	£682	£727	£731	£734	£734	**£734**	
Old Park Primary School	£1,963	£2,015	£2,025	£2,022	£2,017	**£2,017**	
Priorslee Academy	£1,039	£1,155	£1,167	£1,172	£1,172	**£1,172**	
Queenswood Primary School and Nursery	£607	£590	£588	£587	£587	**£587**	
Randlay Primary School	£1,130	£1,132	£1,140	£1,140	£1,140	**£1,140**	
Redhill Primary School	£1,286	£1,276	£1,312	£1,313	£1,313	**£1,313**	
Saints Peter and Paul Catholic Primary School	£561	£574	£583	£569	£569	**£569**	
Short Wood Primary School	£1,813	£1,819	£1,862	£1,857	£1,829	**£1,844**	
Sir Alexander Fleming Primary School	£1,192	£1,251	£1,290	£1,279	£1,261	**£1,271**	
St George's Church of England Primary School	£1,502	£1,479	£1,488	£1,487	£1,487	**£1,487**	
St Lawrence Church of England Primary School	£382	£386	£385	£385	£385	**£385**	
St Luke's Catholic Primary School	£522	£531	£530	£516	£516	**£516**	
St Mary's Catholic Primary School	£440	£471	£476	£465	£465	**£465**	
St Matthew's Church of England Primary School	£956	£1,003	£1,013	£1,015	£1,015	**£1,015**	
St Patrick's Catholic Primary School	£698	£718	£720	£721	£720	**£721**	
St Peter's Church of England Primary School, Edgmond	£637	£651	£653	£654	£651	**£654**	
St Peter's Church of England Primary School, Bratton	£1,259	£1,285	£1,293	£1,294	£1,294	**£1,294**	
Teagues Bridge Primary School	£747	£780	£782	£784	£779	**£784**	
Tibberton Church of England School	£487	£511	£511	£502	£502	**£502**	
William Reynolds Primary School	£1,356	£1,350	£1,364	£1,364	£1,364	**£1,364**	
Windmill Primary School	£1,470	£1,477	£1,509	£1,502	£1,480	**£1,492**	
Wombridge Primary School	£810	£878	£890	£894	£880	**£888**	
Woodlands Primary School	£1,537	£1,626	£1,646	£1,648	£1,648	**£1,648**	
Wrekin View Primary School	£1,361	£1,312	£1,340	£1,329	£1,309	**£1,319**	
Wrockwardine Wood Church of England Junior School	£852	£879	£891	£893	£886	**£893**	
Wrockwardine Wood Infant School and Nursery	£745	£785	£810	£791	£785	**£785**	
Primary Phase Total	£51,799	£53,074	£53,763	£53,637	£53,432	**£53,552**	£0
All Mainstream Phase Totals	£95,012	£95,825	£95,325	£95,325	£95,325	**£95,325**	£473

2013-14

Actual allocations in 2013/14

Minimum Change

Retaining existing formula, just amend basic per pupil rates to use available resources (cash freed up by MFG reductions)

Version 1

'Average LA' model, i.e. Lump sum at LA average for 2013/14, secondary to primary ratio at average level (by adjusting basic per pupil rates). Top slice for schools with falling pupil numbers

Version 2

Includes mobility and sparsity factors and different lump sums for primary and secondary schools. Basic per pupil rates adjusted to move overall ratio up by 0.05. Top slice for schools with falling pupil numbers

Version 3

As version 2 but with basic per pupil funding rates changed to make overall secondary to primary ratio around 1.40.

Recommended

As version 3 but with basic per pupil funding rates changed to make overall secondary to primary ratio in-between versions 2 and 3.

Note

Additional funding provided as follows:
Puts a floor underneath funding lost through a reduction in pupil numbers, such that pupil driven funding which would be below 97% of what the school would have received with stable pupil numbers is topped up back to that level. Only applies for one year and only schools rated as 'good' or 'outstanding' by Ofsted are eligible. £500,000 deducted from overall amount available to distribute to schools, actual amount allocated to eligible schools will depend upon October census pupil numbers and Ofsted status, estimate of £473,000 based on current Ofsted status and estimated October pupil numbers

TELFORD & WREKIN COUNCIL

CABINET – 14 NOVEMBER 2013

NEED FOR EMPLOYMENT LAND IN NEWPORT

REPORT OF ASSISTANT DIRECTOR: PLANNING SPECIALIST

LEAD CABINET MEMBERS: COUNCILLOR CHARLES SMITH & COUNCILLOR BILL MCCLEMENTS

PART A) – SUMMARY REPORT

1 SUMMARY OF MAIN PROPOSALS

1.1 Telford & Wrekin Council has had a longstanding aim to enable Newport to become more economically sustainable and self sufficient, by supporting opportunities for economic development and local job creation.

1.2 Economic development encompasses all types of activity that provide jobs and economic output, including offices, industrial units, warehouses, retail and service industries. This report focuses on offices, industrial units and warehousing insofar as they require an identifiable supply of land to cater for their development needs. The purpose of this report is to inform the Council on issues relating to the supply of land available for these employment land uses in Newport.

1.3 Telford & Wrekin Council has been working towards achieving its economic objectives for Newport by working in partnership with other landowners to bring forward land for employment development within mixed use schemes in order to increase the total supply of available development land. However, there is a risk that development proposals being brought forward by other land owners and developers may undermine the Council's economic objectives for Newport by reducing the supply of existing and proposed employment land and buildings, by developing them for other uses.

1.4 In order to understand the implications of these different development proposals, the Council has commissioned a study by Peter Brett Associates LLP to provide robust and up to date evidence of the need for employment development land in Newport.

1.5 This report seeks Cabinet approval to continue the Council's long term aim to increase economic activity and employment opportunities in Newport, taking in to account the evidence to be provided by the review of the need for employment land.

1.6 A glossary of terms is included at the end of the report.

2 RECOMMENDATIONS

2.1 That the Council continues to pursue its objective of enhancing the economic performance of Newport, through supporting opportunities for employment development and resisting non-employment uses that would reduce the overall provision of established and available employment sites in Newport.

2.2 That the Council accepts and agrees the findings set out in the attached Peter Brett Associates LLP report and supports its conclusions.

3 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to Council priorities?	
	Yes	The proposals will contribute towards the council's priorities to protect and create jobs as a 'Business Supporting, Business Winning Council'
	Will the proposals impact on specific groups of people?	
	Yes	The delivery of additional employment land in Newport will provide more employment opportunities and will reduce unemployment in the borough.
TARGET COMPLETION/ DELIVERY DATE	The protection of the overall provision of existing and available employment uses in Newport and the development of new employment land in Newport is to be achieved over the forthcoming Shaping Places Local Plan period up to 2031. Proposals currently under consideration will be 'front-loaded', to be delivered over the next 5 years.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The commissioning of consultants to update the review of employment land provision in Newport will be funded from within existing budgets. The development of additional employment land will support the economic growth of the Borough and provide associated financial benefits to the Council from additional business rates and increased economic activity. JAC 17/10/13
LEGAL ISSUES	Yes	If the above recommendation is approved, this report and the Peter Brett LLP report will serve to support the current Policy position. Unlike the preparation of local development documents however, no formal process will follow should members agree the recommendation set out in this report
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The delivery of additional employment land in Newport will provide more employment opportunities and will contribute to reducing unemployment in the borough.
IMPACT ON SPECIFIC WARDS	Yes	Newport East (Cllr Eric Carter), Newport North (Cllr Roy Scammell), Newport South (Cllr Adrian Meredith), Newport West (Cllr Adam Stanton), Edgmond (Cllr Stephen Burrell), Church Aston and Lilleshall (Cllr Andrew Eade)

PART B) – ADDITIONAL INFORMATION

4 INFORMATION

4.1 In 2012, Telford & Wrekin Council commissioned Peter Brett Associates to undertake a review of employment land provision in Newport. The need for this review arose from the number of residential, retail and mixed use development proposals that have been submitted to the Council to determine in recent years, particularly in the Audley Avenue and Station Road areas of Newport.

It is therefore necessary to ensure members are aware of the position now and to ensure that opportunities for protecting or creating employment land in Newport are secured as they arise. The employment land needs for the Borough as a whole will be fully addressed in the Shaping Places Local Plan.

4.2 The Council has a longstanding aim to achieve greater economic activity and employment in Newport to assist it to become a more sustainable settlement through reduced levels of out-commuting of residents for work. This principle was established in the Wrekin Local Plan policy E2, which allocated 3.5 hectares of land for economic development in order to generate employment opportunities for Newport. The Core Strategy furthered this aim in policy CS6 which states that the amount of available employment land in Newport will be increased in order to provide new local employment opportunities.

4.3 The Council recently published its options for the future development of the borough in the Shaping Places Local Plan: Strategy & Options public consultation document. This again emphasised the Council's preferred approach of increasing the supply of land for employment development in Newport in order to generate local economic growth and employment opportunities. Option 3 within this consultation document proposed to allocate an additional 4 hectares of employment land within or adjoining the town, based upon the evidence provided by Peter Brett's review of employment land.

4.4 This proposed approach was supported by Newport Town Council and a local Ward Member. The Newport Regeneration Partnership has also more recently indicated their support for the principle of increasing the amount of available employment land in Newport.

5 Review of the need for Employment Land in Newport

5.1 The review sets out the current planning policy position in respect of employment land and economic development in Newport. The review describes the context, including the workforce, employment structure and trends, and travel to work patterns. It assesses the current supply of employment land together with the demand and future need for employment floor space. In conclusion the report provides policy advice on employment land supply and demand in Newport and provides an indication that there is a requirement for around 8 hectares of B class employment land over the period to 2026 of which 4 hectares is currently provided, with only 2.6 hectares of that supply currently available.

5.2 Subject to Cabinet approval, Telford & Wrekin Council will continue to develop its approach for increasing the land available for economic development in Newport, by resisting the overall loss of existing and available employment uses in Newport and pursuing the allocation and development of further land through the Shaping Places Local Plan and its decisions on submitted planning applications.

6.0 PREVIOUS MINUTES

Cabinet – 30th May 2013: 'Shaping Places' Local Plan: Strategy & Options

7.0 BACKGROUND PAPERS

Shaping Places: Strategy & Options consultation document (June 2013)
Peter Brett Associates LLP, Newport: A Review of the Need for Employment Land (November 2012)
Wrekin Local Plan (2000)
Telford & Wrekin Core Strategy (2007)

Minutes of the Plans Board meeting held on Wednesday, 28 March 2012 (for planning application TWC/2011/0632)

Report prepared by:

Michael Barker, Assistant Director: Planning Specialist. Telephone: 01952 384100

Stewart Donohue, Senior Planning Officer, Environment and Planning Policy Team. Telephone: 01952 384238

Glossary:

Allocated Land: Land which has been set aside for a specific land use within a development plan, for example for housing, retail or office development.

AMR (Annual Monitoring Report): A document which assesses the extent to which local planning policies are being achieved.

B Class Development: Any type of development that falls within the 'B' classes of the Use Classes Order 1987 (as amended) and the General Permitted Development Order 1995 (as amended). This includes employment generating uses such as offices, industrial buildings and warehousing.

Development Plan: A document that sets out the priorities and requirements for future development to take place in an area. This includes plans that have been formally adopted by a Local Planning Authority (Local Plan) and Parish Councils or Neighbourhood Forums (Neighbourhood Plan).

Local Plan: The plan for the future development of the local area, drawn up by the local planning authority in consultation with the community.

National Planning Policy Framework: The government's national planning policies (issued in March 2012) It replaces national Planning Policy Statements and Planning Policy Guidance Notes along with some circulars.

Strategic Housing Land Availability Assessment: An assessment which identifies sites with housing potential and assesses how deliverable they are.

Windfall: Windfall sites are sites that have not yet been identified, either through a planning application or development plan allocation

Telford & Wrekin Borough Council

Newport:
The Need for Employment Land

October 2013

CONTENTS

1 PURPOSE AND SCOPE OF THE REPORT

Introduction

1.1 Peter Brett-Roger Tym, part of Peter Brett Associates LLP, were first commissioned in September 2012 by Telford & Wrekin Council (the Council) to review the requirement for employment space in the market town of Newport. This report updates that work. Since September 2012, the Regional Strategy has been revoked and is no longer part of the development plan; the Council has begun the work, which this report is to inform, to produce a Local Plan that will replace the 2007 Telford & Wrekin Council Core Strategy and cover the period to 2031 (fifteen years longer than the Core Strategy's plan period); the Council has prepared an interim Employment Land Review for the borough as a whole; and has granted various permissions for housing in Newport that need to be accounted in the estimates of the local working age population. This update has also provided the opportunity to take into account up-to-date information on the performance of the local market.

1.2 For the purposes of this report, "employment" refers to the activities of the economy that typically occupy land and premises that fall within the planning system's B Use Class – that is, Use Classes B1 (B1a - offices, B1b - R&D, B1c - light industry), B2 (industrial) and B8 (warehouse).

1.3 The Council commissioned this and our earlier report to assist in meeting its obligation regularly to assess, and meet, the development needs of business in its area. The timing of this and our September 2012 report was prompted by:

i. The grant of planning permission on appeal in August 2012 for a retail superstore on a c 2.2 ha site within Audley Avenue Industrial Estate – 2.2 ha that had formed part of the town's stock of B Class property. Although the Council understands that the owners of the site intend to implement the supermarket permission, development had not yet begun at the point this report was drafted.

ii. The call-in by the Secretary of State for his determination of a planning application by St Modwen's for a mixed use housing (350 units), employment (4.5 ha) and retail (supermarket) scheme on the Station Road site. The inquiry into the Station Road application was suspended in February 2012 and will re-convene in January 2014.

Scope and Structure of the Report

1.4 The scope of this report and its structure are as follows:

- Section 2 summarises the policy context for the review of the town's employment land needs, with particular regard for development plan policy and the role policy obliges Newport to play for the hinterland it serves as a market town.
- Section 3 sets out an overview of the town's workforce and travel to work patterns in order to establish the balance between the jobs available in Newport compared to the economically active population.

- Section 4 summarises the long run supply and demand trends in the B Class sector in Newport and the market's up to date view of the town's needs and prospects in the B Class.
- Section 5 pulls together the supply and demand evidence to set out the report's conclusions on the need in future for employment land in the town. Section 5 sets out and takes into account the implications for Newport of the most recent Experian forecast of employment change in the borough as a whole to 2031.

1.5 The report has relied on published policy and reports, data compiled for this report from the Office of National Statistics and the Experian forecasts which we purchased for this report and information supplied to us by the Council.

2 THE POLICY CONTEXT

Introduction

2.1 This section reviews the policy context for the assessment of Newport's employment land needs. The focus is on the development plan – the Telford & Wrekin Council Core Strategy (2007) and the relevant saved policies of the Wrekin Local Plan (February 2000). Also material are the Council's obligations to assess and meet the needs of businesses and communities under the National Planning Policy Framework and the emphases and objectives of the various local economic development strategies that bear on Newport.

2.2 We show:

i. Newport's role as a market town is to serve its rural hinterland and assist in its regeneration, including as a focus for providing a reasonable balance between employment opportunities and the market town's other functions (e.g., housing, retail etc).

ii. Newport should provide sites and premises to support the expansion of existing businesses and (where necessary) the generation of new ones;

iii. Key policy objectives are to improve the balance between the residents who are economically active and the number of jobs locally so as to reduce the need to travel for work and to increase the supply of employment land in Newport in order to do so.

iv. The National Planning Policy Framework (the Framework) requires the Council to identify and meet the needs of businesses and communities for land, including for land for B Class employment uses, and regularly to review these needs so that provision is kept up to date.

v. The economic development strategies aim to realise the strengths of the Borough as a whole in key growing and higher value-added sectors, while also increasing the part that Newport plays in doing so.

The Development Plan

Telford & Wrekin Council Core Strategy 2007

2.3 We note that the Telford &Wrekin Core Strategy (CS) was adopted in accordance with the Planning and Compulsory Purchase Act 2004 but before the publication of the National Planning Policy Framework (NPPF). The NPPF states that the weight to be given to the relevant CS policies relates to the degree of their consistency with the NPPF (NPPF, para 215 and footnote 39). We take the view that the policies in play in the CS are fully consistent with the NPPF and explain our reasoning below at para 2.13.

2.4 The CS describes Newport in the following terms:

- an age structure, relative to Borough as a whole, that is older "now" and is projected to age faster than the borough as a whole over the CS plan period;
- a resident working population of 5,600, with 3.1% unemployed;
- a concentration of service sector jobs in the market town's central area together with a concentration of industrial jobs in the Audley Avenue area and Springfield Industrial Estate; and

- the presence, just outside Newport, of Harper Adams University which is also the town's largest employer.

2.5 Of the CS's strategic spatial objectives, the most important for the purposes of this report are:

- to support the role of Newport as a market town and to meet its local needs;
- to create a sustainable pattern of development and meet the needs of local communities with the rural area;
- to facilitate long term economic regeneration through the diversification of the economic base and create job opportunities to match population growth; and
- to provide a range of employment sites and premises to meet the needs of businesses of all sized in both the manufacturing and service sectors.

2.6 A key plank of the CS's spatial approach (para 8.15) is to focus development in locations that will reduce the need to travel. Newport plays a major part in that strategy.

2.7 The CS recognises what is required to enable Newport to become more self-contained for employment purposes at paras 9.14 and 9.15 where it is observed:

- there is a need in Newport to diversify economic sectors away from manufacturing into the high added value sectors identified in the plan's Economic Development Strategy (EDS);
- the employment land portfolio is considered not to meet the needs of the EDS or the market, partly because the portfolio is so concentrated on Telford. Paragraph 9.19 states that Newport and Telford's District Centres "should be the focus for small and medium-sized employment development".

2.8 Paragraphs 9.40 and 9.41 explain that the aim is to support the regeneration of Newport as a market town and fulfil its role as a rural service centre, acting as a focus for the commercial and social activities of its residents and those of its hinterland. Future development at Newport is to facilitate its regeneration and enable it to achieve a balance between the quantity and type of future employment opportunities and the skills of its residents, taking account of the proximity of Telford and Harper Adams.

2.9 **Policy CS2** sets out the provisions for job creation in the Borough sufficient to meet the needs of the growing population and for the employment sites needed to enable the job growth required. Of particular note are the policy's requirements to:

- offer a choice of work opportunities to reduce levels of out-commuting
- meet the needs of existing businesses
- help achieve greater diversity in the economic base and facilitate long-term economic regeneration
- establish and maintain a portfolio of sustainably located employment sites attractive to developers, operators and appropriate to the market's needs.

2.10 **Policy CS6** sets out the strategy for Newport. CS6 aims to support its role as a market town and states that "the amount of available employment land will be increased in order to provide new local employment opportunities" and that "development will be limited to that needed to that required to meet local needs, including those of its rural hinterland, and to support the town's regeneration". The policy states that Newport's spatial development will include "development that directly benefits the town's economy".

The Saved Policies of the Wrekin Local Plan

2.11 The saved policies of the Wrekin Local Plan 1995-2006 (WLP) also form part of the development plan. However, the policies were saved by the Secretary of State (27 September 2007) on a contingent basis only subject to more recent national policy and up to date evidence.

2.12 There are two relevant WLP saved policies: E2 and E9.

2.13 WLP para 3.6.7 explains that the traditional employment activities in the town and rural area had contracted. The consequence, given the attractiveness of the town as a place to live, was increasing levels of out-commuting such that Newport had "increasingly become a 'dormitory' town". Para 3.6.8 states that, accordingly, the plan's aim is to strengthen Newport's economic base and thereby both to reduce the need for residents to travel beyond the town for work and to increase the town's vitality and viability.

2.14 **WLP saved policy E2** allocates an additional 3.5 ha of B Class employment land at Audley Avenue, adjacent to the existing employment areas and with immediate access from the A 518 bypass (see Figure 4.2 in Section 4). WLP para 3.6.9 explains that the allocation is additional to a further 3.5 ha of employment land "with planning permission" that would generate approximately 300 jobs. We note here, and deal with this in further detail in Section 4 para 4.18, that the area of the allocated site is in fact 3.05 ha (as shown on the Proposals Map) and not 3.5 ha – presumably a typo.[1]

2.15 We comment on this allocation below at para 2.20 (and fully in Section 4) but note here that the site has not been taken up despite its allocation over a period of at least 18 years. As a consequence, the site has not achieved (nor, as we explain can it for qualitative reasons) the objects of policy in allocating it in the first place.

2.16 **WLP saved policy E9** states that development in Use Classes A and D will be permitted on allocated employment sites provided it can be shown that: a) it will not adversely affect a sufficient supply of readily available employment land in the district; b) it is in keeping with environmental, retail and transport policies; and c) there is an absence of suitable land or premises in district centres or there is a demonstrable need for the facility in that area.

2.17 WLP para 3.6.34 explains that the purpose of allocating employment land is to meet the employment needs of the district, and the importance of ensuring the supply of such land is not eroded by development for other uses. Para 3.6.34 notes the particular threat caused by retail and leisure developments that are capable of being accommodated in town centres. Para 3.6.35, however, goes on to recognise that "occasionally" such proposals may come forward that would be of positive benefit to employment areas – e.g., canteen and dining facilities, day nurseries and small shops – but states that the overriding considerations in such cases will be "…the retention of an adequate supply of employment land and buildings and the impact of the

[1] The Council scaled the site for us, and the relevant officer confirms that the allocated site is, in fact, 3.05 ha.

development on the District Centres." Para 3.6.36 explains that the plan aims to safeguard the efficient functioning of employment areas which could be affected by the introduction of non-employment uses.

The National Planning Policy Framework

2.18 The relevant provisions of the Framework in respect of the obligations on the Council to assess and meet the sustainable development needs of its area are as follows:

- proactively to drive and support economic development to objectively assess an area's needs for, and deliver, the homes, business and industrial units, infrastructure and thriving local places required to meet those needs (para 17, bullet 3)
- support existing business sectors, taking account of whether they are contracting or expanding and where possible identify and plan for new sectors (para 21, bullet 3)
- ensure policies are flexible enough to respond to needs not foreseen in plans and allow for a rapid response to changes in economic circumstances (para 21, bullet 3)
- identify priority areas for economic regeneration (para 21, bullet 4)
- regularly review employment land allocations having regard to market signals and the relative needs of an area for different land uses to support the sustainability of the area (para 22).

2.19 In our view, the CS policies in play on the employment issue are entirely consistent with the NPPF provisions.

2.20 We do, however, conclude – as we set out in detail in Section 4 para 4.18– that the market evidence on the site allocated for B Class use by Wrekin Local Plan saved policy E2 is such as to suggest the site is not "market-facing" (the landowner has not brought it forward for development and it lacks frontage onto the strategic highway). Thus safeguarding the site in its current form (to comply with saved policy E9) – notwithstanding Newport's quantitative need for the site – must be open to question in the terms meant by NPPF para 22.

Economic Development Context

Newport Area Strategy Action Plan 2003

2.21 The aim of the Action Plan is to "develop Newport as a place where people want to live, work, visit and shop, and where people can celebrate Newport's history, while building the future". The Action Plan identifies a number of socio economic "threats"; namely declining local agricultural industries, a shortage of affordable housing and insufficient local job opportunities causing young people to leave Newport, and under-use of town centre sites making them unattractive. In demographic terms a key feature of Newport is that it has an older and more rapidly ageing population than the borough as a whole.

2.22 Only 21% of the town's economically active population actually works in Newport. This suggests that there is significant leakage of locally generated income. Consequently the main economic objectives are to overcome these threats so as to "ensure that the economic base of Newport is preserved and expanded in the longer term".

Telford & Wrekin (T&W) Economic Development Strategy 2005-2021

2.23 The key priority of the Economic Development Strategy (EDS) in relation to Newport is to support the economic vision for the town put forward by the Action Plan – including the perception of the town and ensuring that a greater sense of place results from economic development activity. Key actions in the EDS for achieving its objective of "encouraging investment innovation and growth" include to "encourage enterprise, support existing businesses and attract new investment including economic growth in Newport*"* and building on the strengths of the borough's universities.

2.24 Harper Adams is noted by the EDS for training and research in ICT, food and drink, environmental technologies, energy technologies and "heritage technologies" (e.g., heritage railways) – all of which are also growth sectors targeted by the EDS for development and inward investment. The EDS also notes the success of Harper Adams' business incubation programme – and the fact that the incubation units were fully occupied when the EDS was drafted.

The Marches Local Enterprise Partnership – Strategic and Funding Priorities

2.25 In brief, the LEP proposes to build on the particular strengths and opportunities of the area by creating the right conditions for economic growth and increased enterprise in order to emerge quickly from the recession. Key drivers for economic development will include housing development and population/labour market growth, transport, tourism, inward investment, skills and quality of life.

Sectoral priorities to be targeted by funding programmes (including EU funds over the period to 2020) include food and drink, advanced engineering and environmental / energy technologies (which embrace the Harper Adams specialisms).

Co-operative Commission of Partners July 2011

2.26 This partnership of the Council, community groups and local leaders was established to shape the Council's development as a Co-operative Council. A key recommendation of the Cabinet on 28th March was that:

> *The Council and its partners need to develop a more effective focus on attracting inward investment and support for existing businesses to boost the local economy by adopting a more commercial approach to economic development and promoting itself as a "Business Winning Council".*

Conclusions on Policy

2.27 The various strands of development plan and economic development policy summarised above boil down to seven key themes for Newport:

i. expand and diversify the economic base of Newport and attract inward investment
ii. assess and meet the needs of business;
iii. while recognising the primacy of Telford, to promote a shift in economic development towards the key rural market towns, and especially Newport;
iv. ensure an improvement in the portfolio of land for new business activity by promoting an increase, enhanced range and market-facing choice of employment sites;
v. enhance (through delivering i-iv.) Newport's role as a successful service centre both for the town itself and the adjacent hinterland which it serves;

vi. improve the balance between the number of jobs located in the market town and the resident labour force; and
vii. reduce, in line with vi. above, the current high incidence of out commuting for work.

2.28 A sufficient supply of market-facing land supply for office-based, industrial and distribution activities is fundamental to all seven of these themes.

2.29 Accordingly, these same themes are the basis for judging the Council's progress towards achieving the overall development plan and economic development objectives for Newport.

3 NEWPORT'S WORKFORCE AND TRAVEL PATTERNS

Introduction

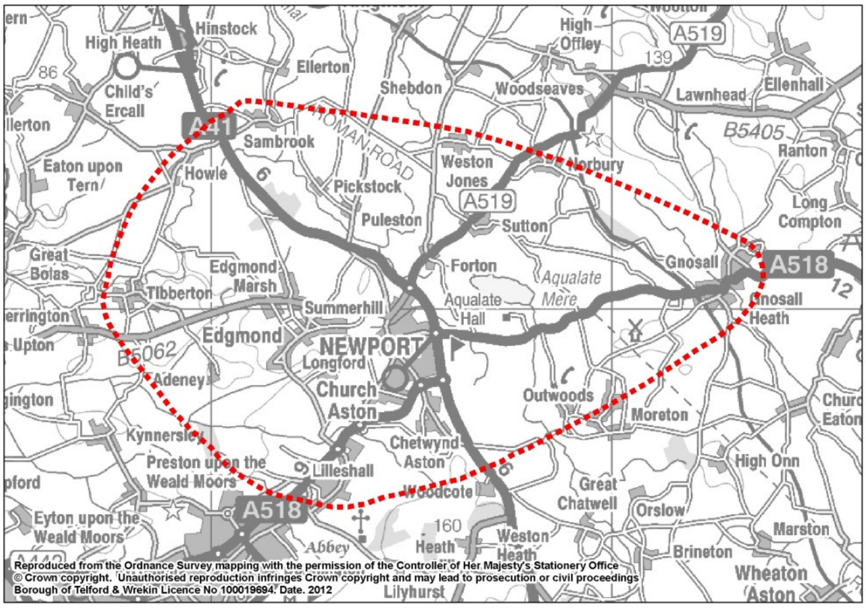
3.1 This section sets out a brief overview of the characteristics of the local labour force, the residents' travel to work pattern, population trends and Newport's economic structure and trends.

3.2 We return to the findings set out here in Section 5 in drawing our conclusions on Newport's needs for employment land, having regard to the key themes of policy for the market town.

Population and Workforce

3.3 Newport serves a population of about 25,921 in its role as market town.[2] Its economic reach (functional economic area) was defined by the Newport Study 2006 (Freeth Cartwright for Telford & Wrekin Council) based on a range of considerations, including survey evidence on the use of the town by its hinterland for various services. This functional economic area is illustrated in Figure 3.1.

Figure 3.1: Newport's "Functional Economic Area"



3.4 Key characteristics of the market town's population are:[3]

i. about 15.6% (2011) of the borough's population (a marginally smaller share than in 2001);

ii. growth 2001-2011 of 4.7%, compared to 5.3% in the borough;

iii. an age structure (2010) skewed towards the elderly (18.3% aged 65 or over), compared to 15% for the borough as a whole in 2010 and 16.4% in England;

[2] The catchment is made of 17 lower super output areas. The population is the sum of the 2011 Census-based population estimates for each LSOA.

[3] The data are from the 2001 and 2011 Censuses.

iv. an ageing population – with those aged 75+ having increased in Newport by 17.0% between 2001 and 2011, more than half again as fast as the population is ageing nationally (+10.9%) and above the borough rate (+15.6%);

v. a working age (16-64) population of some 12,400 that accounted in 2011 for 64.5% of Newport's population, a similar share to the borough and to England;

vi. an increase in those of working age (16-64) between 2001 and 2011 of just 3.0% in Newport compared to 5.0% in the borough and 9.2% in England; and

vii. an increase in Newport in those in work aged 16-74 of just 3.3% between 2001 and 2011, compared to growth of 4.6% in the borough and 8.2% in England over this period.

3.5 Key characteristics of Newport's resident workforce are:

- a skilled workforce skewed to the AB (professional, managerial and intermediate) socio-economic groups (SEGs) – in 2011, 28.3% of residents were in the AB groups compared to just 18% in the borough as a whole and 23% in England;
- a workforce increasingly skewed towards the AB groups over time (an increase of 1.4 percentage points between 2001 and 2011 in the share of Newport's residents in the AB groups compared to a fall in the borough's share in these groups of 2.2 percentage points); and
- a higher (and growing 2001-2011) share of residents in professional, managerial and associated occupations (44.8%) compared to the borough (34.7%), and a smaller (and reducing) share of residents in skilled, semi-skilled and unskilled occupations (43.8%) compared to the borough (53.7%).

Employment Structure and Trends

3.6 There were some 5,180 jobs (Business Register, including self-employed) located in the Newport functional economic area in 2011, about 6% of the borough's jobs – compared to 15.6% of the borough's population. Newport's very recent performance – job growth of 1.2% between 2008 and 2011 – has been relatively rosy compared to the Borough and to England, both of which lost jobs in that period (-7.3% in Telford & Wrekin and -1.2% in England).

3.7 Over the longer run, however, job numbers in Newport would appear to have been broadly static (notwithstanding the fact that differences in data collection and industry sector classifications over the period since 2001 prevent direct comparisons). Telford & Wrekin as a whole did better than Newport between 2003 and 2008 (when data were comparable), with the Borough growing overall in employment terms by 9.1% while the number of jobs in Newport *contracted* by some 5.5%.

3.8 There are also some marked differences in the sectoral structure of Newport's jobs compared to the Borough's, most notably (2011):

- just 5.4% of Newport's jobs are in manufacturing sectors, compared to 18.9% in Telford & Wrekin as a whole;
- Newport, proportionately, has two-thirds again as many construction jobs (6.3%) compared to the Borough (3.9%);

- Newport, as a share of all jobs, has marginally more wholesale, retail trade and repair jobs (19.7%) than the Borough (17.6%);
- Newport has proportionately many fewer business services jobs (11.5% compared to 19.4% in the Borough), but many more population-related jobs in health, education, leisure and recreation and accommodation and food (49.7% compared to the Borough's 26.6%); and
- Newport has few public administration jobs (<1% compared to 7.2% of jobs in the Borough).

3.9 Newport has lost proportionately more of its jobs in agriculture than the Borough has (agriculture now accounts for only 0.1% of Newport's jobs), and most of the town's growth has been in population-driven sectors of the economy. The same is generally true of job trends in the Borough, although business services sectors in the borough have grown faster than business service jobs in Newport and account for a higher share of total jobs.

3.10 All of these trends and relative differences are consistent with Newport's market town role – but are not in line with the aims of development plan policy. Nor are the trends in line with the relative strengths of Newport's workforce: that is, a high proportion of the workforce in the upper occupations travel out. The well-qualified workforce, nonetheless, represents an advantage for the town in the efforts to attract to it, and to grow locally, more higher value-added economic activity.

Travel to Work

3.11 The 2001 Census travel to work data (2001) showed that some 62% of residents travelled beyond the Newport functional economic area for work (and 38% lived and worked in the area). While there is not yet accurate up to date data on travel to work patterns, the indications are that the outflow for work is, if anything, higher now than it was. There are, for example, some 5,200 jobs in the functional economic area, but a workforce in employment that is some 2.4% bigger than it was in 2001 against a broadly flat number of jobs.

Population Growth: Implications for Additional Local Jobs

3.12 We also need to take into account, in calculating Newport's future land needs, how many additional jobs Newport needs just to maintain the (2001 Census) share of residents who are able to work locally. Achieving a higher share of people who work locally, in line with the development plan policy objectives, will require still more jobs.

3.13 To calculate these estimates, we need to project Newport's population forward to 2031, estimate the share that will be economically active, allow for the long run unemployment trend and apply the present 38% containment rate. Only a proportion of that increase can be expected to need B Class jobs, and we consider these calculations below.

Estimate of Newport's Future Population

3.14 The Council has supplied us with the basis of a population forecast for Newport based on the approved, pending and potential housing sites from the Strategic Housing Land Availability Assessment 2012 shown in Table 3.1 below.

Table 3.1 Estimated Population increase in Newport 2012-2031

Houses not started (from AMR 2012):	62
New houses approved (since AMR 2012):	645
New houses pending approval:	668
Deliverable SHLAA sites:	165
SHLAA sites only constrained by current planning policy:	1,187
Total:	**2,727**

Source: Telford & Wrekin Council, October 2013

3.15 If, say, 80% of the 2,727 dwellings (permitted, pending or prospective) are built and constitute net additions to the stock, then it is reasonable (if conservative) to conclude that Newport's population (with its hinterland) would increase by that number of dwellings multiplied by the average household size locally (2.5 on the 2011 Census record). That calculation suggests a population gain in Newport of about 5,450.

3.16 If that were all the housing to be built over the period to 2031, Newport's population would rise to from 25,921 in 2011 to c 31,370 in 2031 – equivalent to growth of 21% over the period. That compares to the range of 20.8% to 31% in the growth scenarios the Council is considering for the borough as a whole (as part of its Local Plan preparation process).

3.17 On the basis of that forecast for Newport, the minimum increase in the labour force would be some 2,725 over the 2011-2031 period – assuming the share of the Newport population (all ages) that is economically active rises only marginally to about 50% (over the 48.7% that is economically active now) to account for the push-back in retirement ages over this period.

3.18 If 38% of the additional (estimated) 2,725 economically active by 2031 were to work locally – the same share that lived and worked locally in 2001 – Newport would need to create some 1,035 further jobs over the 2031 plan period simply to hold out-commuting to the level it was in 2001.[4] Clearly, the policy aim is to increase that share and do so significantly. As we point out above, Newport accounts for some 15.6% of the borough's total population (and 14.1% of its working age population) but for just 5.6% of the borough's jobs. The consequence is that the large majority of residents must commute out for work – 38% in 2001 and a level that is likely only to have increased since.

[4] As we show in Section 4 (Table 4.1), employment in the borough as a whole is forecast to grow at just 8.0% over the 2011-2031 (+3.6% in the B Class sectors, but by 16.4% in the sectors that are population-driven).

4 THE SUPPLY OF B CLASS SPACE IN NEWPORT

Introduction

4.1 This Section assesses the existing supply of employment land in Newport and the prospective demand for it from three perspectives (or methodologies):

i. past rates of take-up which, because of the low churn in the local market, provide an unusually useful indication of prospective future need;

ii. the land and premises requirements based on the prospective net change in employment in Newport over the period to 2031 in the sectors of the economy that occupy B Class property; and

iii. the additional land needed to accommodate the likely increase in the "B Class workforce" in Newport over the period to 2031 (drawing on the population forecasts in Section 3, paras 3.16-3.17).

4.2 We draw on the following research and data sources:

- floorspace information provided by the Council's Planning Implementation Team;
- discussions with the Council's Estates and Investment Manager;
- discussion with the estate manager of Newport Enterprise Park;
- discussions with commercial property agents active in Newport - Andrew Dixon & Co and Bulleys;
- the Employment Land Assessment (ELA) by Jones Lang LaSalle (JLL) that supports the planning application for the Station Road development (Ref TWC/2011/0871);
- the Council's employment land reviews in 2005 and 2006 that formed part of the evidence base for the Core Strategy together with the update in 2012; and
- the implications for Newport of Experian's (November 2012) forecasts of employment change in Telford & Wrekin over the period to 2030 (summarised in Section 3 in Table 3.1).

Current Context

4.3 Telford is the principal concentration of employment in Telford & Wrekin, generating over 80% of the total jobs in the Borough. A key policy aim is to diversify its employment mix away from an overreliance for jobs on the lower growth manufacturing and distribution sectors, to higher value businesses (including in advanced manufacturing and logistics).

4.4 In keeping with its role as a market town, business space in Newport tends to be taken by smaller local or sub-regional occupiers requiring flexible industrial/distribution premises and small office buildings. Many occupiers in Newport are connected to the agricultural sector (Newport Mills, Rea Valley Tractors, New Holland and Countrywide Stores). The food processing sector is also prominent and companies include Edgmond Foods. A Dairy Crest factory is located at Crudgington to the west of Newport but announced in September 2012 that it expects to close in spring 2014 with the potential loss up to 160 jobs. Harper Adams University College, some two miles to the west of Newport is the single largest local employer.

The Supply of B Class Space in Newport

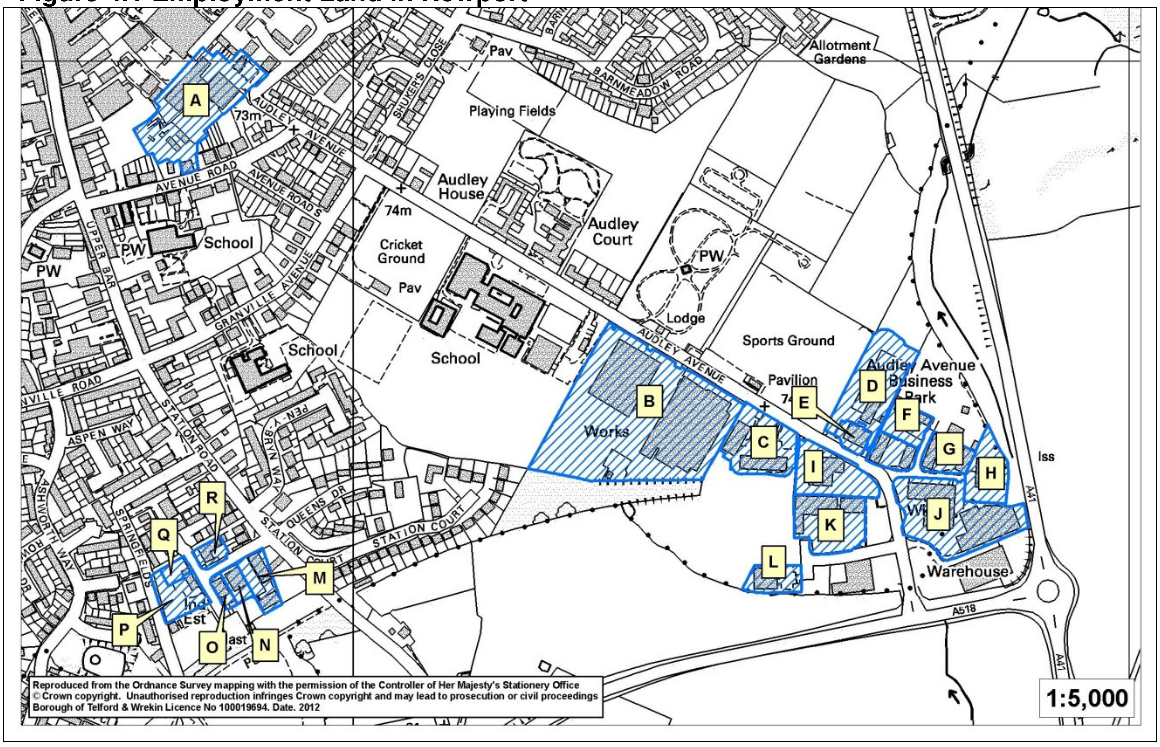
4.5 B Class space in Newport is concentrated in three main locations: the town centre, the Audley Avenue area and Springfield Industrial Estate. The Audley Avenue area contains the largest concentration.

4.6 Figure 4.1 locates these areas and the sites within them.

Audley Avenue Area

4.7 There are eight main estate / business park groupings in the Audley Avenue area. Area A in Figure 4.1 is to be developed for housing (with the loss of carpet showrooms, trade counter space, a concrete works and 250 sq m of light industrial space).

Figure 4.1 Employment Land in Newport



4.8 The remaining supply in the Audley Avenue area is as follows:

- **Audley Avenue Enterprise Park, Area B:** contains two 50 year old brick warehouses and an office building (12,635 sq m) owned by St Modwen, together with Nova House (635 sq m) owned by the Council. Enterprise Park is contained within the housing element of the overall Station Road planning application site, so this 3.5 ha business use land area will be lost.
- **Newport Silos, Area C**: 2 storage buildings measuring 1,340 sq m fronting Audley Avenue, with 2.3 ha of open land behind where some fencing work has taken place but building work has yet to commence in accordance with an outstanding planning permission.
- **Parkland House, Areas E & D**: contains a purpose built office building providing 930 sq m of outdated floorspace and a car auction to the rear of the site.
- **Classic Furniture, Area J**: a group of buildings providing 3,250 sq m of space, which is part of the site granted planning permission on appeal in August 2012 for a supermarket.

- **Audley Avenue Business Park, Areas F& G**: contains 17 small light industrial/trade counter units and one upper floor office unit, in total amounting to 2,530 m2.
- **Ravenhill, Area H**: part of the site single storey retail unit (1,150 m2) occupied by New Holland Agriculture, and with J is part of the site.
- **South of Audley Avenue, Areas, I, K & L**: contains a number of buildings comprising a modern warehouse occupied by Rea Valley Tractors (1,370 m2) , two modern industrial/warehouse buildings (2,030 m2) occupied by AJ Edwards and Hurst Parnell Westland Ltd and a modern flexible industrial/warehouse (1,390 m2) occupied by ACS Data Centre.
- **Entrance to Audley Avenue –** on either side of Audley Avenue adjacent to the A 41 there are two retail stores – a former Focus DIY store (2,000 m2) and a Countrywide Country Store (1,340 m2).

4.9 Sites J and H together account for about 2.2 ha of the B Class supply (with c 4,400 m2 of outmoded space), but will come out of B Class use if, as the site's owner intends, the planning permission for the supermarket is implemented.

Springfield Industrial Estate

4.10 Located on Station Road, Springfield is a traditional type of trading estate containing a number of units used for mixed industrial and warehouse purposes. **Area M** contains 6 single storey light industrial units (850 m2). **Area N** is a single industrial unit of 460 m2. **Area O** is a carpet showroom of 345 m2. **Area P** is a motor bike sales and repair outlet (255 m2). **Area Q** is a small vehicle repair unit (70 M2). **Area R** is a MOT/vehicle repair unit (460 m2).

Newport Town Centre

4.11 The town centre contains a number of B1 (a) office suites above shops and A2 units in the shopping frontage. This is the main location for offices. This space is mainly taken by small, professional businesses such as solicitors, estate agents and the like. There are two purpose built office blocks outside the town centre at the Enterprise Park and Parkland House.

Reductions and Additions to B Class Premises / Land in 2012

4.12 Overall, the stock of B Class space contracted by 2,322 m2 in 2012 – a net change that is accounted by demolitions of outmoded space and changes of use (also of outmoded space) totalling about 2,600 m2 and additions (extensions to existing premises) totalling just over 300 m2.

4.13 Planning decisions are pending which will lead to the loss, if permission is granted, of a further 275 m2 through changes of use to two buildings (to student accommodation and a fitness studio).

4.14 Also pending is the decision on the St Modwen application which will replace the 3.05 ha site allocated by WLP saved policy E2 with a new B Class site (on the road frontage and with direct highway access) of 4.5 ha. We consider that site, and the WLP policy E2 allocation below in our commentary on the qualitative aspects of the town's stock.

Prospective B Class Land Supply

4.15 There are four sources of prospective B Class land supply: the South of Newport Mills site (south of area C in Figure 4.1); the WLP saved policy E2 allocated site; the same site but as part of the wider St Modwen outline planning application; and the prospective redevelopment of the Parkland House site (area E in Figure 4.1).

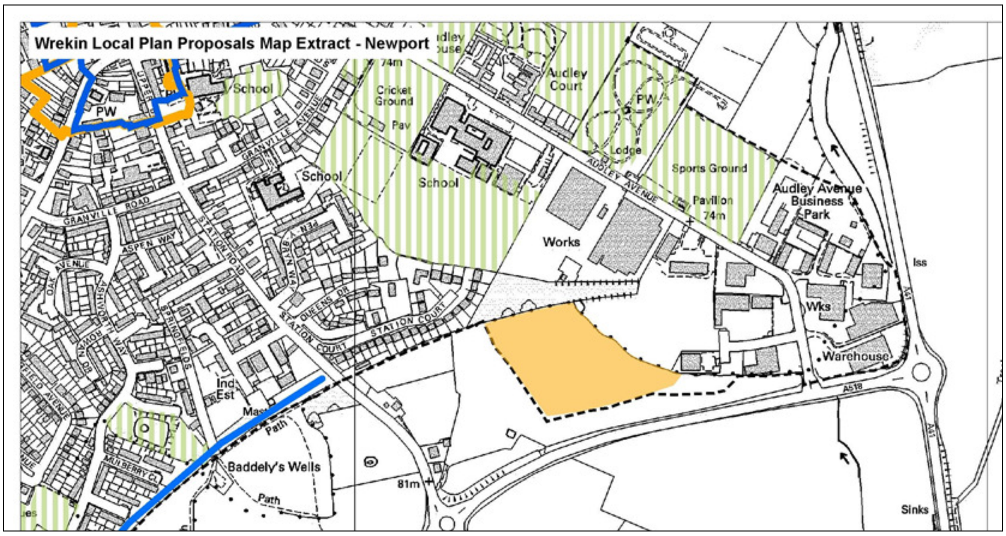
South of Newport Mills

4.16 South of Newport Mills is 2.3 ha in size and has an extant planning permission for “industrial development” that dates from 1992 (app ref W92/0485). The permission has not been implemented save for the erection of fencing (which is why the permission remains). The site is wholly controlled by the owner of the Newport Mills site, lies to the rear of that site and has no frontage. It is also landlocked unless access via the Newport Mills site is implemented. It is reasonable to conclude therefore that it is unlikely that this site will come forward without a material change in circumstances, most particularly changes that would improve the access and visibility of the site.

WLP Saved Policy E2 Site Allocation

4.17 Figure 4.2 shows the location of the 3.05 ha site that was allocated for B Class use by WLP saved policy E2 (the figure is an excerpt from the WLP Proposals Map). The site lies to the south of areas L and K in Figure 4.1 and is near to, but without the benefit of frontage onto, the A518. The site, however, is privately owned, remains in agricultural use and does not benefit from planning permission for B Class development or indeed for any other use. Nor has the site been the subject of a planning application at any point since its allocation (or before).

Figure 4.2: WLP Saved Policy E2 B Class Site Allocation (*shaded yellow*)

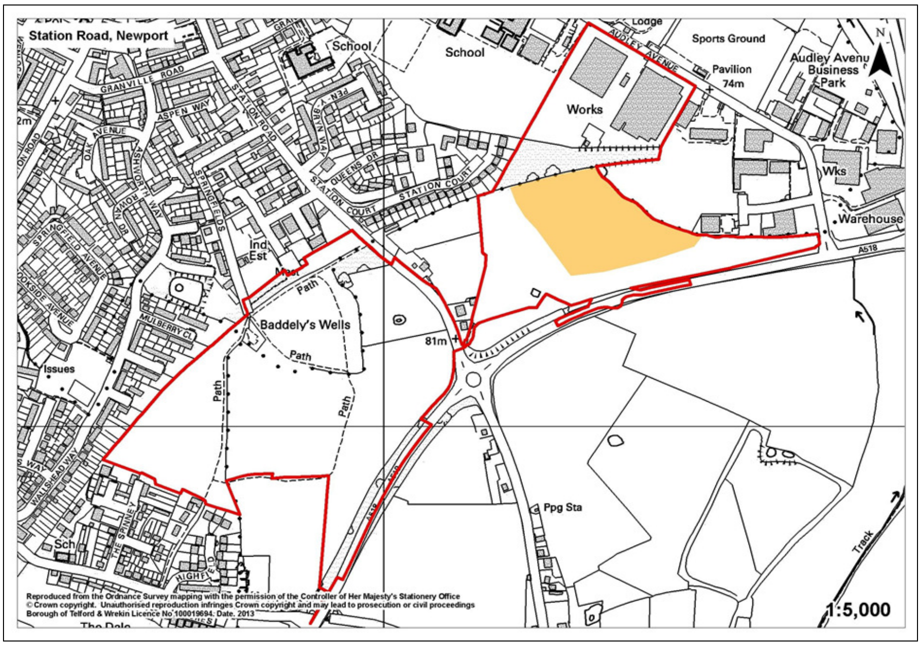


The St Modwen Outline Planning Application

4.18 The WLP saved policy E2 allocation lies within the boundary of the site of St Modwen’s outline planning application. Figure 4.3 below shows the boundary of the outline application site and locates the E2 allocation within it. As Figure 4.3 shows, Enterprise Park (area B in Figure 4.1) also lies within the site of the wider outline application.

4.19 St Modwen's outline application proposes 4.5 ha of B Class employment development, but locates this use so that it will benefit from frontage onto the A518. St Modwen's accordingly propose to redevelop the 3.5 ha Enterprise Park site (area B in Figure 4.1) for housing instead. If the outline application is permitted and proceeds as proposed, the town stands to lose 3.5 ha of its existing B Class land, but to gain in lieu 4.5 ha of new, better-sited, B Class development. The St Modwen proposal, if permitted and implemented, would result in a net gain in B Class land for Newport of some 1.45 ha overall.

Figure 4.3: Boundary of the St Modwen Outline Planning Application
(showing, shaded yellow, the site of the WLP Saved Policy E2 Allocation)



Parkland House Site Redevelopment

4.20 The 1.44 ha Parkland House site has the benefit of outline planning permission, granted in December 2011, for the demolition of the existing buildings and the erection of two new B Class buildings (a 2,931 sq m building capable of sub-division in response to market requirements and a 413 sq m car auction building). The 2011 permission replaced an earlier, 2008, permission for the same development so as to extend the period for implementation of the earlier application on grounds that market conditions had prevented the delivery of the proposals.[5] The owner's agent lodged a further renewal application for the same development in March 2012 and for the same reasons, but that application was withdrawn.[6]

Summary of the Supply of B Class Land and Premises

4.21 The quantum of additional, available employment land amounts to an "in principle" total of 2.8 ha in two sites, each of which has the constraints noted:

- South of Newport Silos – 2.3 ha

[5] Application Reference TWC/2011/0853.

[6] Application Reference TWC/2012/0239.

- Parkland House – 0.5 ha additional.

4.22 Also additional is the 3.05 ha allocated by WLP saved policy E2, but that site has been allocated for some 18 years at least and remains undeveloped (a period that included the very buoyant property market conditions that obtained between c 1997 and 2007) .The landowner has not, and is not, bringing it forward for B Class or any other use and there is no planning permission. It can only be assumed, given the history of the allocation, that it is unlikely the site would come forward for B Class development save as part of the St Modwen's proposal (if that proposal is granted planning permission).

4.23 Although the redevelopment of the Parkland House site will, if the planning permission is implemented, deliver c 2,000 sq m more B Class floorspace than exists on the site at present, the equivalent land gain would be, at most, just 0.5 ha.[7]

4.24 Thus the total prospective supply of additional employment land – all sources (South of Newport Mills, Parkland House redevelopment and the E2 allocation) – is no more than 5.85 ha.

4.25 If the net gain of 1.45 ha that might come forward should the St Modwen outline planning application be granted permission, the total prospective supply rises to 7.25 ha.

4.26 Only 2.3 ha of that supply, however, could possibly be described as anything like available – even then it is "land-locked", in the control of the owner of the Newport Mills site and has not come forward despite an extant planning permission that dates to 1992.

4.27 Finally, in respect of the supply of B Class space, the expectation is that a further 2.2 ha will come out of B Class use if the planning permission for the supermarket at Audley Avenue proceeds.

Qualitative Considerations

4.28 Most of the property supply in Newport is now quite dated (20 years old or more) and available on low rents of £2 - £3.50/sq ft. The majority of current commercial property provision is small or medium scale. Because much of the existing property is quite dated, many existing businesses which want to expand will look for improved premises with better facilities. We have also been told that there is very little churn in the local market. There are two main reasons: many firms are on long leases (though we are also told that many will be coming up for renewal in the next few years); and there is little vacant property. We have been told that when Nova House was being marketed by the Council in 2007 it could have been let four times over. There is also a demand for freehold purchase.

4.29 There are also problems with the quality of the prospective supply of land for new development (e.g. the lack of any frontage or access to the landlocked 2.3 ha South of Newport Silos site and the lack of A518 frontage to the allocated WLP saved policy E2 site).

[7] If a one-storey building at a standard site density of 4,000 sq m per hectare.

Conclusions: the Supply of B Class Land in Newport

4.30 Although in principle there is an existing and prospective supply of B Class land of c 7 ha in Newport, all of the supply is constrained or doubtful in one way or another:

- the 2.3 ha South of Newport Mills site has no frontage and can only be accessed from Audley Avenue via the existing Newport Mills site, and no development apart from fencing has taken place since the permission for industrial development was granted in 1992;
- the additional 0.5 ha that would result on the Parkland House site requires relocations, demolitions and redevelopment, although the evidence suggests the site's owner intends still to develop the site when market conditions improve;
- the 3.05 ha site allocated by WLP saved policy E2, although designated by the development plan in 2000, had not come forward for development until it was included by St Modwen in their wider outline planning application; and
- the net gain of 1.45 ha increase in supply if the St Modwen's outline planning application were permitted is contingent on the grant of permission for that scheme – the decision on which is subject to a Secretary of State holding direction pending the outcome of the present call-in application.

5 THE DEMAND FOR B CLASS SPACE IN NEWPORT

Introduction

5.1 This section of the report assesses the prospective need for B Class land in Newport by 2031 from three perspectives: the past rates of take-up projected forward, but excluding allowances for forecast growth in the economy and population; the requirements generated by forecast growth in B Class employment over the 2031 plan period; and the requirements generated by the forecast increase in the resident labour force likely to work in B Class sectors and the need at least to maintain the status quo in the proportion that work, as well as live in, Newport.

5.2 We begin the calculation with an overview of the B Class market in Newport.

Overview of Newport's Market

5.3 The main reasons that businesses have tended to locate in Newport are:

- the companies' directors or owners live in Newport or its catchment;
- the raw materials are sourced locally (particularly true of the businesses that operate in the agriculture sector);
- the key labour supply is local; and
- there is a limited supply of suitable and available property in the Telford or Stafford markets.

5.4 The demand for office space has tended not to be high (as the employment structure suggests). Nor, however, is there much supply. Local agents indicate that there is something of a "Catch 22" – there is little office space because there is evidently little demand, and demand is limited because there is little supply. Outside the professional services businesses in the town centre, office occupiers tend to be directly related to the industrial/warehouse businesses in the Audley Avenue area. Classic Furniture, for example, took vacant office space that was being marketed in order to serve their existing manufacturing business in Newport.

5.5 Although Telford is the main source of industrial property in Telford & Wrekin there is a steady demand for property in Newport to serve local demand. Most of the property supply is now quite dated (20 years old or more) and available on low rents of £2 - £3.50/sq ft. The majority of current commercial property provision is small or medium scale.

5.6 Looking to the future, because much of existing property is quite dated, many existing businesses which want to expand will look for improved premises with better facilities. There is very limited availability locally. We have been told that when Nova House was being marketed by the Council in 2007 it could have been let four times over. There is also a demand for freehold purchase.

5.7 Distribution companies serving Stafford and North Wales have reasonable accessibility at relatively competitive rents at Newport. In the last few years a freight distribution company moved out of Newport to Whitchurch further north on the A41.

Take-up of B Class Space in Newport

5.8 JLL for St Modwen researched the Focus Property Database to establish levels of take-up in Newport between 2000 and 2011. They found total take-up of 11,635 sq m of industrial / distribution space and of 4,876 sq m of offices – a total of 16,511 sq m of B Class space over the 11 years – averaging 1,500 sq m p.a. overall, and c 1,057 sq m p.a. for B1c/B2/B8 space and 443 sq m p.a. for offices (B1a).

5.9 We agree with JLL's general approach to researching the Focus Property Database, although our own experience is that the Focus data will have omitted in the order of c 5-10% of transactions. We also understand that there is very little churn in the local market. There are two main reasons: most of the main occupiers are on long leases and have remained in their current premises; and there is a limited supply of available accommodation to move into locally.

5.10 As a result, it is our view, shared by JLL, that take-up rates are a good proxy in Newport for the additional demand generated by occupiers.

5.11 The long run trend data (over parts of two economic cycles), coupled with these considerations (share of transactions accounted by Focus and low local churn rates) reinforce our view that the take-up data are a good basis on which both to estimate the rate of the local "consumption" of B Class space and to predict the order of magnitude of the future need for B Class space.

Sources of Demand

5.12 The JLL agency team identified three main markets in Newport:

i. larger industrial/warehouse units of c 2,300-7,000 sq m catering to (a) food processing and the agricultural sector, (b) medium sized distribution sheds serving north Wales via the A 41 and (c) the larger companies in the Audley Avenue area that could be dislocated by proposed development;

ii. smaller flexible industrial/warehouse units of 230-470 sq m catering to local occupiers seeking improved accommodation or relocation at the end of existing leases; and

iii. small offices in a "courtyard style" providing floorplates of 90-190 sq m with the ability to flexibly provide up to 470 sq m (including for freehold purchase).

JLL's Conclusions on Prospective Demand

5.13 JLL conclude that there is sufficient demand over the next 10-15 years to warrant St Modwen's provision for the c 18,000 sq m and 4.5 ha proposed as part of their Station Road scheme.

5.14 We concur that the quanta proposed by St Modwen is justified by the demand evidence, but consider Newport's need for B Class space over the period to 2015 to be greater still. Our reasons are that the St Modwen's scheme:

i. will remove 3.5 ha from the present supply (including the need to relocate occupiers of c 11,000 sq m of space);

ii. will quantitatively add just 1.45 ha / c 5,800 sq m to the town's total supply of B Class space – although it will also make a significant qualitative improvement in the supply; and

iii. accounts, on a per annum basis over 15 years, for just 1,200 sq m of take-up – against long run demand over the last 11 years of c 1,500 sq m pa – before allowance is made for the 11,000 sq m to be replaced.

5.15 In effect, the St Modwen scheme will provide a net addition of just 5,800 sq m of net additional B class floorspace – equivalent to c 4 years' take up and concentrated on a single site. In short, the Station Road employment proposals would make a limited quantitative contribution to meeting the town's B Class space needs – albeit a huge qualitative advance on the existing supply.

Recent Enquiries for Space

5.16 The sorts of enquiries received by the Council that might be accommodated in Newport were it possible to provide appropriate supply include the following:

- professional office space, 1,200 sq ft office unit in Telford / Newport
- smelting + manufacture, 10,000 sq ft industrial unit plus large yard in Telford / Newport
- car and commercial accident repair and paint shop, 1.5 to 2 acre industrial unit in Telford or Newport
- energy management consultant, office space in Newport
- construction recruitment specialist, office space in Newport (this company is in touch with 3 others looking for the office space in Newport – possible collaboration).

5.17 While the following were enquiries for Telford, the Council is of the view (and we concur) that subject to the availability of suitable, well-located, premises, Newport would meet the enquirers' needs as well:

- food packaging and distribution, two industrial units (warehouses)
- plastics recycling, 15,000sqft industrial unit with ½ - 1 acre yard space
- plastics recycling, 8,000sqft industrial unit, issue with high eaves
- paper shredding, 6,000sqft industrial unit in Telford.

The Calculation of the Future Employment Land Need

5.18 The evidence suggests that significantly more B class space will be required than that proposed by the St Modwen scheme. We also note that there is already little available built space on the market (even in this part of the economic cycle), and there is a very limited – even non-existant – supply of B Class land available for the development of further space.

5.19 Historic take-up of B1(c), B2 and B8 employment space amounts to 11,635 sq m between 2000 and 2011. Assuming all of this was net additional – and assuming single storey development and a 40% plot cover ratio – this equates to 3 ha of land. Over the same period, 4,876 sq m of B1(a) office space has been taken-up. Assuming two-storey development and a plot cover ratio of 50%, this equates to about half a hectare.

5.20 Thus, in aggregate, the historic take up of B class space in Newport over an 11 year period has equated, on the assumptions adopted, to about 3.5 ha of B class land. Projected forward at 0.32 ha per year, this represents the equivalent of about 5.4 ha over 17 years (2014-2031).

5.21 However, a supply of 5.4 ha on this basis, however, would represent "business as usual" demand. It would allow for no contribution towards achieving the development plan's objectives to expand the economic base of Newport, attract inward investment or to enhance the town's role as a successful service centre both for Newport itself and its adjacent hinterland. Nor would a supply of 5.4 ha of B Class land provision reflect the need – reported by local agents to be seriously under-served – to allow for churn in the market (choice of space for in-movers and an allowance for relocations, both of which are essential to matching business's needs to property supply).

5.22 Therefore, in determining the future requirement for additional employment land in Newport consideration needs to be given to two key factors as well as to long run demand trends:

i. the policy objective to expand the town's economic base and attract inward investment;

ii. the allowance for churn in the market that is required, especially given the current shortage of available land and premises, together with an allowance for "frictional" space to cover the time taken to bring new B class through the planning and development system and to allow for the relocation of the businesses who would, if it were permitted, be affected by the St Modwen's development.

Provision for enhanced economic performance

5.23 Given the level of historic take-up in a market with a constrained supply of land and premises, it would be appropriate to increase the provision of land by 25% to reflect Telford & Wrekin's policy aspiration for an enhanced level of economic activity (to enable a higher share of residents to work locally). This uplift results in a requirement for an additional 1.36 ha. This brings the employment land requirement up to 6.8 ha – equivalent to an annual average requirement for 0.4 ha pa.

Provision for churn and a frictional "vacancy" rate

5.24 The churn and frictional allowance is guided respectively by the typical time period between application for permission and completion of development and for the need for relocation space and expansion. Typically the development pipeline period is about three years, so we allow an additional 1.2 ha (0.4 x 3). To this we add an additional 1 ha for the relocation of some of the businesses on the Enterprise Park and at Parkland House during the development programme for these sites.

5.25 We make no specific additional provision for "choice and local expansion" on the basis that it would be reasonable (if conservative) to assume that this is catered for by the policy-led provision aimed at increasing Newport's share of the geographic market for business space. [8]

[8] We note, by way of illustration of the principle, that the North West Regional Spatial Strategy (Policy W3 – Employment Land Supply) requires a 30% allowance over and above assessed demand levels to allow for choice in the market and for business expansion in local markets.

Total Additional Employment Land Requirement on Past Take-up Rates

5.26 Taking account of these issues we consider that it would be appropriate to plan for a minimum of c 8 ha of B Class land in Newport over the period to 2031 on the basis of the following:

- historic scale of take-up averaged over 17 years: 5.4 ha
- uplift for improving the proportion of residents who work locally: 1.36 ha
- churn and frictional allowance: 2.2 ha

Total: 8.96 ha (say 9 ha)

5.27 We also note that the stock of employment land, should the recently permitted foodstore at Audley Avenue (sites J and H in Section 4, Figure 4.1) proceed, will fall by c 2.2 ha – though we make no specific allowance for this in the 9 ha estimated requirement 2014-2031.

The Employment Forecasts - Implications for B Class Land Needs in Newport

5.28 Our second approach to estimating the B Class requirement in Newport is the quantum of land and floorspace to accommodate the prospective changes in the scale and structure of employment in the Borough in the sectors of the economy that best match the B Use Class.

5.29 We purchased in November 2012 the Experian forecasts of employment change in Telford & Wrekin over the period to 2031. The results of the forecasts are shown in Table 5.2.

Table 5.2 Forecast Employment Change in Telford & Wrekin, 2013-2031

Telford & Wrekin	**Total** (Thousands)		**Change 2013-31**	
	2013	**2031**	**No.**	**%**
Agriculture, Forestry & Fishing	730	450	-280	-38%
Extraction & Mining	30	10	-20	-67%
Food, Drink & Tobacco	740	730	-10	-1%
Textiles & Clothing	610	310	-300	-49%
Wood & Paper	900	510	-390	-43%
Printing and Recorded Media	500	410	-90	-18%
Fuel Refining	10	0	-10	-96%
Chemicals	100	70	-30	-30%
Pharmaceuticals	-	-	-	-
Non-Metallic Products	1,300	1,420	120	9%
Metal Products	2,410	1,530	-880	-37%
Computer & Electronic Products	1,250	760	-490	-39%
Machinery & Equipment	2,460	1,620	-840	-34%
Transport Equipment	2,800	2,630	-170	-6%
Other Manufacturing	1,630	1,230	-400	-25%
Utilities	1,280	1,250	-30	-2%
Construction of Buildings	410	440	30	7%
Civil Engineering	420	320	-100	-24%
Specialised Construction Activities	1,940	1,940	-	0%
Wholesale	7,340	7,920	580	8%
Retail	8,550	10,040	1,490	17%

Land Transport, Storage & Post	3,060	4,290	1,230	40%
Air & Water Transport	5	5	0	4%
Accommodation & Food Services	3,370	4,600	1,230	36%
Recreation	1,360	1,150	-210	-15%
Media Activities	730	840	110	15%
Telecoms	130	110	-20	-15%
Computing & Information Services	3,010	4,030	1,020	34%
Finance	1,840	2,270	430	23%
Insurance & Pensions	500	550	50	10%
Real Estate	1,110	1,230	120	11%
Professional Services	3,540	4,480	940	27%
Administrative & Supportive Services	7,570	9,840	2,270	30%
Other Private Services	1,760	1,450	-310	-18%
Public Administration & Defence	5,320	4,270	-1,050	-20%
Education	7,050	8,210	1,160	16%
Health	5,310	6,420	1,110	21%
Residential Care & Social Work	4,020	5,050	1,030	26%
Total workforce jobs	**85,760**	**92,960**	**7,200**	**8.4%**

Source: Experian, November 2012

5.30 As Table 5.2 shows, the forecast is for a net gain in employment in Telford & Wrekin of 7,200 jobs between 2013 and 2031 – an increase overall of 8.4% over the 2011-2031period.

5.31 The greatest gains in absolute and percentage terms are in the group of sectors that together constitute "business services", the retail and food/accommodation sectors and transport services. On-going contraction in manufacturing jobs and employment in public administration and defence account for the major share of projected job losses.

5.32 Table 5.3 "maps" the borough's jobs onto the B Use Class (using the industry standard approach).

Table 5.3 Current and Projected B Class Employment, Telford & Wrekin, 2013 and 2031

B-Space Jobs	Total		Change 2013-31	
	2013	2031	No.	%
Industrial jobs	14,710	11,220	-3,490	-23.7%
Warehousing jobs	11,685	13,465	1,780	15.2%
Office jobs	25,510	29,070	3,560	14.0%
All B-space jobs	51,905	53,755	1,851	3.6%
All Non B-space jobs	33,190	38,630	5,440	16.4%
All jobs	**85,095**	**92,960**	**7,200**	**8.4%**

Source: Experian November 2012 and PBA-RTP

5.33 B Class jobs in Telford & Wrekin accounted for 61% of all employment in the Borough in 2013; by 2031, the share is expected to fall to 58% of employment. The structure of B Class employment is also forecast to change, with the share of jobs requiring B2 and B1c industrial space shrinking while the share that occupies warehousing and office space growing. Table 4.4 sets out the details.

Table 5.4 Change in the Structure of B Class Jobs in Telford & Wrekin 2013-2031

B Class Share of all Jobs	% Share	
	2013	2031
Industrial/B-Space jobs	28%	21%
Warehousing/B-Space jobs	23%	25%
Office/B-Space jobs	49%	54%
B-space/All jobs	61%	58%

The Calculation of the Floorspace and Land Equivalents

5.34 Table 5.4 shows the density ratios used (an industry standard approach) to estimate the implications of the forecast changes in B Class jobs for the stock of B Class land and floorspace required. Two storey office development is assumed.

Table 4.4 B Class Employment Floorspace and Land Densities

Densities	Sq m per Job	Sq m per Ha
Industry	32	4,000
Warehousing	40	4,000
Offices	18	8,000

5.35 Table 5.5 shows the outcome of applying these densities to the forecast changes in B Class jobs in the Borough 2010-2031.

Table 5.5 Changes in B Class Space Required by 2031 in Telford & Wrekin

B-Space Floorspace (sq m) and Land Area (ha)	Sq m	Ha
Industry	-111,666	-28
Warehousing	71,208	18
Offices	64,080	8
All B-space	**23,622**	**-2**

5.36 Overall, the forecasts indicate a theoretical net requirement for a reduction overall of 2.1 ha of B Class land over the period to 2031. However, it cannot be deduced that, for example, the 28 ha reduction in the scale of industrial land needed could be re-allocated instead to meet the requirement for 26 ha to accommodate the growth potential in the B1 and B8 sectors of the economy. There are numerous reasons why, not least the fact that the criteria the market exercises in the industrial, warehousing and office markets are all different. The accessibility, location and surrounding environment of the industrial sites will not in many circumstances meet the needs either of the borough's existing businesses or the inward-investing businesses the borough otherwise has an opportunity to attract. .

The Implications for Newport

5.37 There is no robust mathematical way of converting the borough-level forecasts to Newport's circumstances. To do so would be to ignore the nature of the local market and the company-level decisions that drive it.

5.38 There are, however, implications:

i. Newport, proportionately, has fewer manufacturing jobs than the Borough, marginally more warehousing jobs and fewer business services jobs. The industrial and warehousing property markets, however, remain relatively buoyant in Newport measured by the take-up of space; and even office space take-up has been buoyant where supply has been available. Thus, it would be reasonable to expect a significantly reduced loss locally of land / floorspace given to the industrial market, but a similar proportionate increase in the need for warehousing space. On past trends, it is also likely that Newport's needs for additional B1 space will be more modest proportionately.

ii. The development plan's spatial strategy, however, is to increase Newport's share of the Borough's jobs. The supply of B Class land has a key role in enabling this spatial shift. Thus it would be reasonable for Newport in future to be allocated a measurably higher share of the net additional land need than it accounts for at present.

5.39 We judge, having regard to borough-level changes, that it would be reasonable to shift around a fifth of the *gross* warehouse gain required in warehouse space to Newport plus, say, ten per cent of the office requirement – both to account for Newport's share of the net additional requirement would be in any case (about 10% taking into account Newport's employment structure and the profile of demand) and to allow (a further 10%) for the policy-related spatial shift in land supply. The implication on that basis is that Newport's share of the gross gain in B Class land required would be about 3.6ha of the additional warehouse land that the Borough needs (i.e., 20% of the 16 ha) and 0.8 ha of the office land (i.e., 10% of the 8 ha) – about 4.4 ha in total.

5.40 To the 4.4 ha requirement needs to be added to the property market considerations – the 3.56 ha required if the market is to operate by allowing for churn, choice and a reduction in the need for residents to travel out of Newport as explained at paras 5.21 and 5.22. On that basis, the overall B Class land requirement in Newport over the 2031 period is for an additional 7.96 ha – say 8 ha.

The B Class Space Needs based on the Growth in Newport's Labour Force

5.41 Finally, we have also calculated what the job creation need would be in Newport on the basis of expected population growth and the expected increase of 2,725 in the resident labour force by 2031 (Section 3, paras 3.14-3.19).

5.42 Just to maintain the status quo (2001) – the 38% share of the labour force that lives and works in Newport – some 1,035 additional jobs will need to be created in Newport by 2031. Of these needed jobs, about half – in line with Newports' economic structure – would need to be in B Class sectors. These B Class jobs – if distributed broadly 27%-27%-46% between B2, B8 and B1 sectors – would generate (on the ratios in Table 4.4) a requirement for about 3 ha of B Class land in the town.

5.43 If the level of containment in Newport were to rise in line with policy, more jobs still would need to be created. If, conservatively, the share of those living and working in Newport – amongst the additional residents alone – were to rise to 45%, the additional B Class land required would rise to about 4 ha.

5.44 Both estimates relate solely to the B Class land needs generated by the additional working residents. That requirement is on top of the 3.56 ha requirement needed to allow for the function of the property market. The two estimates together generate a total requirement for about 7.56 ha – say 8 ha.

Conclusions on the Need for B Class Land

5.45 Using the three approaches outlined above we estimate an additional employment land requirement in Newport within the range of 8-9 ha over the period to 2031. We have reached this view from three perspectives: the long-run annual average take up of B Class space in Newport coupled with the land needed to accommodate the operation of the property market and to begin to achieve the policy objective of improving the town's sustainability by reducing out-commuting; the additional land required to accommodate the borough's forecast employment growth and the share on policy grounds that might conservatively be allocated to Newport; and the land needed to generate enough jobs in Newport by 2031 to at least maintain the share of the workforce that lives and works locally.

5.46 Of the c 8-9 ha Newport needs by 2031, there is an in-principle supply of about 5 ha to meet that need. While a 3.05 ha site is allocated for new B Class development in the 1995 Wrekin Local Plan, it has not been brought forward by its owner and there is no indication that it will be. Moreover, that site has no highway frontage.

5.47 The 8-9 ha calculation also makes no allowance for the loss of employment land in Newport – some 2.2 ha – should the supermarket use granted planning permission on appeal in August 2012 proceed as is the owner of that site's intention.

6 SUMMARY AND CONCLUSIONS

Introduction

6.1 In this final section of our assessment, we draw together the policy basis for the Council's obligation to assess and meet the needs of Newport's communities and businesses for a sufficient supply of market-facing, deliverable, B Class land to enable the sustainable growth the local economy is capable of.

Development Plan and Economic Development Policy

6.2 The various strands of development plan, Council economic development and Local Enterprise policy boil down to seven key themes:

- To expand the economic base of Newport and attract inward investment.
- At the same time, to support existing businesses in the town.
- Whilst recognising the primacy of Telford, to promote a shift in economic development towards the key rural market towns, and especially Newport.
- To ensure an improvement in the portfolio of land for new business activity by promoting an enhanced range and choice of employment land sites.
- The consequence of these four initiatives should be to enhance Newport's role as a successful service centre both for the town itself and the adjacent hinterland which it serves.
- And finally, these initiatives are intended to achieve an increased proportion of local working within Newport and its hinterland, so as to reduce the current high incidence of out commuting for work.

6.3 National planning policy obliges the Council to objectively assess, keep pace with and meet the sustainable development needs of its business, communities and economy. The development plan itself stresses the need to reduce out-commuting from Newport for work. An adequate, market-facing, supply of land to enable this is critical.

6.4 The development plan, the Telford & Wrekin Core Strategy and the saved policies of the Wrekin Local Plan, all promote the sustainable growth of Newport and direct development to the town that will, in particular, enable more residents to work locally – a key principle of sustainable development.

6.5 It follows, in assessing Newport's needs for employment land, that the aims of policy should sit at the core of that assessment. Planning for a future for Newport that repeats the patterns of the past would be to fail the objects of policy, national as well as local.

B Class Space: Supply and Demand in Newport

Supply

6.6 There is, despite the objects of policy, little by the way of choice of premises in Newport's B Class market (vacancies are very low), there is no development in the pipeline and there is virtually no B Class land available for development.

6.7 Most of the existing space that is available is outmoded and therefore out of step with the market's needs. For that reason – not for the lack of demand but for the lack of space to accommodate it – changes of use from B Class to other uses (e.g., fitness businesses, hostels, student accommodation) are commonplace and the stock of B Class property is shrinking. B Class businesses as a consequence are forced to locate elsewhere, and the slump in the economy and vacancy levels attendant on that slump offer a short term fix: businesses that otherwise would be content to locate in Newport can meet their needs in better specified property elsewhere.

6.8 The likelihood of these circumstances is that the absence of supply in the town – both premises and land – is constraining economic and employment growth in Newport that would otherwise be achievable. The result is to exacerbate the already high proportion of residents who have no option but to commute of Newport for work. Moreover, outmoded premises also compromise the efficiency of business operations and therefore their competitiveness.

Demand

6.9 The three approaches we adopted to assessing the prospective need for B Class space in Newport over the 2031 plan period produced similar findings. Newport needs about 8-9 ha to satisfy the requirements of business, the economy and sustainable development policy over the period to 2031:

i. historic take-up rates with allowances for churn, choice and a modest shift to reducing out-commuting suggest a need for 8.96 ha – say 9 ha;

ii. employment forecasts and a share for Newport that reflects its economic structure and the objects of policy plus allowances for churn and choice suggest a need for 7.96 ha – say 8 ha; and

iii. forecast growth in the resident workforce, the share likely to need jobs in sectors that occupy B Class space and the allowance needed for the operation of the property market – 7.54 ha, say 8 ha.

Conclusion: the B Class Land Need in Newport

6.10 We conclude, on reasonable and conservative assumptions, that there is a requirement for B Class land of c 8-9 has in Newport over the period to 2031.

6.11 Virtually nothing of this requirement is provided for, compounding the constraints to economic growth, job creation and the sustainability of the town of the qualitative shortcomings in the supply of existing premises. It is difficult not to conclude that the absence of a suitable supply of land is constraining the economic growth Newport is otherwise capable of. As a consequence, there is a pressing need to provide for the 8-9 ha of additional B Class land in the town – a quantum that excludes the likely loss of 2.2ha from the existing stock at Audley Avenue – and in that way to achieve the aims for the sustainable development of the town sought by development plan and national policy.

TELFORD & WREKIN COUNCIL

CABINET - 14 NOVEMBER 2013

DESIGNATION OF A NEIGHBOURHOOD PLAN AREA FOR WATERS UPTON

REPORT OF ASSISTANT DIRECTOR: PLANNING SPECIALIST

LEAD CABINET MEMBER: COUNCILLOR CHARLES SMITH

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 The Localism Act (2011) introduced legislation to allow Parishes to produce a Development Plan for their neighbourhood. Waters Upton Parish Council is one of five Parish/Town Councils in the Borough currently preparing a Neighbourhood Plan.

1.2 Waters Upton Parish Council lead on the Waters Upton Neighbourhood Development Plan and in line with the Neighbourhood Planning Regulations has applied to Telford & Wrekin Council to designate Waters Upton Parish Council area as a Neighbourhood Area. On the basis of the information set out in this Report it is recommended that the Council support the designation as shown on the plan in Appendix A.

1.3 Once the Parish Council has prepared their Plan, this will be submitted to Telford & Wrekin Council to consider, and be the subject of a local examination and local referendum. If supported through these stages, the Plan would then be adopted as part of the Development Plan for the Borough.

2. RECOMMENDATION

2.1 That Cabinet support the Neighbourhood Area application by Waters Upton Parish Council and approve the designation of the area shown in Appendix A as a Neighbourhood Area

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Co-operative Council: - Involving local people more in planning and running services - As a Council, supporting our community better and encouraging people to do more to help their own communities
	Will the proposals impact on specific groups of people?	
	Yes	Designation of the Waters Upton Parish Council area as a neighbourhood plan area will help engage all parts of the community in planning.
TARGET COMPLETION/ DELIVERY DATE	The process would commence following Cabinet approval.	
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	The costs associated with the introduction of Neighbourhood Plans, including the additional costs of designations, referendum and examinations have to be met by the Local Authority. Neighbourhood Planning Front Runner funding of £20,000 has been received in respect of Waters Upton Parish and additional funding, up to a maximum of £30,000 is available from the DCLG to offset any additional costs incurred by the Local Authority

		JAC 07/10/13
LEGAL ISSUES	Yes	The Localism Act (2011) provided a framework for a new statutory regime to establish Neighbourhood Planning. The 2012 Neighbourhood Planning (General) Regulations (SI 2012/637) ("the Regulations") add more detail to that framework. Part 2 of the Regulations makes provision in relation to the procedure for designating a neighbourhood area, including the content of the application and what the local planning authority must do to publicise such an application. In considering the Waters Upton Parish Council application, Telford & Wrekin Council in its capacity as Local Planning Authority has been mindful of the provisions of the Regulations, and in the view of Legal Services any risk of successful challenge to the process on procedural grounds is minimal.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The development of Neighbourhood Plans does pose some potential risks to the preparation of the borough-wide Local Plan including potential duplication or inconsistency with Borough Policy. This is being mitigated by regular Officer engagement with the Parish ensuring early discussion of any potential issues. Opportunities include a strengthening of local engagement in the planning process and in the development of Shaping Places Local Plan and acceptance of development proposed in the area. A successful frontrunner plan will raise the profile of the Council locally and nationally.
IMPACT ON SPECIFIC WARDS	Yes	Ercall Magna Ward (Councillor Stephen Bentley)

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 The Localism Act (2011) introduced Neighbourhood Planning as a mechanism to increase local engagement in plan making. In May 2011 Telford & Wrekin Council successfully bid with Waters Upton Parish Council for the area to become one of the Government's Frontrunners in Neighbourhood Planning

4.2 The development of a Neighbourhood Plan involves a number of stages:

- Designation of the Neighbourhood Plan area
- Establishing a local working/steering group
- Identification of the issues that the Neighbourhood Plan needs to address
- Developing the Plan's vision and objectives and proposals to meet these including a proposals map
- Undertaking a sustainability appraisal of the Plan's proposals
- Effective local consultation on the Plan
- Submission of the Plan to the Council for consideration
- Examination whereby an examiner, appointed by the Council, examines the Plan to establish if it meets all statutory obligations
- Referendum; a yes/no vote on the local implementation of the plan

4.3 Telford & Wrekin Council's role in the Neighbourhood Plan process is to:

- Give assistance and advice on the content of the plan and process
- Agree and formally designate the Neighbourhood Area

- Check the plan is in general conformity with relevant legislation and regulations and conforms with national planning policy and the strategic policies of Telford & Wrekin Councils Local Plan
- Arrange and pay for an independent examination
- Arrange and pay for a referendum of the Neighbourhood Plan
- Subject to the outcome of the previous stages, adopt the Neighbourhood Plan as part of Telford & Wrekin Councils Local Plan

4.4 The proposed neighbourhood plan area for Waters Upton reflects the boundaries of the Parish Council and is shown in Appendix A. Under part 2 of the Neighbourhood Planning (General) Regulations 2012, Telford & Wrekin Council is required to publicise the request for designation for 6 weeks, to consider the responses received and determine whether or not to support designation.

4.5 A legal notice, together with the correspondence submitted by the Parish Council requesting designation, were publicised via Telford & Wrekin Council's Website. The period of consultation ended on 20th September 2013. One representation was submitted to the Council from a neighbouring Shropshire Parish Council; Stoke upon Tern who have no objections to the area designation.

4.6 It is therefore recommended that Waters Upton Parish Council's request to designate the neighbourhood area is supported. No concerns with this boundary area have been raised, its correlation with the Parish Council area will assist with any future referendum and it provides a good model for future neighbourhood plan proposals.

4.7 Subject to the neighbourhood area being approved, the Waters Upton Parish Council will continue to engage with local people and stakeholders, including Telford & Wrekin Council to develop the neighbourhood plan. The Parish Council will lead the development of the Plan. Members will be kept informed of this process with reports being brought to Cabinet at key stages.

4.8 The Council has no dedicated officer resource for neighbourhood planning but officers from the Business & Development Planning Unit offer advice on planning matters and can coordinate input from other parts of the Council to support the Parish Council to develop the Plan. This is important to avoid inconsistency between National/Borough Policy and service priorities and the neighbourhood plan proposals.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

N/A

6. PREVIOUS MINUTES

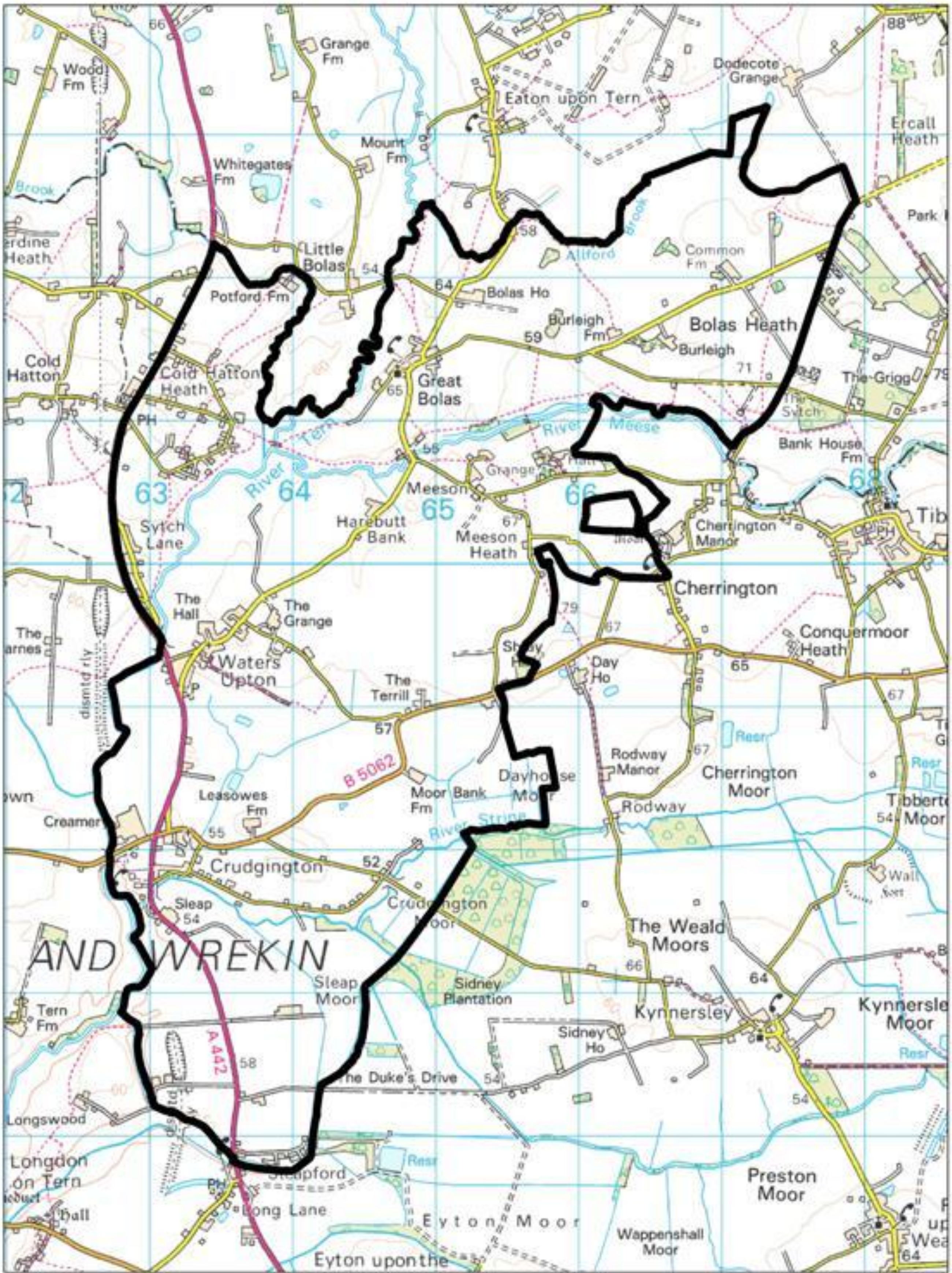
N/A

7. BACKGROUND PAPERS

N/A

Report prepared by Clare Francis, Project Officer, Environment & Planning Policy Team

Appendix A



N

Title: Waters Upton Parish Council Boundary

Drawn By: SD
Date: March 2013
Scale: 1:23,000 @ A3

Business & Development Planning
Telford & Wrekin Council
PO BOX 457
Wellington Civic Offices
Telford
TF2 2FH

Telford & Wrekin COUNCIL

TELFORD & WREKIN COUNCIL

CABINET – 14 NOVEMBER 2013

REPRESENTATION ON OUTSIDE BODIES – SEVERN GORGE COUNTRYSIDE TRUST

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

LEAD CABINET MEMBER – COUNCILLOR KULDIP SAHOTA

1.0 PURPOSE

1.1 Following a review of its corporate governance arrangements, the Severn Gorge Countryside Trust has requested that the Council appoint three representatives to its Board of Trustees.

2.0 RECOMMENDATIONS

2.1 That three representatives be appointed to the Severn Gorge Countryside Trust for the period up to May 2015.

3.0 INFORMATION

3.1 The Council has, for a number of years, appointed five representatives to the Severn Gorge Countryside Trust (SGCT). The Trust manages, for the benefit of local communities and many thousands of visitors, more than 270 hectares of woodland, grassland, heathland, pools and other public spaces throughout the Ironbridge Gorge and its surroundings. The Trust is a charitable organisation, and the representatives appointed by the Council act as Trustees.

3.2 Over the past few months, the Trust has undergone a review of its corporate governance arrangements in order to ensure its continuing effectiveness. This has resulted in a proposal to reduce the size of the Board of Trustees from 16 to 12, with a consequent reduction in the number of Council appointees from 5 to 3.

3.3 The majority of appointments to outside bodies for 2013/14 were determined by Cabinet at its June meeting. However, appointments to the Severn Gorge Countryside Trust were deferred, pending the outcome of their review of membership. The current appointees' term of office ran until October 2013. Because of their role as Trustees, the SGCT has requested that the Council's representatives be appointed for a longer period than twelve months – and preferably for four years. This would bring greater continuity in membership, and allow the Trustees to build up their expertise. It is therefore proposed that the appointments be made until May 2015 (ie up to the next Borough elections), following which appointments to the Trust would be for a four year period – to mirror the Council elections cycle.

3.4 The political Groups have been asked to submit nominations for the three representatives to be appointed to SGCT. Nominees do not have to be Elected Members. Nominations have been received for Cllr D Davies, Cllr G Green, Ms L Lomax and Cllr C Turley.

4.0 OTHER CONSIDERATIONS

AREA	COMMENTS
Equality & Diversity	Not applicable
Environmental Impact	Not applicable
Legal Implications	The representatives appointed to the Trust take on the role of Trustees and Directors of a company limited by guarantee
Opportunities & Risks	Not applicable
Financial Implications	Not applicable
Links with Corporate Priorities	Not applicable
Ward Implications	Not applicable

5.0 BACKGROUND PAPERS

None.

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

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 14th November, 2013 at 5.00 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington,Telford

PUBLISHED ON WEDNESDAY, 20th NOVEMBER, 2013

(DEADLINE FOR CALL-IN: MONDAY, 25th NOVEMBER, 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, 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-49 MINUTES

RESOLVED – that the minutes of the meeting held on 17th October 2013 be confirmed and signed by the Chair.

CB-50 APOLOGIES FOR ABSENCE

None

CB-51 DECLARATIONS OF INTEREST

None

CB-52 SERVICE & FINANCIAL PLANNING 2014/15 – 2015/16

Key Decision identified as **Service and Financial Planning** in the Notice of Key Decisions published on 17 October 2013.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the joint report of the Managing Director and Assistant Director: Finance, Audit & Information Governance, which provided an update on the projected budget gap through to 2015/16 and on policy regarding future Council Tax Freeze grant offers.

The potential budget gap facing the Council was dependent on a large number of assumptions, which were appended to the report. These included no major changes in the Government's provisional settlement in the current spending round, and delivery of the additional savings that had already been identified. The projected budget gap for 2014/15 was currently £5.9m, rising to £16.9m in 2015/16. In total, the Council would need to have delivered ongoing savings or additional income of around £75m by the end of 2015/16 – equivalent to more than £1,000 for every home in the Borough.

The report outlined the Council's strategy to manage the difficult financial situation it was faced with. This involved adopting a more commercial approach and supporting growth in the Borough in order to attract additional business rates, council tax and new homes bonus. This would stimulate the local economy, provide jobs for local people and funding to support existing council services in order to minimise as far as possible cuts to front-line services. Examples of the Council's "Business Supporting, Business Winning" approach were detailed in the report, along with the commercial opportunities being taken forward by the Council (eg solar farm, investment in properties to rent) in order to generate income to help support front line services. However, further savings would still be needed, and it was unavoidable that some of these would need to be found in Care & Support services, which accounted for 36% of the Council's net budget. This was further exacerbated by the additional pressures being placed on the adult care budget by the significant reduction in the numbers of people receiving Community Healthcare (CHC) funding from the NHS in Telford & Wrekin. Discussions were continuing with the Clinical Commissioning Group with the intention of seeking an on-going CHC funding split that was more in line with national norms and therefore fairer to the Council and "self-funders".

The Government had announced that council tax freeze grants equal to 1% of council tax base before reduction for the local council tax support scheme would be available for 2014/15 and 2015/16. There was a strong possibility that the grants would be "baselined", ie: not treated as a one-off temporary grant. This followed a decision by the Government after councils had set their budgets for the current year to change the methodology for the council tax freeze grant. Over the past two years, the Council had rejected the council tax freeze grant as it did not help long-term financial sustainability. This was supported by the community, who had indicated a clear view for modest council tax increases to protect local services. However, if future freeze grants were ongoing rather than short-term, this would be more attractive. Therefore, and taking into account the cost of living pressures and impacts of welfare reform for local people, it was proposed that the Council should re-consult the community on whether the council tax freeze grant offers for 2014/15 and 2015/16 be accepted. If accepted, there would be an increase in the budget gap, but this could be mitigated by the financial benefits arising from increased council tax income, New Homes Bonus and additional retained business rates income.

Members welcomed the proposal to freeze council tax, which would help many residents who were struggling to meet living costs.

<u>RESOLVED</u> –

(a) that the updated projections for the budget gap through to 2015/16, and the timetable set out in the report for finalising the Council's 2014/15 budget, be noted;

(b) that a two year financial strategy for 2014/15 and 2015/16 be developed to match the Government's spending plans which have been published through to 2015/16;

(c) that in view of the Government's change in treatment of the 2013/14 Council Tax Freeze Grant, Council be recommended, subject to consideration of any feedback through the Budget consultation process, not to increase Council Tax in 2014/15 and instead take the Government's Council Tax Freeze Grant.

CB-53 REVISED SCHOOL FUNDING FORMULA 2014/15

Key Decision identified as **Revised School Funding Formula April 2014** 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 for proposed revisions to the funding formula for Telford & Wrekin mainstream schools.

The Department for Education (DfE) had required local authorities to implement a simpler funding formula for schools from April 2013. Following a review of the 2013/14 formulas implemented by authorities, the DfE had made some changes to the regulations for 2014/15 – and these were outlined in the report. The DfE had also published comparative information which showed that Telford & Wrekin's funding formula had an extremely high secondary to primary funding ratio compared to most other authorities.

Following consultations and discussions with the Schools Forum and schools generally, it was proposed to make some changes to the local funding formula in order to:

- Move the local secondary to primary funding ratio closer to the national average ratio;
- Offer some short term protection to schools with significant reductions in pupil numbers. Telford & Wrekin Schools Forum had agreed a £500k 'top slice' for this purpose for 2014/15, to be allocated to schools with a decrease of more than 3% in numbers;
- Introduce different lump sums for secondary and primary schools;
- Include an additional factor to offer some budget protection for small rural schools;
- Include an additional factor to provide more funding to schools with higher than average levels of pupil mobility.

The proposed changes, particularly to the secondary to primary ratio, could have a significant impact in future years, but the formula could be reviewed and, if desirable, amended each year. It was noted that there was agreement from Headteachers across all sectors for these revisions.

RESOLVED – that the revisions to the funding formula for Telford & Wrekin mainstream schools, as outlined in the report, be approved.

CB-54 NEED FOR EMPLOYMENT LAND IN NEWPORT

Key Decision identified as **Need for Employment Land in Newport** in the Notice of Key Decisions published on 17 October 2013.

Councillor C.F. Smith, Cabinet Member: Housing, Development & Borough Towns, presented the report of the Assistant Director: Planning Specialist, which provided information on issues relating to the supply of land for employment land uses in Newport.

The Council had a long-standing aim, through local planning policies, to achieve greater economic activity and employment in Newport to assist it to become a more sustainable settlement through reduced levels of out-commuting of residents for work. The Council had been working in partnership with other landowners to bring forward land for employment development within mixed use schemes. However, there was a risk that development proposals being brought forward by other landowners and developers might undermine the economic objectives for Newport. In order to understand the implications of these different development proposals, the Council had commissioned a study by Peter Brett Associates to provide robust and up-to-date evidence of the need for employment development land in Newport. A copy of the consultant's report was appended.

The Assistant Director: Planning Specialist reported that he had just been advised by the consultants that there were some minor inaccuracies in some of the figures in their report because they had not taken account of the most up-to-date position on a couple of relevant planning applications in Newport. This did not affect the overall conclusions of the report, which provided an indication that there was a requirement for around 8 hectares of B class employment land over the period to 2026. If this was accepted, it was proposed to increase the land available for economic development in Newport by resisting the overall loss of existing and available employment uses in Newport, and pursuing the allocation and development of land through the Shaping Places Local Plan and decisions on submitted planning applications.

In view of the minor changes that the consultants needed to make to their report, an additional recommendation was proposed to give authority to the Assistant Director: Planning Specialist to agree the necessary amendments, once received.

It was noted that the Newport Regeneration Partnership had recently indicated their support for the principle of increasing the amount of available employment land in Newport.

RESOLVED –

(a) that the Council continues to pursue its objective of enhancing the economic performance of Newport, through supporting opportunities for employment development and resisting non-employment uses that would reduce the overall provision of established and available employment sites in Newport;

(b) **that, subject to resolution (c) below, the findings and conclusions set out in the Peter Brett Associates report be accepted and supported;**

(c) **that it be noted that, while not altering the overall policy of supporting and protecting employment land in Newport, some of the calculations and associated narratives in the consultant's report needed to be corrected, and that authority be delegated to the Assistant Director: Planning Specialist to agree the necessary amendments when received from the consultants.**

CB-55 DESIGNATION OF A NEIGHBOURHOOD PLAN AREA FOR WATERS UPTON

Key Decision identified as **Application for the Designation of a Neighbourhood Area – Waters Upton** in the Notice of Key Decisions published on 19 September 2013.

Councillor C.F. Smith, Cabinet Member: Housing, Development & Borough Towns, presented the report of the Assistant Director: Planning Specialist, which detailed an application from Waters Upton Parish Council for the designation of their area as a Neighbourhood area for planning purposes.

In May 2011 the Council successfully bid with Waters Upton 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 Waters Upton, which reflected the current Parish Council boundaries, was appended to the report. The request was subject to a statutory consultation period, which ended on 20 September 2013. One representation was submitted from Stoke-on-Tern Parish Council, who had no objections to the area designation. 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 Waters Upton Parish Council be supported, and that the area shown at Appendix A of the report be designated as a Neighbourhood Area.

CB-56 REPRESENTATION ON OUTSIDE BODIES – SEVERN GORGE COUNTRYSIDE TRUST

Non-Key Decision

The Leader presented the report of the Assistant Director: Law, Democracy & Public Protection concerning a request from the Severn Gorge Countryside Trust (SGCT) for the Council to appoint three representatives to its Board of Trustees.

The Council had, for a number of years, appointed five representatives to the SGCT, which managed more than 270 ha of woodland, grassland, heathland, pools and other public spaces throughout the Ironbridge Gorge area. Following a review of its corporate governance arrangements, the Trust had reduced the size of its Board of Trustees, with a consequent reduction in the number of Council appointees from 5 to 3. Following a request from the Trust, it was proposed that the appointments be made until the end of the current Council term in May 2015 – this would bring greater continuity to the management of the Trust and allow the Trustees to build up expertise.

The political Groups had been asked to submit nominations for the three representatives, and four nominations had been received. Nominees did not need to be Elected Members. Three of the nominees were existing Trustees.
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<u>RESOLVED</u> – that Councillor D Davies, Ms L Lomax and Councillor C Turley be appointed to the Severn Gorge Countryside Trust for the period up to May 2015.

CB-57 <u>EXCLUSION OF PUBLIC AND PRESS</u>

<u>RESOLVED</u> – 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-58 <u>IRONBRIDGE GORGE WORLD HERITAGE SITE – JACKFIELD STABILISATION</u>

Key Decision identified as **Ironbridge Gorge World Heritage Site – Jackfield Stabilisation** in the Notice of Key Decisions published on 17 October 2013.

Councillor R.A. Overton, Deputy Leader and Cabinet Member: Public Health & Public Protection, presented the report of the Assistant Director: Neighbourhood & Leisure Services, which updated Members on the land stabilisation project at Jackfield, and the procurement process for the award of contracts for the necessary works.

The report detailed the history of land instability in the Jackfield area of the Ironbridge Gorge, and the need to implement the proposed stabilisation works at the earliest opportunity. Following the authorisations granted by Cabinet in July 2013, a Compulsory Purchase Order had been made in order to acquire three parcels of unregistered land rights. Wherever possible, the Council had sought to proceed by agreement with the relevant landowners, and draft easements had been provided to those landowners who had agreed in principle to the works being carried out on their property.

The report also detailed the proposed funding of the stabilisation works, which included a significant contribution from Government. Because of the cost of the project, it had been necessary to procure the main contractor through the OJEU process. Tenders were currently being assessed, with the successful contractor likely to be appointed in December 2013, subject to final confirmation of Government grant funding.

<u>RESOLVED</u> –

(a) that, subject to the tenders being affordable within the approved funding and the confirmation of Government grant funding, authority be delegated to the Assistant Director: Neighbourhood & Leisure Services, in consultation with the Deputy Leader & Cabinet Member for Public Health & Public Protection, to award the construction and other necessary contracts, in accordance with the Council's Constitution and Contract Procedure Rules, and to enter into all related access and advanced works agreements, and all related contract and funding documents, to deliver the Jackfield Stabilisation Project – such contracts being subject to the terms and conditions recommended by the Assistant Director: Law, Democracy & Public Protection;

(b) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to execute all necessary documentation, including the affixing of the common seal of the Council to contractual documentation as appropriate.

CB-59 DISPOSAL OF LAND OFF POOL HILL ROAD, HORSEHAY and HAUGHMOND COURT, DOTHILL

Key Decision identified as **Disposal of Land off Pool Hill Road, Horsehay and Haughmond Court, Dothill** in the Notice of Key Decisions published on 19 September 2013.

Councillor C.F. Smith, Cabinet Member: Housing, Development & Borough Towns, presented the report of the Assistant Director: Development, Business & Employment, which sought approval for the disposal of two surplus land assets.

Both sites were part of wider developments being brought forward by the adjoining landowner for new housing. The report set out the outcome of negotiations regarding the development of these sites, the proposed terms and conditions for the disposals, and the potential capital receipts that would accrue. Site plans were appended to the report.

Members welcomed the likely provision of new housing (some of which would be much-needed affordable and sheltered housing) that would be facilitated by the disposal of these landholdings.

RESOLVED –

(a) that authority be delegated to the Assistant Director: Development, Business & Employment, in consultation with the Cabinet Member: Finance & Enterprise, to negotiate and dispose of the freehold interests in the corporately held land as detailed within the report;

(b) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to seal or sign any documents required to give effect to the resolution above.

The meeting ended at 5.53pm.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Law, Democracy & Public Protection
Date: 20 November 2013

Signed: ………………………………..

Date: …………………………………