

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 30th January, 2014 at 5.00 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington, Telford

PUBLISHED ON WEDNESDAY, 5th FEBRUARY, 2014

(DEADLINE FOR CALL-IN: MONDAY, 10TH FEBRUARY, 2014)

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

ALSO PRESENT: Councillor W.L Tomlinson (Liberal Democrat/Independent Group Leader)

CB-79 MINUTES

RESOLVED – that the minutes of the meeting held on 9th January 2014 be confirmed and signed by the Chair.

CB-80 APOLOGIES FOR ABSENCE

Councillors E.A. Clare and H. Rhodes, and Councillor A.J. Eade (Conservative Group Leader)

CB-81 DECLARATIONS OF INTEREST

Councillor A.R.H. England declared a personal interest in agenda item 5 – Designation of a Neighbourhood Plan Area for Stirchley and Brookside – as a member of Stirchley & Brookside Parish Council.

CB-82 BETTER CARE FUND – HEALTH & SOCIAL CARE INTEGRATION

Key Decision identified as **Better Care Fund Health & Social Care Integration** in the Notice of Key Decisions published on 2 January 2014.

Councillor A.R.H. England, Cabinet Member: Adult Social Care, presented the report of the Interim Director of Health, Wellbeing & Care, which set out the requirements placed upon the Council and the Telford & Wrekin Clinical Commissioning Group (CCG) to move towards the integration of health and social care services, with particular reference to having a Better Care Fund (BCF) agreed and in place by April 2015.

Further guidance on implementing the Better Care Fund was received in December 2013, and was appended to the report. In 2015/16 the minimum allocation by Government to the Telford & Wrekin BCF would be £11.690m, of

which £10.410m was revenue. This was not new money, but there was an expectation that the Council and CCG would agree to use the money to take forward a new shared approach to health and social care. An initial planning template had to be submitted by 14 February 2014, signed off by the Council, CCG and Health & Wellbeing Board.

The report set out the proposed local vision and objectives for the Telford & Wrekin BCF. The Fund would be focussed on two key themes – building community capacity (prevention), and enhanced community services as an alternative to hospital provision (integration). A task and finish group had been established with nominated officers from both the Council and the CCG to complete the planning template before the deadline. Detailed discussions were still taking place with the CCG on the integration of health and social care locally, as well as on related issues around Continuing Health Care where extra costs were falling on the Council. Subject to the required assurances being received from the CCG, it was proposed to delegate authority to the Interim Director of Health, Wellbeing & Care to submit the BCF plan on behalf of the Council.

RESOLVED –

- (a) that the requirements to put in place a Better Care Fund be noted;
- (b) that authority be delegated to the Interim Director of Health, Wellbeing & Care, in consultation with the Cabinet Member: Adult Social Care, to submit the Better Care Fund plan on behalf of the Council, subject to the required assurances being received from the Clinical Commissioning Group;
- (c) that, following assurances from the Interim Director of Health, Wellbeing & Care, in consultation with the Cabinet Member: Adult Social Care, the Health & Wellbeing Board consider a further detailed report on the Better Care Fund plan at their Extraordinary meeting on 12 February in order to endorse the plan prior to its submission to NHS England.

CB-83 DESIGNATION OF A NEIGHBOURHOOD PLAN AREA FOR STIRCHLEY & BROOKSIDE

Key Decision identified as **Application for the Designation of a Neighbourhood Area – Stirchley & Brookside** in the Notice of Key Decisions published on 6 December 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 Stirchley & Brookside Parish Council for the designation of their area as a Neighbourhood area for planning purposes.

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 Stirchley & Brookside, which reflected

the current Parish Council boundaries, was appended to the report. The request was subject to a statutory consultation period, which ended on 6 December 2013. No representations were submitted to the Council. 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 Stirchley & Brookside Parish Council be supported, and that the area shown at Appendix A of the report be designated as a Neighbourhood Area.

CB-84 EXCLUSION OF PUBLIC AND PRESS

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

CB-85 VOICE, DATA and WIDE AREA NETWORK PROCUREMENT

Key Decision identified as **Voice, Data and Wide Area Network Procurement** in the Notice of Key Decisions published on 15 January 2014.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise (on behalf of the Cabinet Member: Customer Services, Libraries & Transport), presented the report of the Assistant Director: Customer Services, which sought to vary the contract with the current supplier of the Council's Voice, Data and Wide Area Network and to undertake a full OJEU procurement process for a new future proofed voice and data network solution. It was reported that the recommendations in the report had been amended, and a revised version of the report was circulated to Members.

Telford & Wrekin's Wide Area Network provided data and voice services for 186 sites, including schools, and was an essential part of the Council's infrastructure fabric. The report detailed the current contractual arrangements for the supplier of the network, and the intention to extend the contract up to the maximum five years allowed for under the framework agreement. This would enable a full OJEU procurement process to be carried out for a new contract to provide a future-proofed voice and data network solution.

RESOLVED -

- (a) that the current temporary contractual extension to 31 January 2014, as detailed in the report, be approved, and that the contract with the Council's existing supplier for the provision of Voice, Data and Wide Area Network services be varied to allow for the maximum term of the framework to be realised – thereby enabling a full OJEU procurement to commence in February 2014 to secure**

a supplier for the provision of future Voice, Data and Wide Area Network for a maximum contract period of 10 years;

- (b) that authority be delegated to the Assistant Director: Law, Democracy & People Services to execute all necessary contractual documentation in accordance with the Constitution, including the affixing of the Common Seal of the Council.**

The meeting ended at 5.07 pm.

Signed for the purposes of the Decision Notices

**Jonathan Eatough
Assistant Director: Law, Democracy & People Services
Date: 5 February 2014**

Signed:

Date:

TELFORD & WREKIN COUNCIL

CABINET – 20 FEBRUARY 2014

2013/14 FINANCIAL MONITORING REPORT

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

LEAD CABINET MEMBER: CLLR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1.0 SUMMARY OF KEY ISSUES

1.1 2013/14 Revenue

In the face of the most severe cuts in the funding that the Council receives from Government that this Council has ever faced, strong and proactive financial management is more important than ever. The Council took early action to prepare for the further funding cuts that we face next year and which are detailed in the service and financial planning report also on this agenda. This action included identifying further in-year savings proposals of £2.5m to help offset the pressures on front-line services for our most vulnerable residents. This early and effective action means that we expect to be £0.8m under-budget at year end. This underspend, together with the unused part of the Council's budget contingency will be used to supplement the Invest to Save and Severance funds at year end in order to support the delivery of the further savings that we must find in the coming year. This is the last monitoring report that Cabinet will receive prior to the final outturn position being reported in June. Every effort will be made to sustain the position which will put us in as good a position as possible for the continued pressures we will face next year with further unprecedented levels of cuts to our grants from Government.

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

- A benefit of £1.1m arising from active treasury management work over and above the £4.9m that will be generated from the back-dating of the change in accounting treatment of calculation of Minimum Revenue Provision which is explained in the Service & Financial Planning report also on this agenda. This variation is not being reported through the Financial Monitoring process because the one-off benefit created in 2013/14 will immediately be transferred to a provision to fund the debt charges for the Pride in Your Community Initiative for the next 12 years so there will be no resultant net impact on the Council's budget in the current financial year.

- Care & Support Services are projecting an overspend of £2.6m relating to the cost of care packages and an overspend of £0.38m on staffing related to in house services. CCG contributions towards the costs of continuing health care are expected to be £0.5m lower than previously anticipated. There are also pressures relating to Supporting People which is £0.5m over budget and the care leavers budget which is also projected to be £0.3m overspent at year end. Combined, and including other smaller variations, the overall overspend is currently projected at £4.4m
- The cost of Children in Care Placements continues to be a significant pressure with an overspend of £2.1m being reported, which is slightly higher than previously reported
- A shortfall of approximately £0.3m in relation to Lifelong Learning lost grant income
- A cost of £0.2m related to the use of an increased number of Rapid Response Highways gangs at the beginning of the financial year
- An overspend of £0.2m relating to leisure services
- Transport costs in Family & Cohesion and Care & Support show a combined overspend of £0.3m
- A benefit of £0.4m arising from general waste and recycling savings
- A benefit of £0.3m arising from recovery of benefit overpayments
- A refund from Government of £0.731m in relation to previously top-sliced revenue support grant
- Additional dividend income from the Council's investment in the West Mercia Energy consortium of £0.1m

1.2 Capital

The capital programme totals £99m which includes slippage from 2012/13 and approvals to date (including those presented in the Service & Financial Planning Report on this same agenda). Spend at the time of compiling this report was around 43%.

The capital programme funding includes a significant amount of capital receipts anticipated to be delivered over the medium term. Failure to achieve, or delays to, the receipts would have financial implications for the Council. The total value of receipts expected in 2013/14 is £5.4m. A contingency plan is being developed should some of the receipts expected in the medium term not be forthcoming rather than simply be subject to re-phasing and any revenue impact will be taken into account in future treasury management projections.

1.3 Corporate Income Collection

The collection levels for NNDR, council tax and Sales Ledger outstanding debt are behind the targets set for the year.

2.0 RECOMMENDATIONS

2.1 Cabinet Members are asked to

- (i) Note that 2013/14 revenue spend is currently projecting to be within budget at year end and approve the proposed use of the contingency detailed in section 5.1
- (ii) Note the position in relation to capital spend and receipts
- (iii) Note the collection rates for NNDR, council tax and sales ledger.

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	Delivery of all priorities depend on the effective use of available resources. Regular financial monitoring helps to highlight variations from plan so that action can be taken to effectively manage the Council's budget.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	To outturn within, or as close as possible to, budget at 31/3/14	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed throughout the report.
LEGAL ISSUES	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and take action if overspends /shortfalls emerge.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4.0 2013/14 REVENUE BUDGET

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

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

Variations - £m	12/12/13 Cabinet Report	Change	Current Projected Variation
Safeguarding – children in care placements increased variation mainly due to extended placements.	+1.947	+0.107	+2.054
Safeguarding – reduced underspend relating to staffing costs	-0.305	+0.138	-0.167
Care & Support – lower than budgeted CCG contributions towards Continuing Health Care	0.000	+0.500	+0.500
Care & Support – reduced overspend relating to care leavers	+0.433	-0.104	+0.329
Public Health – under spend relating to vacant posts	-0.367	-0.101	-0.468
Neighbourhood & Leisure Services – net shortfall of income at Leisure Centres	+0.150	+0.100	+0.250
Neighbourhood & Leisure Services – benefit from one off capitalisation	0.000	-0.200	-0.200
Development. Business & Employment – MOD Donnington Feasibility costs. Note, it is proposed that this is funded from the corporate contingency.	0.000	+0.350	+0.350
Development. Business & Employment – one off funding including capitalisation	0.000	-0.108	-0.108
Customer & People Services – ICT - additional income generated from project work being used to offset additional costs	0.000	-0.231	-0.231
Customer & People Services – Revenues & Benefits – shortfall against printing income target	0.000	+0.120	+0.120
Other Variances	-2.533	-0.692	-3.225
Total Projected Variation	-0.675	-0.121	-0.796
Call on Contingency(-), contribution to(+)	+0.675	+0.121	+0.796
Final Projected Variation	0.000	0.000	0.000

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

Service Area	Previous Variations 12/12/13 Cabinet £	Total Current Variation £	Change since last report to Cabinet £
Children's Safeguarding	1,110,328	948,492	(161,836)
Education & Corporate Parenting	(91,342)	(215,427)	(124,085)
Family & Cohesion Services	(140,318)	(138,205)	2,113
Development, Business & Employment	386,570	200,000	(186,570)
Neighbourhood & Leisure Services	(21,900)	(21,900)	0
Care & Support	3,955,657	4,434,680	479,023
Public Health	(239,302)	(643,238)	(403,936)
Customer & People Services	(248,389)	(216,654)	31,735
Law, Democracy & Public Protection	149,164	156,164	7,000
Finance, Audit & Information Governance	(1,257,558)	(1,290,901)	(33,343)
Cooperative Council Delivery Unit	(44,943)	(91,149)	(46,206)
Council Wide	(4,232,501)	(3,917,395)	315,106
Total Projected Variation	(674,534)	(795,533)	(120,999)

In addition to the £0.796m underspend shown in the above table, there is an uncommitted balance of £2.4m currently projected in the corporate contingency, detailed in section 5 of this report.

4.4 Projected variances over £0.100m are highlighted below, other variances are detailed in Appendix 2.

Service Area	Variance £m
<u>Children's Safeguarding</u>	
Children in Care (CiC) – currently projecting £2.1m overspend; this reflects 304 CiC at the 16 January (321 at 31 March 2013). The Service continues to closely monitor and review all placements, including unit costs and total costs, in line with their Action Plan and Placement Strategy.	+2.054
Contingency – set aside to meet CiC pressures; will be required in full based on current projections.	-0.930
Parenting Assessments – These are specialist assessments of parents' abilities to meet the needs of their children and are sometimes court ordered. The service is currently exploring more cost effective methods of undertaking this work.	+0.129
Staffing – reduced use of agency staff is projecting a saving	-0.167

<p><u>Education & Corporate Parenting</u> There are no variances over £0.1m to report.</p>	
<p><u>Family & Cohesion Services</u></p> <p>Transport – the review of transport is not finalised and savings taken out of the budget are not likely to be fully realised in 2013/14.</p> <p>Cohesion - review and reduction of expenditure forecasts has resulted in savings being identified</p> <p>Early Intervention – review and reduction of expenditure forecasts has resulted in savings being identified</p>	<p>+0.143</p> <p>-0.193</p> <p>-0.136</p>
<p><u>Care & Support</u></p> <p>Purchasing budgets – the projected overspend relates to increased caseload and the impact of the CCG policy on continuing health care cases, increased costs relating to the purchase of externally purchased care and overspends relating to care provided in Council ALD residential and community provision. One-off funds from the CCG are being used in 2013/14 to help offset an element of the significant ongoing additional cost pressures relating to Continuing Health Care clients consistently reported throughout last year.</p> <p>CCG contribution towards Continuing Health Care costs – lower than anticipated funding</p> <p>In House Services – this overspend relates to salaries, including overtime paid to staff , delivering in house support services as part of care for ALD clients</p> <p>Care Leavers – overspend relating to the cost of supporting 16-18 year olds as they leave care. A review of the service will be completed soon which is hoped will result in cost reductions.</p> <p>Supporting People – delay in achievement of saving combined with an increase in demand for the service.</p> <p>Transport – projected overspend from transporting clients.</p>	<p>+2.653</p> <p>+0.500</p> <p>+0.381</p> <p>+0.329</p> <p>+0.511</p> <p>+0.144</p>
<p><u>Public Health</u></p> <p>Staffing and operational budgets– projected savings arising from vacancies.</p>	<p>-0.468</p>

<u>Neighbourhood & Leisure Services</u>	
Leisure Centres – net shortfall on income and some additional equipment leasing charges	+0.250
Highways Rapid Response – relates to the operation of increased number of highways gangs at the beginning of the financial year	+0.212
Service Wide – benefit from one off capitalisation across the service	-0.200
Waste Services – savings arising from general and recycling waste	-0.436
<u>Development, Business & Employment</u>	
Lifelong Learning – largely as a result of loss of government grant funding	+0.304
Estates & Investments – loss in Property Investment Portfolio investment income arising from the longer-term rationalisation of the property portfolio to secure a more sustainable income position ongoing.	+0.198
Void Properties – net impact of void PIP properties. These continue to be actively marketed and the monitoring of voids will continue to be fed into the overall investment portfolio rationalisation above	+0.124
Southwater – the multi-storey car park currently being constructed is not expected to be operational until April 2014 and therefore the part-year budgeted income anticipated will not be received. However the programme for capital spend has also slipped which will reduce borrowing costs in 2013/14; the benefit of this is included in the Treasury Management underspend shown below.	+0.162
Development Planning – net of one off over achievement of Planning application in relation to BSF and other schemes	-0.182
Development Management – There is a net one off, in year benefit due to delays in appointment to vacant posts and the impact of internal secondments.	-0.223
Property & Design – use of one off funding	-0.108
Estates & Investments – feasibility costs relating to MOD Donnington; see separate report on the Cabinet agenda	+0.350

Estates & Investments – proposed funding from the budget contingency for feasibility costs	-0.350
<u>Customer & People Services</u>	
People Services – Underspend relating to vacancies being held pending restructure	-0.100
ICT – additional project income being used to offset additional staffing costs for projects and PC replacement programme	-0.230
Revenues & Benefits – printing service income shortfall due to work being given to external providers.	+0.120
<u>Finance, Audit & Information Governance</u>	
<u>Treasury Management</u> Benefit of active treasury management seeking to maximise benefits from low interest rates and lower borrowing than anticipated in the early part of the year reflecting slippage on capital spend and capital receipts during 2012/13 and 2013/14. The £4.9m that will be generated from the back-dating of the change in accounting treatment of calculation of Minimum Revenue Provision which is explained in the Service & Financial Planning report also on this agenda. This variation is not being reported through the Financial Monitoring process because the one-off benefit created in 2013/14 will immediately be transferred to a provision to fund the debt charges for the Pride in Your Community Initiative for the next 12 years so there will be no resultant net impact on the Council's budget in the current financial year.	-1.086
<u>Law, Democracy & Public Protection</u>	
Licensing – shortfall in licensing income	+0.167
Land Charges – additional income relating to land charges	-0.120
Car Parking – as previously reported	+0.111
<u>Co-operative Council Delivery Unit</u>	
Delivery & Planning – employee savings arising from reduced hours and vacant posts	-0.120
<u>Government Funding Refund</u> –refund in relation to previously top-sliced Revenue Support Grant.	-0.731

Housing & Council Tax Benefit Subsidy Projected benefit from recovery of overpayments.	-0.304
Purchase Rebates Surplus dividend from West Mercia Energy relating to 2012/13 outturn performance.	-0.148
Other One off Resources – identified to contribute to service overspends.	-2.368
Savings delivered in year – net of pay award	-0.391

CONTINGENCIES

- 5.1 The 2013/14 budget includes a prudent contingency of £2.5m, which is set aside to meet any unforeseen expenditure plus an amount held centrally for contractual inflation totalling £1.67m which forms part of the approved revenue budget but is only allocated to specific budgets when the relevant inflation indices are available; and a specific amount of £1.3m earmarked for Safeguarding (children and adults). Given the exceptional cuts being made in the Council's budget it is imperative that the Council has a reasonable level of contingency in order to cover increases in demand for services (e.g. safeguarding which can be significant and occur with no warning) and to allow for any delays or shortfalls in the delivery of planned savings. The current position relating to contingencies is shown below:

	£
General Revenue Contingency	2,500,000
Inflation Contingency	1,670,000
Safeguarding Contingency	1,300,000
Total Contingency	5,470,000
Commitments:	
Current Estimate of contractual inflation (based on 2012/13)	1,322,000
Safeguarding contingency applied to service overspend	1,300,000
Spend previously approved by Cabinet	116,500
Proposed use for MOD Donnington Feasibility Study	350,000
Total Use of Contingency	3,088,500
Balance remaining in Contingencies	2,381,500

6.0 CAPITAL

6.1 2013/14 Capital Programme

The capital programme totals £99m updated to incorporate slippage and new approvals (including those presented in the Service & Financial Planning Capital Programme report).

The financial position is shown in the table below which shows spend at 43% of the budget allocation. Projected spend is currently shown at £98m (reflecting previous requests to slip spend in to later years).

Priority	Budget £m	Spend To Date £m	% Spent	Projection
Protect and Support our Vulnerable Children & Adults	3.745	1.135	30.3	3.061
Improve the Health & Wellbeing of our Communities	2.244	0.489	21.8	2.151
Protect and Create Jobs as a Business Supporting, Business Winning Council	17.926	9.821	54.8	17.926
Improve Local People's Prospects through Education & Skills	47.697	19.679	41.3	48.178
Regenerate Neighbourhoods in Need	7.971	3.079	38.6	7.359
Managing the Organisation	3.904	1.190	30.5	3.951
Ensure that Neighbourhoods are Safe and Clean	15.639	7.470	47.8	15.592
Total	99.126	42.863	43.2	98.218

Slippage and new allocations are included in the Service & Financial Planning, Capital Programme report as part of the budget strategy which will be presented to Full Council on 27 February for approval. Any further re-phasing required will be finalised as part of the year end processes and included in the financial outturn report.

The capital programme funding includes a significant amount of capital receipts anticipated to be delivered over the medium term. Failure to achieve, or delays to, the receipts would have financial implications for the Council. The total value of receipts budgeted and expected to be received in 2013/14 is £5.4m. Over the medium term, work is ongoing to develop a contingency plan should some of the receipts not be forthcoming rather than simply be subject to re-phasing and any impact will be taken into account in future treasury management projections.

7.0 CORPORATE INCOME MONITORING

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

7.2 In summary, the overall position shows collection levels for NNDR, Council Tax collection and sales ledger debt are outside the target set.

INCOME COLLECTION – December 2013				
	Actual	Target	Performance	Change in cash collected on last year
Collection Levels:				
Council Tax Collection	83.59%	85.11%	1.52% behind target	+ £3,223,742
NNDR Collection	86.66%	87.11%	0.45% behind target	+ £995,612
Sales Ledger Outstanding Debt	7.95%	5.50%	2.45% behind target	-£10,021,291 *

*we received some large payments in Nov 2012 which make the previous 12 month cash collection look more healthy than the current 12 month cash collection.

7.3 Council Tax (£66.4m)

NB the total amount of council tax collected includes those amounts needed to meet the precept requests from the Police and Fire services as well as Town & Parish Councils in addition to Telford & Wrekin Council's requirements. The percentage of the current year liability for council tax which the authority should have received during the year, as a percentage of annual collectable debit. The measure does not take account of debt that continues to be pursued and collected after the end of the financial year in which it became due. The final collection figure for all financial years exceeds 99%.

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

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

Month End Target	Month End Actual	Last year Actual
85.11%	83.59%	85.41%

We have collected £3.2 million more in council tax compared to this point last year (due to the increase in council tax and additional properties etc) , despite all of the challenges that are being faced this year.

Collection is behind target by 1.52% and performance on this time last year by 1.82%. It is difficult to make comparison of collection levels between current year and last year due to the following changes which have all impacted upon collection levels this year:

- Abolition of council tax benefit and the introduction of council tax support which has resulted in 21% of council tax payable by most benefit customers under pension age
- The abolition of certain empty property exemptions
- The abolition of second home discount

- The introduction of the 150% premium for long term empty properties
- The introduction of instalments over 12 months rather than 10

The collection rates for those taxpayers in receipt of CTS is particularly low, and analysis shows that collection for working age CTS customers is 56.43% which is far below that of other CTS recipients. Work continues to collect council tax from this particular client group, although the pro active work which is being undertaken has shown that these taxpayers have very little spare income from which to make payment.

The introduction of CTS in April 2013 has also made it more difficult to assess the likely levels of bad debt. The allowance for bad debt was changed from 1% to 2% (of tax base) to make provision for any increase. This position will be reviewed at year end.

7.4 **NNDR-Business Rates (£70.1m)**

The % of business rates for 2013/14 that should have been collected during the year. This target, as for council tax, ignores our continuing collection of earlier years' liabilities.

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

Year end performance 2012/13	97.3%
Year End Target for 2013/14	97.3%

Month End Target	Month End Actual	Last year Actual
87.11%	86.66%	87.11%

NDR collection for December is 0.45% behind target and performance this time last year. Final out turn is expected to be a similar figure. Hand delivery of summons' is currently being trialled to establish whether this type of pro active intervention prompts payment or dialogue.

Business Rates yield is also regularly monitored and the following trends are evident since the budget was set:

- There is an overall net reduction of £0.3m in the total rateable value listed on the rating list, with increases being more than offset by deletions, mergers and reductions in rateable value. Future business growth will feed into this overall position and we should begin to see a positive impact as part of the growth agenda.
- There has been an increase in reliefs granted, the majority relating to charitable and empty premises reliefs. The amount of

mandatory charitable relief has increased beyond the prediction and analysis has shown that this is mainly as a result of the increase in the number of academy schools. The criteria for assessing mandatory charitable relief is set by Government only the 20% discretionary element is left for the council to decide upon.

- Appeals could be a significant cost to the Council however due to lack of information (from the Government's Valuation Office), are currently very difficult to predict. Work is in progress to gather as much information as possible in relation to appeals and officers have been liaising with the Valuation Office as part of this process.

We are also waiting on final guidance from CLG in relation to the accounting treatment of appeals which adds further uncertainty to the business rates position.

7.5 **Sales Ledger (£33.1m)**

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

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

Age of debt	Annual Target %	December 2013	
		£m	%
Total	5.50	2.631	7.95%

Performance for sales ledger outstanding debt is outside target, but has been stable for the last few months.

8.0 **PREVIOUS MINUTES**

07/03/2013 – Full Council, Service & Financial Planning Strategy
 25/07/2013 – Cabinet, Financial Monitoring Report
 12/09/2013 – Full Council, Financial Monitoring
 31/10/2013 – Cabinet, Financial Monitoring Report
 21/11/2013 – Full Council, Financial Monitoring
 12/12/2013 – Cabinet, Financial Monitoring Report
 23/1/2014 – Full Council, Financial Monitoring Report

9.0 **BACKGROUND PAPERS**

2013/14 Budget Strategy / Financial Ledger reports

Report Prepared by:

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

Summary of 2013/14 Projected Variations

Service Area	Previous Variations*	Total Current Variation	Change since last report to Cabinet
	12/12/13 Cabinet		
	£	£	£
Children's Safeguarding	1,110,328	948,492	(161,836)
Education & Corporate Parenting	(91,342)	(215,427)	(124,085)
Family & Cohesion Services	(140,318)	(138,205)	2,113
Development, Business & Employment	386,570	200,000	(186,570)
Neighbourhood & Leisure Services	(21,900)	(21,900)	0
Care & Support	3,955,657	4,434,680	479,023
Public Health	(239,302)	(643,238)	(403,936)
Customer & People Services	(248,389)	(216,654)	31,735
Law, Democracy & Public Protection	149,164	156,164	7,000
Finance, Audit & Information Governance	(1,257,558)	(1,290,901)	(33,343)
Cooperative Council Delivery Unit	(44,943)	(91,149)	(46,206)
Council Wide	(4,232,501)	(3,917,395)	315,106
Total Projected Variation	(674,534)	(795,533)	(120,999)

* adjusted for approved virements relating to savings and 1% pay award

2013/14 Revenue Budget Variations over £50,000				
Description	Budget	Variation	Comments	
	£	£		
Childrens Safeguarding				
Children in Care Placements	10,037,072	2,053,827	The 2012/13 reported outturn position was £2.397m overspent. The budget strategy included growth of £600k and a review of costs resulting in a Cost Improvement Plan. In addition to the service base budget a corporate contingency was established as part of the 2013/14 estimates to meet demand which results in unplanned placement costs. Current forecasts are that the service is having some success in implementing the plan, and cost reductions of around £733k are being forecast to be achieved resulting mainly from "Step Down" within Placements. However, this leaves around £2.1m in placement costs over budget and therefore the forecasts include use of the Contingency in full and a residual overspend of around £1.1m remains. This has increased since the last monitoring report mainly due to extended placements. Work continues to assess the placement costs being incurred, including reviewing unit costs, numbers of children in care and the placement strategy, and currently around £34k of further cost reductions has been identified from further "Step down" of care placements. The number of Children in Care at 16th January 2014 : 304 compared to 31st March 2013:321	
Corporate Contingency		(930,000)	Use of one off contingency set aside as part of the budget strategy	
Other placement and parent assessments	487,430	128,614	Parenting assessments forecast overspend of £106k, relating to growth in both residential and community based assessments for babies. Resource Allocation Management Panel (RAMP) scrutiny will assist in controlling further costs. The forecast includes a small contingency for the remainder of the year.	
Staffing	4,903,883	(167,245)	The Cost Improvement Plan referred above also includes a target to reduce the use of Agency staff from the numbers called upon in 2012/13 of around 14fte's. The final 2012/13 Safeguarding overspend included £559k for the net cost of agency staff after accounting for vacancy savings - a total of £814k was spent on agency workers in 2012/13. The current forecast is for an outturn of around £403k in 2013/14 with the target number of agency staff being reduced down to 2 by the end of 2013/14. Current number of agency staff 8(Cost improvement plan target at end Dec- 2)	
Variations under £50k	2,385,372	(136,704)		
Total Children's Safeguarding	17,813,757	948,492		

2013/14 Revenue Budget Variations over £50,000				
Description	Budget	Variation	Comments	
	£	£		
Education & Corporate Parenting				
Corporate Parenting	222,849	(97,764)	Rationalisation of funding for spending on Education has resulted in a variation on the Council's General Fund position	
ICT Commissioning	411,228	(69,531)	Rationalisation of funding for spending on Education has resulted in a variation on the Council's General Fund position	
Supply Agency	(56,297)	56,073	Reserves previously used to support this budget have been fully spent	
Joint/Community Use	728,600	85,051	Loss of income from Shortwood School arising from requirement to implement a new funding formula for schools.	
Advisory Management & Support	490,652	(63,529)	Rationalisation of funding for spending on Education has resulted in a variation on the Council's General Fund position	
Traded Advisory	(20,837)	(40,156)	Additional income forecast from traded services to schools compared to budget	
Education Services Grant	(2,930,000)	82,293	Revised Grant projection following the conversion of several secondary schools to Academies - ESG is paid at a reduced rate for pupils in academies.	
School Transport	2,780,055	(100,000)	Current projected expenditure is at a similar level to 2012/13 which would result in a saving against the 2013/14 budget.	
Miscellaneous Mgt & Admin	73,530	(51,892)	Review of spending and a revision to forecasts within the service has resulted in savings being identified	
Variations under £50k	9,138,019	(15,972)		
Total Education & Corporate Parenting	10,837,799	(215,427)		
Family & Cohesion Services				
Transport	2,806,087	143,233	The overspend reported on Transport is arising in 2013/14 due to savings being taken out of the budget of £533k(out of £857k total Transport savings) which has not yet been delivered in full. There is a review of transport underway, this is unlikely to deliver savings this year so this overspend is likely to prevail unless met from one off's or action is undertaken to meet this elsewhere in the Service area	
Cohesion	3,212,381	(192,523)	Review of spending and a revision to forecasts within various service areas within cohesion has resulted in savings being identified	
Housing	735,724	80,155	The main cause of this overspend results from a shortfall in rents collected against target for BTW owned/operated properties and more recently a forecast increase in the expected levels of spending on repairs and maintenance. These properties are operated as part the homelessness service	
Early Intervention	4,709,239	(136,010)	A review of expenditure against budgets in the Children's and Family Centres and Early Intervention and family service has resulted in the savings reported	
Other variations under £50k	5,646,506	(33,060)	Savings within various budgets which are already subject to action to deliver savings or are already underspending in year	
Total Family and Cohesion Services	17,109,937	(138,205)		

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Care & Support				
Purchasing-all types of care for all client groups		38,920,160	2,976,280	The purchasing of Care from external providers continues to be a pressure on the Adult Social care budget. This is the result of increased demand for care mainly arising from the evident increasing complexity of cases with a small proportionate increase in numbers, one of the main causes being the impact of the NHS review of clients who were formerly funded by the NHS from Continuing Healthcare Funds. The costs of care purchased are currently growing month on month and this overspend has increased by £231k on that previously reported.
Financial Improvement Plan savings achieved:				The Management Team are dealing with the pressures on the Adult Social Care budget by a number of actions developed as part of a Financial Recovery plan. The actions taken will deliver savings over the period of this financial year and the period of the budget planning to 2017. The financial impacts in reducing the overspend reported above evaluated so far are set out below:
Financial Improvement Plan savings achieved:	High Cost ALD placements		(154,985)	A review of high cost placements has resulted in reducing the cost of some care placements
Financial Improvement Plan savings achieved:	Decommissioned blocks		(88,000)	A review of usage of pre-purchased beds has resulted in the decommissioning of more than one contract
Financial Improvement Plan savings achieved:	Recovered duplicate payments		(32,758)	Recovery of payments made in error
Financial Improvement Plan savings achieved:	SLA savings		(47,700)	A review of the SLA's with the Third Sector and Advocacy groups has resulted in a small reduction in the usage and cost of service provision
Revised purchasing variation after delivering savings identified in the Financial Improvement Plan and delivered in 2013/14			2,652,837	
Income-CCG contributions towards CHC		(500,000)	500,000	Within the forecasts reported in previous monitoring reports £2.4m was anticipated (but not budgeted) from the CCG as a contribution towards the increased care costs being met by the Council for clients who would formerly have been funded by the NHS from Continuing Healthcare funds(as referred above). During the course of the year discussions have taken place with NHS Colleagues about increasing this contribution, and a further £0.5m was added to the expected income in the base budget as part of additional savings/income requested in the current financial year. The CCG are considering this request and it is likely CCG contributions will increase to £4.4m by 2015/16, correspondence is awaited to confirm this. However, it is unlikely that the level of contribution expected in the current year of £2.9m will be realised with £2.4m looking the likely contribution, leaving a significant shortfall in 2013/14.

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Reablement and In House ALD service provision	Staffing costs	3,269,020	381,000	This overspend relates to salaries including overtime paid to staff delivering in house support services as part of care for ALD clients in services operated by the Council. The forecasts for all in house Community based services is being reviewed with a view to utilising enablement workers more widely and reducing premium rates paid for overtime etc
Care Leavers		684,430	329,400	This overspend at the end of 2012/13 was around £700k. The current forecasts reveal an improved position with overall lower cost care packages being awarded than last financial year. A review of the service is underway and reporting and there may be further in year cost reductions.
Supporting People		2,022,050	511,000	A large part, £385k of this overspend is as a result of the additional savings agreed with WHT expected to result from a claim against Housing Benefit by the WHT. The remainder is forecast to arise from demand on the service
Transport		854,640	144,522	This is a forecast based on 2012/13 outturn, the most significant is as a result of transporting ALD clients
Public Health Funding		(465,067)	0	Public Health Grant appropriated against eligible spending in Adult Social Care
Other variations under £50k		1,901,967	(84,079)	The movement from the last reported monitoring is a decrease in forecast spending of £89k an improvement in the period of reporting
Total Care & Support		46,687,200	4,434,680	
Public Health				
Staffing and operational budgets		1,275,000	(468,626)	This underspend has arisen due to vacancies in posts yet to be filled and
Drugs and Alcohol Services		2,563,032	(48,952)	This figure relates to a number of general underspends, some of a one off nature, arising in the internal service. The service is facing significant cost pressures which they have sought to manage within the overall position but it is likely that the figure shown here will reduce prior to year end.
Sexual health Services		1,010,968	79,800	This overspend results from a number of previously unknown cost pressures within the service. These will be addressed as part of the overall Public Health budget in 2014/15.
NHS Health Checks		456,910	(78,750)	This figure relates to a number of underspends now expected in contracts for NHS Health Checks
Variations under £50k		2,677,910	(126,710)	Savings in year on Infection Control and contingencies.
Total Public Health		7,983,820	(643,238)	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Neighbourhood & Leisure Services				
Leisure	Net impact of variances across a number of Leisure Centres and Facilities	760,000	250,000	Net impact of variances across a number of Leisure Centres and Facilities, including variances in income and the costs of leasing new equipment and additional costs arising from the new Dawley Sports and Learning Community.
Arts and Culture	The Place Theatre	(677,321)	63,000	The 2013/14 budget proposals included increased income from The Place of £100k. Income from the pantomime is projected to be above budget and an improvement on last years income and this will partially address the income target.
Public Realm	Winter Maintenance	586,527	66,000	Additional pressures on the severe weather budget anticipated in order to maintain a service based upon an average winter. This figure will increase if we get periods of prolonged severe weather during winter 2013/14. This is funded from the budgeted contingency.
	Environmental Maintenance	4,465,574	(66,000)	One off from budgeted contingency to meet winter maintenance overspend, agreed in July 2013.
Highways & Neighbourhood Management			25,000	Following requests from the public and Members two additional grass cuts have been carried out as an additional to the existing TWS contract following service reductions in 2011/2012. It is proposed that this is funded from the budgeted contingency.
	Rapid Response Highways Gangs	312,000	(25,000)	One off from budgeted contingency to meet cost of additional grass cuts, agreed in July 2013.
	Service Wide		212,000	Several highways gangs operating at the start of year, now reduced down to 2 highways gangs.
	Street lighting	1,194,000	(200,000)	One off capitalisation of Consultancy and other schemes.
	Waste	11,025,000	(72,000)	Savings a result of change of lamps more energy efficient, plus below the capped rate on energy costs.
Variations under £50k			(436,000)	A number of savings arising from general and recycling waste.
			161,100	
Total Neighbourhood & Leisure Services			(21,900)	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Development, Business & Employment				
Lifelong Learning	Loss of Grant & Salaries	879,690	304,000	Largely as a result of Government grants no longer being received.
Estates & investments	Rental Income	(56,000)	56,000	The retail unit to the front of the Bingo & Bowling recently constructed in Southwater was planned to be operational in 13/14. However due to construction within the area ongoing, the part year budgeted rental income for 2013/14 cannot be achieved. The unit continues to be actively marketed.
Estates & investments	PIP rationalisation		198,000	The ongoing rationalisation of the PIP has resulted in an in year pressure of £183k. Whilst individual investments have been prudent and developed on a business case basis, funding has been secured through the disposal of very poor properties, which have high yields. However, they do not represent good long term investments and would not support the income target long term. Whilst rationalisation has resulted in a pressure it will deliver certainty in terms of income moving forward. £88k of this has been identified as an ongoing pressure but pressures are greater this year due to the timing of disposals against acquisitions which has left a period where there is no income stream. Moving forward consideration will be given to using prudential borrowings to secure new property before disposal occurs to reduce impact on the income target as costs of borrowing are likely to be lower than loss of rent.
Estates & investments	PIP - other	(5,487,000)	124,000	Net impact of void PIP properties. These continue to be marketed actively and the monitoring of voids will feed into the investment portfolio rationalisation above.
Estates & investments	Southwater Multi Storey Car park	(162,000)	162,000	The multi storey car park currently being constructed in Southwater is planned to be operational by 1st April 2014. Therefore the part year budgeted income for 2013/14 cannot be achieved.
Estates & investments	MOD Feasibility Costs	-	350,000	MOD Donnington feasibility costs. To be funded from Corporate contingency.
One off Funding	Central contingency funding		(350,000)	Contribution from central contingency as recommended in this report.
Development, Business & Employment	Salaries		(81,000)	Budget held centrally by AD for incremental increases in salaries to top of scale. This pressure will be passed to SDU to deliver year on year.
Property & Design			(108,000)	Planned use of one off funding and grant control reserves and capitalisation to maximise resources.
Development Management	Planning & Building Reg Applications	(1,248,000)	(182,000)	Net of one off over achievement of Planning Application income as a result of BSF programme & other schemes.
Business & Development Planning	Salaries		(223,000)	Various one off savings including vacancy management within Business and Development Planning.
Variations Under £50k			(50,000)	
Total Development, Business & Employment			200,000	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Customer & People Services				
ICT	Income	(2,658,840)	(230,657)	Additional income generated from project work. This has been used to offset additional staff costs for projects and also the over spends in ICT from the PC replacement programme as outlined below.
ICT	Income	(3,812,720)	84,398	Shortfall against service specific income budget of £539k. This is in line with previous years however work is ongoing to win new business from Shropshire Schools and small businesses.
ICT	Capital Financing	281,570	95,947	Impact of corporate PC replacement programme reflecting the move to thin client devices. This is the overspend arising from leased equipment. In total the PC replacement programme is £128k over budget. This is being offset by additional project income.
Revenues & Benefits	Supplies & Services	600,480	78,425	Additional costs projected on printing and postage as a result of the Governments Welfare Reforms and increase in postage particularly in Revenues to aid collection challenges eg summonses up by 45% this is in line with 2012/13.
Revenues & Benefits	Income	(362,740)	120,059	Shortfall against printing income target. An element of this is due to loss of work from services requesting printing from external providers.
People Services	Employees	1,355,020	(100,329)	Under spend from vacant posts that are being held vacant due to restructure of the service.
Catering	Income	(2,427,520)	(98,698)	Additional income from an increase in the number of paid meals served in schools due to an increase in take up.
FM & Cleaning	Income	(241,610)	62,424	Projected shortfall on income target against homecare.
Variations Under £50k		11,967,456	(228,223)	
Total Customer & People Services			(216,654)	
Finance, Audit & Information Governance				
Treasury		-1275230	(1,086,000)	Benefit from low interest rates and slippage in 12/13
Variations Under £50k		0	(204,901)	Under spends mainly arising from staffing due to vacant posts and back fill arrangements. £15k saving from Life Assurance Policy due to reducing numbers of staff on old Wrekin terms.
Total Finance, Audit & Information Governance			(1,290,901)	
Law, Democracy & Public Protection				
Licensing	Income	(381,600)	166,700	Shortfall against licensing income mainly arising from taxi drivers choosing to renew
Land Charges	Income	(54,570)	(120,326)	Additional income generated from Land Charges. A review is currently being
Legal	Employees	1,000,410	64,195	Costs of locum solicitors taken on to address capacity issues within the service.
Car Parking			111,000	As previously reported.
Variations Under £50k		1,593,690	(65,405)	
Total Law, Democracy & Public Protection			156,164	

2013/14 Revenue Budget Variations over £50,000				
Description		Budget	Variation	Comments
		£	£	
Co-Operative Delivery Unit				
Corporate Marketing - Sponsorships	Income	(57,010)	57,010	Provider of roundabout sponsorship scheme went into administration. Only £20k of income is anticipated for the year which will cover income due from the company in administration in respect of 2012/13.
Delivery & Planning	Employees	584,094	(111,523)	Under spends from reduction in hours and vacant posts.
Variations Under £50k		892,256	(36,636)	
Total Co-Operative Delivery Unit			(91,149)	
Council Wide				
Housing Benefit Subsidy		(13,980)	(303,713)	Variation from budget as a result of recovery of overpayments. It should be noted that there is no spend to date on B & B accommodation as the temporary leased accommodation has been used and has not been at full capacity as yet.
Central Government Grant Refund			(731,000)	The Revenue Support Grant settlement included a reduction in funding relating to central support costs of academies; the information and formula used to calculate this has been changed which results previously disadvantaged local authorities receiving a refund. £351k was returned to the Council in 2012/13; £731k is expected in 2013/14.
Purchase Rebates		(202,500)	(148,240)	Surplus dividend from West Mercia Energy
One Off Resources and Additional Funds			(2,368,000)	Mainly one off resources and some uncommitted ongoing budgets identified to contribute to the Care & Support overspend
Net benefit from savings delivered in 2013/14			(390,702)	In year savings net of the additional cost of the 1% pay award.
Variances under £50,000			24,260	
Total Council Wide			(3,917,395)	
Total Variations			(795,533)	

TELFORD & WREKIN COUNCIL

**CABINET – 20 FEBRUARY 2014
COUNCIL – 27 FEBRUARY 2014**

**SERVICE AND FINANCIAL PLANNING 2014/15 TO 2015/16 OVERVIEW
AND REVENUE BUDGET REPORT**

**REPORT OF THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL
OFFICER**

LEAD CABINET MEMBER: CLLR BILL McCLEMENTS

1. INTRODUCTION.

This report seeks approval of the Service & Financial Planning strategy for the two year period 2014/15 to 2015/16 with specific budget proposals for 2014/15. This overview report, along with other linked reports on the agenda covering:-

- The Capital Programme
- The Treasury Management Strategy and
- Prudential Indicators

form the Council's overall Medium Term Service & Financial Planning framework and proposes the service priorities and budget for 2014/15 as well as savings proposals that will be delivered over the next two years and a medium term capital programme.

The Council published its draft budget proposals for 2014/15 on 3rd January 2014 and they were approved at Cabinet on 9th January 2014. A one month consultation period commenced after publication of the Council's service and financial planning proposals. The results of the consultation exercise are included in this report but the results are summarised below in section 4 below.

2. SUMMARY.

Following the consultation process, the Cabinet has confirmed its key budget strategy proposals for 2014/15 as:-

Freezing Council Tax for the next two years - Following the Government's change in approach to the treatment of the 2013/14 freeze grant, the projected benefits from the Council's growth strategy and to recognise the severe pressure placed on many local people by the Government's welfare

reforms and cost of living increases and the significant level of support for this proposal (Overall 62.3% of the 2,179 people responding to this question supported this proposal).

Winning and supporting jobs and investment - Investment by the private sector in the Borough brings jobs for local people and income from business rates (part of which is now retained by the Council), “New Homes Bonus” paid by the Government and additional council tax which all help to support existing front line council services by reducing the cuts we would otherwise have to make. Generation of this “growth dividend” is essential if we are to do all that we can to protect services for our most vulnerable older people and children. The Council will be able to limit the impact of cuts in these areas as a direct result of the additional income expected to be derived from the growth agenda and from our effective management of our land and buildings enabling us to sell surplus assets in order to generate funds to reduce debt levels and the annual cost of debt repayments.

Minimising cuts to priority services - Following unprecedented cuts in our grants from Government, the Council expects to have to make further cuts of £22m by the end of 2015/16. We will continue our approach of protecting front-line services, particularly services for vulnerable adults and children as far as possible. However, after having already made cuts of over £50m this becomes increasingly difficult. The cuts we have already had to make (£52.9m) are now greater than the total income we currently receive from council tax (£49.6m). The cuts equate to a reduction in spend of around £750 for each household in the Borough and by 2015/16 the cuts will total £75m – the equivalent of over £1,000 for each household in the Borough. Despite the scale of cuts we face, we have tried to protect services for Adults as far as possible. Since 2012/13 whilst savings of around £6.57m have been made in this area, this has been very largely offset by budget increases totalling just over £6.3m reflecting the growth in demand for these services. This relative protection of Adult Care and Support budgets has been set against the huge cuts made in the grants the Council receives from Government and has resulted in additional savings being made in other services.

As stated above, the level of cuts to key front-line services, particularly for vulnerable children and adults, will be reduced as a direct result of the income generated from growth in the borough and from selling surplus assets. We are also seeking to generate additional income through the provision of Council services to other organisations and are investigating the returns that we could achieve from commercial investments including a solar farm and the building of 600 properties for rent. Income generated from commercial initiatives will be earmarked to fund essential front line services and reduce the scale of cuts, particularly for vulnerable older people and children, that would otherwise be required as a result of the withdrawal of government grants from the Council.

Investing in Safeguarding Children from harm and neglect – Creation of an additional budget of £1.2m to be drawn down as required by the Council’s safeguarding service and protection of essential front-line early intervention and prevention services.

Investing in Facilities for Disabled people – The Council has set aside £0.7m in 2014/15 to match fund the disabled facilities grant allocation from Government of £0.721m – helping people to remain living independent lives in their own homes rather than moving into residential care.

Investing in Our Communities - Expected early delivery of the necessary ongoing savings means that we can make some one-off investments. We will establish a resident focussed investment fund for 2 years to complement the Council’s business and housing growth agenda. This will have a significant positive impact on existing communities funding environmental and infrastructure improvements and help to ensure that the Borough is an attractive place that people want to come to live and locate businesses. Over two years, we propose committing £8m of capital funding and £1.6m of revenue funding. The debt charges associated with the capital spending will be met for over 12 years from the one-off bonus generated from effective treasury management so no additional strain will be placed on the Council’s budget during this period.

Investing in our Roads – The Council is committing to a programme of £2m pa to maintain our road network for the next 3 years over and above the funding allocated by Government for this purpose – a total investment over this period from the Council’s resources of £6m. The Cabinet would expect this level of investment to continue into the future but our normal capital programme time horizon covers three forward years and future decisions will depend on the financial position of the Council at the time.

Tackling Youth Unemployment – Unemployment of 16 – 24 year olds is currently at 33.7% above both regional (24.3%) and national (20.9%) rates. 4,400 young people are unemployed in the Borough. Long term unemployment for 18 – 24 year olds is also an issue. The Council therefore proposes allocating £1.3m revenue funding over the next two years to improve this position by delivering a range of pledges and actions to tackle youth unemployment.

Destination Telford - £0.1m for “Destination Telford” initiatives to promote Telford as a place to visit, live, work and invest in. Under the new localisation of business rates proposals, the Council will receive 49% of any increased business rates generated within the area as well as receiving council tax and New Homes Bonus from new housing developments. The Council will also continue to promote the Telford Loyalty Card and associated initiatives because of the direct financial benefits it brings to local businesses, the local economy and our residents.

Lobbying for a fair deal –

- (i) The Council is also lobbying Government for a “Growth Deal” to ensure that more of the proceeds from the sale of Government land in the Borough is invested back in the Borough and for more than 49% of the business rates generated in the Borough to be retained by the Council in order to help the Council deliver growth in homes and businesses that are central to the Government’s economic plans.
- (ii) Councils are losing income from some businesses that abuse Business Rates exemptions – we will lobby Government for changes in the law to end this abuse.

3. CHANGES TO THE COUNCIL’S FINANCIAL POSITION SINCE THE DRAFT BUDGET PROPOSALS WERE APPROVED FOR CONSULTATION.

The provisional Local Government Finance settlement was announced on 18th December and the final settlement for 2014/15 was announced on 5th February 2014. As part of this final settlement announcement, the referendum threshold for council tax increases was confirmed by the Government at 2%. The net impact of the changes in the final funding settlement resulted in a gain of £0.01m for the Council. This will be transferred to the inflation provision to help meet the costs of a likely increase in insurance premia that we have been advised to expect since the initial report was prepared for consultation.

Constructive discussions have been held with the CCG on the implementation of the Better Care Fund (BCF). These discussions have included consideration of the funding of CHCs and agreement has been reached on a package of measures which will include the Council working jointly with the CCG to support them in delivering savings. For 2014/15 the CCG have confirmed funding of £2.73m will be made available to the Council to support existing care commitments which when combined with the increase in the “Lansley” funding (also included within the BCF) available for 2014/15 of £0.65m will provide a £1m increase compared to the recurring £2.4m funding available in 2013/14. In addition, the CCG and Council have agreed to work jointly throughout 2014/15 and 2015/16 to deliver further savings with agreement that part of the net benefit generated will also be transferred to the Council to help meet the costs of the additional support to be provided in the community and to also provide some additional funding to help meet existing Council care costs.

4. SUMMARY OF CONSULTATION AND ENGAGEMENT ACTIVITY AND FEEDBACK

As in previous years, communicating and engaging with the community on our future plans was a key part of the budget process. This year we asked for people’s views on whether the Council should accept the council tax freeze

grant or raise council tax by 1.9% in line with 2013/14 budget strategy. We also asked people whether they agreed or disagreed with the proposed three main investments; supporting young people to get a job, supporting businesses to create jobs in the borough and improving roads and the environment.

In total 4,186 contacts were involved with this consultation programme. A full consultation findings report can be found at Appendix 5.

We began to communicate and engage with local people immediately after the publication of the draft budget strategy on 6 January 2014. Our communication and engagement plan included (further details are included in Appendix 12):-

- A consultation pull out document 'jobs, growth and council tax freeze' summarising the main budget proposals and including a 'cut out' consultation questionnaire to be returned freepost distributed to homes in the borough;
- Signposting opportunities for people to get involved and give their views on the budget strategy including Facebook, Twitter, write in, ring in or text.
- An online budget survey on the budget page of the Council website – www.telford.gov.uk/budget
- A survey of the Community Panel;
- Meetings with a range of groups and organisations including the Parish Forum;
- Out and about sessions in public places and High Streets;
- An open public meeting;
- A Celebrating Co-operative & Partnership Working event in Telford Town Centre;
- Ongoing press releases;
- A meeting with the Employee Joint Information and Consultation Forum (JICF);
- Formal consultation with the Budget & Finance Scrutiny Committee.

An open public meeting was held on 29 January 2014 at The Place @ Oakengates Theatre at 6pm. The event was promoted in the press and Your Voice and a number of posters and flyers were distributed across the Borough. The open public meeting was a mix of a presentation outlining the budget plans and an opportunity for those in attendance to visit a number of information stands and speak with the Leader of the Council, Cabinet Members, the Managing Director, Directors, Assistant Directors and Senior Officers. Total number in attendance = 46 local people.

The Cabinet Member for Resources and Enterprise, the Chief Finance Officer and relevant Assistant Directors, between them, attended a number of local groups and forums including:

- Telford and Wrekin Parish Forum = 22 in attendance
- Joint Information and Consultation Forum (JICF) = 7 in attendance
- Senior Citizens Forum = 201 in attendance

- Telford Business Board = 17 in attendance
- Taking Part Forum = 31 in attendance
- Parents Opening Doors – PODS = 8 in attendance
- Young People’s Forum = 13 in attendance

Total numbers in attendance = 299

A number of other forums and groups were approached to receive a budget presentation. Where they were unable to host the Council they distributed the information to their member’s and encouraged their member’s to attend the public meeting.

The Community Participation Team went out and about in public places and High Streets. Consultation took place with residents in the following areas:

- Community Centres
- Hadley Learning Centre
- Carpenter Centre Overdale
- Park Lane Centre
- Telford Town Centre Bus Station
- The Place
- Dawley
- Donnington
- Madeley
- Newport
- Oakengates
- Wellington

With regard to our budget survey a total of 2,179 completed the questionnaire.

- 527 of people responded to the Community Panel survey.
- 876 of people responded to the online budget survey.
- 776 of people responded by using the tear out slip including sending back the ‘cut out’ questionnaire in Your Voice.

Opportunities for people to get involved and give their views on the budget strategy via Facebook, Twitter, write in, ring in or text attracted a total of 109 comments.

The Celebrating Co-operative & Partnership Working event in Telford Town Centre helped to promote how the Council and its partners are working to support local residents, communities and businesses and are contributing to improving the quality of life in the Borough. It was an opportunity to talk with local residents about key initiatives. In total we engaged with 96 residents around budget issues, at the event.

Targeted consultation and engagement has taken place throughout the year, related to the proposals put forward in the 2013/14 budget report. Engagement has been ongoing during the autumn of 2013 to advise adult

social care service users, carers and providers of the very difficult financial situation and its likely impact on services.

Consultation feedback is used to help to shape changes needed. Consultation includes:

- New Options – services for adults with learning disabilities delivered from September to December 2013. This consultation attracted 875 comments from service users, parents and carers and partner organisations. The consultation feedback will be used to help to finalise the new model of delivery of services.
- Supporting people – health and support to keep people living independently. During September 2013, service users were asked to feedback on the new proposed model of delivering the service. This consultation attracted 582 comments from service users.

Specific proposals in the 2014/15 budget report will be subject to consultation and engagement, for example the youth offer and transport review.

The consultation period ran through to 4 February 2013 in order that careful consideration could be given to the views expressed by the Council's Cabinet when preparing their final report and recommendations to full Council.

Summary of the consultation findings

Following notification of the Council's 2014/15 grant from government, the Council developed a proposed 2014/15 budget building on the medium-term service and financial strategy developed in 2012.

The 2014/15 budget continues the organisation's focus on attracting new jobs and investment and promoting growth in the borough, which provides jobs and increased prosperity for local people and generates income from additional council tax and business rates etc. that can be used to help us in our mission to protect, as far as we are able to, priority front-line services, particularly for our most vulnerable older people and children. We are working co-operatively with our residents and partners to deliver this agenda.

This year we asked for people's views on whether the Council should accept the council tax freeze grant following the Government's change in approach to base-lining the grant or raise council tax by 1.9% in line with 2013/14 budget strategy. We also asked people whether they agreed or disagreed with the proposed three main investments; supporting young people to get a job, supporting businesses to create jobs in the borough and improving roads and the environment.

In total 4,186 contacts were involved with this consultation programme. A full consultation findings report can be found at Appendix 5.

When asked about the next two years of council tax:

- **62.3% preferred the Council to freeze council tax until 2016**

- 54.2% of Community Panel respondents
- 61.8% of public respondents to the online budget consultation survey
- 68.8% of public respondents to the paper tear out budget consultation survey

- **33.9% preferred the Council to increase council tax by 1.9% until 2016**
 - 41.4% of Community Panel respondents
 - 35.5% of public respondents to the online budget consultation survey
 - 26.5% of public respondents to the paper tear out budget consultation survey

- **3.8% didn't know:**
 - 4.4% of Community Panel respondents
 - 2.8% of public respondents to the online budget consultation survey
 - 4.7% of public respondents to the paper tear out budget consultation survey

The Council's plans to invest in supporting businesses to create jobs in the borough were supported by 86.0% of all respondents:

- 91.1% of Community Panel respondents
- 80.4% of public respondents to the online budget consultation survey
- 89.1% of public respondents to the paper tear out budget consultation survey

The Council's plans to invest in supporting young people to get a job were supported by 85.9% of all respondents:

- 92.1% of Community Panel respondents
- 81.0% of public respondents to the online budget consultation survey
- 87.2% of public respondents to the paper tear out budget consultation survey

The Council's plans to invest in improving roads and the environment were supported by 84.4% of all respondents:

- 91.9% of Community Panel respondents
- 78.4% of public respondents to the online budget consultation survey
- 86.1% of public respondents to the paper tear out budget consultation survey

The Budget & Finance Scrutiny Committee have met on 4 occasions since the Cabinet published their draft service and financial planning proposals. The

comments from the Scrutiny Committee are included as Appendix 6 to this report.

5. OVERVIEW

Since 2010, Telford & Wrekin Council has faced unprecedented cuts in Government grant whilst at the same time demand for many services, such as safeguarding children against harm or neglect and community care for older people, have been increasing.

After delivering £52.9m of ongoing annual revenue savings over the last 5 years, and in the context of having to find a further £22m of annual reductions in spend over the coming two years to meet the further Government grant cuts, we cannot avoid now making some cuts that will have some impact on front-line services but will seek to minimise the front line impact as far as possible. Adult Care services account for 36% of the Council's net budget and it is unavoidable that savings now need to be made in this area. The Council has worked hard to protect Adult Social Care budgets and since 2012/13 whilst savings of around £6.57m have been made in this area, this has been very largely offset by budget increases totalling just over £6.3m reflecting the growth in demand for these services. This protection of Adult Care and Support budgets has been set against the huge cuts made in the grants the Council receives from Government and has resulted in additional savings being made in other services. However, in order to deal with the current in-year overspend and to make a contribution towards the overall cuts that the Council needs to make, a total of £10.5m will have to be found from Care & Support budgets by 2015/16.

We are therefore putting in place a package of measures to reduce spending which are guided by the principles of:

- **Seeking to protect care for the most vulnerable people in our community;**
- **Reducing costs in areas where spend can be seen to be high in comparison to national averages.**

The focus for realising these savings will be:

- **Re-commissioning and negotiating down provider costs (c. £3.3m)**
- **Efficiencies, service re-design, reviewing block care contracts, more effective enablement (helping those with poor physical or mental health to learn or re-learn the skills needed for daily living), and review and maximisation of income (c.£3.4m)**
- **Reducing care packages for existing people in the community care system where there is likely to have been historical over-prescription of essential need or support elements can be replaced by, for example, assistive technology or community-based support of lower cost (c.£1.4m)**
- **Restricting access to the community care system for people with a relatively low level of need and supporting families and**

communities to do more to support their own without the need for funded care (c.£0.4m).

Constructive discussions have been held with the CCG on the implementation of the Better Care Fund (BCF). These discussions have included consideration of the funding of CHCs and agreement has been reached on a package of measures which will include the Council working jointly with the CCG to support them in delivering savings. For 2014/15 the CCG have confirmed funding of £2.73m will be made available to the Council to support existing care commitments which when combined with the increase in the "Lansley" funding (also included within the BCF) available for 2014/15 of £0.65m will provide a £1m increase compared to the recurring £2.4m funding available in 2013/14. In addition, the CCG and Council have agreed to work jointly throughout 2014/15 and 2015/16 to deliver further savings with agreement that part of the net benefit generated will also be transferred to the Council to help meet the costs of the additional support to be provided in the community and to also provide some additional funding to help meet existing Council care costs. We will continue to do everything in our power to reduce the impact of the spending reductions on front line services although some impact will be unavoidable given the scale of the unprecedented and sustained cuts the Government.

Despite the severe financial challenges we face, our mission is clear:-

- **We are attracting new jobs and investment,**
- **Promoting growth in the borough, which provides jobs and increased prosperity for local people,**
- **Generating income from newly built properties including Council Tax, New Homes Bonus and business rates.**
- **Using this additional income to help us to protect, as far as we are able to, priority front-line services - particularly for our most vulnerable older people and children.**
- **We are working co-operatively with our residents and partners to deliver this agenda.**

However given the scale of the Government's cuts to the Council's budget, some service reductions are inevitable and these will become more apparent as further cuts have to be made.

Following extensive consultation and engagement with the community, this report now sets out the proposed service and financial planning strategy for the period 2014/15 to 2015/16 with specific budget proposals for 2014/15. Early delivery against savings targets enables the Council to make some one-off revenue investments. We will also make a new £8m capital investment in the "Pride in your Community" initiative, the revenue costs of which will be met from a provision created following a review of the Council's approach to calculating Minimum Revenue Provision for the next 12 years with no impact on taxpayers (please see section 10.4).

Youth Unemployment - More than one in three young people in the Borough are out of work, putting us above national and regional averages. We need to help young people build their future and the Council has a responsibility to take a lead role on this agenda, working with businesses and partners to create training and job opportunities for young people. To support this initiative we are investing £1.3m revenue funding over a 2-year period (2014/15 and 2015/16) to deliver a programme of pledges and action to tackle youth unemployment and ensure that every 16-24 year old who is seeking employment or training is supported.

“Pride in your Community” – we are investing £8m capital and £1.6m revenue funding over 2 years (2014/15 and 2015/16) across the Borough to regenerate communities by improving the physical environment and the appearance of our neighbourhoods. This is a resident focused investment programme, to complement the Council’s business and housing growth agenda and will help ensure that the Borough is an attractive place for people to live in and to locate businesses in so supporting our growth agenda and the £3m additional income that is projected from retained business rates, council tax and New Homes Bonus by 2015/16.

Other investments include:-

- The creation of a one-off “draw-down budget” facility of £1.2m to meet pressures on the safeguarding budget
- £30,000 p.a. to increase the Care Leavers Grant from £1,000 to £2,000 as recommended by Scrutiny.
- A programme of £2m pa to maintain our road network for the next 3 years – a total investment over this period of £6m. with an expectation that investment will continue in to the years beyond the current service and financial planning time horizon at around this level.
- £0.7m in 2014/15 to match fund the disabled facilities grant allocation from Government of £0.721m helping people to remain living independent lives in their own homes rather than moving into residential care.
- £0.1m for “Destination Telford” initiatives to promote Telford as a place to visit, live, work and invest in. The Council will also continue to promote the Telford Loyalty Card and associated initiatives because of the direct financial benefits it brings to local businesses, the local economy and our residents.

While many other councils have focussed on making cuts while neglecting growth and stopped major building projects, we continue to invest to create jobs and safeguard the future prosperity of the Borough and its residents:

- Our £250m Southwater scheme will open in the spring. Kick-started by Council investment this will create 450 jobs, safeguard a further 300 and create a vibrant heart to the town as well as a regional leisure attraction.

- The owners of The Town Centre Shopping Centre have announced a £200m expansion programme.
- Investing in a new Town Centre library in the Southwater development.
- Nearly £200m is to be invested in Building Schools for the Future which will see seven new secondary schools re-built and a further six secondary schools re-modelled, alongside two re-built Primary Schools and new or refurbished community leisure facilities.
- Making it even easier for businesses to come here and grow, offering support to existing companies as well as attracting new firms and helping to create new jobs.
- Investing in land stability schemes to protect the Ironbridge Gorge – the area’s biggest tourist attraction and the West Midlands region’s only World Heritage Site.
- Regeneration schemes currently in progress in Hadley, Brookside and Oakengates.

The proposed Capital Programme detailed in the capital Programme report also on this agenda totals £247m.

We’re also protecting as far as possible key services. We are committed to working co-operatively with our residents, parish and town councils and other partners to:-

- Safeguard our children and young people, particularly in the current climate where economic pressures on many families are growing. The overall Safeguarding budget has increased year on year and since 2010/11 the overall budget, including children’s social work teams, has increased by £3.9m recurring. These are the only services in the council that have not been required to make staff savings, recognising the priority that the Council places on safeguarding children;
- Invest in Early intervention and prevention – while making savings, ensuring that we do not lose this important focus;
- Improve the quality of our waste collection and recycling services following a recent procurement exercise whilst also helping to achieve annual savings of over £1m pa;
- Deliver good standards of litter collection and maintenance of roads and pavements;
- Provide a good level of library provision, investing in a new library in Southwater and enhancing customer service by including “First point” services in our main libraries;
- Provide free car parking in all council-owned car parking spaces within the Borough Towns. We are committed to keeping it this way – unlike many other councils who have increased already high car parking charges;
- Enhance rather than cut our leisure provision, so that everyone in the community can use these, helping us to improve the health and well-being of local people;
- Continue to offer free swimming for under 16s;

- Continue the 3 year core grant settlement to our key voluntary sector partners which we initiated last year; co-operating with them for the benefit of our residents and enabling them to plan over the medium term.

Continuing to deliver economic and housing growth is vital if we are to seek to continue to protect and maintain many services across the Borough. The Government have provided financial incentives to councils to encourage growth through the business rates system, through “New Homes Bonus” and by allowing us to retain the benefit from additional council tax from new properties until the local government finance system is “reset” in 2019/20. As well as bringing income to the Council to help protect essential front-line services, growth also creates employment opportunities and helps give many people and families opportunities to address the financial difficulties that the Government’s welfare reforms have caused.

As well as the unprecedented cuts to our grants from Government, service pressures, the Council has a number of other challenges:-

- We face an ongoing loss from “grant damping” of £1.6m p.a. This is money that the Government calculates should come to this area but which they allocate to other parts of the country.
- We believe that the government understate our population by around 4,000 people costing us around £1.2m pa
- We also have a low tax base. Work undertaken by Stoke-on-Trent City Council last year showed that we were 229th out of 324 English local authorities in terms of tax-base strength (i.e. our average property mix is well below national average with the majority of properties in this area being in Bands A or B.)

The Council also has a comparatively low level of council tax being the fourth lowest in the Midlands and only 3% higher than Birmingham which has the lowest. Appendix 7 compares council tax levels across the Midlands area and Appendix 8 compares the council tax levels of unitary authorities. In recent years the Government have offered short term “Council Tax Freeze” grants. Whilst a grant equal to a 1% tax increase, payable for only two years, was offered for the current year, the Government have now changed the goalposts – after Councils had to make their decisions on whether to accept the offer or not – by “base-lining” this grant. Therefore at the Cabinet meeting held on 14th November, Members decided to recommend that the council tax freeze grant that has been offered for 2014/15 and 2015/16 should be accepted, subject to consultation, in the expectation that the Government will also now make these ongoing. The local government finance settlement announced on 18th December confirmed that the freeze grants would be ongoing. As the freeze grant is based on the council tax base prior to reductions for local council tax support, it is equivalent to a council tax increase of around 1.2% for this council and would raise around £0.35m less than the previously assumed council tax increase of 1.9%. Our growth strategy and the additional

income from business rates, council tax and New Homes Bonus (from new houses in the borough) that it will generate make acceptance of the freeze grant more affordable. Accepting the freeze grant will also help local people who are struggling with cost of living pressures and the significant impacts of welfare reforms.

The Cabinet meeting held on 14th November also agreed that a two year service and financial planning strategy should be developed covering the years 2014/15 and 2015/16 to match the Government's detailed spending plans which have been published through to 2015/16 following the 2013 Spending Round announcement made by the Chancellor in June this year and which both the Government and the Labour party have committed to as 2015/16 budgets will be set before the next General Election.

Clearly it is becoming increasingly difficult to make savings which will not have direct service impacts. It has to be noted that over 90% of the Council's budget is spent on Adult Social Care, Children's Services and Neighbourhood & Leisure Services so, given the scale of cuts being made by the Government to local government, cuts in these areas are inevitable. The Council has a legal responsibility to set a balanced budget and in the face of an unprecedented period of significant and sustained year on year cuts to the funding it receives from the Government we need to identify ongoing savings or additional income sources to ensure that this requirement is achieved.

The position over the next two year period can be summarised as follows:-

Projected Budget Gap	2014/15 £m	2015/16 £m
Base Budget gap	11.428	22.263
Savings proposals (net of provision for "leakage" from general fund and savings needed to cover service pressures – see Appendix 3)	-14.133	-19.738
Saving from revised approach to calculation of Minimum Revenue Provision	-1.489	-1.232
Revenue investment over two years, in "Pride In Your Community" initiative *	1.608	
Revenue Investment over two years in Initiatives to tackle youth unemployment *	1.305	
Revenue investment increasing care Leavers Grant per scrutiny recommendation	0.030	0.030
Additional "Draw-down" budget for Safeguarding	1.200	
Destination Telford initiative	0.100	
Projected net Budget shortfall	0.049	1.323
Contribution from Provision to fund debt charges on the proposed "Pride In Your Community" initiative	-0.049	-0.245
Restated shortfall before use of general	0	1.078

balances or identification of further savings		
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* Planned early delivery of savings in 2014/15 will enable the two year investment to be funded in 2014/15, the funding required for 2015/16 will be transferred to a provision and drawn down during 2015/16.

6. ROBUSTNESS OF THE BUDGET STRATEGY

The Council is required to set a balanced budget and under section 25 of the Local Government Act 2003, the Council's Chief Financial Officer is required to give a view on the robustness of the Council's financial strategy including the use of balances and of the financial planning process. Appendix 11 gives a more detailed view, but overall the conclusion is that given the planned programme of savings and the successful track record of having already delivered £52.9m of savings over the last 5 years strategy, it is considered that the Council is pursuing a sound financial strategy in the context of the most difficult financial position it has ever faced.

The Government's change in approach to the duration of council tax freeze grants i.e. base-lining them so that they will be ongoing rather than time limited, is a fundamental difference which means that given the Council's growth strategy, accepting future freeze grants is now a sustainable option.

7. RECOMMENDATIONS.

Members are asked to approve the following recommendations for consideration by Council on 27th February 2014:-

1. To approve the base budget summarised by Service Delivery Unit in Appendix 9a
2. To consider the feedback from consultation summarised in Appendix 5 and from scrutiny in Appendix 6
3. The freezing of council tax levels in 2014/15 and 2015/16.
4. The creation of a one-off £1.2m drawdown budget held centrally available to Childrens' safeguarding in 2014/15 to offset anticipated pressures in the safeguarding budget.

5. The approval of the 2014/15 net savings package of £14.133m detailed in Appendix 3 and the savings proposals set out in the appendix for future years.
6. The change in the methodology of calculating Minimum Revenue Provision set out in Section 10.4 of this report and the backdating of this change in approach to create a one-off provision which will be used to fund the debt charges associated with the Pride in Your Community initiative.
7. The revenue investment of £1.608m over two years for the Pride in Your Community initiative,
8. The revenue investment of £1.305m over 2 years for a programme of initiatives to tackle youth unemployment,
9. The revenue investment of £0.1m one-off funding for Destination Telford initiatives,
10. The revenue investment of £0.03m ongoing to fund a doubling of the care leavers' grant.
11. The policy framework for Reserves and Balances outlined in Appendix 11
12. The revenue implications of the medium term capital programme for the period 2013/14 - 2016/17 set out in the Capital Programme report also on this agenda.
13. Note the Impact Assessments contained in Appendices 4a – 4c.
14. Approve the Safeguarding and Early Help Cost Improvement Plan contained in Appendix 2
15. Agree that, as detailed in section 10.5 of the report, any final underspend at the end of 2013/14 will be used to supplement the Invest to Save, Capacity and Severance Funds to support the delivery of future ongoing savings.

16. The creation of provisions during 2014/15 to fund the second year of the “Pride in Your Community” and Youth Unemployment initiatives. (Given that the whole of the two year programme will be funded from the early delivery of savings in 2014/15, the provisions will be created during 2014/15 from the funding that is not required until 2015/16).

Recommendations approved by Cabinet will be considered at full Council on 27th February 2014 as full Council is responsible for setting the overall revenue and capital budget framework. At this meeting full Council will also set the Council Tax for 2014/15.

8. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priorities?	
	Yes	<i>The service and financial planning strategy is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priority outcomes.</i>
	Will the proposals impact on specific groups of people?	
	Yes	<i>The proposals contained in this report will have both positive and negative impacts on specific groups of people including people with disabilities, and older and younger people. An impact assessment, on identified savings proposals, highlights equalities, environmental and economic impacts which is included as Appendix 4. Due to the complexity of the budget setting process with a large array of proposals for savings there is potential for a number of small changes to have a large cumulative effect, impacts and mitigations are detailed in Appendix 4.</i>
TARGET COMPLETION/DELIVERY	<i>A series of borough wide public consultation activities have been undertaken during January</i>	

DATE	<i>and early February. The proposals contained in the report were also subject to Member scrutiny during this period. Final proposals will be considered by full Council on 27th February 2014. The final agreed recommendations will be implemented during 2014/15 and future years</i>	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	<i>This report sets out the service and financial planning strategy for the council for 2014/15 and the medium term.</i>
LEGAL ISSUES	Yes	<i>This report develops the proposals for the Council's budget and policy framework and have been consulted upon in accordance with the Constitutional budget and policy framework procedure rules and related Council decisions that will, in due course result in the Council setting its budget and council tax levels by the March deadline laid down by the Government</i>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p><i>This report sets out the strategy framework which includes consideration of corporate risks – particularly in relation to the availability of balances.</i></p> <p><i>Environmental assessment is a procedure that ensures that the environmental implications of Council decisions are taken into account. The principle is to ensure that plans, programmes and projects likely to have significant effects on the environment are made subject to an environmental assessment. The Environmental Assessment aims to provide a level of protection to the environment and to contribute to the integration of environmental considerations into the preparation of projects, plans and programmes with a view to reduce their environmental impact. The environmental assessment detailed in Appendix 4c provides information on the environmental impacts of the budget proposals. The economic impacts of</i></p>

		<i>the proposals are also detailed in Appendix 4c and are broadly neutral in 2014/15 given that the reduction in spending by the Council is largely offset by the investments in the Pride on Your Community, tackling youth unemployment, safeguarding and the other revenue and capital investments included in this report.</i>
IMPACT ON SPECIFIC WARDS	Yes/No	<i>Borough-wide impact.</i>

9. CONTEXT AND UPDATE

9.1 Government Announcements.

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 13.9% for 2015/16 although the position will not be clear until we receive our detailed final grant settlement information for 2015/16 in January/February 2015. Unless Government policy changes after the General Election it appears very likely that the Council faces many more years of substantial cash cuts to the grants that we receive (and no allowance for the increased demand that we are facing for many services, increasing population or for inflationary pressures). Therefore it is important that the Council takes advantage of the incentives that Government are offering to councils that support growth in their areas as this will bring additional income from retained business rates, additional council tax and New Homes Bonus which can be used to limit the impact of cuts to essential front line services including those provided to our most vulnerable older people and children – at least until the local government finance system is “reset” in 2019/20.

The Chancellor’s other announcements included that the Council Tax referendum threshold in 2014/15 and 2015/16 would be set at 2% (although on 18th December, as part of the provisional Local Government Finance Settlement, the Secretary of State announced that this was subject to review and may be reduced). It was also 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. Importantly, the Minister confirmed that these freeze grants, unlike those announced previously, would be base-lined i.e. they would be ongoing funding which means that acceptance of the freeze grant offer becomes a much more financially sustainable option for councils.

Further details relating to the Spending Round 2013, the Autumn Statement and the provisional Local Government Finance Settlement were included in the service and financial planning report considered by Cabinet on the 9th January 2014.

9.2 Final Local Government Finance Settlement 2014/15.

The provisional Local Government Finance settlement was announced on 18th December and the final settlement for 2014/15 was announced on 5th February 2014. As part of this final settlement announcement, the referendum threshold for council tax increases was confirmed by the Government at 2%. The net impact of the changes in the final funding settlement resulted in a gain of £0.01m for the Council. This will be

transferred to the inflation provision to help meet the costs of a likely increase in insurance premia that we have been advised to expect since the initial report was prepared for consultation.

9.3 Other changes since 9th January 2014.

Other changes since Cabinet considered the draft Service and Financial Planning strategy on 9th January 2014 include:-

Constructive discussions have been held with the CCG on the implementation of the Better Care Fund (BCF). These discussions have included consideration of the funding of CHCs and agreement has been reached on a package of measures which will include the Council working jointly with the CCG to support them in delivering savings. For 2014/15 the CCG have confirmed funding of £2.73m will be made available to the Council to support existing care commitments which when combined with the increase in the "Lansley" funding (also included within the BCF) available for 2014/15 of £0.65m will provide a £1m increase compared to the recurring £2.4m funding available in 2013/14. In addition, the CCG and Council have agreed to work jointly throughout 2014/15 and 2015/16 to deliver further savings with agreement that part of the net benefit generated will also be transferred to the Council to help meet the costs of the additional support to be provided in the community and to also provide some additional funding to help meet existing Council care costs.

We have been notified by our insurance brokers that the cost of insurance premia is likely to increase above inflation. However, we are still in discussion with our insurers so the financial implications cannot be assessed at this time. If the cost is greater than the budget, together with the available funding held within the contractual insurance provision, a variation will be reported through the financial monitoring process in 2014/15.

9.4 Savings already made

Over the last five years the Council has made almost £53m. of ongoing annual savings. The need for savings has increased each year due to Government grant cuts, inflation and other pressures such as increasing demand for many services. Savings delivered by year are detailed below:-

	£m
2009-10	4.156
2010-11	6.725
2011-12	11.659
2012-13	19.069
2013-14	11.306 (including additional "in-year" savings)
Total	52.915

This is equal to around a £750 cut in Council services on average for every household in Telford and Wrekin. In delivering these savings, we have applied the principle of 'as far as possible minimising the impact on priority front-line services'. This principle remains at the core of our current strategy. Savings delivered to date include:-

Jobs cut

- Cut 1,075 jobs since 2009, saving around £20m pa following a major redesign and restructuring of the organisation,
- Since 2009 staff pay has increased by 1% while inflation (RPI) has risen by 19.1%,

Cutting senior managers

- Cut the size of the senior management team by more than 50%
- Cut most senior pay by 25% in real terms
- Cut the number of middle managers by 35%

Back office costs

- Cut back-office costs by 40% since 2009, saving £7m a year. This scale of reduction is significantly greater than most authorities have achieved through outsourcing or sharing services.

Buying better value services

- Delivered £6.6m procurement savings over the past 5 years by renegotiating and re-tendering contracts for the provision of services

Income through growth

- As part of our business winning approach, we expect to generate an extra £3.1m in additional income by 2016 through growth in business rates, government incentives paid to councils for increasing housing supply and from additional council tax. This income will help fund front line services.

Shared Services, Trade Union Facilities Time, Cabinet Member Allowances

The Council continually reviews delivery options for its services to ensure value for money. A number of services are provided in partnership with other local authorities and statutory agencies. Examples include:-

- The recently established West Mercia Youth Offending Service established in partnership with Worcestershire, Hereford, Shropshire, health, police and probation. The service works closely with The Police and Crime Commissioner with genuine integrated working practices ensuring improved outcomes at a lower cost.
- Membership of West Mercia Energy, a joint energy procurement consortium consisting of 4 upper tier authorities.
- We have for some years delivered a number of specialist services through a joint arrangement with Shropshire Council. Telford hosts educational psychology, sensory inclusion and portage (a specialist play provision for vulnerable young children 0 to 5) whilst Shropshire provides a pan Shropshire adoption service.

- We also work with authorities across the West Midlands through our links to IEWM to put in place regional procurement contracts for agency foster care and residential accommodation
- Through a series of service reviews and by working with other local authorities we continue to explore further options for sharing services where it can be demonstrated that these will offer greater value for money.
- Working co-operatively with our Town and Parish Councils such as the Parish Environmental Teams and Library provision in Brookside and Stirchley, Great Dawley and other areas.
- Sharing the administrative costs of the pension scheme by participating in the Shropshire wide superannuation scheme.
- Trade Unions have agreed a 20% reduction in facilities time payments for directly employed staff
- Cabinet Members voluntarily reduced their special responsibility allowances by 10%

Council buildings

- Disposed of 24 properties including the former Civic Offices building
- Reduced the office space we use by a third, saving the Council £2m. pa

The Council's programme of property rationalisation has not only reduced running costs but is also generating significant capital receipts enabling us to fund some investment from internal resources rather than from increased borrowing. Debt clearly has to be repaid and adds to pressure on the revenue budget so the generation of capital receipts helps protect essential front line services by reducing the amount of cuts that would otherwise have to be made. Our programme of asset sales totals £81.7m over the medium term. The planned profile of these receipts is shown below:

	£m
2013/14	5.4
2014/15	38.3
2015/16	26.5
2016/17 onwards	11.5
Total	81.7*

* Sites with total values of £5m provisionally earmarked for the potential Housing Investment Programme (HIP) have been excluded from this list because if the HIP proceeds they would not be available for disposal.

Generation of these receipts is a key assumption within the service and financial planning strategy. The Council has a detailed schedule of asset disposals to address this and this schedule is regularly monitored and all the revenue consequences of temporary financing pending these scheduled disposals are built in to the Council's base budget projections contained in this report. This dependency will continue to be subject to close monitoring. If

any delay is experienced in generating expected receipts, mitigation factors could include a combination of re-phasing some capital spending schemes, identification of other assets for disposal or additional borrowing on a temporary or long term basis although this would increase revenue costs and necessitate further cuts to other services or the use of additional one-off resources.

9.5 Adult Care & Support

Care & Support services for adults in the borough account for over a third of the Council's budget. In developing our proposals for further savings for the next two years to meet the further Government grant cuts, we cannot avoid now making some cuts that will have some impact on front-line services but will seek to minimise the front line impact as far as possible. The Council has worked hard to protect Adult Social Care budgets and since 2012/13 whilst savings of around £6.57m have been made in this area, this has been very largely offset by budget increases totalling just over £6.3m reflecting the growth in demand for these services. This protection of Adult Care and Support budgets has been set against the huge cuts made in the grants the Council receives from Government and has resulted in additional savings being made in other services. In order to deal with the current in-year overspend and to make a contribution towards the overall cuts that the Council needs to make, a total of over £10.5m will have to be found from Care & Support budgets by 2015/16.

We are therefore putting in place a package of measures to reduce spending which are guided by the principles of:

- **Seeking to protect care for the most vulnerable people in our community;**
- **Reducing costs in areas where spend can be seen to be high in comparison to national averages.**

The focus for realising these savings will be:

- **Re-commissioning and negotiating down provider costs (c. £3.3m)**
- **Efficiencies, service re-design, reviewing block care contracts, more effective enablement, and review and maximisation of income (c.£3.4m)**
- **Reducing care packages for existing people in the community care system where there is likely to have been historical over-prescription of essential need or support elements can be replaced by, for example, assistive technology or community-based support of lower cost (c.£1.4m)**
- **Restricting access to the community care system for people with a relatively low level of need and supporting families and communities to do more to support their own without the need for funded care (c.£0.4m).**

Additional pressures will also be caused by the need to prepare for and implement new systems to accommodate national Adult Social Care reforms with effect from 2016/17. However, we will do everything in our power to

reduce the impact of the spending reductions on front line services although some impact is inevitable given the scale of the unprecedented and sustained cuts the Government are making to our grants.

9.6 ITF/“Better Care Funding” in 2014/15

Government policy is that Councils and CCGs move towards the integration of health and social care services, with particular reference to the requirements to have a “Better Care Fund” (BCF) agreed and in place by April 2015. In reality this means that integration proposals need to be developed now, to allow relevant budgets to be freed up during 2014/15 for inclusion in the BCF and an initial planning template had to be submitted by 15th February 2014, signed off by the Council, CCG and Health and Wellbeing Board.

Whilst the BCF will not come into being until 2015/16, there has been a further £200m added to the existing NHS transfer to Local Authorities, in 2014/15 to assist them in preparing for its implementation. Individual allocations were announced as part of the local government finance settlement on 18th December, for Telford & Wrekin the additional funding is £0.65m. The use of this funding will be subject to the same approval procedures as the BCF.

9.7 Childrens’ Safeguarding

As highlighted in the January 2014 service and Financial Planning report, the Budget & Finance and Children & Young People Scrutiny Committees have undertaken detailed work scrutinising childrens’ safeguarding services and made a number of recommendations. Central to these was that the Children in Care Placement Budget should be increased to reflect increasing levels of demand and to reflect the importance that the Council places on this essential service.

The overall Safeguarding budget has increased year on year and since 2010/11 the overall budget including children’s social work teams has increased by £3.9m recurring at a time when other services have faced significant reductions. In addition these are the only services in the council that have not been required to make staff savings. The Lead Member, and the Director of Children and Families have consistently reinforced their position that children’s safety is their first priority and that if the needs of an individual child requires that they come into care then this is what will happen.

In response to the scrutiny recommendation, the Cabinet proposed a £1.2m Draw-down budget should be made available to the safeguarding service in 2014/15 alongside a Cost Improvement Plan detailing actions to achieve savings of £1.329m, which will meet the anticipated demands on the service during 2014/15. The position will be reviewed again as part of the 2015/16 service and financial planning process when the ongoing position can be assessed in the light of further progress being made with the early intervention agenda and the Cost Improvement Plan which is included as Appendix 2 to this report. Following the consultation process the £1.2m draw-down budget is now recommended to Council.

10. OUR STRATEGY

10.1 INVESTMENTS

Our strategy is based on spending plans that address the community's needs and priorities and support the long-term economic growth of the Borough. We clearly cannot invest in everything; therefore we have identified the following investment priorities:

a) Youth Unemployment - we are investing £1.3m revenue funding over a 2-year period (2014/15 and 2015/16) to deliver a programme of pledges and action to tackle youth unemployment and ensure that every 16-24 year old who is seeking employment or training is fully supported. Plans include:

- Providing work placements to young people who have identified a lack of work experience as a barrier to employment
- Providing apprenticeships and improving the quality of and access to the programme as well launching an apprenticeship hub for local employers to encourage greater take-up.
- Providing the opportunity for young people to work with an 'employment coach' to help them on their journey to employment
- Increasing the number of job junctions across the Borough (a drop-in service that provides help and advice to people seeking work)
- Launching a Jobs Fair at the International Centre in March 2014
- Launching a one stop shop for employment and skills to provide real time advice about careers linked to local opportunities in the labour market.

b) Pride in your Community – We plan to invest £8m capital and £1.6m revenue funding over 2 years (2014/15 and 2015/16) across the Borough to regenerate communities by improving the physical environment and the appearance of our neighbourhoods. This is a resident focused investment programme, to complement the Council's business and housing growth agenda.

The aim is to ensure that the positive impacts of growth are spread across Telford and Wrekin, and that the whole area is seen as a place to invest in, so that residents feel a sense of pride in where they live and work. It aims to take the pressure off revenue reactive maintenance budgets, reduce insurance claims, reduce deterioration in our 'New Town' infrastructure, create improvement in our communities and provide a visible and tangible positive statement that the Council is living up to its responsibilities, particularly in our most deprived communities, and enhancing our 'Destination Telford' approach and image as a 'Business Supporting, Business Winning' Council.

This investment will be over and above the commitment to make £2m pa of Council resources available to supplement Government highways maintenance allocations for the next 3 years – a total investment over this period of £6m. This investment is over and above the funding allocation that we receive from Government in respect of roads.

- c) **Children’s Safeguarding** - we are investing £1.2m revenue funding into a one-off “draw-down” budget for Children’s Safeguarding in response to growing pressures on this service, as described in Section 9.7

- d) **Support for care leavers-** The Children and Young People’s Scrutiny Committee recommended that the Care Leavers’ grant which the Council makes to young people when they leave the Looked After Children system in order to help fund the costs associated with setting up home for the first time should be increased from £1,000 to £2,000. This will cost around £0.03m pa.

- e) **Destination Telford** – linking to our priority to be a ‘Business Supporting, Business Winning Council’, we are proposing to invest £0.1m revenue funding into initiatives and events such as the T Live and T Party events held in the Summer of 2013 that will promote Telford & Wrekin as a place to visit, live, work and invest in. As well as benefits to the local economy, for example through increased business and leisure tourism, encouraging more people, businesses and developers to come to Telford has direct financial benefits to the Council, for example through increased New Homes Bonus (a grant for Councils for increasing the number of homes in their areas) and the retention of a share of additional business rates in respect of new commercial or industrial premises. This investment recognises that Telford & Wrekin is in direct competition with other areas and that promoting our ‘whole offer’ is critical to long-term economic growth and prosperity. The Council will also continue to promote the Telford Loyalty Card and associated initiatives because of the direct financial benefits it brings to local businesses, the local economy and our residents.

- f) £0.7m in 2014/15 to match fund the disabled facilities grant allocation from Government of £0.721m helping people to remain living independent lives in their own homes rather than moving into residential care.

- g) We are investing £0.7m in ICT to help support the delivery of services to customers in a customer friendly and cost effective way. We are also investing £0.7m in maintenance of the Councils’ buildings.

10.2 SAVINGS

Over the past 4 years, we have made almost £53m savings. In delivering these savings, we have tried as far as possible to minimise the impact on priority front-line services.

This principle remains the starting point for our current strategy (see Appendix 3 for details of 2014/15 and 2015/16 savings proposals). We will continue to focus on areas that do not have a significant impact on service delivery, such as:

- **Improving procurement** - Further improving robust contract management to ensure providers and suppliers meet their contractual obligations, reviewing existing contracts to ensure they are fit for purpose and achieving value for money, widely advertising all contract requirements over £5k to achieve optimum market prices, making greater use of framework agreements and getting added social value from procurement.
- **Further Rationalisation of property and generation of capital receipts** – we are continuing our ambitious plans to invest in schools, regeneration and other capital projects to transform the Borough. In order to minimise debt repayments, we have a planned programme of asset sales totalling £81.7m over the medium-term but will continue to seek new opportunities to make the best possible use of the assets that the Council holds.
- **Reducing non-staffing costs** – as all budgets have been reviewed ‘line by line’ in previous years, there is now limited scope to deliver savings from non-staffing budgets. However, we are continuing to look for these saving options wherever possible.
- **Working with the private sector** – including the Federation of Small Businesses, the management of the Telford Town Centre shopping centre and the Telford Business Board to drive economic growth in order to generate jobs and increased prosperity for the residents of the Borough and to generate additional income for the Council from business rates and New Homes Bonus and council tax on new homes built in the Borough.

However, given the ongoing financial challenge facing us, these options alone will not deliver sufficient savings. Therefore a key part of our strategy is to adopt a more commercial approach in order to generate additional income. All service areas have been set challenging targets to deliver a minimum of 20% of their savings targets from income over the next 3 years.

A number of new income generation opportunities have already been identified and are currently subject to detailed feasibility studies, including:

- **Housing development** – we plan to build over 550 new homes for the private rental market on Council-owned land over the next 3 years. The majority of these will be in and around the Southwater development, which will help to make the area more vibrant and attractive to investors. As well as providing a new income source for the Council, the development will also help to create new jobs in the local construction industry and supply chain.
- **Energy** – we are also working on a number of renewable energy generation projects. These include plans to develop a commercial-scale solar farm and to install roof-mounted solar panels on a number of Council buildings. As well as generating income, which is guaranteed by the Government for a 20-year period, these projects will deliver significant environmental benefits. For example, the proposed solar farm is likely to save more than 1,800 tonnes of CO2 and generate enough electricity to power more than 800 homes. The Council is also a co-owner of West Mercia Energy which is an energy supply consortium providing energy to the four owning authorities and a number of external public sector clients.
- **Everyday Telford app** – following the successful launch of the new Everyday Telford app, we have entered into a commercial partnership agreement with the app developer, who are based in the Borough, to help them market the app to other councils and public sector organisations.

We are also seeking to generate additional income through the provision of Council services to other organisations, both within and outside the Borough. For example, we have recently won contracts to provide catering services to 6 private pre-schools in the Borough and have recently launched our property and design service to residential and business customers. Income generated from commercial initiatives will be earmarked to fund essential front line services and reduce the scale of cuts, particularly for vulnerable older people and children, that would otherwise be required as a result of the withdrawal of government grants from the Council.

Whilst income generation will be an increasingly important element of our budget strategy, these opportunities will take some time to come to fruition and, given the scale of the cuts being made to our grants from Government, will not address our whole budget shortfall.

Therefore, some continued impact on service delivery is inevitable. Our approach involves:

Carrying out planned, long-term service redesign, such as:

- Waste management – we have undertaken a comprehensive and complex process to procure a future waste service management contract with the first services commencing from April 2014. The aim of the procurement was to secure the best value for money for local taxpayers whilst also seeking improvements to services. Following negotiation with the market and a bid evaluation process, the selected Preferred Bidder submitted a bid that will help to deliver a total of £30m savings over the Contract period.
- Services for adults with learning disabilities – we are currently carrying out a review of our in-house services for adults with learning disabilities. The aim is to deliver £0.5m savings whilst maintaining good quality but more flexible and personalised services. We have undertaken a consultation exercise and are currently developing final proposals.
- Transport – we are also carrying out a review of our transport services. This includes our in-house fleet services, where we are considering a number of options to reduce costs but also to broaden the transport options available.

A continuing **targeted service review and restructuring programme.**

When carrying out restructuring, our aim is to keep compulsory redundancies to a minimum, to actively promote applications for voluntary redundancy and to promote flexible working arrangements.

Wherever possible and practical, we will bring forward savings proposals from future years. Savings delivered early can be used to create one-off resources to fund invest to save initiatives and to build capacity to review services and support the development of more cost effective methods of future service delivery. They can also provide a contingency against unforeseen costs or the delayed or partial delivery of planned savings.

Lobbying for a fair deal – Councils are losing income from some businesses that abuse Business Rates exemptions – we will lobby Government for changes in the law to end this abuse. The Council is also lobbying Government for a “Growth Deal” to ensure that more of the proceeds from the sale of Government land in the Borough is invested back in the Borough and for more than 49% of the business rates generated in the Borough to be retained by the Council in order to help the Council deliver growth in homes and businesses that are central to the Government’s economic plans. The Council has also actively lobbied the CCG to fund a fair share of the costs of looking after our elderly.

10.3 COUNCIL TAX

Council Tax in Telford & Wrekin has historically been low compared to other councils. Appendix 7 is a graph comparing council tax levels across the Midlands region and demonstrates that council tax in this area is the fourth

lowest in the Midlands region at Band D (£1147.49) and is only 3% higher than Birmingham which is lowest (£1113.67). Appendix 8 compares our council tax to the other unitary authorities in England and shows that we have the 12th lowest council tax at Band D out of 55 unitary authorities.

If Telford & Wrekin Council had levied a council tax at the average level of Midlands authorities (£1240.23 at Band D) in the current year, we would have generated an additional £4.0m p.a.

In recent years, the Government have made offers of grants to Councils to freeze council tax. These Council Tax Freeze Grant offers have been for varying amounts and for varying durations:-

Year grant offer related to	Period grant initially offered for (years)	Grant equivalent to a Council Tax increase of (%)
2011/12	4*	2.5
2012/13	1	2.5
2013/14	2*	1

* The grant offers for 2011/12-2014/15 and the grant offer for 2013/14 – 2014/15 have subsequently been “base-lined” i.e. they are now treated as ongoing rather than time limited grants.

Further to the Government’s change in treatment of the 2013/14 1% council tax freeze grant which was offered as being available for only two years but has subsequently been “baselined”, a decision was taken at Cabinet on 14th November 2013, to accept the Council Tax Freeze grants for 2014/15 and 2015/16 subject to the results of consultation on the presumption that the Government will also make the freeze grants for these years ongoing. The local government finance settlement announced on 18th December confirmed that the freeze grants would be built in to the base i.e. that they would be ongoing following lobbying by councils.

The freeze grant is equal to a council tax increase of 1% on the council tax base prior to reductions for local council tax support. For this council, this means that the grant is equivalent to a council tax increase of 1.2%. If the freeze grants are taken rather than increasing council tax by 1.9% in both years as had previously been planned, the budget gap would increase by £0.7m over the two year period. However, our main objection to council tax freeze grants has been that they were short-term and did nothing to resolve the longer term financial sustainability of the Council, which if they are now to be base-lined is not a concern and taking the freeze grant would enable the council to assist local people who are suffering pressure from cost of living increases and the impact of the Government’s welfare reforms.

Given the high level of support during our consultation process for our proposal to accept the council tax freeze grants for the coming two years given the Government’s change in approach in base-lining them, the

recommendation to full Council is to accept the council tax freeze grants for the coming two years.

10.4 REVIEW OF APPROACH TO DEBT REPAYMENT

The report to Cabinet on 9th January 2014 proposed a change in the approach used to calculate principal repayments on outstanding debt from an equal instalment of principal to an annuity method. This received cross party support, support from the Audit Committee and support from scrutiny and will therefore be implemented. This change in approach will bring significant financial benefits to the Council over the short to medium term at a time when the Council is facing significant financial pressures.

The savings arising from this change in future years will be:-

	£m
2013/14	4.884
2014/15	1.489
2015/16	1.232
2016/17	1.084
2017/18	0.921

Total benefit over 5 year period £9.61m

Further savings will then accrue over later years although the level of savings going forward will gradually reduce before the payments become higher in cash terms than they would otherwise have been, but with inflation, council tax increases, council tax base increases and growth in retained business rates income the impact of the eventual increases will have a considerably lower impact on our overall financial position in future years than the opportunity presented now and can be taken in to account well in advance when developing service and financial planning strategies in the relevant years.

10.5 BASE BUDGET, BALANCES AND CONTINGENCIES

A summary of the Base Budget position is included at 9a which shows a net base budget of £136.485m for 2014/15 giving a base budget funding gap of £11.428m. Appendix 9b analyses the main changes in moving from the 2013/14 budget to the 2014/15 base budget.

Appendix 10 summarises the overall balances position of the Council after taking account of the various earmarked reserves and the risks faced by the Council. This shows around £3.7m available as part of medium term budget strategy considerations. However, this figure excludes the currently projected underspend in the current financial year as this position will change before the end of the year but any final underspend will be used to supplement the Invest to Save, Capacity and Severance Funds to support the delivery of future ongoing savings.

The base budget includes an allowance for pay awards of 1% pa. In accordance with practice in recent years, no allowance has been built in for general inflation, although some provision for contractually committed inflation has been made. This provision for contract inflation is currently held centrally as a specific inflation contingency pending confirmation of the minimum amounts that will need to be allocated to services in order to achieve a realistic budget during these years when the relevant inflation indices are available.

The base budget for 2014/15 includes a revenue contingency of £2.5m and an additional “Draw-down” budget for Safeguarding is proposed for 2014/15 in response to requests from scrutiny for additional budget to be made available for safeguarding.

As the Council is planning to implement an equal pay settlement during 2014/15, the provision for additional costs arising from the settlement of £2m. has been built in to the budget from 2014/15 onwards. This is after allowing for existing commitments against the funding previously earmarked e.g. to meet the costs of moving away from fixed point grades and some additional payments for social workers to reflect market rates.

10.6 MEDIUM TERM GENERAL FUND STRATEGY

Projected Budget Gap	2014/15 £m	2015/16 £m
Base Budget gap	11.428	22.263
Savings proposals (net of provision for “leakage” from general fund and savings needed to cover service pressures – see Appendix 3)	-14.133	-19.738
Saving from revised approach to calculation of Minimum Revenue Provision	-1.489	-1.232
Revenue investment over two years, in “Pride In Your Community” initiative *	1.608	
Revenue Investment over two years in Initiatives to tackle youth unemployment *	1.305	
Revenue investment increasing care Leavers Grant per scrutiny recommendation	0.030	0.030
Additional “Draw-down” budget for Safeguarding	1.200	
Destination Telford initiative	0.100	
Projected net Budget shortfall	0.049	1.323
Contribution from Provision to fund debt charges on the proposed “Pride In Your Community” initiative	-0.049	-0.245
Restated shortfall before use of general balances or identification of further savings	0	1.078

* Planned early delivery of savings in 2014/15 will enable the two year investment to be funded in 2014/15, the funding required for 2015/16 will be transferred to a provision and drawn down during 2015/16.

11. EDUCATION FUNDING.

Compared to Local Authorities' funding, schools funding has been comparatively protected. However, with the overall Dedicated Schools Grant (DSG) per pupil amount being cash frozen as it will continue to be over this spending review period, the school funding changes implemented in 2013/14 did result in differing per pupil rates being applied to the different sectors of education.

The new formula is mainly driven by pupil numbers so, whilst schools are protected by a minimum funding guarantee per pupil, the implications are that schools with small or falling numbers on roll will see a reduction in the funding they received under the previous formula. It is anticipated that pupil numbers will rise as the Building Schools for the Future programme proceeds but there will be an interim period of a few years where funding will be an ongoing problem for some secondary schools and action will need to be taken by them to address these issues. The DfE reviewed the implementation of the new funding regime and made some changes to the national formula for 2014/15. In addition the Council also identified some areas which needed to be locally addressed for 2014/15 one of which was some limited protection for schools with falling rolls. The local formula for Telford & Wrekin was developed after consultation with all relevant stakeholders and was agreed by Cabinet on 14th November 2013.

The October pupil census showed an increase of 132 in pupil numbers overall, pushing the total DSG figure up by over £0.5m.

DSG is now split into 3 blocks of funding as follows:

Schools Block, the majority of which is fully delegated to schools - £96.963m– this figure is calculated on the basis of £4367.31 per pupil.

Early Years Block, this funds education for 3 and 4 year olds in maintained nursery schools and classes as well as private, voluntary and independent nurseries - £7.161m. It is based on £4156.12 per pupil but is not a fixed total as it will be updated for actual pupil numbers throughout the year. In addition funding for 2 year olds is available for the Councils' statutory obligation to make provision for the education of about 40% of all 2 year olds from September 2014 – the funding allocation announced for 2014/15 is £2.982m based on 1,118 eligible 2 year olds, including £0.32m for trajectory funding. This is an overall increase in funding of £1.029m although the trajectory funding element has reduced by £0.23m

High Needs Block, this funds education for all those pupils in Maintained and Independent special schools, Pupil Referral Units and other alternative education provision and includes post 16 provision. The indicative allocation for 2014/15 is £15.643m but the final allocation will only be confirmed by the DfE in March. Unfortunately this creates significant uncertainty on the value of this block and therefore Special schools funding and other areas supported by the High Needs Block. Further changes are planned by the DfE in 2015/16.

The DfE have made changes to the amount of Pupil Premium allocated to school sectors. In 2013/14 both secondary and primary schools received £900 per pupil. In 2014/15 this will change to £1,300 for primary pupils and £935 for secondary schools giving Telford and Wrekin schools an allocation of approximately £7.7m. As this is a mechanism to focus funding on disadvantaged children it tends to be largely attributable to schools with higher levels of deprived pupils.

The changes to education funding resulted in more of the Dedicated Schools Grant flowing to schools; this directly impacts on centrally retained services. The Council must seek approval from the Schools Forum for specific funding amounts and levels to be retained. In 2013/14 the Forum agreed to funding of £1.186m being retained and a further £0.255m of funding to be de-delegated. At the January 2014 meeting of the Forum, the Forum agreed central retention for all the funds requested, £1.129m. However, only £0.07m of the £0.217m requested via de-delegation was agreed, although further discussions are continuing with the secondary sector about possible collective agreements for some of the services. As a result work will need to be undertaken in a short timescale to review the provision of the services concerned and any staffing impacts. Part of the reduction in funding will not directly impact upon the Council as £0.054m of the de-delegations that were not approved related to union facility time

The DfE still intends to move to a national formula but it is still not clear whether this means at a school level rather than a local authority level.

The Government have recently announced funding to enable schools to offer a free lunch to every primary school child in reception classes, year 1 and year 2 to be implemented from September 2014. The DfE will be providing revenue funding of £450m. in 2014/15 and £635m to fund this commitment. It will also make £150m of capital available to ensure that schools can build new kitchens or increase dining capacity where necessary. Telford & Wrekin's share of this capital funding is £0.495m. The Government have recently announced how revenue funding for this policy will be allocated in 2014-15. It will be allocated to schools at a flat rate of £2.30 per meal taken, based on actual take-up by newly eligible infant pupils which will be measured in the Schools Census from next year. In addition, they recognise that some smaller schools will face particular challenges and will be providing transitional funding totalling £22.5million in 2014-15 for small schools, which will be provided before the start of the new academic year. The DfE will make further information available on this shortly. A government amendment to the Children and Families Bill, laid in the House of Lords recently, legislates the

provision of free school meals to all children in reception and years 1 and 2 beyond the original end date of July 2016. The new legislation removes the scheme's cut-off point, and also includes a new power that will allow schools to extend the offer to older children in the future.

The new Education Support Grant (ESG) was introduced in 2013/14, replacing the previous methodology relating to recoupment of Council funding in relation to academies. The Council's ESG reduces by £116 per pupil for each pupil in an academy – the anticipated loss of £0.25m in 2014/15 and the impact of £0.56m loss resulting from the national 20% reduction, in 2015/16, in ESG has been reflected in the Council's medium term budget strategy.

12. EQUALITY IMPACT ASSESSMENT

Equality Impact Analysis is a tool that is used to ensure our decision making takes into consideration the protected characteristics with regard to the General Equality Duty (GED). In short we must demonstrate that we pay due regard to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity and to foster good relations.

The overall budget strategy has broadly been considered in relation to the General Equality Duty. The principles and approaches adopted within the strategy provide a framework for the current and future proposals. It also considers the cumulative aspects of saving proposals for example, the suite of Adult Social Care savings will have an impact on older and disabled people that is potentially greater for an individual affected by multiple proposals.

The impact analysis has identified a number of positive and potential negative impacts related to the overall budget strategy and identifies examples of mitigation. It also includes information about ongoing monitoring and review.

The impact analysis for the Service & Financial Planning Report 2014/15 to 2015/16 is detailed in Appendix 4.

In relation to individual proposals, we need to assess and analyse the practical impact on those whose needs are affected by cuts or changes. We have adopted a proportionate approach that takes into account the relevance of a proposal with regard to equality.

This is a measured response recognising that our resources are best aimed at dealing with those proposals that could have the most significant impact. In order to accomplish this we have followed a process designed to screen proposals and ensure that they are fully explored.

An initial scoping exercise to determine which budget saving proposals require action or further investigation with regard to equality impact was completed. For proposals where implications have been identified and are at

a sufficiently developed state a proportionate impact analysis has been or will be undertaken.

Where a proposal is still at an early stage of development, a plan has been put in place to ensure delivery of equality impact analysis during its development.

Appendix 4b details progress of equality impact actions for individual proposals.

13. ENVIRONMENTAL AND ECONOMIC IMPACT ASSESSMENT.

Environmental assessment is a procedure that ensures that environmental implications of Council decisions are taken into account. The principle is to ensure that plans, programmes and projects likely to have significant effects on the environment are subject to an environmental assessment.

The Environmental Assessment aims to provide a level of protection to the environment and to contribute to the integration of environmental considerations into the preparation of projects, plans and programmes with a view to reduce their environmental impact.

The environmental assessment detailed in Appendix 4c provides information on the environmental impacts of the budget proposals. Overall, on balance the environmental assessment of the budget proposals is positive.

An economic impact assessment has also been undertaken for those proposals that have a significant individual economic impact (and is also included in Appendix 4c). Clearly reducing spending by the council will impact on the local economy for example through fewer people being directly employed by the council and less business being placed by the council with local suppliers as spending cuts are made, although in 2014/15 these reductions will largely be offset by the additional investments set out in this report.

14. NEXT STEPS

Once the service and financial planning strategy for 2014/15 has been approved by full Council on 27th February 2014 and the council tax resolutions have been decided, it will be imperative that considerable resource is devoted to rigorous financial management and monitoring by all managers and budget holders. A culture change programme led by the Director: Development, Business & Customer Services to be launched with the Senior Management Team and all Service Delivery Managers on 25th March 2014 will ensure that all managers understand their responsibilities to effectively and proactively manage their business rather than simply receiving financial monitoring information on a periodic basis from finance staff. This change programme will ensure that managers are given the tools that they need in

order to effectively fulfil this core management competency and manage their business.

The Council faces many financial challenges over and above the obvious and very significant reductions in Government grant and has limited contingencies and balances available. There are many risks and uncertainties inherent in the new financial system that was imposed by the Government during 2013/14. At the time of drafting this report key information relating to the year-end accounting treatment of outstanding business rates appeals is still not available from Government. However, the new local government finance system presents many opportunities that this Council is ideally placed to be able to grasp given the amount of developable land within the Borough.

As well as exercising tight financial control and effective financial monitoring, managers and Cabinet Members will need to turn attention to the 2015/16 and later years medium term financial strategy early in 2014/15 in order to identify further savings and opportunities for additional income to bridge the projected remaining shortfalls of £1.1m in 2015/16 and an additional £10m pa thereafter through to 2019/20 unless Government policy changes.

15. ROBUSTNESS OF THE FINANCIAL STRATEGY AND LEVELS OF RESERVES & BALANCES.

The Council is required to set a balanced budget and under section 25 of the Local Government Act 2003, the Council's Chief Financial Officer (CFO) is required to report on the adequacy of the Council's reserves and balances and on the Council's financial strategy including the use of balances and of the financial planning process and the Council must have regard to this report when agreeing the medium term financial strategy.

Appendix 11 gives a more detailed view, but overall the conclusion is that given the planned programme of savings which has been under way for some time and has demonstrated an excellent track record of delivery with £52.9m savings expected to have been delivered over the 5 year period to March 2014, it is considered that the Council is pursuing a sound financial strategy in the context of the most difficult financial position it has ever faced.

The Government's change in approach to the duration of council tax freeze grants i.e. base-lining them so that they will be ongoing rather than time limited, is a fundamental difference which means that given the Council's growth strategy, accepting future freeze grants is now a sustainable option.

16. BACKGROUND PAPERS

- Comprehensive Spending Review Announcements – Treasury Website
- Autumn Statement – Treasury Website
- Spending Round 2013 Announcements – Treasury Website
- LGA Briefing on the Autumn Statement

- Revenue Support Grant Provisional Settlement Announcement – CLG Website
- Revenue Support Grant Final Settlement Announcement – CLG Website
- Service & Financial Planning Report to Council – 7th March 2013
- Service & Financial Planning Update report to Cabinet – 14th November 2013
- Service & Financial Planning Report to Cabinet – 9th January 2014
- Association of North East Council's "Key Resource Issues for North East Local Government" report.
- "Mandate for Change", issued by Stoke-on-Trent City Council November 2012.

Report prepared by:-

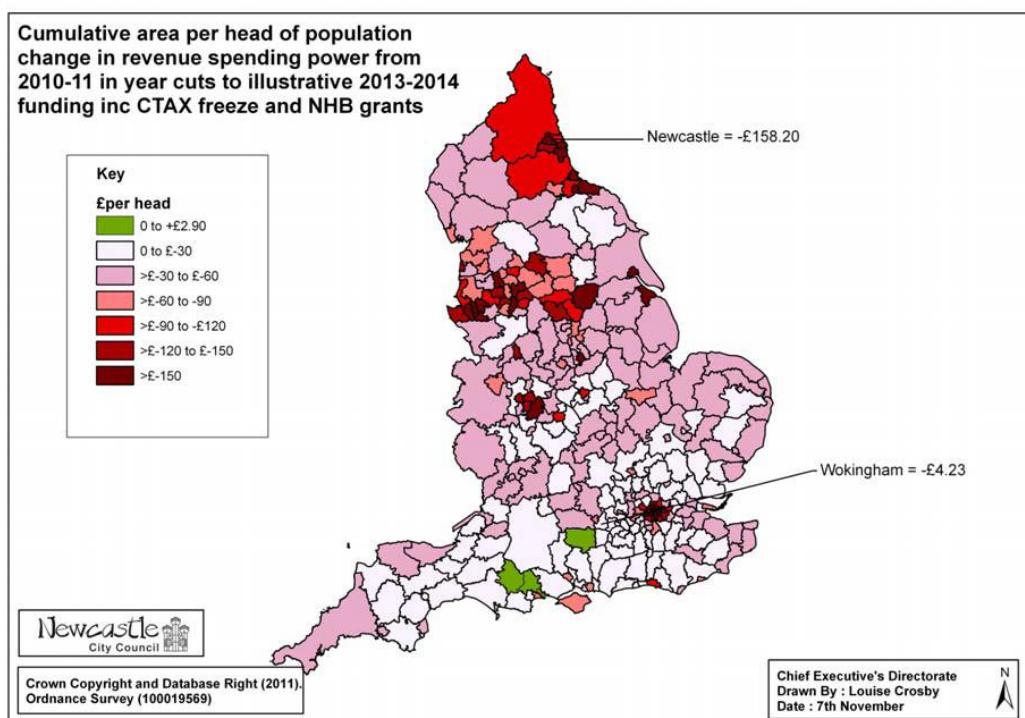
- **Ken Clarke, Assistant Director: Finance, Audit & Information Governance - Tel: (01952) 383100**
- **Andy Challenor, Community Engagement and Equalities Manager, Tel: (01952) 385103**
- **Felicity Mercer, Policy & Strategy Manager, Tel: (01952) 380136**

INDEX OF APPENDICES.

Appendix

- 1 "Heatmap" showing the estimated change in funding by local authority area from 2010 to 2013 (£ per head)
- 2 Safeguarding and Early Help Cost Improvement Plan
- 3 Savings Proposals
- 4a Equalities Impact Analysis
- 4b Equalities Impact Assessment on Identified Savings Proposals
- 4c Environmental and Economic Impact Assessment on Savings Proposals
- 5 Results from Consultation and Engagement Activities
- 6 Scrutiny Response
- 7 Council Tax Comparison (at Band D) – Midlands Councils
- 8 Council Tax Comparison (at Band D) – Unitary Councils
- 9a Base Budget
- 9b Analysis of Base Budget Movement
- 10 Reserves and Balances
- 11 CFO Robustness Statement
- 12 Communication and Engagement Plan

Heatmap Showing the estimated change in funding by local authority area from 2010 to 2013 (£ per head)



Notes:-

- The map is extracted from the Association of North East Council's "Key Resource Issues for North East Local Government" with permission of Newcastle City Council and was included in this Council's Service & Financial Planning report last year but is included again as it starkly demonstrates the differential impact of the Government's cuts across the country.
- The figures do not include funding for schools.
- The change figures for 2013/14 only relate to elements that would have been included in the formula grant for 2012/13, plus information on the Council Tax Freeze grant and an estimate of New Homes Bonus.
- The figures do not include the cut in Council Tax benefit support or other grant transfers proposed for 2013/14.
- Most in year revenue cuts in 2010/11 (but not all where the data was not readily available) are included.
- Capital cuts are excluded as are HRA funding changes.
- Police funding is excluded but fire funding is included because some counties have fire funding in their formula grant.
- New Homes Bonus and council tax freeze grant are included.
- Transfers out for LACSEG and transfers in for Council Tax support grant are excluded.

- In shire county areas county funding has been allocated to districts and this has been done pro rata to population (similar to approach for fire funding).

Telford & Wrekin is in 245th place out of 324 council areas in England (i.e. worst quartile). Our neighbouring local authority areas of Shropshire and Stafford are in 175th and 198th place respectively.

Safeguarding and Early Help – Cost Improvement Plan

December 2013

Agreed Aims

- To be in a position where there is no overspend in Safeguarding by the end of March 2014
- To make required level of contribution towards the overall Council savings target by the end of March 2015
- To make significant savings whilst improving the quality of service provided to children, young people and their families including satisfying requirements identified by OFSTED during our recent inspection of Safeguarding and Local After Children's services.
- To reduce the average cost of placing a child in care or reducing duration in care

Underlying Principles

- All available options will be reviewed before making a decision to accommodate child/children.
- More children will be looked after by their families.
- Culture change initiated by the previous phases of the children and families service review will be key to our success
- Joint ownership will be fostered through more detailed action plans which will sit behind our agreed aims and fed through senior managers to the entire Children's Service workforce (both LA and partners)
- These aims assume that the impact of benefit reforms can be met from existing resources and that there will no demographic impact from these changes.

Action Plan

Target (PI) And timescale	Target Saving 14/15 p.a. £k	Actions	Progress
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<u>Objective 1: Recruit and retain SWs in permanent posts, reduce use of Agency staff;</u> Performance Indicator (PI) - number of agency social workers employed across children and family services.			
5 Agency SWs until end Sept 2014, then 0 for remainder of year.	95	<ul style="list-style-type: none"> • Introduce generic selection days programmed in throughout the year (AW) • Maintain a competitive advantage (Unique Selling Point) and pay parity with other local authorities (EW/HR) • Maintain management reporting - vacancies, appointments and agency cover (HR) • Five 3rd phase Step Up students starting spring 2013 (AW) • Implement SW to SSW progression by Assessment (AW) • Consider career pathways for SSW, and Managers • Encourage 3rd year placements in CPT/ACM 	<ul style="list-style-type: none"> • Workforce Development Strategy agreed by CFSLT. Detailed Action Plan in progress • Managers and PSW attended event at another LA to understand how they do Assessment days • Salary and recruitment activity in other LA closely monitored • Participation in regional survey on Agency SWs . • Online recruitment tracking sheet accessible to all key stakeholders • Number of Agency Staff reduced to 7 as at end Oct 2013 from 14 in September 2012. • Four out of five Step up to Social Work students placed in permanent posts • SSW progression scheme agreed

Action Plan

Target (PI) And timescale	Target Saving 14/15 p.a. £k	Actions	Progress
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Objective 2: Reduce the number of residential and external fostering placements

Performance Indicators - reducing number of Residential Placements (RP) and External Foster Placements, increasing number of Internal Foster Placements (IFP)

40 Residential Placements by the end of March 15.	550	<ul style="list-style-type: none"> • Continue Marketing approach to recruitment of internal foster carers • Develop Placement Stability Team in conjunction with CAMHS to improve support for carers and minimise placement breakdowns 	<ul style="list-style-type: none"> • Staff member approved as contract carer. • RAMP well established and providing challenge to admissions of pupils to independent day and residential providers
77 External Fostering Placements by the end of March 15.	285	<ul style="list-style-type: none"> • Develop Placement Stability Panel – as above • Reducing no. of babies fostered through use of potential adoptive parents (<i>MW</i>) • Prioritising assessment of any prospective internal foster carers who show an interest in taking teenagers. (<i>AY</i>) • Revise Policy for Fostering Allowances 	<ul style="list-style-type: none"> • Completed initial scoping re placement stability team/panel; panel trialed in December 2013 for introduction in January 2014 – function to support social workers to keep placement at home or does not break down resulting in high cost placement • Initial Options for Foster to Adopt jointly scoped by Fostering and Joint Adoption Team Managers • Initial enquiries from potential foster carers managed via Family Connect
Care Leavers - Reduce Unit Cost	110	<ul style="list-style-type: none"> • Impact of forward planning and acquisition of independent living skills for children in care to reduce cost of placements for post 16, leading to a reduced Unit cost for this provision 	<ul style="list-style-type: none"> • Arrangements for conducting Disruption Meetings (unexpected changes in placement) operational • Numbers of children placed with Internal carers increased to all time high of 130 at end of Sept 2013 (from 115 at the end of March 2013)
Contract Carer	45	<ul style="list-style-type: none"> • Continue use of Contract Carer. 	<ul style="list-style-type: none"> • Number of children placed with external foster

Action Plan

Target (PI) And timescale	Target Saving 14/15 p.a. £k	Actions	Progress
- 60% usage			carers reduced to 84 as at Sept 2013 (from 92 at the end of March 2013)

Objective 3; Reduce numbers of Children in Care Performance Indicators – Reduce number of CiC, reduce number of child protection plans (CP) and reduce time spent in care			
310 CiC by April 15	8	<ul style="list-style-type: none"> • Establish model of working for Service Delivery Edge of Care Specialist • Review Special Guardian Order allowances policy • Provide Systemic Practice Training • Bid for Multi-Systemic Practice Social Impact Bonds (VMcY) • Implement “Changing Futures” model of practice to support families who have previously had young children removed from their care • Review and improve use of Family Group Conferencing • Implement Step Down procedures robustly. • Recruiting of a quality officer whose role includes tracking progress to ensure timely provision of support for families. • Support staff to use the Parenting Assessment manual and other approaches to reduce use of external providers, in 	<ul style="list-style-type: none"> • Resource Allocation Management Panel in place preventing non emergency admissions to care, especially teenagers • Permanence Panel in place • Service Delivery Edge of Care Specialist in post • “Step down” procedures reviewed • Procedure for Viability Assessments of Kinship Carers reviewed – increased numbers of Special Guardian Orders and Residence Orders • Working with over 200 of our most vulnerable families through the Strengthening Families programme. • Revised thresholds and risk management policy approved by LSCB • Neglect pilot commenced in partnership with 3 other local authorities and Sheffield University • Family Connect Triage • Child Protection plans have reduced to a level which is now similar to national averages • Staff workshops across all children’s services
	106		

Action Plan

Target (PI) And timescale	Target Saving 14/15 p.a. £k	Actions	Progress
	10	particular Residential. <ul style="list-style-type: none"> • Review contact costs for travel. 	taken place in March driving culture change. <ul style="list-style-type: none"> • Amended pathway identified for use of Community Social work team to better support children and families before problems escalate. • Systemic Practice tender about to go out • Changing Futures post about to be advertised

Objective 4: Utilise commissioning approach to achieve better procurement and Service redesign

Performance Indicators – The main aim will be to improve outcomes at a lower unit cost and this will be reflected in the monthly performance dashboard.

Care leavers – Reducing Unit Cost.	25	<ul style="list-style-type: none"> • Explore potential to provide residential care in Telford for disabled children to avoid otherwise unnecessary residential school placements • Further review the children in care strategy to ensure appropriate and sufficient placement mix leading to a reduction in unit costs. • Ongoing review of regional fostering and residential framework contracts. 	<ul style="list-style-type: none"> • Recommendations from Improvement Efficiency West Midlands (IEWM) re the Fostering Service implemented • CIC strategy to include prevention and leaving care • Potential use of Assisted boarding options well understood • Recommissioned Queensway @ HLC residential contract- lower cost
	50	<ul style="list-style-type: none"> • Review of supported accommodation provision and new models and contracts (contract ends Nov 2014) 	<ul style="list-style-type: none"> • Fostering contract – agreed to continue for a further year in light of savings it provided. Residential contract under review regionally. Plan to make Telford decision early in New Year. We would consider capping prices through tender
	35	<ul style="list-style-type: none"> • Non accommodation framework • Explore the option of how to re-provide for parenting assessments (by October 14) 	<ul style="list-style-type: none"> • New spot placement provider available in the
Queensway – utilisation at 75%			

Action Plan

Target (PI) And timescale	Target Saving 14/15 p.a. £k	Actions	Progress
occupancy.	10	<ul style="list-style-type: none">• Explore ways of more efficient procure of therapy services and other support to CIC or children on the edge of care (by June 2014)• More cost effective support for families via the council crisis fund	Borough providing cheaper placements
Total Savings	1,329		

Risk Matrix

Risk	Mitigation
<ul style="list-style-type: none"> • Culture change within our workforce and across agencies will be resisted 	<ul style="list-style-type: none"> • Comprehensive engagement/communication strategy and plan put in place to support change • Detailed action plans to be shared and owned by workforce and agencies, starting with our own SDMs • Re-launch Telford Safeguarding and Integrated Services Early Help Training. • Invest in longer term “co-production” model with community through strengthening families and homelessness task forces. • Support and funding attracted from west midlands region to support this work.
<ul style="list-style-type: none"> • Reconfiguration uncertainty – Safeguarding review underway. 	<ul style="list-style-type: none"> • Comprehensive engagement/communication strategy and plan put in place • Ensuring social workers understand the need for change
<ul style="list-style-type: none"> • Lack of capacity at SDM level – previous reviews have reduced substantially capacity at manager level across children and family service 	<ul style="list-style-type: none"> • Use Capacity Fund and existing balances to provide additional one off capacity where needed • SDM taken on to support transformation and to ensure practice quality is maintained during change
<ul style="list-style-type: none"> • Lack of capacity in Commissioning & Family Placement teams 	<ul style="list-style-type: none"> • As above
<ul style="list-style-type: none"> • Some LA pay a premium or have concluded single status work resulting pay inequity across the region 	<ul style="list-style-type: none"> • Review inequity and make recommendations for addressing any inequity
<ul style="list-style-type: none"> • Adverse impact of benefit change on demand for children and family services. 	<ul style="list-style-type: none"> • Impact to be assessed by Strengthening Families and Homelessness Task Force. Not looking to drive savings out of this money. • Realistic targets regarding CiC numbers/CP plans and savings

<ul style="list-style-type: none"> • Shortage of foster carers nationally – there is a shortage of foster carers across the region, particularly for older teenage children in care. 	<ul style="list-style-type: none"> • Review package and support offered • Review marketing strategy as above
<ul style="list-style-type: none"> • Perverse incentives to make children subject of CP plans for children’s workforce who are not SWs and some SW teams as we are currently structured 	<ul style="list-style-type: none"> • LSCB develop and endorse Risk Model • More robust “Step Down” arrangements • Clear, well understood and endorsed models of alternatives to CP plans for (some) DA and Neglect cases • Reconfiguration of Safeguarding Service
<ul style="list-style-type: none"> • Impact of Family Law reform on capacity in ACM teams 	<ul style="list-style-type: none"> • Should be short term and pending promised national simplifications of care plans
<ul style="list-style-type: none"> • Lack of Business Support Officer (BSO) capacity 	<ul style="list-style-type: none"> • Review service requirements as part of the restructure

Summary of Savings Proposals

Analysis by Category

Category	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £
Funding	366,856	1,449,010	872,360	-	2,688,227
Income	404,526	1,426,157	661,276	184,000	2,675,959
Non-Staff	632,145	1,442,609	451,000	38,000	2,563,754
Procurement	123,000	2,200,912	678,500	-	3,002,412
Property Rationalisation	108,100	194,826	75,000	30,000	407,926
Service Review/Redesign	743,960	5,339,179	1,864,200	8,000	7,955,339
Strategic Review of Capacity (Staffing)	216,480	1,833,070	1,131,784	103,000	3,284,334
Total Savings	2,595,067	13,885,763	5,734,121	363,000	22,577,951
Less Pressures	- 726,334	- 1,333,146	- 43,000	- 10,000	- 2,112,480
Savings Less Pressures	1,868,733	12,552,617	5,691,121	353,000	20,465,471
Less Provisions for leakage and pensions adjustment	- 80,000	- 208,000	- 86,000	- 5,000	- 379,000
Net Savings	1,788,733	12,344,617	5,605,121	348,000	20,086,471
Cumulative		14,133,350	19,738,471	20,086,471	

Analysis of Savings by Service Area

Service Area	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £
Care & Support	859,000	5,152,000	1,636,000	-	7,647,000
Cooperative Council & Commercial Delivery Team	48,910	185,400	40,000	-	274,310
Customer & People Services	789,089	1,941,856	947,000	-	3,677,945
Development, Business & Housing	140,152	1,310,325	462,087	-	1,912,564
Education & Corporate Parenting	72,710	299,030	117,850	-	489,590
Family & Cohesion Services	100,000	1,040,996	1,204,744	30,000	2,375,740
Finance, Audit & Information Governance	76,000	185,742	5,000	-	266,742
Law, Democracy & Public Protection	52,726	246,200	129,440	-	428,366
Neighbourhood & Leisure Services	2,500	2,011,800	838,000	333,000	3,185,300
Public Health	131,980	1,355,914	100,000	-	1,587,894
Safeguarding	322,000	156,500	254,000	-	732,500
Total Savings	2,595,067	13,885,763	5,734,121	363,000	22,577,951

Notes

The savings are a combination of additional savings together with those already included in the budget strategy for 2014/15 to 2016/17, approved by Council on 7 March 2013

A provision has been included to take into account leakage where an element of the saving benefits capital/DSG; and also to adjust for the changes to the employers pension contribution which wef April 2014 will include a fixed, lump sum element which cannot be reduced.

There are a number of savings proposals which relate to the council's funding where the benefit will arise through increased business rates and increased council tax.

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
Funding															
1	Funding	Customer & People Services	R&B - Single person discount review		70,000	0	70,000		140,000	Sophie Lane	A review of the 22k single person discounts that are awarded for council tax purposes has identified discounts that can be removed and further council tax collected as a result for the Council.		N/a	None	Small risk of non collection of additional council tax which has been billed.
2	Funding	Customer & People Services	R&B - Use Benefit Fraud investigation resource to specifically target Council Tax Support fraud		15,109				15,109	Lee Higgins	Operate a trial until 31st March to identify how much Council Tax Support fraud can be identified by dedicating 25% (1 FTE equivalent) of the Fraud Investigator resource to focus on CTS and SPD Fraud/compliance. The target will be for at least the equivalent of salary of the investigator for the 6 months of the trial to be identified in additional collectable Council Tax or additional penalties.		The if the pilot is does not deliver the anticipated level of income, then a further review will be carried out on the role and resources of the Fraud Investigation Team		
3	Funding	Customer & People Services	R & B - Growth in Council Tax Base due to increase in number of properties in the Borough from new builds		280,000	390,000	513,000		1,183,000	Angie Astley					
4	Funding	Customer & People Services	R&B - Commence a programme of Council Tax Support reviews by issuing a review form to all non-passported Council Tax Support customers over a 12 month period			240,000			240,000	Lee Higgins	Over a 12 month period, issue a benefit review form to the 6,183 customers who are not in receipt of a passported benefit and who are in receipt of Council Tax support. This will require them to re-confirm the circumstances on which we are currently awarding them their benefit and has the potential to identify previously un-reported change of circumstances. If customers do not respond within 2 months of being sent their review form, their benefit will be terminated. The DWP and DCLG estimate that around 4% of CTS is incorrectly paid through fraud and error, this savings target aims to identify 2% of error in our caseload.	It is some years since we have carried out wholesale postal benefit reviews, and it will inevitably lead to some criticism from some customers who rarely have a change in their circumstances.	There is the potential for this to create an increase in customer contact, particularly if they fail to return their review form on time and therefore have their benefit terminated.		
5	Funding	Customer & People Services	R&B - Launch a highly publicised single person discount/council tax support amnesty		26,295				26,295	Lee Higgins / Sophie Lane	Before commencing the above programme of CTS reviews and issuing of CT penalties, give customers a period of grace in which to inform us of changes to their circumstances that they may have previously failed to do, without fear of prosecution or penalty. This will need to be a highly publicised campaign specifically focused around Single Person Discounts to ensure that the message penetrates the community. We estimate that around 4% of SPD's are paid out because of fraud or error.	This may well generate some criticism from the public as it will need to be a hard line message from the Council, with the threat of future penalties if customers don't comply now.			
6	Funding	Customer & People Services	R&B - Maximise business rate base			100,000	100,000		200,000	Sophie Lane	The 'Analyse local' software will find properties within Telford that are not currently subject to NDR, or those that are potentially undervalued. These will then be passed to the Valuation Office Agency for valuation. In addition, a small project team will work on data matches with internal and external sources with a view to maximising the NDR base.		increase in 1/2 FTE at scale 4 initially.		
7	Funding	Dvpt. Business & Housing	Business Rate growth arising out of developments underway or planned in the Borough.		24,548	719,010	189,360		883,823	James Dunn	The Council gets to retain 49% of any business rate growth. This figures is based on known developments including those in Southwater which have been facilitated through the Council's interventions as part of a business supporting, business winning council. Figures are in addition to those already included within the budget strategy.	None	None	None	Developments included are considered to be low risk and are either currently on site, are due to commence on site imminently or have had heads of terms agreed. They predominantly represent those developments where the council has a direct role as landowner, agent or facilitator.
Total Funding					366,856	1,449,010	872,360	-	2,688,227						
Income															
8	Income	Law, Democracy & PP	Charging for leases on PIP, s278 agreements and s106 agreements and other income		9,000	9,000	0		18,000	Matt Cumberbatch	There are some services that we provide that we could seek to recover greater income for	This means recovering from the business community who do business with us	None	Impacts on the marketability of Council PIP property in a competitive market	
9	Income	Law, Democracy & PP	Supporting PCs and Vol Orgs with clerking capacity		0	750	750		1,500	Phil Griffiths	There might be some opportunity to provide support in clerking as extra capacity for the public bodies identified.	Provides community support	None	None	None
10	Income	Law, Democracy & PP	Public Protection - Income		16,976	14,200	6,700		37,876	Jo revell	Income from primary authority, trader register, training and one off grants	These are new or increased charges but they do have commercial value to the trader and the charge is not unreasonable. The training and primary authority will support schools to meet their statutory duties under health & safety legislation. Support business development and growth in the Borough and helps achieve compliance.	None	None	None
11	Income	Law, Democracy & PP	Land Charges income in excess of budget			50,000			50,000	Mat Cumberbatch	Trend based on historical information and pricing structure	None	None	None	None
12	Income	Customer & People Services	Increase burial fees	-158,100		7,000			7,000	Andrew Meredith	Increase broadly in line with inflation.	Increased costs for burials			
13	Income	Customer & People Services	Introduce Civil Funeral Service	-211,190		1,500	1,500		3,000	Andrew Meredith	Research shows that there will be a slow initial take up of the service which may achieve £3k per annum in year 2 onwards.	Service Improvement		None	
14	Income	Customer & People Services	Introduce Wedding Celebrants Service	-211,190		1,500	1,500		3,000	Andrew Meredith	Research shows that there will be a slow initial take up of the service which may achieve £3k per annum in year 2 onwards.	Service Improvement		None	
15	Income	Customer & People Services	Increase Registration Service Fees (Births, Deaths, Marriages & Burials)	-211,190		35,500			35,500	Andrew Meredith	Benchmarking shows that we could increase our non statutory Births & Marriage fees by 8-12% and Burials by 10%. This generates an additional income of £40k, but £7k has already been included as a target for 14/15. This is in addition to the £3k for Civil Funerals & £3k for Celebrants Service. £9k of this is income from new services	Increased costs for birth, marriage and burial services			We could increase the fees further but an additional increase in the none burial fees is likely to lead to customers taking their services to neighbouring authorities e.g. Wedding venues in Shropshire
16			Saving merged with number 15 above						0						
17	Income	Customer & People Services	Budget	93,820	30,000				30,000	Andrew Meredith	The combined Customer & Registration Services budget are traditionally under spent. Historically this has been used to offset over spends in other service areas.				
18	Income	Customer & People Services	R&B - Impose a £70 penalty in addition to other existing sanctions in each case where the Fraud Team identify Council Tax Support Fraud	0	9,450				9,450	Lee Higgins					
19	Income	Customer & People Services	R&B - Increased subsidy from Charitable landlords taking Registered Social Landlord status			70,119			70,119	Lee Higgins	This is subject to our three largest charitable landlords, YMCA, Telford Christian Council and Manin Place agreeing to become registered providers, which will allow us to claim additional Housing Benefit subsidy from DWP.				
20	Income	Customer & People Services	Increased net income - Employment & Payment Services	0			10,000		10,000	Julie Pugh	Income from schools through winning new business.				

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
21	Income	Finance, Audit & IG	Increased net income - Employment & Payment Services				5,000		5,000	Julie Pugh	Additional income from payroll work undertaken for external clients over and above existing plans and net of costs.	Minimal		Minimal	Minimal
22	Income	Co-operative Council and Commercial Delivery Team	Income generation			10,000	40,000	-	50,000	Richard Partington	Proposals include generation of income from advertising, community centres (NB until November 2014 our target is to maintain current income levels only due to refurbishment of Brookside Community Centre) and from 2015/16 trading a range of services with external organisations.	None	None	None	None
23	Income	Neighbourhood & Leisure Services	Leisure Services: Increased Health & Fitness income (Oakengates Leisure Centre) based upon 20% increase in membership levels. This proposed as an invest to save bid.			80,000			80,000	Stuart Davidson	Opportunity to create additional capacity in the current aspirations facility to support growth	Positive: Gym users may be without changing provision during school day. Not considered a major risk, given improvement in service and alternative options.	None	None	Potential loss of income during refurbishment works. Any closure to be kept to a minimum.
24	Income	Neighbourhood & Leisure Services	Leisure Services: Additional Health & Fitness income arising from a new fitness facility at Newport Pool. This is proposed as part of an invest to save bid.			136,000			136,000	Stuart Davidson	Limited private sector provision within Newport. Opportunity to invest into Newport Pool and improve services whilst reducing the cost of operating the facility by generating additional income.	Positive: improved community provision within Newport. Also safeguards sustainability of Newport Pool.	New staffing structure and ways of working means additional income can be achieved with very little additional staff costs.		
25	Income	Neighbourhood & Leisure Services	Leisure Services: Additional income from new and improved BSF sites and improved and increased community access and tourism opportunities linked to Town Park and wider leisure offer			-	10,000	20,000	30,000	Stuart Davidson		Positive	Potential additional capacity for volunteering and apprenticeships.	Positive, opportunity to broker income share arrangements with schools associated with opening up of facilities for community use at sites where no community use currently takes place	Agreement from schools. Community use needs to be built into BSF provisions and any associated planning conditions in accordance with Council leisure strategies.
26	Income	Neighbourhood & Leisure Services	Highways & Transport: Increase target for Highways Development Control services from Section 38 and Section 278 Agreements for Telford & Wrekin work			10,000	10,000		20,000	Keith Harris	The increase in fee income should be achievable based on fee levels achieved in last two years.	No community impact	Additional income is expected to be achievable with current staff resources		Part of the service is delivered by external/internal engineering consultancies, achieving additional income is dependent on continued lean delivery of services by external/internal service providers and no inflation in hourly rates.
27	Income	Neighbourhood & Leisure Services	Highways & Transport: Develop new income stream, by providing Highway Development Control advice to other authorities.			5,000			5,000	Keith Harris	The Council has a strong skill set in Highways Development Control compared to other authorities. Services could be marketed to other authorities to fully/partially provide Highway DC advice.	No community impact	Additional staff resources would be required.	Requires commitment from other authorities to 'buy' services to achieve income target.	Requires commitment from other authorities to 'buy' services to achieve income target.
28	Income	Neighbourhood & Leisure Services	promote a range of environmental consultancy and management services within and outside the Council - new external income for services to include: engineering, drainage, highways, landscape.			10,000	10,000		20,000	Dave Hanley	Maximising use of fee earning Delivery Units for all internal work and expanding external new business developments.	N/A	Positive impact as this initiative can protect jobs	Service Delivery Units will need to support the use of in House Services to the maximum	N/A
29	Income	Neighbourhood & Leisure Services	Expand in-house expertise of CDM Officers, recruit in line with Demand			5,000	5,000		10,000	Dave Hanley	New regulations are coming into force and the team can be in a strong position to grow income opportunities with internal and external bodes - including other Councils.	N/A	Positive impact as this initiative can protect jobs.	Service delivery units may need to develop a culture of supporting in House Services.	
30	Income	Neighbourhood & Leisure Services	Develop more advanced sponsorship opportunities on our roundabouts and other appropriate places in the borough and be more inventive with what we can offer to businesses. Link to Invest to Save.				10,000		10,000	Dave Hanley/Stuart Davidson	Consider 'street' 'transport corridors', 'civic space' packages including a variety of features/furniture.	N/A	N/A	May need to develop a more coherent cooperative council delivery package.	N/A
31	Income	Neighbourhood & Leisure Services	Introduce charges relating to the collection of stray dogs from Kennels			12,000			12,000	Dave Hanley	The development and tendering of a kennels and charging contract with regards to abandoned dogs. Once contract is in place, kennels will administer the charges with low input from Council.	this is aimed at recovering costs from repeat offenders who may not act in a socially responsible manner in relation to controlling their dogs. This approach would be welcomed by the majority of the community as it will reduce nuisance of stray dogs and reduce dog fouling.	N/A	N/A	N/A
32	Income	Neighbourhood & Leisure Services	Development of a Council 'brokering service' for tree and landscaping issues. A 'broker' type service could be explored in other areas too e.g., drainage. TWC approval 700 Enquiries last year for overhanging trees. Average of 556 enquiries over the last 3 years. Based on 300 being converted through the system.			5,000	4,000		9,000	Stuart Davidson	In relation to trees - will be developed as part of the emerging tree strategy.	Aimed at non essential tree work on private land or overhanging gardens. This will not impact on all households and ability to pay will be considered.	N/A	N/A	N/A
33	Income	Neighbourhood & Leisure Services	Licensing activities in parks and open spaces e.g. Charges for ice cream vendor/events			5,000	5,000		10,000	Stuart Davidson	Currently do this in some parks across the borough e.g. Town Park and Dale End	Improved offer.	N/A	N/A	N/A
34	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Increase target for Highways Development Control services from Section 38 and Section 278 Agreements for Telford & Wrekin work				5,000	5,000	10,000	Keith Harris	The increase in fee income should be achievable based on fee levels achieved in last two years and as a result of securing a new, lower cost contract with external consultants. This is in addition to the already agreed additional income target.	No impact on community	Additional income is expected to be achievable with current staff resources		Part of the service is delivered by external/internal engineering consultancies, the recent change in consultant has secured consultancy savings. Achieving additional income is dependent on continued lean delivery of services by external/internal service providers and no inflation in hourly rates.
35	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Introduce a coring service to charge Utility companies to test reinstatements			12,000			12,000	Keith Harris	Taking cores from reinstatements and testing for voids and unacceptable materials to determine the integrity of Utility reinstatements. Utility companies charged for failures. Visual inspections alone are insufficient.	Impacts directly on Utility companies. The intention is to improve the quality of trench reinstatements therefore reduce disruption to the public and reduce pressure on Council maintenance budgets.	Can be managed with existing staff resources. Depends on using the services of an external laboratory service		Over time the income from chargers should fall as Utility companies improve the quality of their work; however this should produce a corresponding reduction in costs to the Council to repair poor reinstatements.
36	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Introduce a charge to Utility companies for site attendance to turn off/on traffic signals		2,000	5,000			7,000	Keith Harris	On average staff attend site 24 times per year to turn off and on traffic signals to facilitate road works by developers and utility companies. Average £210 per visit.	No impact	This activity is already carried out by existing staff, at no charge to the Utility company		
37	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Raise charges for skip licences and S50 road openings			500			500	Keith Harris	Align application fees to those of neighbouring local authorities. Skip licences would increase from £25 to £100 and Section 50 Streetworks licences from £267.50 to £300. In 2012, 10 skip licences and 23 Section 50 applications were processed.	No direct impact on residents, minor impact on those who directly work on the highway, either by placing a skip or opening up the highway to place, inspect or repair services in the highway.	This function is already carried out by existing staff		
38	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Introduce a charge to Utility companies, developers etc to prepare road closure notices and road diversion plans		500	2,000			2,500	Keith Harris	External promoters of road closures currently must produce their own plans showing diversion routes. Council Traffic Management staff spend time ensuring the plans are acceptable, which takes time. Offering this service should improve the quality of road closures and reduce backwards and forwards communications with promoters.	No impact	Minimal impact, already carried out by existing staff		
39	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Increase car park charges in Ironbridge as part of a WHS access strategy and introduce a charge to use the Park & Ride service in line with similar tourist areas.			20,000	5,000	5,000	30,000	Keith Harris	A World Heritage Site (WHS) access strategy is needed to minimise congestion in the gorge and sustain the Park & Ride service. Need to work with Ironbridge Gorge Museum Trust (IGMT) to rationalise car park charges across the WHS. There is a cost pressure on the Park & Ride as from March 2015 the DfT grant to operate the P&R ceases.	The Park & Ride service will provide a cost effective alternative for visitors to the WHS, even with the introduction of a charge. Low cost or free short stay parking can be applied in the Ironbridge car parks to help local businesses.	No impact	This links with the need to consider future revenue funding of the P&R service once the DfT grant funding ceases in 2015.	Requires joint working with IGMT
40	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Introduce a licence fee for owners of mobile catering vans to trade in lay-bys			16,800	1,000	1,000	18,800	Keith Harris	Charge £280 per licence. 60 licences across the borough	Affected small businesses will have increased costs, but overall this proposal creates a fairer charging regime for traders and would be welcome by the community	Minimal impact on existing staff		Some risk of impact on traders, but this will be small as the annual charge is low. Traders who operate from fixed premises have other fixed costs to bear

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
41	Income	Neighbourhood & Leisure Services	Transport & Highway Development: New service for road safety activities - taxi assessments and taxi driver training			3,000			3,000	Keith Harris	Working with Public Protection to deliver an integrated taxi licensing service. Service currently provided by Shropshire and other organisations	Only affects taxi drivers and their employers. This provides a taxi driving assessment that is above the minimum legal requirement to improve road safety in the borough.	Use of casual instructors as and when required	Public Protection are already putting in place arrangements to administer this new work	
42	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Additional new services for road safety activities			5,000	5,000		10,000	Keith Harris	Further development and introduction of charges for the delivery of road safety training and education activities, potentially outside as well as within the borough. Opportunity to work more with local businesses to jointly deliver road safety services as a co-operative Council initiative.	Affects schools, colleges and businesses who recognise the benefit of paying a nominal charge for the provision of road safety services in order to improve road safety	The generation of income and working with local businesses is part of the strategy to sustain an effective road safety service.		
43	Income	Neighbourhood & Leisure Services	Extension of Horsehay Golf Centre to provide an additional aspirations health & facility.				50,000	50,000	100,000	Stuart Davidson	Invest 2 Save proposal to capture Lawley population growth.	Positive	Additional reception hours. Business model requires use of self employed Personal Trainers therefore opportunity for employment.	Additional costs built into draft revenue model	Risk is financial. National indicators identify continued market growth. Locally established profitable brand based on proven business model. Alternative use could be made of extended facilities such as restaurant or function suite and value of a Council asset would be increased.
44	Income	Neighbourhood & Leisure Services	Additional income from launch of new membership type to include health & fitness and other services where capacity currently exists. The new membership package should help with retaining existing members and attracting new members as it offers additional value for money.			15,000	15,000		30,000	Stuart Davidson	Provide additional services (utilising existing capacity) within premium membership package.	Positive - additional choice and value for money	Na	Na	None other than not achieving target.
45	Income	Neighbourhood & Leisure Services	New Synthetic Turf Pitch at Stirchley Recreation Centre. The new facility is being provided (subject to planning approval) as part of the new Lakeside Campus.			10,000	20,000		30,000	Stuart Davidson	Assumes part year operation 14/15.	Positive additional facility provision	Na	Na	Timescale for delivery contingent upon BSF programme and planning approval.
46	Income	Neighbourhood & Leisure Services	Leisure Centre fees (inflationary) increases			20,000	20,000	20,000	60,000	Stuart Davidson	General inflationary increase in charges	Largely neutral although some potential for price resistance.	Na	Na	Alternative options available such as monthly memberships which offer value for money for regular users.
47	Income	Neighbourhood & Leisure Services	Sports Development Officer post to become self funding, through inclusion of equivalent income target within budget.			11,000	11,000		22,000	Stuart Davidson	Fund through use of sponsorship, and commissioned project income and introduce charges for attending community events	Need to charge to support community events.	1 affected employee	Na	Motivation and retention
48	Income	Neighbourhood & Leisure Services	Tennis Centre usage and income growth			5,000	5,000	5,000	15,000	Stuart Davidson	Performance and re-negotiation of coaching contract	neutral	Na	Na	Na
49	Income	Neighbourhood & Leisure Services	Increased swimming lesson income through introduction of Direct Debit payments			15,000	15,000		30,000	Stuart Davidson	Maximise occupancy levels through new Direct Debit rolling programme.	neutral	Na	Na	Possible customer resistance
50	Income	Neighbourhood & Leisure Services	Launch new Personal Training Service			15,000	10,000		25,000	Stuart Davidson	Savings come from selling licences for self employed Personal Trainers to work out of our facilities and the deletion of one Council post.	positive	1 directly affected employee	Na	Risks covered within robust Licence agreement (already prepared)
51	Income	Neighbourhood & Leisure Services	Increased Leisure centre income via new products / market development				8,000	8,000	16,000	Stuart Davidson	Additional income through increased occupancy levels and new products such as holiday schemes. Star chambers with Managers to identify opportunities	neutral	Na	Na	
52	Income	Neighbourhood & Leisure Services	Generate additional non school income through new products and services through Arthog and Arthog Outreach			5,000	10,000		15,000	Stuart Davidson	Additional income through more non school activities	positive	none	none	Arthog is already cost neutral to the Council and this would effectively require Arthog to operate at a profit which may not be acceptable to the Management Committee.
53	Income	Neighbourhood & Leisure Services	Explore options for new par 3 course at Horsehay Golf Centre. Assumes course can be constructed using materials and income arising from the disposal of materials taken from ground excavations on BSF sites.				10,000		10,000	Stuart Davidson	Additional revenue from new product. Assumes capital cost of development is met through savings on cost for disposal of materials taken off site from OLC and others as part of BSF programme and using to create the course	Resistance to disposal of materials onsite	none	Potential to reduce BSF project costs by offering cheaper spoil disposal option for contractors.	Subject to detailed business case and planning. Potential opposition to disposal of spoil required to construct and finance course.
54	Income	Neighbourhood & Leisure Services	Consider introducing a nominal charge for parking at the Town Park (Dark lane) car park			5,000			5,000	Keith Harris / Stuart Davidson	Dark lane car park is the only free town centre car park and may be subject to increased demand as a result of Southwater development. The income could be used to finance improvements to the car park and reduce maintenance budgets.	Limited depending upon level of charges and periods of charging.	none	none	Potential impact of additional on road parking along Dark Lane to avoid charges.
55	Income	Neighbourhood & Leisure Services	Event Development to provide additional income post 2014			10,000	15,000	20,000	45,000	Psyche Hudson	Festival aspiration needs a five year plan to profit making. Investing in a future success. Time to build a reputation and a programme, attract the right content, build a festival programme and accompanying infrastructure to support the economy and that will attract visitors.	Positive. Increased quality activity across the borough as well as more co-operative approach as we enable more communities to support themselves.	Reconfigure Arts Service to provide more capacity for Events development as a priority. Not offering savings through down sizing but redesigning jobs and structures. Additional Training will be required.	Corporate support and underwriting of large scale festival events for at least three years. Long term investment. Dependent on additional support from corporate communications, customer services, leisure services. Would request support to explore private investment and sponsorship independently as capacity not sufficient at present. Dependent on associated services in other facilities but so far we have buy in.	Investment to make ground as a viable product in the first instance. Return will be built over a five to ten year plan.
56	Income	Neighbourhood & Leisure Services	Increase income at the theatre through more aggressive marketing - town centre box office, more sales outlets including customer service team, Ice Rink and leisure links, Southwater One. Also provide ticket agency services for other promoters and agents. Seeking sponsorship.			10,000	5,000	5,000	20,000	Psyche Hudson	Currently market to universal offer - need to segment audiences more and target. Programme profitable activity. Look at different markets and explore new opportunities and audiences. This year putting items in place.	Positive.	Income targets for related staff.	Dependent on particular support from ICT for system support and Customer Services or front line services. Dependent on Leisure and Arts front line teams to support as providers of ticket outlets. Reliant on continuous support from Communications team and more freedom to explore sales and marketing options independently and make recommendations to the communications team.	ICT reliant
57	Income	Neighbourhood & Leisure Services	increase income for pantomime			10,000	5,000	5,000	20,000	Psyche Hudson	increased ticket income through appropriate audience segmentation, increase audiences for all shows, sponsorship support.	potential price increases but always in line with market trends. We should maintain our limited low price ticket for all shows to remain accessible.	Increased workload will need to be managed and prioritised	As above - support from service teams on delivery of ticket outlets and continuous sales service. Very dependent on Communications Team support and skills to deliver commercial marketing.	
58	Income	Neighbourhood & Leisure Services	Arts & Music Community Programme development - additional markets and audiences to target. Pop up venues for Southwater. More events in Southwater public space and SW1 building.			3,000	5,000	2,000	10,000	Psyche Hudson	identify and market for new events and programmes which can support income generation- e.g. standing concerts, weddings, films in southwater library.	positive - increased activity.	Reconfigure Arts Service to provide more capacity for Events development as a priority	Communications Team support to market and promote. Dependent on access to Southwater One Building to deliver activity on a regular basis alongside the outdoor public spaces.	
59	Income	Neighbourhood & Leisure Services	Increase Bar income at the Place - more targeted market provisions, staff efficiencies			5,000	5,000	5,000	15,000	Psyche Hudson	already offering up increased income on bars as part of savings in 2013/14. Joined with the plans for more targeted marketing and segregating the audiences to target sell on its should be able to increase profit.	Positive - improved choice and quality of offer. Price increase to patrons.	Reduction in casual staff levels. Increase in volunteer workforce.	Support from Communications team. Support from Procurement. Support from Brewery contract provider.	
60	Income	Neighbourhood & Leisure Services	Develop holiday activities as a service area - arts, music, theatre. Increase footfall and income. Creative Option to purchase a marquee to have a holiday presence in the town park for drop in activities over summer - Can also be used for Southwater events.			3,000	3,000	3,000	9,000	Psyche Hudson	potential to make income from activities to certain target markets. Skills in the team to provide these activities, increased spaces and venues to use - southwater and oakengates and community schools.	Increased and varied offer.	Increased workload will need to be managed and prioritised	Need to work closely with Leisure teams for complimentary and not competing offer.	invest to save to purchase Marquee for Town park activity

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
61	Income	Neighbourhood & Leisure Services	Service redesign proposing income targets for business led positions and roles - Arts and Music. Internal staff income targets - distribute to those posts which can support this income target. Proposed will offer savings income from next year.			10,000	5,000	5,000	20,000	Psyche Hudson	Increase ownership of staff team to deliver efficiencies and income. Make roles more business focused and able to react to the market changes more swiftly. need priority themes for staff. Costing of peoples times against the outcomes.	Reduced capacity to deliver more targeted work for the community but universal offer should improve.	increased pressure on staff. Consequences of not reaching targets?	Could relate to existing roles in Leisure service area and be combined as roles for both services in the future e.g. service development role and marketing and sales development role proposed	need priority themes for staff. Costing of peoples times against the outcomes.
62	Income	Dvpt. Business & Housing	Income from New Homes Bonus: By direct intervention as part of our growth strategy we will deliver more new homes as well as bring empty homes back into use, both of which attract New Homes Bonus			75,000			75,000	Katherine Kynaston	This income is in addition to that already built into the budget strategy and the additional NHB income identified below (line 170). The figure is based on a thorough assessment of forthcoming sites. It assumes no growth in empty properties based upon a recent assessment of long term empty numbers.	A direct result of the growth strategy for the Borough	None	None	None
63	Income	Dvpt. Business & Housing	Income from New Homes Bonus: By direct intervention as part of our growth strategy we will deliver more new homes as well as bring empty homes back into use, both of which attract New Homes Bonus			289,888	156,826		446,714	Katherine Kynaston	This income is in addition to that already built into the budget strategy and the additional NHB income identified below (line 162). The figure is based on a thorough assessment of forthcoming sites. It assumes no growth in empty properties based upon a recent assessment of long term empty numbers.	None	None	None	Figures have been calculated based on council tax return data for 2014/15 and a detailed assessment of empty home figures. Estimates of new builds are considered prudent and 100 below our current estimated out turn position for 2014/15. 2015/16 figures are based on a detailed assessment of current trends, planning consents, intervention re stalled sites etc. Risks exist regarding empty property figures which are predicted to remain stable for the next two years. Previously a year on year increase in empty properties was assumed. However interventions are in place to tackle empty properties. Income may be affected by outcome on consultation regarding pooling of NHB in the LEP.
64	Income	Dvpt. Business & Housing	Sponsorship/advertising through Talking Business Newsletter			3,000	2,000		5,000	Katherine Kynaston	There has been some interest from local companies in using the Invest in Telford Brand, Twitter Training etc. We believe we can charge for the benefit of some of these services - Business support functions will continue to be free of charge in accordance with our growth agenda.	Impact on the business community is considered positive	None	None	Risk that proposals to charge go against our priority of being a business supporting, business winning council However, indications are that companies would be willing to pay for this. Business support will remain a free service.
65	Income	Dvpt. Business & Housing	Tourism / Destination Membership Fees			15,000	5,000		20,000	Katherine Kynaston	An increase in membership fees will allow the council's contribution towards this service to decrease. The development of a more comprehensive and coherent offer (currently under development) will attract further membership.	Impact on the business community is considered positive	None	None	None
66	Income	Dvpt. Business & Housing	Fee come from Green Deal		16,600	4,400			21,000	Katherine Kynaston	£21K pa income from Carillion for support provided by TWC staff in relation to delivery of the Green Deal.	None	None	None	Contract is for 8 years although there is a break clause at year 3 and so potential risks around this. Further savings/income will need to be identified after the end of the term.
67	Income	Care & Support	Review fees for acting as Community Appointees			5,000			5,000	Frances Carron	Reassessing the fee for clients for whom the Council acts/is requested to act to manage their financial affairs	None	None		
68	Income	Family & Cohesion Services	Educational Psychology		20,000	20,000			40,000	Diane Partridge	Service review has identified an opportunity to generate income from non core activities.	Minimal	None	Non Core activities will be offered to schools across Shropshire. Market testing indicates a demand for these services.	Lack of demand for services
69	Income	Family & Cohesion Services	Fee income from targeted support package comprising a range of children specialist services				60,000	-	60,000	Diane Partridge	Market testing has identified an opportunity to generate income from offering a targeted package of children specialist services to a range of public and private sector providers.	Minimal	Additional staff may be required to provide this service.	This package of services will be offered to schools across Shropshire.	Lack of demand for services
70	Income	Family & Cohesion Services	Child Minder Agency			10,000			10,000	Chris Marsh	DfE accepted as pilot scheme, working up business case to sustain and generate income.	None	Possible additional post funded from income	None	Competition for service
71	Income	Family & Cohesion Services	Fee income generated by an early years advisory service			10,000	10,000		20,000	Chris Marsh	A high level feasibility study has identified an opportunity to generate income by offering an advisory and training service to private, voluntary and independent (PVI) childcare providers.	Minimal	None	Minimal	Lack of demand for services. A detailed business case will examine case for service in further detail.
72	Income	Family & Cohesion Services	Generate income through Mentor NPQICL & OFSTED Inspections				5,000		5,000	Chris Marsh	Member of staff trained to deliver	None	None	None	alongside inspection work.
73	Income	Family & Cohesion Services	Income generated from putting in place work based nursery and training facility for PVI childcare providers				25,000		25,000	Chris Marsh	A high level feasibility study has identified an opportunity to generate income by offering a work based nursery and training facility for PVI childcare providers.	Positive impact for business community who may be prepared to support.	Additional staff will be needed to support this scheme. Positive impact on staff morale.	None	Finding space to accommodate, lack of funding to support set up. A detailed business case is being developed.
74	Income	Family & Cohesion Services	Income generated for the delivery of some youth services			10,000	10,000		20,000	Jas Bedesha	A review of youth services has identified an opportunity to generate income by offering a range of youth initiatives including the Duke of Edinburgh Award Scheme.	Some of the services are currently provided at no cost.	Minimal	Minimal	Lack of demand for services. The service review indicates that a demand exists.
75	Income	Family & Cohesion Services	Selling Commissioning expertise to private sector and public sector organisations.				10,000		10,000	Viv McKay	A number of opportunities have been identified for generating income. These are currently being examined in more detail.	None	None	None	Lack of demand for services. Further work will be undertaken to examine options.
76	Income	Safeguarding	Review CIC Placements		300,000				300,000	Karen Perry	Education costs of children in care are currently being met from placement budget	none	none	transfer of funds from another budget	none
77	Income	Public Health	LA PH grant growth			300,000			300,000	Liz Noakes	The LA PH grant for 14/15 has been confirmed as £10.91m. PHE has confirmed that the PH grant ring fence will remain in 15/16 - however the grant values for 15/16 have not yet been announced. Nationally the grant allocation formula is being remodelled. It is likely in future that the value of the PH grant in T&W will reduce. Therefore it is proposed that the savings option with the least risk is to deliver the 2015/16 savings in 2014/15 due to grant uncertainties	No additional developments for PH services to deliver against PH outcomes and HWB priority areas		See note re delivery of savings in 2014/15 given uncertainties about grant in 15/16 - this will ensure the full benefit to the council	Using PH grant growth to off-set savings means no additional funding to improve further/expand council services which contribute to delivery of PH outcomes/HWB priorities, including wider determinants of health.
78	Income	Neighbourhood & Leisure Services	New drainage advice service - offer service to other authorities - as a SAB approving body for sustainable drainage.				25,000	25,000	50,000	Dave Hanley	In House expertise well placed to attain consultancy work for other councils as well as private bodies such as developers	This will require additional resources and also depends on Section 23 of the TWMM Act being enacted. It is also dependant on the number of planning applications received by the Authority.	Investment in a new graduate position	N/A	N/A
Total Income					404,526	1,426,157	661,276	184,000	2,675,959						
Non-Staff															
79	Non-Staff	Law, Democracy & PP	Change IT solutions for members to reduce printing and circulation costs		0	0	20,000		20,000	Phil Griffiths	Use tablets (with the requisite training) to ensure members have the right technology to best perform all of their councillor roles. The savings are in IT support - to be identified by Angie Astley - Democratic Services savings are in reduced printing and admin costs in the circulation of agendas and other information. Not all the savings are offered as there will be a small extra cost to provide tablets for members.	Mobile technology will support members in their roles as ward councillors and in meetings	None in Democratic Services	Impact in other teams - printing and IT	Resistance from certain members is anticipated but will have to be 100% take up to provide the level of savings predicted.
80	Non-Staff	Law, Democracy & PP	Public Protection - Car lease saving		0	6,000	0		6,000	Jo Revell	Taken as an existing lease expires	None	None	None	None

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
81	Non-Staff	Customer & People Services	ICT: Reduce licensing for the security encryption for mobile devices	503,930		1,250			1,250	Steve Roberts	Reduction in the need for security encryption on certain devices as with the increase of thin client the USB functionality is limited.	None	None		
82	Non-Staff	Customer & People Services	Release leakage budget from bottom line for Catering as part of the Property & ICT restructures	32,235	32,235				32,235	Kate Sumner	Staffing savings as shown in Appendix 4 of the Budget report anticipated that £711,135 of Property & ICT restructure savings would leak from the general fund to school accounts as a result of the restructure in catering and cleaning. However, the fee structure and the restructure for these services have been set to maintain their existing income targets. This has resulted in the level of leakage being significantly reduced. The estimated net benefit to the general fund position as a result is £527,000 in 13/14.	None	None	None	
83	Non-Staff	Customer & People Services	Removal of a Service Manager Post through merger of libraries with customer services post creation of the Hub and migration of neighbourhood libraries to community	384,480		57,000			57,000	Angie Astley	Libraries are already First Point; and joint working is already in place between libraries and customer services.				
84	Non-Staff	Customer & People Services	ICT supplies and services review to include a review of contracts for mobile phones and the deletion of support costs following civic offices decommissioning, including a reduction in the ICT training budget reduce ICT dedicated training budget	28,260		4,500			4,500	Kirsty King	Temporary capacity will be used to undertake a detailed review of charges and tariffs.			Mobile phone budgets sit within service budgets which would be cut as a result of the saving.	Requires invest to save funding
85	Non-Staff	Customer & People Services	ICT - savings arising from Neopost solution through the centralisation of all posting and packing for all council services and possible other services longer term	Various		40,000			40,000	Sophie Lane				Postage budgets sit within service budgets which would be cut as a result of the saving.	
86	Non-Staff	Customer & People Services	Release leakage budget from bottom line for Cleaning as part of the Property & ICT restructures	139,765		139,765			139,765	David Sidaway	Staffing savings as shown in Appendix 4 of the Budget report anticipated that £711,135 of Property & ICT restructure savings would leak from the general fund to school accounts as a result of the restructure in catering and cleaning. However, the fee structure and the restructure for these services have been set to maintain their existing income targets. This has resulted in the level of leakage being significantly reduced. The estimated net benefit to the general fund position as a result is £527,000 in 13/14.	None	None	None	
87	Non-Staff	Customer & People Services	R&B - Royal Mail on line business account	85,280		2,500			2,500	Sophie Lane	No longer using docket book; now using an electronic form to record postage.				
88	Non-Staff	Customer & People Services	Salary Sacrifice Scheme			20,000	20,000		40,000	John Harris	Introduce scheme for mutual staff and employer benefits.				
89	Non-Staff	Customer & People Services	PFI Insurance Saving - £93k saving in 2013/14 and £60k ongoing		93,000	-33,000			60,000	Mal Yale	Saving cost on insurance				
90	Non-Staff	Customer & People Services	Crisis Assistance Funding	486,720	233,000		-233,000		0		Reduce spend to reflect demand				
91	Non-Staff	Customer & People Services	Deletion of budget as the Council no longer has to purchase carbon trading allowances			138,000			138,000	Mal Yale	The council no longer qualifies for the scheme and therefore does not need to buy carbon trading allowances				This is based on the current known position in relation to the CRC Scheme. There is a risk that the Council may qualify in future, if the scheme changes, which would result in costs.
92	Non-Staff	Co-operative Council and Commercial Delivery Team	Reduction of existing Co-operative Council and Commercial Delivery Team non-staffing budgets		17,910	6,400	-	-	24,310	Richard Partington	These savings include a reductions in the following budgets - Co-operative Council, Consultation and Engagement and Corporate Communications operational budget. The rationale for these reductions is that these can be delivered without significant impacts on front line service delivery.	Minimal although reducing these budgets may have some impact on how co-operative initiatives and consultation and engagement are delivered.	None	Minimal	None
93	Non-Staff	Neighbourhood & Leisure Services	Environment & Open Spaces: Reduce Additional works budget in the TWS contract for small landscape improvement projects				40,000		40,000	Dave Hanley	Reduce the number of small projects linked to contract and make better use of PETs Parish 2 for 1 schemes, cooperative council initiatives etc assuming relevant progress is made	Less to spend on the environment unless other small grants are initiated. This will impact by less opportunity to respond to local residents and members schemes.		Parishes or community groups may need to engage.	N/A
94	Non-Staff	Neighbourhood & Leisure Services	Environment & Open Spaces: Introduce highway reactive maintenance service efficiencies			50,000			50,000	Dave Hanley	Working with "Improvement and Efficiency West Midlands" a pilot programme is already in place to analyse opportunities to improve our reactive Maintenance procedures in order to find service improvements and efficiencies. The saving proposal is based on an assumption that revised practices will be identified and implemented in and savings will accrue from 2013/14. Areas of work include pot hole / reactive maintenance programming and operations - predicated on a continuing and sufficient Capital programme.			This saving would have to be in agreement with TWS	Additional teams are in place for the remainder of 2012/13.
95	Non-Staff	Neighbourhood & Leisure Services	Reduction in marketing and promotions budgets for Leisure services - promoting leisure centres/golf/ice/ski/gym/swimming etc			10,000			10,000	Stuart Davidson	Prioritise marketing activity and make use of social media: facebook/twitter/email	N/A	N/A	N/A	Need to ensure value for money and monitor rate of return.
96	Non-Staff	Neighbourhood & Leisure Services	Highways & Transport: Further reduction in operational budgets i.e., training, mileage, printing, equipment budgets			5,000			5,000	Keith Harris	Reduced expenditure on staff/team related operational budgets	No community impact	Likely to result in no replacement in equipment used by staff for performing role and reduction in staff training etc which is likely to be seen as negative by teams.	None	
97	Non-Staff	Neighbourhood & Leisure Services	Highways & Transport: illuminated signs and bollards, savings will be generated through replacing where necessary with non-powered signs therefore saving electricity.			5,000			5,000	Keith Harris	Review inventory of signs and bollards and disconnect signs/ bollards where not required to be lit under regulations.	Signs and bollards would no longer be illuminated - may result in increased complaints of signs not being lit/ visible.	Requires staff input to prepare work and would involve significant community liaison in implementing the changes		Level of savings restricted by what can be achieved in accordance highways regulations and taking out illuminated signs/ bollards cannot take place in areas where street-lights are turned off
98	Non-Staff	Neighbourhood & Leisure Services	Highways & Transport: Lean review of reactive and planned drainage maintenance			5,000			5,000	Dave Hanley	Review the processes for gully emptying, planned cyclic drainage maintenance and reactive drainage requests to provide more efficient drainage function.	Outcome of Lean Review not yet known, if efficiencies cannot be identified may result in lower level of service.	Possible impact on TWS if reduced level of service is required.		Needs a change in Corporate Policy to ensure that all engineering works are directed via the internal service
99	Non-Staff	Neighbourhood & Leisure Services	Highways & Engineering Services: Street Lighting Energy Saving - Invest to save / legislative need - Annual investment of £325k per year over 4 years =£1.3m total investment.8 year payback			38,000	38,000	38,000	114,000	Dave Hanley	Energy savings based upon the replacement of the Council's 4462 Mercury lanterns across the borough over a 5 year period with a borrowed investment of £300K over 4 years.	The mercury lamps will not be able to be replaced like for like from 2014 onwards and will have to be replaced with an alternative lamp.	none	Impact on other capital works - bollards and illuminated street sign replacement programme	Energy prices are continually fluctuate and prices may rise to a level that the savings are not achieved
100	Non-Staff	Neighbourhood & Leisure Services	Environment - 50% reduction of play development budget			10,000			10,000	Dave Hanley / Stuart Davidson	Play areas have been ungraded in recent years via 106 monies and Playbuilder programme. The budget will only cover minor improvements and future play development is dependant on planning, external funding or Parish engagement.	Reduced opportunity to meet local needs unless other funding is made available through planning gain or Parishes etc.	none	Greater demand on Parishes	Seek to obtain external funding sources
101	Non-Staff	Neighbourhood & Leisure Services	Offer engineering services to Severn Trent Water e.g. Reservoirs			2,500			2,500	Dave Hanley	Make best use of our local engineering resource.	N/A	N/A	N/A	N/A
102	Non-staff	Neighbourhood & Leisure Services	Transport & Highway Development: Use existing casually employed staff to carry out some of the annual transport surveys instead of procuring surveys from external consultants			5,000			5,000	Keith Harris	Casually employed staff are already available for use and using them for some surveys avoids the need to use consultants to employ their own enumerators	No impact	Casual enumerators are already available	Consultants may have a slight reduction in the work they get from the Council, but there is no contracted obligation to give them this workload.	Need to monitor to ensure quality data continues to be collected as the data is used to bid for external funding.

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget	2013/14	2014/15	2015/16	2016/17	Total	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
				£	£	£	£	£	£						
103	Non-staff	Neighbourhood & Leisure Services	Transport & Highway Development: Cease using an external car park enforcement agency and carry out the work using Council employees			25,000			25,000	Keith Harris	Directly employing car park attendants will enable greater management control over enforcement activities. Requires approx £30k up front capital for van and other equipment	Greater control over issue of tickets to reduce public complaints. Improved ability to monitor and react quickly to car park maintenance issues	Additional two staff members resulting from restructuring. These staff can be employed on other team functions, e.g. Managing streetwork activities		There will be greater direct contact with the public in respect of parking fines and complaints; this will be resourced by changes to post through restructuring.
104	Non-Staff	Care & Support	Various operational budgets across all service teams			2,000			2,000	Karen Kalinowski		None	None	None	None
105	Non-Staff	Care & Support	Dependent on delivery of existing savings and enhancements outlined above it is likely that the Council will need to consider commencing a consultation process during 2013/14 around a review of eligibility criteria to reduce statutory access to services to those with critical needs only			1,957,000			1,957,000	Karen Kalinowski	In order to reduce the levels of care provided need to have legal basis on which reviews and decisions are made. Otherwise likely to be subject to challenge and judicial review.	Lower levels of care will be provided to some individuals and some individuals would no longer be provided with any care services.		Reduced demand for services in provider sector could lead to business closure and redundancies. Would increase pressure on health budgets.	Risk of harm to individuals and escalation to critical need. Mitigation through maintenance of preventative investment and transition. Likely to be significant public opposition
	Non-Staff	Care & Support	National criteria will remove flexibility to implement			- 1,957,000			- 1,957,000						
106	Non-Staff	Care & Support	Review of block contracts to maximise utilisation or decommission		88,000	312,000	386,000		786,000	Chris Harrison/Claire Gay	Under utilisation of block contracts results in inefficiencies within the system because spot placements are then procured and paid for. A better system of identifying usage of block beds and maximising this usage to reduce further spot purchasing will reduce the weekly costs of residential and nursing care. In addition a review of usage of block contracts we are engaged in will identify underutilised contracts which can then be discontinued.	Should have no adverse impact.	None	Potential impact on providers whose service is decommissioned	
107	Non-Staff	Care & Support	Review systems to implement additional controls to reduce duplicate payments and ensure closure of orders upon cessation of service		33,000	102,000			135,000		Multiple and variable payments require more robust controls to prevent duplication of payments				
108	Non-Staff	Care & Support	Review systems to maximise financial assessments and contributions of service users including ensuring all assessed income is billed			121,000			121,000		Early financial assessment maximises contributions and need to ensure prompt invoicing				
109	Non-Staff	Care & Support	Review of in house ALD care services staffing rota's to reduce dependency on agency staff			75,000			75,000						
110	Non-Staff	Care & Support	Review of SLA's and reduced contribution to Senior Citizens Forum		48,000				48,000	Chris Harrison	Part of current best value reviews being undertaken	Should have no detrimental impact	None		
111	Non-Staff	Care & Support	Increase the number of care packages managed through a direct payment to 30%		100,000	425,000			525,000	Claire Gay/Richard Smith	Direct payment packages are evidenced to cost less than council managed packages of care. Our performance on Direct payments is well below the national average so there is scope for cost savings	More choice and control for individuals	None		
112	Non-Staff	Care & Support	Increased use of community and voluntary alternatives to care agency for shopping calls			50,000			50,000		Low or nil cost alternatives should be available from sector				
113	Non-Staff	Care & Support	Increased use of mobility allowance to cover transport costs			30,000			30,000		Government benefit should be first recourse for meeting transport costs				
114	Non-Staff	Care & Support	Care Leavers Review to reduce costs of placements		200,000				200,000						
115	Non-Staff	Care & Support	Pay providers net of contributions and transfer risks of collection of debt			50,000	150,000		200,000	Frances Carron	Increasing, though still minority, of authorities now adopting this approach which does result in savings in transaction costs and some reduction in debt collection risk	Private and independent sector will incur additional costs of administration	Potential reduction		
	Non-Staff	Care & Support	Cost Improvement Plan for Overspend		- 233,000	- 490,000			- 723,000						
116	Non-Staff	Family & Cohesion Services	Highways & Transport: Fuel efficiency programme in Fleet Services to reduce fuel consumption and/or limit impact of fuel inflation. Invest to save being worked on, but estimated to be 75k			35,000			35,000	Viv McKay / Helen Hill	To reduce fuel budget through fuel efficiency programme on Council vehicles.	No community impact	Would require training in fuel efficient driving techniques.	None	Is a risk that fuel inflation increases negating any savings, but proposal would still limit the authority's exposure to inflation/cost increases. Any cost increases above the fuel budget would have to be borne through corporate contingency.
117	Non-Staff	Family & Cohesion Services	Workforce Development - Children & Family Locality Service			15,000			15,000	Chris Marsh	Government backed scheme to support early years workforce development has ended.	Minimal. Change reflect national government change in priorities.	Reduction in workforce development opportunities for private, voluntary and independent sector providers	none	Could impact of quality of provision over the medium to longer term. This will be kept under review.
118	Non-Staff	Family & Cohesion Services	Teenage Pregnancy			18,000			18,000	Viv McKay	Budget not committed to a programme. Commissioners have been working to this funding reduction for some time. It initially featured in 2011/12 proposals. Following a reconfiguration of services a post previously funded from this budget is now funded elsewhere. Hence the impact on service provision will be minimal.	Minimal	None	Minimal	Could impact on teenage pregnancy rates across the Borough, already above national averages. Will mitigate by developing stronger partnership with health services through effective cooperative commissioning
119	Non-Staff	Family & Cohesion Services	Children & Family Locality Services - Supplies and Services		20,000	18,694			38,694	Chris Marsh	Small reduction to supplies and services budget based upon 12/13 spend levels	Reduced funding available to support vulnerable families. This will be offset to some extent by using alternative funding sources and by taking a more targeted approach	None	None	None
120	Non-Staff	Family & Cohesion Services	Children & Family Locality Services - Special Educational Needs			10,000			10,000	Chris Marsh	Review options for supporting early years PVI sector providers when working with children and young people with special educational needs.	Possible reduction in support for children with special educational needs. Options for mitigating this risk are currently being identified.	Minimal	None	minimal
121	Non-Staff	Family & Cohesion Services	Reduction in financial support provided to support parent communication/engagement.			10,000			10,000	Viv McKay	Review impact of current arrangements and identify options for reducing financial contribution. Initial discussions with the service provider have identified a number of options.	Opportunity for parental engagement lost. The review will look at alternative options and alternative funding sources to support.	None for the Council. If unsuccessful in attracting external funding then possibility of losing a post within the voluntary sector.	Would limit opportunity for community engagement over Council wide proposals.	minimal
122	Non-Staff	Family & Cohesion Services	Investigate additional spend against DSG (High Cost Block) currently RSG		0	75,000			75,000	Clive Jones/Jim Collins	Looking to utilise capacity within DSG High Needs Block. Suggestion in line with practice employed by other local authority.	None	None	Education and Corporate Parenting.	Schools Forum would need to agree change
123	Non-Staff	Family & Cohesion Services	Cohesion - Supplies and Service			10,000	10,000		20,000	Jas Bedesha	Small reduction across all supplies and services budgets.	Minimal	Minimal	Minimal	minimal
124	Non-Staff	Family & Cohesion Services	Short Breaks				20,000		20,000	Viv McKay	Further review of short breaks spending and contracts to identify further efficiencies without compromising service offered to disabled persons with an entitlement to service	Minimal	None	None	Increased demand
125	Non-Staff	Safeguarding	Supplies and Services			15,000			15,000	Karen Perry	Efficiency savings - e.g. Use of more electronic means	none	none	none	none
126	Non-Staff	Education & Corporate Parenting	Games and Swimming Transport			21,000			21,000	Jim Collins	Links to proposals for developing cooperative learning communities. Following implementation of these proposals these costs will no longer occur	Minimal	Minimal	Impact on school lesson planning, and hence attainment, if introduced before implementation of BSF proposals	
Total Non-Staff					632,145	1,442,609	451,000	38,000	2,563,754						
Procurement															
127	Procurement	Law, Democracy & PP	Purchase of Westlaw in consortium		0	5,000	0		5,000	Matt Cumberbatch	Efficient procurement	None	None	None	None
128	Procurement	Law, Democracy & PP	Coroners Service - Re-procurement of essential services including mortuary services, removal of bodies and toxicology reports and reducing accommodation costs for jury trials by holding less contentious hearings out of Borough		0	7,500	7,500		15,000	Jonathan Eatough	To challenge our providers and undertake joint procurement with Shropshire Council as we are a single jurisdiction for coronial purposes	Will introduce some hearings out of Borough - only for non contentious hearings	None	None	None
129	Procurement	Customer & People Services	ICT - Thin Client - further savings from moving to a thin client solution. Savings arising from lease costs and staffing (this is dependant on the successful rollout of the ICT strategy and a reduction in the number of calls and more fixes done remotely)	430,890		133,000	206,000		339,000	Kirsty King	Following the deployment of thin client at Addenbrooke over 70% of staff are now using thin client so we can revisit other services in Darby to implement the same way of working to realise these extra savings	None	None	None	Prediction is not correct and more money is required to purchase equipment.

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget	2013/14	2014/15	2015/16	2016/17	Total	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
				£	£	£	£	£	£						
130	Procurement	Customer & People Services	ICT - Broadband & telephony contract - tender process commences Jan 2013.	420,180		90,000	100,000		190,000	Kirsty King	The contract is due for renegotiation and a tender process will be run through OJEU				
131	Procurement	Customer & People Services	Reduced cost of mobile library lease	19,340		5,482			5,482	Sharon Smith	Final payment of £11,000 in 2017. Life expectancy to 2020; requires budget if retained	None if retained	None whilst vehicle retained	None	Changes to service requires consultation through parish charter; opportunity for parish buy back or similar
132	Procurement	Neighbourhood & Leisure Services	Rationalisation of TWS contract costs and implementation of revised contractual arrangements - including Granville House lease costs and removal of Contract support staff costs.			61,000			61,000	Dave Hanley	Increase in Granville House rental, rationalisation of supported employee related costs through natural wastage.	N/A	N/A	N/A	
133	Procurement	Neighbourhood & Leisure Services	For TWS to deliver landscape and cleansing duties through localised teams so to release contract efficiencies and allow alignment of resources with Local Environmental Quality/need.			80,000	20,000		100,000	Dave Hanley	The savings are released by reducing the TWS input resource across the landscape and cleansing service elements. The rationale is for the further rationalisation of the current service frequencies and to design service in puts around acceptable Local Environmental Quality. For example, this can be achieved by reducing the frequency of litter picking from monthly to quarterly on some estate roads but maintaining weekly/fortnightly frequent4s in areas of greater environmental need. Also reduce the amount of grass cutting on strategic transport routes or other low maintenance areas but maintain current standards on all housing estates.	Acceptance that some local areas will require more or less service inputs, seek to work with Parishes and PETs to mitigate impact, review current rapid response service. Have a greater targeted response on dealing with littering, consider further litter bin installation programme, develop links with Street Champions.	TWS Staff will be reduced in numbers	To encourage greater PET scheme buy in from parishes. Housing Management Groups etc. Encouragement of PCSO's to serve FPNs.	Need to get buy-in. Marketing and Promotional campaigns around littering and enforcement.
134	Procurement	Neighbourhood & Leisure Services	Additional waste procurement savings - average annual saving based around full contract length				80,000		80,000	Debbie Germany	Final bids from Tenderers below the Waste Procurement funding envelope value.	N/A	N/A	N/A	N/A
135	Procurement	Neighbourhood & Leisure Services	Street lighting procurement efficiencies				25,000		25,000	Dave Hanley	During the next 12 months there is a need to look at a new contract model that will provide more accountability and efficiency savings.	N/A	N/A	N/A	N/A
136	Procurement	Care & Support	Market & Community Development - in particular development of a homecare framework agreement			100,000			100,000	Chris Harrison	Identified as potential efficiency in Audit Commission 'Improving Value for Money in Adult Social Care' and not as yet in place in Telford & Wrekin	More effective procurement should increase access to comparable priced domiciliary care for personal budget holders.	None	None	Could result in some businesses not being considered viable by providers and closing but could encourage new entrants to market.
137	Procurement	Care & Support	Reduction on all residential/nursing/homecare payments to external providers(excludes ALD as high cost placements/residential placements considered as a separate saving). Reduction modelled 3%			540,000			540,000	Chris Harrison Frances Carron	Extension of current brokerage function to cover all areas would make a significant difference to price currently being paid for care by improving procurement of care contracts for spot care. This proposal be backed up by a market position statement.		None		Some providers may go out of business. However when personal budgets are fully implemented for all then the impact would be the same.
138	Procurement	Care & Support	Review of the cost of most expensive and ALD residential placements to bring the weekly rate down		154,000	1,206,000			1,360,000	Chris Harrison/Frances Carron	Use of Care Funding Calculator in conjunction with Finance together with reviews of assessed level of need should allow for renegotiation of the placement costs.	Will cause some anxiety for service users but can be alleviated through careful case management. Some service users may have to move provider	None		Will be perceived as service cut so communication strategy required
139	Procurement	Care & Support	Reduction to the price paid for block beds. Price reduction of 3% modelled			200,000			200,000	Chris Harrison	As above agreeing a fair cost of care may be required in order to evidence a reasonable rate for block placements	Sector may wish to cease block contract arrangements which could have implications for residents	None		Will be perceived as service cut so communication strategy required
140	Procurement	Care & Support	Savings from tender of SP floating contracts now completed		40,000	40,000			80,000	Chris Harrison	This contract has been re-tendered and the prices realised will deliver around £80k per annum reductions in costs of delivering the service	Saving achieved and service improvement should be realised.	None		
141	Procurement	Care & Support	Savings from reducing the average rates paid for homecare through domiciliary framework and use of brokerage			650,000			650,000	Chris Harrison	An exercise to appraise the current market provision and rates for Domiciliary care has been undertaken and a report has been produced. Work is commencing in discussion with Providers of Dom Care to determine a new framework within which the Council will purchase homecare including a review of the contractual terms on which Providers are engaged and the rates they will be paid.	May result in reduction in market provision and employment in the sector	None		
142	Procurement	Care & Support	Use of Capacity at Downing House (assumes Carwood New Options proposal has happened) or build new capacity to care for ALD clients				200,000		200,000	Karen Kalinowski	Exploration of the opportunity and economics of operating care homes and either transfer from existing care placements at reduced cost or selling placements to self funders and other LA's	Timescale for achievement of this would be very tight if new build option considered rather than purchase of existing independent capacity. Options for potential delay to be offset by faster progress on integration (see below)	Potential increase		Delay in acquisition of appropriate location and achieving registration.
143	Procurement	Care & Support Family & Cohesion Services	Cost Improvement Plan for Overspend Homelessness & Housing		71,000	916,000 58,930			987,000 58,930	Jas Bedesha	Following review of approach to accommodating homeless families reduced dependency on bed and breakfast accommodation and hence reduced loss of housing benefit subsidy. This saving assumes that an average of 10 B&B placements are used (13/13) and 5 in 14/15. The current number is zero and number prior to the initial review averaged 22	This may impact on some business that relied on income from the Council. Some of these business are investigating how they can diversify into becoming supported lodging providers.	None	None	Benefit reforms may lead to a sudden increase in applications for housing support. To offset this the assessed saving assumes an average of 10 B&B placements will still be required in 13/14
144	Procurement	Family & Cohesion Services	Commissioners to review all contracts			40,000	40,000		80,000	Viv McKay	Review all commissioned contracts to identify further savings including school nursing, sexual health, action4children and Bradbury house	Minimal	Possible impact for service providers	Minimal	Minimal
Total Procurement					123,000	2,200,912	678,500	-	3,002,412						
Property Rationalisation															
145	Property Rationalisation	Customer & People Services	Reduce equipment repair budget	9,690		4,690			4,690	Sharon Smith	Fewer stand alone libraries; recent replacement at wellington, telford. Madeley through external funding and strategic co-locations etc	None	None	None	
146	Property Rationalisation	Neighbourhood & Leisure Services	Review repair & maintenance revenue sinking fund commitments			13,000			13,000	Stuart Davidson	Stop paying into sinking fund	neutral	none	longer term asset & property pressure	need to ensure long term obligations of funding award can be met.
147	Property Rationalisation	Dvpt. Business & Housing	Property Investment Portfolio: As part of improving stock over previous years then a reduction in the repairs and maintenance budget can be secured through better quality buildings and full repairing leases.			20,000			20,000	James Dunn	As part of the improvement in quality of property within the Council's Property Investment Portfolio and converting to full repairing leases we can reduce spend on repairs & maintenance	None	None	None	None
148	Property Rationalisation	Dvpt. Business & Housing	Operational Property Rationalisation - Savings arising from reduced running costs associated with Phase 1 property rationalisation activity.			16,610			16,610	Chris Goulson	As a direct result of Phase 1 property rationalisation, savings have been realised associated with running costs.	Council services will be consolidated at a reduced number of improved buildings	None	None	None
149	Property Rationalisation	Dvpt. Business & Housing	Release borrowing as a result of further operational property rationalisation			8,500			8,500	Chris Goulson	As a result of Phase 1 operational property rationalisation, Edward James House is no longer required as an operational building. Savings identified relate to interest payments on borrowing necessary for the acquisition of the property. This saving will be met corporately	None	None	None	None
150	Property Rationalisation	Dvpt. Business & Housing	Installation of solar panels on Addenbrooke and Oakengates Theatre			14,781			14,781	Kate Turner	A commercial proposal has been developed for the installation of solar panels on Addenbrooke and Oakengates Theatre. Over 25 years this shows a net saving of £485k	None	None	None	Figures are based on current OFGEM rates and these are guaranteed only for installations completed before July 1st 2013 but no significant change is expected. An assessment of the structure of each building will need to be made prior to installation.

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
151	Property Rationalisation	Dvpt. Business & Housing	Operational Property Rationalisation (Phase 2)		108,100	57,245	35,000		200,345	Chris Goulson	Savings have been identified associated with further property rationalisation which is in addition to that already included within the budget strategy.	None	None	None	Savings realised from Phase 2 rationalisation relate to buildings which we have already vacated but were not included within the budget strategy or we are intending to vacate.
152	Property Rationalisation	Family & Cohesion Services	Children & Family Locality Services property rationalisation			10,000	40,000	30,000	80,000	Chris Marsh	Review accommodation needs for children and family locality services teams.	Minimal	None	Opportunity to generate income by disposing of property or finding external tenant.	Minimal
153	Property rationalisation	Safeguarding	Relocate staff and LSCB functions elsewhere than West Rd and develop alternative use for premises - revenue and staffing costs			50,000			50,000	KP/HS	If current functions can be relocated and Building can be put to alternative use and generate income	Parents whose children are subject to a CP plan will need to travel to alternative venues. The facilities need to meet the same service standards as currently but, depending on location they could potentially be more accessible	Possible reduction in support staff. More travel for the IRO's. Change of workplace for IRO's	Alternate use of building needs to be compatible with activities at Achieving Best Evidence Suite. Alternative use of building would either have to be compatible with use of SARC counselling facility - or alternative venue meeting same service standard would need to be found. Alternative venue would have to be found for some LSCB training. Health partner staff (4-5) would need to find alternative accommodation	Saving cannot be made unless building can be vacated. Assumptions that building could be vacated by April 2014 may not be realistic. Other tasks undertaken by these staff would need to be absorbed by colleagues - new ways of working. Smaller numbers of BSO reduces flexibility of use. Risk that meeting service standard for alternate venue for CP conferences might be difficult or costly. Harder to manage staff safety if CP conferences are being held at more than one venue - involve Health and Safety colleagues in Risk Assessment of alternatives before any decision is made. Involve partners in discussions at an early stage.
Property Rationalisation					108,100	194,826	75,000	30,000	407,926						
Service Review/Redesign															
154	Service Review/Redesign	Law, Democracy & PP	Public Protection - Migration of front office services to First Point		0	6,685	50,706		57,391	Jo Revell	Adoption of new ways of working and increasing service delivery from First Point	Potential for service improvement using First point facilities with some impact on service delivery	A reduction in 1.5 fte	Potential for service improvement using First point facilities	None
155	Service Review/Redesign	Customer & People Services	Develop Complaints Management System In CRM	3,300		3,000			3,000	Andrew Meredith	Respond, the current Complaints system, only works on thick client which restricts access across the authority. To upgrade to a thin client version would cost in excess of £30k which doesn't deliver a ROI. The development of a CRM solution would deliver £3k pa saving in respect of the S&M contract for Respond	None	None	This will require a solution to be developed in CRM and development resource is limited. Equally, there may be a better ROI for the CRM development resource	
156	Service Review/Redesign	Customer & People Services	Reduce postage and stationery budgets	6,430		1,930			1,930	Sharon Smith	Shifting communications channels and leaner working practices	None	None	None	
157	Service Review/Redesign	Customer & People Services	Remove recruitment budget	500		500			500	Sharon Smith	No longer advertising in professional press	None	None	None	
158	Service Review/Redesign	Customer & People Services	Reduce budget for national/ regional library training courses	750		250			250	Sharon Smith	Fewer professional staff; increased use of online courses for national and regional library training	None	None	None	
159	Service Review/Redesign	Customer & People Services	Professional subscriptions to Cllip	2,070		370			370	Sharon Smith	fewer professional staff	None	None	None	
160	Service Review/Redesign	Finance, Audit & IG	Review of Employment Services/Purchase Ledger Team functions			35,000			35,000	Julie Pugh					
161	Service Review/Redesign	Neighbourhood & Leisure Services	Waste Service redesign and efficiencies introduced prior to and as part of the procurement and delivery of the new Waste Services Contract			770,000	55,000		825,000	Dave Hanley/ Debbie Germany	During the procurement process of competitive dialogue and negotiation, it has allowed the council to work with bidders to establish new ways of working without impacting on service standards	Alternating collections of a recycling week and residual waste week will continue	N/A	N/A	During the procurement process, constructive dialogue has enabled effective solutions with minimal service impact for the community
162	Service Review/Redesign	Neighbourhood & Leisure Services	Leisure & Environment - Reduction in Town Park / Parks management costs, review opening hours of visitor centre, reduce TP management costs.			20,000			20,000	Stuart Davidson	Other than special events need to consider as Tourist attraction and operate accordingly. Savings based on review of operations and revised Visitor Centre opening hours during off peak periods k management costs.	None	Extent of impact to be determined by outcome of review consultation. Potential reduction of 1 contracted post and reduced casual hours.		
163	Service Review/Redesign	Neighbourhood & Leisure Services	Undertake a further shrub bed rationalisation programme across the borough			40,000			40,000	Dave Hanley	Spend to Save i.e., £120k to release £40k ongoing. The cost of grass maintenance is cheaper than shrub bed maintenance. Previous programmes have been well received by the local community.	Generally received as a positive initiative but there will be occasions when there is a split in opinion on shrub bed removal - particularly communal areas and rear of joined properties.	N/A	N/A	Need to get "buy-in" from Stakeholders
164	Service Review/Redesign	Neighbourhood & Leisure Services	Devolvement or closure of bowling green at Bowring Park, Wellington			5,000			5,000	Dave Hanley / Stuart Davidson	Bowling Park has an established Bowling club who may see this as an opportunity to increase its member base and team structures. Alternatively, close the green and maintain it only as a formal lawn.	The park is served by a second bowling green.	N/A	N/A	N/A
165	Service Review/Redesign	Neighbourhood & Leisure Services	Reduced inspections regime of our play areas from twice a week to once a week - still in accordance with statutory guidelines.			25,000			25,000	Dave Hanley / Stuart Davidson	Our current play inspection regime is higher than the national standard and can therefore be reduced. If appropriate, there will be opportunity to explore other avenues to assist with the inspection services e.g. PETs, Parishes, Street champions.	Risks may be more complaints about litter and broken glass, PET teams where appropriate - could pick up litter.	May impact to TWS	N/A	Engage with PETs and Parishes.
166	Service Review/Redesign	Neighbourhood & Leisure Services	Review annual/cyclical maintenance programme for Coalbrookdale Water Course.			10,000			10,000	Dave Hanley	Both pools are impounded reservoirs and require maintenance. Although weather dependant, de silting operations can be rationalised as part of a cyclical maintenance plan.	N/A	N/A	N/A	N/A
167	Service Review/Redesign	Neighbourhood & Leisure Services	Highway design - develop in house expertise as opposed to using external consultancy.				20,000		20,000	Dave Hanley	Currently utilise external consultants for Highway Capital programme works - need to review fee earning teams to accommodate this work.	N/A	May need to retrain.	N/A	N/A
168	Service Review/Redesign	Neighbourhood & Leisure Services	Transport & Highway Development: More Commercial approach - Consider the Use of flexible sub contracting arrangements as and when required to secure or assist capacity on short term contracts.			25,000			25,000	Keith Harris	To engage Sub contracted personnel to provide assistance during peak workloads.	Maintain Service provision and internal clients	Accommodation space only	Opportunity maintain in house clients	Needs guaranteed work from internal clients
169	Service Review/Redesign	Neighbourhood & Leisure Services	Rationalisation of Stirchley Rec opening hours following opening of new Dawley site.			20,000			20,000	Stuart Davidson	Stirchley would close during the school day and open evenings and weekends only. Alternative daytime fitness provision would be provided at Dawley. The limited daytime group bookings at Stirchley would be honoured. Daytime customer enquiries would be managed through the central team.	Daytime use of the centre is currently limited to the fitness facilities and a small number of group bookings. The group booking should be honoured and alternative new daytime gym facilities will be available at Dawley within the existing membership.	Three contracted staff wok at Stirchley. The proposals would result in a reduction and reconfiguration of hours.		
170	Service Review/Redesign	Neighbourhood & Leisure Services	Review the current management model at Telford Ski Centre. Consider transferring to a social enterprise or closure if no suitable alternative can be identified.				50,000		50,000	Stuart Davidson	A specialist and relatively small market. Savings assumes outsourcing to alternative operator under a full repair and maintain lease.	Limited to users if closure. Alternative option to transfer to Ski Club/community enterprise although likely that savings would be lower	2 contracted staff plus casuals. Assume transfer to new operator	The potential savings exclude CEC's but relate largely to property savings which sit with Property & Design Team rather than Leisure.	Consultation required with the Telford Trust.
171	Service Review/Redesign	Neighbourhood & Leisure Services	Catering Management and operations - merging operations with leisure and using in house Catering - Cafe Go. Increasing footfall through better quality brand and products.			5,000	5,000		10,000	Psyche Hudson	Better quality product and more profitable outcomes. Cross spend for theatre and facility with footfall.	better quality offer. Potentially more expensive offer.	Possible efficiencies of catering staff across theatre and the leisure sites	Dependent on in house catering team taking it on.	

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
172	Service Review/Redesign	Neighbourhood & Leisure Services	Commissioning of the Arts and Music Service and Brokerage for other service areas i.e. meet our costs if give advice or support for service activity e.g funding bids, project support. Management/commission fee needs to be standard across the service.			8,000	8,000	8,000	24,000	Psyche Hudson	Focusing on universal offer delivery except where targeted work is commissioned.	The service will still offer a universal arts and culture offer to residents through our day to day work and activities e.g theatre, events, support and employment for artists. A reduction in commission funding would have an impact on targeted intervention e.g smaller specific target groups of individuals such as Carers.	reduction of hours available for support staff and artists currently supported.	Commission or cost Charge to offer support on other service areas e.g public health	
173	Service Review/Redesign	Neighbourhood & Leisure Services	Reduce Box office opening hours - rely on 24 hour internet box office access more, looking to customer contact centre to support frontline face to face access and close library or rely on self serve and catering supervision only				15,000		15,000	Psyche Hudson	Should we remove community library - this affects our ability to close the building more. Reliant on other box office agencies and outlets.	negative impact on building being open for service.	Reduced hours for box office/CLIOs. There may be some natural wastage in members of front line team through retirement. A restructure and downsizing of the team (making posts redundant) will be the alternative.	Relies on support from Customer Services and ICT to develop a suitable response to the extension of access to box office through additional software and terminals. Need to purchase licences/software for desktops - invest to save request submitted. Will potentially require Catering staff to manage building if library remains open as a self serve option only.	
174	Service Review/Redesign	Dvpt. Business & Housing	Staffing savings associated with service redesign in Housing & Development Planning			21,000	73,900		94,900	Katherine Kynaston	Based on restructure proposals - subject to consultation.	None	Savings are delivered through the deletion of vacant posts and the change of permanent posts to fixed term to deal with high work loads. A mini restructure will ensure delivery despite fewer posts.	None	None
175	Service Review/Redesign	Dvpt. Business & Housing	Savings arising from review of SDM Management Account (DSAE).		40,000				40,000	Katherine Kynaston	based on year in monitoring information a £40k projected ongoing saving has been identified	None	None	None	None
176	Service Review/Redesign	Care & Support	Implementation of Personalised Model of Service Delivery including: - Establishment of enablement and reablement for all service users prior to assessment of ongoing service eligibility and care planning. - Utilisation of assistive technology as preventative measure and as alternative to personal care. - Development of personal budgets and self directed support as alternative to council led service determination. - Development of transition service for 16-25 year olds to reduce ongoing care costs			1,000,000			1,000,000	Richard Smith, Frances Carron, Chris Harrison and Claire Gay	Extended evidence from current Intermediate care service to predict potential savings in care costs if nearly all people go through a reablement service prior to being allocated a personal budget. Also on basis on national evidence base. National evidence suggests that extensive use of telcare can achieve a 20% reduction in home care costs utilising the CSED telecare evaluation tool. Likewise utilising national evidence from implementation of self directed support and personal budgets. Successful transition from childhood to adult care with focus on developing independence and reablement can significantly reduce ongoing care costs	Potential to increase independence and choice for individuals in addressing their care needs. Transition to new model of service delivery may however cause concern and anxiety and therefore resistance to change from existing service users.	Apart of service review and Phase 2 of Service Restructure	The personalisation model of service delivery puts increased demand on the voluntary and independent sector to develop and provide care	Could result in instability in market provision during transition period.
	Service Review/Redesign	Care & Support	Many of these proposals are set out below			- 1,000,000			- 1,000,000						
177	Service Review/Redesign	Care & Support	In House Care Services to ALD clients delivered by Council Teams			350,000	150,000		500,000	Frances Carron	The New Options initiative has been launched for consultation for three months commencing September 2013. Rationalisation of buildings and controlling demands for the service reducing the required staff hours will deliver savings. However, the level of savings has yet to be fully evaluated pending the drawing up of a suitable structure for delivering the support and care required for the new service	More community based activities will be delivered	Will be reduction in posts		
178	Service Review/Redesign	Care & Support	Reduction to the cost of packages where Homecare is being supported financially and the cost is above the average residential weekly cost			895,000	300,000		1,195,000	Claire Gay	There are a number of Homecare packages, when compared to the average cost for each client group, are high cost and exceed this rate. These packages cost the Council in excess of the cost of the average residential rate and the Council has a Community Care Policy which allows for the financial support given to not exceed a residential/nursing weekly rate		None		Will result in fewer community based packages of care and perceived reduction in service from the council by service users and their family/carers. Communication strategy to address
179	Service Review/Redesign	Care & Support	Use staff time within the Community Enablement support teams to generate income to deliver services currently purchased from external providers of care and eliminate downtime within service			350,000			350,000	Richard Smith	Recent introduction of a computerised rota for in house enablement and Community Support workers has identified a significant level of non-productive hours. These could be utilised to provide chargeable services for low level support or to provide services for which the Council currently purchases a service form an external Provider of care.	Less demand for independent and private sector providers	Will require amendment to terms and conditions of employment, potential use of zero hour contracts or annualised contracts.		
180	Service Review/Redesign	Care & Support	Review packages of care for clients with care packages of less than 3 hours and supplement support given to Carers			400,000			400,000	Claire Gay	Low hours are assumed to be in relation to low levels of need which could be met from within the community resources and family/carers	Will be reduction in services provided by the council and in some instances community alternatives may not be available but essential for consistent approach to be taken if saving is to be achieved	None		Will be a service cut if no community alternatives available
181	Service Review/Redesign	Care & Support	Invest in Assistive Technology			900,000	400,000		1,300,000	Richard Smith	Investment in Assistive Technology will deliver benefits to clients and the Council. Clients are able to live at home and the Council can reduce the amount of Homecare support provided by and therefore reduce costs	Less direct hands on care will be provided. Will impact on demand for independent and private sector providers	None		Will be resistance from service users and family/carers offset by good quality information and communication
182	Service Review/Redesign	Care & Support	Integration - review of service areas where further integration within Council and with health partners to generate further savings				50,000		50,000	Claire Hall Salter	The scope for this is significant for the council as a whole and it is underpinned by the requirements of the Care & Support Bill so there should be potential for greater future savings, or if these can be brought forward can address the potential time delays in creating internal residential provision - above			Potential savings for partners too	
183	Service Review/Redesign	Care & Support	Increase contribution from Health to compensate for reduction in CHC funding		500,000				500,000	Paul Taylor					
184	Service Review/Redesign	Care & Support	Increase level of health funding on CHC and complex care packages			1,000,000			1,000,000	Claire Gay	This would be an additional £1.08m on top of current funding and transfer of £2.4m from CCG.	Greater equity of funding for individuals	None	Increased costs to CCG	Agreement not reached.
	Service Review/Redesign	Care & Support	Cost Improvement Plan for Overspend			- 1,145,000			- 1,145,000						
185	Service Review/Redesign	Neighbourhood & Leisure Services	Highways & Transport: Subsidised Bus Services - consider reducing / removing the subsidy on existing subsidised routes				50,000		50,000	Viv McKay / Keith Harris.	The authority could reduce/remove the subsidies to bus services such as for weekend / evening services / or for areas of the borough. Likely to undermine current commercial services resulting in more pressure to subsidise services.	Loss of transport services providing connections to employment, schools, colleges, healthcare, shops and recreational facilities. Likely to have a disproportionate impact on low income and elderly groups.	Limited staff impact	May reduce transport access to certain Council and partner services	Could result in an undermining of currently commercial services leading to further pressure to subsidise services or a significant reduction in the public transport network in Telford.
186	Service Review/Redesign	Family & Cohesion Services	Youth Offending Service			20,000			20,000	Jas Bedesha	Part 1 implemented following period of consultation. Part 2 review non core and non staff costs. Further savings are expected through property rationalisation and re-letting some contracts. Also further synergies will arise from merging this service across West Mercia	Minimal	Still to be assessed but will be subject to full consultation programme if required	None	Minimal
187	Service Review/Redesign	Family & Cohesion Services	Management Support - Supplies and Services		50,000	2,500			52,500	Clive Jones	Following reconfiguration of service and based upon 12/13 spending levels budget no longer needed	None	None	None	None

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
188	Service Review/Redesign	Family & Cohesion Services	Homelessness Review			40,000	50,000		90,000	Jas Bedesha	Initial review work undertaken by the Housing Task Force has identified a number of opportunities for generating efficiencies.	None	Housing services will be reconfigured to facilitate a team around the family approach. Savings will be achieved through deleting vacant posts and voluntary redundancy.	Some functions and associated budgets will transfer to Development, Business & Housing to develop options.	Minimal
189	Service Review/Redesign	Family & Cohesion Services	Commissioning Review of Transport and Public Transport		0	500,000			500,000	Viv Mckay	Further service review of transport policy, fleet and public transport, including a review of best practice from across the Country.	Service review recommendations will be subject to a Community Impact Assessment	Service review recommendations will be subject to employee consultation. Employees have been involved in developing service review/redesign proposals.	Service review recommendations will be subject to a period of consultation with appropriate partners.	Unable to achieve target. We plan using appropriate support from IEWM. They have undertaken reviews elsewhere and identified significant savings.
190	Service Review/Redesign	Family & Cohesion Services	Reduce commitment to play work across Children & Family Locality Services				59,744	-	59,744	Chris Marsh	Investigate provision via parish council or voluntary sector (Community Ambassador Scheme). Retain some support for pump priming voluntary sector offer	Use of parish council or voluntary sector	use play workers to provide children centre activities, proposals sees a further reduction in EIP over a three year period	None	Nobody prepared to take work on at voluntary sector level
191	Service Review/Redesign	Family & Cohesion Services	Review Early Years & Childcare Advisory Function				50,000		50,000	Chris Marsh	Currently reviewing options for transferring function to children specialist services (part of SEND Review). An opportunity will exist for merging into an existing structure and hence some efficiency savings may be possible.	None	Loss of one team leader post through VR..	Education and Corporate Parenting.	None
192	Service Review/Redesign	Family & Cohesion Services	Review of Commissioning - merge some council commissioning, contracting and brokerage functions across C&YP and C&S.				150,000		150,000	Clive Jones	Through adopting "One Council" approach would offer opportunities to make savings whilst improving outcomes.	Improved outcomes across a range of Council and partners services	Reduction in number of management posts. One Service Delivery Manager Post is leaving which presents an early opportunity for making saving	Possible impact on budgets in other areas where commissioning activity takes place	
193	Service Review/Redesign	Family & Cohesion Services	Public Health Contracts - use existing services to provide some of package currently contracted out including smoking, sexual health, school nursing etc			20,000	80,000	-	100,000	Clive Jones/Viv McKay and Liz Noakes	Using existing services to deliver elements of contracted work once contracts renewed using "Every Contact Counts" principles.	Reduced costs and fewer contracts. Also targeting families in most need.	Need to provide appropriate training and agree approach with employees	Other services could also provide services	Need to demonstrate that services can meet specification and quality standards required
194	Service Review/Redesign	Safeguarding	Partnership approach to delivery of Adoption Services (20%)			40,000	29,000		69,000	Karen Perry	New Government agenda driving improvement requires LA to achieve more challenging timescales for recruiting adopters and placing children with more complex needs. West Mercia adoption project (Worcestershire, Shropshire, Telford and Wrekin and Herefordshire) is working to deliver economies of scale whilst maintaining a similar or better quality of service.	A more efficient and effective service to a wider range of children.	Service is commissioned from Shropshire Council - any staffing impact is for Shropshire staff	Goal of 20% savings for Shropshire too	Complexity prevents delivery of scale of desired savings or delays delivery of savings Conflict between the project's vision/objectives and the strategic direction of each individual adoption service or authority. Change in leadership in any of the authorities could lead to buy-in to the project being lost. Lack of stakeholder support Loss of key quality staff through the change process.
195	Service Review/Redesign	Education & Corporate Parenting	Review of School Improvement Services		£52,710	-	£117,850		170,560	Jim Collins	Analysis of income generation and expenditure related to trading services to schools has identified potential areas for further efficiencies.	Schools may receive less intervention from core School Improvement Service which could lead to an increase in schools becoming less effective.	Employees affected by the review of service delivery will be fully consulted in order to identify ways to reduce negative impact.	Additional cost for schools which may lead to a loss of income for the service and creates opportunities for neighbouring LA to market their services	Could lead to a loss of income if schools are inclined to trade with providers other than T&W
196	Service Review/Redesign	Public Health	HRAAG Drugs and Alcohol Support Services contract review/service re-design			277,118			277,118	Bhavna Taank	Achieved through the review of services and looking at best value and best practice	May result in the level of some service provision, however this could be picked up via joined up working. Effect will not be noticed as impact will be on services that are provided which are over and above what is required. Where possible looking at where more can be done for reduced levels of funding	There may be some staffing impact which will be ascertained during the review process	There will not be an impact on other service provision or budgets rather delivery in a more joined up manner and tapping into existing service provision.	Change in the culture of working habits, which will be overcome by relevant professional training up-skilling existing staff to allow them to deliver more interventions using a holistic user centred approach
197	Service Review/Redesign	Public Health	HRAI Community infection prevention and control services		100,000				100,000	Helen Onions	£200k agreed as contingency pre-April 13, cost still to be established with CCG likely to be <£100k	None likely	The CCG currently fund the community IPC service at Shropshire Community Trust and also the SC CCG IPC Team	LA PH grant included funding for infection prevention and control, this is currently being funded by the CCG	Risks include unknown/unforeseen costs in dealing with PH incidents such as outbreaks of infection e.g. Mass TB screening exercises
198	Service Review/Redesign	Public Health	HRAH Sexual Health Services - HIV prevention and testing		1,250	15,230			16,480	Stacey Norwood	Tendering of HIV prevention and testing service - currently contracted to Terrance Higgins Trust	The service will still be delivering in line with LA Public Health responsibilities	Possible impact as this service is currently out to tender	None	
199	Service Review/Redesign	Public Health	Changes and cessation of some contracts and agreements in Sexual Health, Health Checks, Nutrition & Obesity and Miscellaneous Health and Wellbeing services. Changes arise mainly from review work carried out as part of the transition process			677,596	100,000		777,596	Liz Noakes	Achieved through looking at best value and best practice to achieve improvements in public health outcomes	May result in the reduction of the level of some service provision, however some efficiency savings will be reinvested to develop more population wide approach and hence mitigate the impact.	There may be some staffing impact in these commissioned services	A more population wide approach will impact on how other council deliver their services but within the existing budget envelope including the Public Health grant.	
Total Service Review/Redesign					743,960	5,339,179	1,864,200	8,000	7,955,339						
Strategic Review of Capacity (Staffing)															
200	Strategic Review of Capacity (Staffing)	Law, Democracy & PP	Delete SDM post - create Democratic & Legal Services SDM (SMG3 + PO16 - PO25) subject to evaluation		0	0	17,677		17,677	Jonathan Eatough	Create a single post reduces management costs rather than increasing the impact on front line services	See Risks column	Reduction of 1fte	General Comment : the service, as proposed will be a basic service and anything that is not every day work (which will be defined) will need to be procured externally by the service area requiring that work to be done. I will facilitate and provide extra legal resource if asked but the costs must be met from the service area's budget and be included, if revenue, in their revenue budgets and if capital, in the capital budget	IMPORTANT NOTE - The re-structure of the Legal team is very difficult - in almost every discipline there are client departments asking for more, not less legal support. This for 2 main reasons, the pressure for innovative/ commercial solutions and that re-structures are sometimes leading to less experienced officers fulfilling roles that they are not familiar with - the proposed savings create risk to the organisation both in terms of governance and the Council's ability to deliver its priorities in a timely manner.
201	Strategic Review of Capacity (Staffing)	Law, Democracy & PP	Structural review of Legal Services including reduction of 0.5FTE Land & Property Legal Assistant		6,010	11,752	8,430		26,192	Matt Cumberbatch	Taking advantage of existing vacancies and reducing management roles	See column on impact on partners, across - could impact on our ability to deliver business winning objectives	Vacant posts and grading reduction for a number of staff	Reducing the services reduces the ability of the property teams to be as immediately responsive to the market when seeking to secure new tenants - this could lead to a loss in revenue to the Council or the property service (more expensive) external legal support to provide this service	None
202	Strategic Review of Capacity (Staffing)	Law, Democracy & PP	Procurement - Reduction in hours of staff		6,000	21,000			27,000	Sarah Bass	Existing hours that are not used due to member of staff working flexibly. Reduction in capacity to meet savings targets	The team works to provide, amongst other things better procurement opportunities for business within the Borough. A reduction in capacity will reduce their ability to do this.	Reduction of 0.6 fte	This team provides support for other parts of the organisation to secure better, cheaper procurement options and ensures good governance in the procurement process. Any reduction reduces this capacity to support other service areas	This savings proposal is being put forward to meet targets. The team have a proven track record of securing better value (and real financial savings) for other service areas but as these are difficult to quantify (and are rightly used by the service area) it is difficult to show a direct financial link which could be classified as income and would have reduced the level of cuts proposed.
203	Strategic Review of Capacity (Staffing)	Law, Democracy & PP	Delete SDM post - create Democratic & Legal Services SDM (SMG3 + PO16 - PO25)		0	0	17,677		17,677	Jonathan Eatough	See above - 50% of the saving	As above	As above	As above	This creates a big role and the obvious gap is in the recently accepted redundancy of the Electoral Services Manager which might not have been accepted if this further level of savings had been identified at that point . This is going to impact on the management capacity within the service.

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
204	Strategic Review of Capacity (Staffing)	Law, Democracy & PP	Review of support for the Electoral Services Team		0	-11,481	0		11,481	Phil Griffiths	The Electoral Services Manager was given VR earlier on 13/14 - this re-structure is designed to manage the impact of that over 2 years to oversee European, Parliamentary and local elections and the implementation of Individual Voter Registration	A failure to properly resource electoral services is a personal risk for the Electoral Registration/ Returning Officer, could lead to reputational issues for the Council and could adversely impact upon public confidence in the democratic process	VR - Electoral Services Manager (12/13 and already accounted), creates a Modern Apprentice in the establishment and creates a Canvass Officer post to manage Individual Electoral Registration	Individual Voter Registration will impact on many areas of the Council as "Making Every Contact Count" will be the foundation of the new canvass procedure	This investment will enable us to respond to changes to the Electoral Registration process and maximise the opportunities to increase participation
205	Strategic Review of Capacity (Staffing)	Law, Democracy & PP	Review of electoral and member services structures, working practices and non-staffing budgets ready for a new administration		0	49,000	0		49,000	Phil Griffiths	Review of electoral and member services structures, working practices and non-staffing budgets ready for a new administration	None	None	None	None
206	Strategic Review of Capacity (Staffing)	Law, Democracy & PP	Public Protection - Re-structure		14,740	76,794	0		91,534	Jo Revell	Merging of 2 teams to save SDM post - this has been implemented as it had commenced prior to the new savings targets being declared with 2 further planned VR's	Reduced capacity in licensing may increase time for delivery of the service pending new ways of working. Impact on management capacity within the team.	Reduced hours and reduced grading for 2 staff members and a reduction in 2 FTE covered by proposed bumped VR's	Impact on capacity and service delivery	None
207	Strategic Review of Capacity (Staffing)	Customer & People Services	Reduction in staffing within the customer Quality Service	232,400		12,000	20,000		32,000	Andrew Meredith	There is capacity through the realignment of duties to reduce the structure.	Limited impact	Reduction in posts.	Limited impact but it will reduce the amount of resource in the Customer Quality Team which may result in delays when management information is requested	
208	Strategic Review of Capacity (Staffing)		Saving merged with number 207 above						0						
209	Strategic Review of Capacity (Staffing)	Customer & People Services	Introduction of Automated Switchboard Service	975,397			21,000		21,000	Andrew Meredith	The acquisition of a new Contact Centre phone system gives us the opportunity to implement IVR (Intelligent Voice Recognition) for the Switchboard service removing the need for staff to deal with those calls. It should be noted that the system would allow a customer to access an officer if they do not wish to use an automated service, but case studies have shown that this will be in limited instances and could be absorbed in the rest of the Contact Centre structure	Limited impact through the option to speak to an officer if needed	Will reduce the Contact Centre structure longer term.	None	
210	Strategic Review of Capacity (Staffing)	Customer & People Services	Introduction of Automated Telephony Reporting Services	975,397			42,000		42,000	Andrew Meredith	The acquisition of a new Contact Centre phone system gives us the opportunity to implement IVR (Intelligent Voice Recognition) for routine service requests, e.g. Reporting a missed bin, removing the need for an employee to deal with those calls. It should be noted that the system would allow a customer to access an officer if they do not wish to use an automated service, but case studies show that this will be in limited instances. An significant benefit of this service is that it would be a 24/7/365 service	Limited impact through the option to speak to an officer if needed	Will reduce the Contact Centre structure longer term.	None	
211	Strategic Review of Capacity (Staffing)	Customer & People Services	Further review of the People Services operations following merger of former HR and OD services	1,350,640		250,000			250,000	John Harris	There are Opportunities for savings will result from the further rolling out of e.learning, changes to staffing structures and a refocus on how we develop people in the organisation. 15/16 AND 16/17 savings are reliant on efficiencies through merger of sections joining People Services, system alterations and different ways of working with managers.		There will be a staffing impact. This will be managed through long term vacancy review or freezing. Exact numbers of posts can not be identified at present.	There will be less support for managers. Training purchased from the Council will be more expensive.	Possible increase in tribunal costs. Managers more responsible for their decisions.
212	Strategic Review of Capacity (Staffing)	Customer & People Services	Service Redesign including ICT and People Services	2,518,120		225,000	75,000		300,000	Kirsty King	Service to be reviewed in light of demands in some areas and the need to address capacity in others. May also be met by increasing income and winning new business.				
213	Strategic Review of Capacity (Staffing)	Finance, Audit & IG	Employee savings relating to restructure, reduced hours, vacant hours following restructure and ending temporary contracts.			49,742			49,742	Ken Clarke	Work to be covered by existing staff or re-prioritised; the saving protects staff in substantive posts and therefore the core services being delivered.	Minimal	Temporary contracts will not be renewed; reduced hours have been identified/requested by staff themselves.	Likely to require transfer of transparency function to Cooperative Council or Communications SDU	
214	Strategic Review of Capacity (Staffing)	Finance, Audit & IG	Rationalisation of posts across Finance, Audit & I.G., some further rationalisation of non-staffing budgets and using existing staff to in-source some work from fund managers/brokers.		76,000	101,000			177,000	Ken Clarke	Deletion of vacant and temporary posts at end of contracts protects permanent employees. Reduced treasury management fees as more transactions are handled internally therefore increasing net treasury income. Some restructuring will be needed to achieve target.	Minimal	Re-allocation of tasks within the rest of the team. Additional work placed on internal staff as they manage treasury transactions formerly undertaken externally.	Minimal	Minimal
215	Strategic Review of Capacity (Staffing)	Co-operative Council and Commercial Delivery Team	Staff restructure (NB £6,000 of 2013/14 savings are one-off savings)		31,000	169,000			200,000	Richard Partington	Restructuring of team to re-align capacity around new working arrangements and priorities and to support income generation and commercial development within the team and across the Council	Proposed restructure will have some impact on the amount of projects and initiatives that the team would be able to support. However, the revised structure should increase the flexibility of the team and focus on needs and priorities.	The restructure will involve a number of staff being put at risk and potentially the deletion of some posts	There may be some impact on other Council services as much of the work carried out by the Co-operative Council Delivery Team is to support other service areas	None
216	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Strategic Review of Capacity across the Service Area			50,000			50,000	Jonathan Rowe	Partially Subject to approval of VR request, and transition period required for knowledge transfer and restructuring	Continual erosion of work quality given volume and competing priorities may impact on quality of service delivery	Increased workload will need to be managed and prioritised	Responsiveness and greater chance of breakdown in communication and cooperative working due to work demands	Essential we introduce a service based M&P resource so to be proactive on communication and support key teams.
217	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Highways & Transport: Review of Public Realm/Street Works / Street Lighting and Drainage Functions with view of rationalising establishment				50,000		50,000	D Hanley	Review of operational elements of teams but only following completion of current lean programmes to deliver savings Requires a cross-service approach	Not known until proposal worked up		Not known until proposal worked up	Not known until proposal worked up.
218	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Rationalisation of waste service budgets now included in the new specification/contract			97,000			97,000	Dave Hanley / Debbie Germany	Savings on a variety of functions and activities that have now been included in the new contract	N/A	N/A	N/A	N/A
219	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Delete vacant Service Education Officer post			23,000			23,000	Dave Hanley / Debbie Germany	This post has been frozen and the duties will be undertaken from April 2014 in a different way	N/A	N/A	N/A	N/A
220	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Rationalise vacant Parks & Open Spaces Project Manager post and its functions and restructure Parks Team			40,000			40,000	Stuart Davidson	Absorb duties in Parks & Open spaces restructure	Prioritisation of duties in restructure will reduce impact. Consider cross team functions with Neighbourhood & Leisure Services		Prioritisation of dues in restructure will reduce impact. Consider cross team functions with Neighbourhood & Leisure Services	Prioritisation of duties in restructure will reduce impact. Consider cross team functions with Neighbourhood & Leisure Services.
221	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Seek to rationalise back office support staff requirements from 2.5 to 1.5FTE following contract and operational changes.					23,000	23,000	Dave Hanley / Debbie Germany	Reduced need for client data management in the future through computerisation and different contract arrangements	N/A		N/A	Prioritisation of duties in restructure will reduce impact.
222	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Rationalise the functionality of Environmental Public Realm, Waste Operations to deliver on future priorities					80,000	80,000	Dave Hanley/Debbie Germany	New ways of working with TWS to focus on local environmental quality needs.	Will allow rationalisation of resources and which can be directed towards Local Environmental Quality and cross cutting Neighbourhood Service initiatives.		N/A	Prioritisation of duties in restructure will reduce impact.
223	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Rationalisation of the Engineers Team by deleting a Principal Engineer post (none fee earning) and create scope for a dedicated fee earning team including recruitment of Assistant Engineer to generate fee earning capacity			20,000	20,000		40,000	Dave Hanley	Aim to provide core fee earning workforce and have flexibility to meet a changing market. The none fee earning Principal Engineer needs to be retained for part year to accommodate Procurement of Street lighting contract	No impact on community recruitment of Assistant Engineer will complement the fee earning nature of the team	Loss of a Principal Engineer Post	By using in house services - the team can maximise income.	By using in house services - jobs will be protected.
224	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Transport & Highway Development: Staff rationalisation			60,000			60,000	Keith Harris	Restructuring to provide operational efficiencies and ensure priority services are adequately resourced and accommodating income growth	Positive impact, e.g. Improved resourcing of front line services, such as Streetworks will provide better quality reinstatements giving better quality roads and less congestion.	Some jobs will be re-designed to cover new workstreams. Some staff will be put at risk but impact is minimal.		Some risk that appropriately skilled staff are not available for all posts. Interim arrangements will be put in place if necessary.
225	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Remove payment protection - for harmonised and restructured staff (should also feature in other services proposals)				50,000		50,000	Stuart Davidson	Remove protection payment arising from restructures and Leisure Services harmonisation protection payments	neutral	Approx 20 staff within service area (wider implications across Council)	Na	Consultation required with Trade Unions

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation	
226	Strategic Review of Capacity (Staffing)	Dvpt. Business & Housing	Salary increments held centrally to be given up			65,891			65,891	Kate Turner	Budget held centrally by Assistant Director for incremental increases in salaries to top of scale will be given up.	None	None	None	This pressure will need to be met ongoing within individual Service delivery Units.	
227	Strategic Review of Capacity (Staffing)	Family & Cohesion Services	Review of FAC Service Structure				165,000	-	165,000	Clive Jones	Savings arising from reducing number of service areas by one.	By merging two areas and aiming to protect level of front line support available to the community	Minimum of three management posts lost over savings period.	None	Will need to assess ability to effectively manage case loads and supervision	
228	Strategic Review of Capacity (Staffing)	Family & Cohesion Services	Review of Children Specialist Service Structure				50,000	-	50,000	Diane Partridge	Arising from a review of management tiers across the service linked to SEND reform	None, SEN Reforms will provide a more holistic service designed to meet the child health, care and education needs	One manager post lost, offset by an additional group manager.	None	as above	
229	Strategic Review of Capacity (Staffing)	Family & Cohesion Services	In line with 2011 proposals for establishing network of community ambassadors. Linked to emerging Early Help Offer opportunity will be taken to review structure across range of EH services including impact of those joining LA in 15/16			29,872	150,000	-	179,872	Clive Jones	In line with 2011 proposals for establishing network of community ambassadors. Review of Early Help Offer and additional responsibility for health visitors in 15/16 present an opportunity to look at a revised delivery model.	Assumes volunteer workforce available. Cabinet will consider detailed proposals which will be subject to consultation.	Anticipated circa six posts across Early Help Services	Possible impact on delivering cost improvement plan, impact on public health outcomes and incoming community trust service	Risk of not being able to find sufficient volunteers and no agreement between partners	
230	Strategic Review of Capacity (Staffing)	Family & Cohesion Services	Implementation of Youth Offer			50,000	200,000	-	250,000	Jas Bedesha	The Youth Offer identifies a greater role for the voluntary sector supported by a smaller team at a Council level. Some youth and community workers will be retrained to support the Strengthening Families Project. A report is being prepared for Cabinet which will launch a period of consultation.	It should be noted that youth clubs will only be closed where there is minimal demand, we will be investigating working with an already strong voluntary sector and parish councils.	A number of full and part time posts will be deleted over time.	Minimal	Risk of public opposition to proposals	
231	Strategic Review of Capacity (Staffing)	Family & Cohesion Services	Community Safety			18,000		-	18,000	Jas Bedesha	Reduction in support for Community Safety Officers	Impact on community cohesion from one less officer	Post currently vacant	Minimal	Need to agree approach with Divisional Superintendent	
232	Strategic Review of Capacity (Staffing)	Family & Cohesion Services	Review of Family Connect staffing structure				20,000	-	20,000	Debbie Lloyd	Review of structure following implementation of change management programme.	Minimal	Loss of one post	Minimal	Change management programme not complete or significant actions arising from OFSTED	
233	Strategic Review of Capacity (Staffing)	Family & Cohesion Services	Commissioning - review of current structure to meet needs of service		10,000	10,000			20,000	Viv McKay	Small review currently being undertaken which will be the subject of consultation with employees	None	may lead to small reduction in workforce	None	Consultation may point of a different solution and additional costs	
234	Strategic Review of Capacity (Staffing)	Safeguarding	Partnership approach to delivery of EDT (20%)				45,000		45,000	Karen Perry	Economies of scale, and sustainability strategy - current service design is vulnerable as SWs are trained as specialists. Costs could potentially increase therefore	Call centre arrangements are already located well away from Telford. Workbase for visiting practitioners needs to be local enough for timely attendance.	potential reduction in management and practitioner numbers	Care and Support agree we should consider. Currently Telford and Wrekin service is joint. Shropshire have a joint service. Worcestershire has just decided to disaggregate adults and children, but will continue to run Herefordshire's childrens service. Herefordshire runs an adult service	At a very early stage of discussions Risk of making rather less savings if not all West Mercia LA commit. Risk of not ensuring sufficiently local focus and response - have hub and spoke model of service delivery	
235	Strategic Review of Capacity (Staffing)	Safeguarding	Business support		22,000	51,500			73,500	KP/HS	redesign or removal of posts that have not added value in the way anticipated	None	can mostly be achieved through vacancy management and some change in remit of existing posts	Small element to be developed in conjunction with Service redesign in Delivery and Planning	Risk that customers in Safeguarding do not get their needs for performance and management information and specialist operational desk side support for Protocol use met, especially during critical period of service redesign of CPT and ACM, due to pull of central priorities Matrix management involving current Business Information and Data Manager for transition period less flexibility to cope with unexpected increase in workload/staff absence due to maternity or sickness	
236	Strategic Review of Capacity (Staffing)	Safeguarding	reduction in staff capacity				180,000		180,000		Reduction in numbers of CIC and CP cases plus alternative ways of supporting contact - eg family and foster carers	none if there is reduction in CIC/sufficient alternative capacity of the right calibre	reduction in approximately 6 posts - aim to achieve majority by vacancy management	none	This depends on a reduction in CIC, and ability of foster carers to undertake (more of) this role.	
237	Strategic Review of Capacity (Staffing)	Education & Corporate Parenting	Restructuring of several areas within Education & Corporate Parenting. Because the proposed savings are planned to be made by the beginning of 2014/15, they have all been shown in 2013/14 and 2014/15.		20,000	278,030			298,030	Jim Collins	Restructure to remove a number of posts affecting BSF (as the design phase of the project reaches its conclusion), and a reduction in non traded posts supporting schools.	Capacity to support schools in the areas affected will be reduced.	Service review recommendations will be subject to employee consultation. Employees will be involved in developing service proposals	The Schools Forum may not be willing to commit Dedicated Schools Grant (DSG) to areas which have a reduced resource available to support schools.		
238	Strategic Review of Capacity (Staffing)	Public Health	HRAA Public Health Management and Administration - includes review of non staffing resources		30,730	85,970			116,700	Liz Noakes	Staffing structure changes during transition and review of contingency values	None likely	Staffing structure and capacity to be reviewed by new AD when she takes up post in Oct 13. NB the PH team are currently operating on a lean structure/delivery team (which has been commented on by PHE) which needs review	Not yet determined	Risk is PH leadership function is underfunded	
Total Strategic Review of Capacity					216,480	1,833,070	1,131,784	103,000	3,284,334							
TOTAL SAVINGS					2,595,067	13,885,763	5,734,121	363,000	22,577,951							
Less Provisions					- 80,000	- 208,000	- 86,000	- 5,000	- 379,000							
FINAL SAVINGS					2,515,067	13,677,763	5,648,121	358,000	22,198,951							

DETAILED SCHEDULE OF PRESSURES

No.	Savings Type	Service	Description of Saving	2013/14 Budget	2013/14	2014/15	2015/16	2016/17	Total	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
				£	£	£	£	£	£						
Customer & People Services															
1	Customer & People Services	Customer & People Services	Existing budget pressures on ICT maintenance	503,930	350,000				350,000	Kirsty King					
2	Customer & People Services	Customer & People Services	Income budget pressures	Various	200,000				200,000	Mal Yale					
3	Customer & People Services	Customer & People Services	Delivery of Customer Services Strategy & Transformation Agenda			100,000			100,000						
4	Customer & People Services	Customer & People Services	Revenues & Benefits additional printing costs	77,550	50,000				50,000	Sophie Lane/Lee Higgins					
Total Customer & People Services Pressures					600,000	100,000	-	-	700,000						
Finance, Audit & Information Governance															
5	Finance, Audit & IG	Finance, Audit & IG	Income shortfall - Audit & IG			3,540			3,540						
Total Finance, Audit & IG Services Pressures					-	3,540	-	-	3,540						
Neighbourhoods & Leisure															
6	Neighbourhood & Leisure Services	Neighbourhood & Leisure Services	Impact of various closures / reduced income arising from BSF works.			10,000	10,000	10,000	30,000	Stuart Davidson	Loss of STP income c £30k. Impact on other areas not clear until programme agreed.				
7	Neighbourhood & Leisure Services	Neighbourhood & Leisure Services	Estimated additional costs arising from new Dawley Sports & Learning Community compared with existing Phoenix site		35,000	35,000			70,000	Stuart Davidson	Dependant upon operating model and overall site operating costs. Therefore based on best estimates.				
8	Neighbourhood & Leisure Services	Neighbourhood & Leisure Services	Cost of extending unbudgeted support for AFC Telford Utd's Community Coaching Scheme		8,000	12,000			20,000	Stuart Davidson	1 employee fixed term contract, due to end Nov 2013.				
9	Neighbourhood & Leisure Services	Neighbourhood & Leisure Services	Contribution to or revenue to fund borrowing for Replacement fund for aspirations health & fitness equipment (2 sites)				10,000		10,000	Stuart Davidson	Based upon 5 year replacement cycle. If no capital replacement fund established then replacement equipment will need to be leased. This is unbudgeted and will significantly impact upon profit levels.				
10	Neighbourhood & Leisure Services	Neighbourhood & Leisure Services	Addition 2 grass cuts per year (12 per annum to 14 per annum) to reflect more acceptable standard			50,000			50,000	Dave Hanley					
11	Neighbourhood & Leisure Services	Neighbourhood & Leisure Services	Contribution to or revenue to fund borrowing for refurbishment and replacement of essential theatre equipment - sound and lighting desks, lights, curtains, stage equipment, furnishings				10,000		10,000	Psyche Hudson	Three to five year cycle on most essential equipment. Theatre will not be able to operate at same standard and will suffer in the product it can attract if not fully equipped. Reputational - The fabric of the theatre will be come unrepresentable and public will drop in attendance and therefore affect income significantly.				
12	Neighbourhood & Leisure Services	Neighbourhood & Leisure Services	Music services current / historical income issue		40,000				40,000	Psyche Hudson	Music Service provides universal service to young people and subsidises certain sectors of the community e.g special needs and free school meals. This relates to its music education grant conditions from Arts Council. Additional income is brought in from parents and schools buying services - the cost of these services is benchmarked with other music services but essentially the service is non profit making due to a drop off in these bought in services e.g academies doing it for themselves, and additional pressure from previously added income targets				
Total Neighbourhood & Leisure Services Pressures					83,000	107,000	30,000	10,000	230,000						
Development, Business & Employment															
13	Dvpt. Business & Housing	Dvpt. Business & Housing	50% of post for Land & Property Gazetteer (PO2)		-	19,500			19,500	Dave Fletcher	The council has a legal responsibility to keep up to date information on land and property but has not been fulfilling this role. An officer was recently recruited to the Planning team with the salary to be covered by ICT for 2013/14 and shared equally ongoing.	None	Continuation of an existing fixed term post to deliver further efficiencies and improvements in customer quality in support of our business winning agenda - providing cross service area support.	None	None
14	Dvpt. Business & Housing	Dvpt. Business & Housing	Business Support - Customer Services Post		-	39,000	13,000		52,000	Dave Fletcher	This is an existing role within Development, Business and Employment but funding expires on 30/06/2014. However, the role is considered essential in terms of business performance and therefore the proposal is to extend ongoing.	None	None	None	None
15	Dvpt. Business & Housing	Dvpt. Business & Housing	Administration - Building Management & Maintenance		-	90,000			90,000	Chris Goulson	Pressures have been identified associated with running costs of Addenbrooke.	None	None	None	
16	Dvpt. Business & Housing	Dvpt. Business & Housing	PIP Rationalisation			88,000			88,000	James Dunn	The ongoing rationalisation of the PIP has resulted in an ongoing pressure of £88k. Whilst individual investments have been prudent and developed on a business case basis, funding has been secured through the disposal of very poor properties, which have high yields. However, they do not represent good long term investments and would not support the income target long term. Whilst rationalisation has resulted in a pressure it will deliver certainty in terms of income moving forward.	None	None	None	Risk ongoing is reduced as investments are more viable in the long term.
17	Dvpt. Business & Housing	Dvpt. Business & Housing	Loss of Grant & Salaries		-	285,000			285,000	Sue Marston	£217k relates to loss of grant relating to "Next Steps" and Lifelong learning. The balance relates to pressures associated with salaries.	None	None	None	None
18	Dvpt. Business & Housing	Dvpt. Business & Housing	R&M associated with housing stock to support homelessness			32,000			32,000	Chris Goulson	The original budget was lost as part of a previous saving round but clearly needs reinstating if we were to maintain properties and fulfil our statutory duty regarding homelessness. It was agreed in the homelessness cabinet report that this pressure would be shared equally between Kate Turner and Clive Jones.	None	None	None	None
Total Development, Business & Employment Pressures					-	553,500	13,000	-	566,500						
Family & Cohesion Services															
19	Family & Cohesion Services	Family & Cohesion Services	SEN Review including need to consider 0-25					-	-			Additional Group Manager required to support SEN Reform			
20	Family & Cohesion Services	Family & Cohesion Services	Homelessness Strategy - Reinstating R&M Budget withdrawn in 2009/10 (50% to be found by Business, Employment & Skills)			32,000		-	32,000			Refer Cabinet report September 2013, transfer of responsibility for R&M to Development Business & Employment.			
Total Family & Cohesion Pressures					-	32,000	-	-	32,000						
Children's Safeguarding															
21			specialist assessments - pre proceedings		10,000				10,000	KP	impact of new legislation and guidance	decisions for children subject to care proceedings will be made more quickly	none	none	none
22			Capacity in the CIC team		20,000	74,000			94,000	KP	Necessary to enable more children to find permanent substitute families and further improve quality of service to Children in Care	more children placed more quickly with permanent substitute carers	none	none	none

No.	Savings Type	Service	Description of Saving	2013/14 Budget	2013/14	2014/15	2015/16	2016/17	Total	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
23			Increase in Fostering Allowances - possibly neutral if reduces external fostering numbers		13,334	26,666			40,000	KP	Necessary to retain high quality fostering workforce	more children placed with local foster families	none	none	none
Total Children's Safeguarding Pressures					43,334	100,666	-	-	144,000						
Public Health															
24			Additional costs Prescription costs for current cohort			182,000			182,000	LN			none	none	none
25			Additional contract costs in services for 5-19 year olds			15,000			15,000	LN			none	none	none
26			Additional costs arising from cross border recoupment of costs for services			109,440			109,440	LN			none	none	none
27			Additional costs associated with medicine management			130,000			130,000						
Total Public Health					-	436,440	-	-	436,440						

TOTAL PRESSURES 726,334 1,333,146 43,000 10,000 2,112,480

Service and Financial Planning 2014/15 to 2015/16 – Equality Impact Analysis

Section 1 – Overview

The Service and Financial Planning report aims to show how we will achieve a balanced budgetary position for the coming financial year 2014/15 and provide a clear pathway for future financial management. This report identifies how we intend to spend our money and gather income for the whole Council on an annual basis. Included in this are recommended savings and potential income generating actions that may have an impact on people within the borough.

This impact assessment is designed to draw out identified potential positive and negative impacts related to the overarching budget strategy and its implementation in relation to the protected characteristics;

- Age
- Disability
- Gender
- Transgender Status
- Race/Ethnicity or Nationality
- Religion or Beliefs
- Sexual Orientation
- Pregnancy Or Maternity
- Marriage Or Civil Partnership
- Deprivation
- Or any combination of characteristics

It does this in respect to the protected characteristics and the aims of the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

This impact analysis does not look at each saving individually but refers to the overarching budget strategy and cumulative sections.

The process that has been used to identify savings which require further analysis is detailed within the main report, Section 12. The outcomes of that process are shown in Appendix 4B.

Background

The Council is facing a challenging time and has done for a number of years. The situation can be summed up as reducing resources in the face of greater demand for statutory services.

On 7 March 2013, the Council's Service & Financial Planning strategy for the period 2013/14-2015/16 was approved by Full Council.

This strategy outlined a range of principles that had been established to provide a fair and consistent needs-based approach

- Develop spending plans that address the community's needs and priorities and support the long-term economic growth of the Borough;
- Be transparent about how resources are spent across the Borough, but target spend at issues and areas where need is greatest;
- As a Co-operative Council, involve the community and partners in the budget-setting process;
- Seek to minimise the level of Council Tax increase, balanced against growing demands for Council services;
- Deliver efficiencies and savings, as far as possible minimising the impact on priority front-line services;
- Adopt a commercial, entrepreneurial approach to generating additional income and securing external investment;
- Like a business, it is prudent to set aside some money to deal with any unforeseen circumstances caused by the current economic situation (a contingency);
- Use reserves and balances responsibly, balancing the need to maintain services with financial prudence;
- Where possible cut our reliance on borrowing for some capital schemes so that expenditure on debt repayments can be reduced;
- Sell some of our land and property to reduce borrowing, cut running costs and to fund priority facilities and schemes.

These principles have been developed from engagement conducted with several thousand contacts including professionals and members of the public through a range of methods and techniques to deliver a representative sample. The consultation feedback used to develop these principles can be found http://www.telford.gov.uk/downloads/file/3700/2012_budget_consultation_final_summary

The saving and efficiency programme has been on-going for sometime and the Service and Financial Planning 14/15–15/16 report continues to build on the 2012/13 and 2013/14 reports The 2013/14 report can be found here; http://www.telford.gov.uk/downloads/file/4496/overview_and_revenue_budget_report

The Council's budget situation is constantly changing, so in line with good financial management we monitor the situation throughout the year. Regular reports are made to Cabinet, Council and Scrutiny with action identified to correct any variations. We revisit analysis of our Service and Financial Planning regularly and as savings are proposed, assess their relevance and impact in relation to our equality duty.

We have been direct in tackling the challenges we face and taken a number of steps;

Restructuring & service review

We have gone through a fundamental change in philosophy of approach and organisation, focusing our attention on co-operative preventative actions rather than costly unilateral interventions. In doing so reducing management and staffing costs whilst maintaining standards and avoiding duplication. This also affords us the opportunity to improve access to services and therefore equality of opportunity.

Growth and investment

There are Government incentives to grow our business and housing numbers. Along with direct capital investment in the likes of Southwater the Council has been able to attract significant levels of investment into the borough. This has seen a return in business rates, Council tax receipts and New Homes Bonus.

Through economic growth we are able to mitigate some of the impact of budget reductions and invest resources into tackling key challenges. Examples include;

- Youth Unemployment – approximately 1 in 4 young people (16-24) who are actively seeking work or training in the borough are currently unemployed. £1.3 million will be invested in programmes of support over the next 2 years.
- Disabled Facilities Grant – £0.7 million supporting people to remain independent in their home rather than a care facility matched against a Government grant of £0.7 million
- Children and Young People Safeguarding – creation of £1.2million drawdown budget to meet peaks in demand
- Pride in Your Community - £8 million capital and £1.6 million revenue funding in highways, the environment and community led investments and initiatives across the whole of the borough.
- Care leavers grant – doubling to £2,000, a £30,000 per annum investment

Council tax

The Council has the power to alter the level of Council Tax.

The Government have offered an on-going grant, equivalent to a 1% increase in Council Tax, for authorities that freeze Council Tax. This is calculated prior to a range of reductions so is actually equivalent to 1.2% within our budget.

This is a significant change by the Government on how the grant is managed. Previously it was a one-off grant with no guarantee of continued funding. Accepting previous grant offers would potentially have left an even larger gap in future budgets when that funding was withdrawn.

The Council are proposing a Council tax freeze, acknowledging that this will mean there is a budget gap of approximately £350,000 per annum, the difference between 1.2% and 1.9% Council Tax increase. Our growth strategy will mitigate this shortfall and will make sure that the Council minimises its impact on the cost of living for the whole community.

Fair Deal

We believe that Telford and Wrekin is not receiving a fair deal from central Government nor the local NHS Clinical Commissioning Group.

There are a number of factors;

- A population undercount impacting on the assessed needs of the block grant provided by central Government.

- Uneven grant reductions across Government and a relatively low level of Council tax - services are being further devolved to local level from central Government yet local authorities face a cut in grant allocation approximately three times more than central Government whilst being asked to deliver more. Telford and Wrekin has the fourth lowest Council tax in the West Midlands.
- Grant damping significantly impacts the borough because of our population growth. Grant damping is when the Government tries to lessen the impact of budget reductions in one local authority by removing grant from the increased assessed need of another authority. Originally designed to smooth budgetary transition, this system has had a number of safeguards removed which now penalise growing authorities.
- Continuing Health Care costs from Telford and Wrekin CCG equate to £8.5 million. The proportion of costs that have transferred to the Council is far higher than other local areas and not reflective of the health and deprivation experienced in some areas of the borough.

We will campaign for a fair deal from central Government and negotiate with Telford and Wrekin CCG to receive a fairer balance of costs relative to the regional and national picture.

Engagement

Engagement with our communities is essential to develop effective approaches to the varied challenges we face. The feedback helps to inform the direction and implementation of proposals. The methods we have used are detailed in section 4 of the Service and Financial Planning 2014/15 - 2015/16 report and a programme of engagement and feedback can be found in appendix 5.

Timeframe

The proposals shown in the Service and Financial Planning 2014/15 to 2015/16 report will be implemented between April 2014 and March 2016. Wherever possible they will be delivered ahead of schedule to maximise savings.

This report is updated annually with monitoring reports throughout the year. As savings are proposed they are assessed for their relevance to equality and targeted engagement. Impact analyses are integrated where appropriate. This is to ensure impact on our communities and the Equality Duty are considered in a timely manner

Name of person completing impact assessment and their post	Richard Taylor-Murison, Equalities Officer
Telephone	01952 382104
Date started	28 January 2014
Other officers/Stakeholders involved	Ken Clarke, Chief Financial Officer; Andy Challenor, Community Engagement and Equalities Manager.

Section 2 – Impact Assessment

Positive and negative impacts are assessed with regard to the aims of the General Equality Duty;

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity
- foster good relations between different groups

		Potential Impact		
		Positive	Negative	None
People of different ages	<p>Young vulnerable people in care are being protected by continued investment in services.</p> <p>Young unemployed people will also benefit from a renewed focus on support to gain skills and employment.</p> <p>Older Adult Social Care service users will have increased opportunities and decision resulting from the further rollout of personal budgets</p>	<p>There are potential negative impacts for older people as they represent a large proportion of users of our Adult Social Care Services which are undergoing significant change.</p>		
People with ill health or people with a disability	<p>The proposals protect those individuals with the most severe disabilities.</p>	<p>Changes to criteria for services / support on may unintentionally have the effect of reducing opportunities for participation and access for some people with disabilities.</p>		
People of different gender	<p>There is a higher proportion of young unemployed men than women who will benefit from the growth strategy and focus on youth unemployment.</p>			
People who are transgender				X
Different racial groups				X
People with different religion or beliefs				X

People of different sexual orientation			X
Women who are pregnant or breast-feeding			X
People that are married or in a civil partnership			X
People affected by deprivation			X

Whilst the overall trend of service provision is realignment and streamlining, there will inevitably be some reduction in the capacity that the Council can deliver. Whilst undergoing significant changes there has been a greater recognition of the needs of vulnerable individuals in the community and that in order to best meet these needs we must work in partnership with the community, voluntary organisations, statutory agencies and businesses.

The renewed emphasis on growth and improvement of the local economy will have significant impact on the wider community benefiting all sections but in particular young people, people with lower educational achievement (largely young men), who have been disproportionately impacted in the labour market during recession and reduction in employment opportunities. Growing businesses lead to more jobs and greater prosperity within the local economy and in turn leads to more opportunities.

Positive impacts

- Young people in care

Investment in the children in care is essential to ensure the safety and life chances of young people who for one reason or another find themselves in care. There has been a steady increase in the number of children entering care in recent years and despite significant efficiencies to practice and structure, resilience in the budget is necessary to manage any peaks or urgent needs. This is consistent with previous investment.

Children in care can often find themselves at a significant disadvantage when leaving care without the extended support network available to their peers. The increase in allowance will go some way to supporting this in combination with support from the Care Transition Team.

- Young unemployed people

The borough has a youth unemployment rate higher than the national and regional average. Without investment in programmes to support young people looking for work into employment, the borough is storing up long term problems. The types of programmes available are varied and include job and life skills development, mentoring and volunteering, often delivered in partnership.

Continued and increased spending in this area is essential for young local people to take advantage of the opportunities created through the growth agenda.

- Older Adult Social Care service users

The Council has an emphasis on a re-ablement and preventative approach to managing demand for Adult Social Care. The proposed investment in the Disabled Facilities Grant (DFG), matched funding on a £1 for £1 basis central Government funding, whilst not exclusively for the use of older people will have a disproportionate impact on this group. Disability is often acquired with age and the DFG will assist to maintain the independence and dignity of an individual preventing or delaying the need to enter residential care where outcomes diminish.

- People with severe disabilities

The most vulnerable in society, people with severe disabilities are largely protected within the proposals. That is not to say that individuals will not necessarily see a change to the way a service is delivered, it is clear that some elements of social care provision have been over-prescribed and go beyond the immediate community care needs of the individual.

- Young unemployed men

Men represent 2 out of 3 young people actively seeking work but unable to find it. Investment in youth employment and skills initiatives will enhance their opportunities and have a significant positive impact.

Potential negative impacts

There is potential for negative impacts for a number of groups who share protected characteristics;

- Older People (65+ years)
- People with ill health or people with a disability

Reductions and changes in services for adult care are more likely to impact on older people and people with a disability. A significant proportion of the Council budget is spent on caring for older people or adults with a disability. It is impossible to achieve the saving without having some impact on these groups of people.

A number of large projects in Care and Support are yet to commence so more detailed information is not available. The Equalities Officer is working with the lead officers in Adult Social Care to understand the impact of the proposed changes to working practices on the Equality Duty and individual rights.

In relation to the potential negative impacts identified above further information relating to mitigating actions to reduce or eliminate the impact are included in Section 3 below.

No identified impact

There is no indication that a disproportionate positive or negative impact for these protected characteristics exists.

- People who are transgender
- Different racial groups
- People with different religion or beliefs
- People of different sexual orientation
- Women who are pregnant or breast-feeding
- People that are married or in a civil partnership

Whilst we have no indication that an impact will take place for people with these characteristics we will ensure our analysis and monitoring techniques keep this under review. By further enhancing our understanding of the needs of people who share these protected characteristics we may find unidentified impacts to be acted upon.

Supporting this is Census 2011 information, which has been gradually released in more detail. It has allowed us to build an accurate picture of the residents of the borough and some of their needs. Crucial to ensuring a good detailed understanding of our communities beyond statistics is direct community engagement at all levels.

Engagement and consultation

A great deal of engagement and consultation has occurred over the last 3 years, both directly and indirectly with the public, service users and partners including other public sector organisations, businesses and the voluntary sector. This has significantly influenced our approach.

This information has helped to develop the ten guiding principles listed in the background to this report.

Details of previous engagement and equality analysis related to savings identified to be delivered in 2012/13 have informed this years approach. They can be found online;

http://www.telford.gov.uk/downloads/file/3700/2012_budget_consultation_final_summary

Specific engagement has also taken place throughout the year related to the proposals put forward in this 2014/15 - 2015/16 report. Information relating to this engagement is contained within Appendix 5 of the report and section 4 of the main report outlines the process followed.

Broad universal consultation for 2014/15 - 2015/16 has followed a similar format for the overall budget approach;

- Paper survey
- Online survey
- Your Voice (Council newspaper) feedback
- Comments, suggestions and ideas
- Public budget meeting
- Meeting with groups and organisations

A final profile of consultation responses will be published alongside the full report.

The Cabinet will consider final recommendations on 20 February 2014 and Full Council will do so on 28 February 2014.

Specific proposals will be subject to further consultation and engagement, for example the Supporting People Personalisation project, as more information is collected and analysed from service users this will adapt the detail of the proposals fine tuning them to meet the individual needs.

The service and financial planning process is continuous and due to the scale of potential impacts we are constantly looking at the cumulative effects of these changes. Performance and impact information will be made available through the Cabinet web pages;

<http://apps.telford.gov.uk/demservice/CommitteesDetails.asp?theCommittee=cabinet>

Section 3 – Mitigating Actions

Since the Service and Financial Planning 2013/14 to 2015/16 report, the Council have taken steps to mitigate the impact of some savings proposal that would have negative impact on a number of protected groups.

Older People and People with Disability - The current year's savings are being delivered through a complete remodelling of service delivery. The new personalised model of service delivery is based on four key actions:

- The continued development of enablement and re-ablement services for the vast majority of service users prior to assessment for ongoing service eligibility and care planning with the objective of reducing or, where deterioration is occurring, stabilisation of pre-existing care package costs.
- Utilise assistive technology as a preventative measure and as an alternative to personal care provision.
- Develop personal budgets and self directed support by individuals as an alternative to Council led service determination.
- Signpost individuals to community and voluntary sector based support as an alternative to Council funded provision.

Any changes with Adult Social Care Services can cause concern and anxiety to individuals who receive those services. The Equalities Officer is working with the lead officers responsible for the suite of proposals related to Adult Social Care Services to ensure the Equality Duty and rights of individuals are respected.

Third Sector support services

A number of voluntary sector organisations have had their core funding confirmed for the next three financial years. This gives them the confidence to sustain and improve their services to vulnerable people. For example the Citizens Advice Bureau are a key partner for advising individuals who are experiencing financial difficulties or at risk of losing their homes. Without this support pressures on some Council services would increase and be more costly in the long term.

Developing and supporting business opportunities

The 'Business Supporting, Business Winning Council' priority including the proposed investment of £100,000 revenue funding into initiatives and events will promote Telford and Wrekin as a place to visit, live, work and invest in. This approach will support the growth agenda and in turn mitigate future budget changes. The outcome will be improved opportunities for employment that will benefit in particular young people and people with low educational achievement.

Accurate local information

As an organisation we encourage the collection of relevant information to inform evidence based decision making. Advice and information to support this is available from the Co-operative Council Delivery Team. This has allowed the development of a consistent approach with a clear rationale for the use of monitoring categories.

In order to make sure we are gathering appropriate and relevant information we will engage with key stakeholders around proposals. In doing so stakeholders will have an influence over the decision making process and help us to gauge the impact of our proposals.

Overall, the current strategy will help us to have due regard to the General Equality Duty by driving forward equality of opportunity and eliminating discrimination whilst maintaining appropriate and safe statutory services.

Section 4 – Review and Monitoring

It is intended that the majority of proposals will begin implementation from April 2014.

The on-going impact of the financial report will be monitored and reviewed, below is a summary of the proposed actions and key dates

- 4 February 2014 – Engagement completed.
- 20 February 2014 – Report considered by Cabinet
- 27 February 2014 – Report considered by full Council

A series of monitoring reports to Cabinet, Council and Scrutiny will run throughout the year following appropriate financial control and auditing practice.

Individual impact analysis to be conducted on all future savings proposals using the process outlined in the report, Section 12, to occur as they are planned and developed.

Proposals that have already been identified for further analysis and work are shown in Appendix 4b.

Appendix 4b – Individual Proposals - Equality Impact Analysis

i) Summary

The proposals in the table below have been investigated further to clarify the impact of the proposals on people who share the protected characteristics and have no further action required. A detailed breakdown of their outcomes is shown in section ii) Equality Analysis completed - detailed

No.	Service Area	Proposal Description
12	Customer & People Services	Increase burial fees
209	Customer & People Services	Introduction of Automated Switchboard Service
210	Customer & People Services	Introduction of Automated Telephony Reporting Services
16	Customer & People Services	Introduction of Standard Headstone & Kerb Sets For Wellington Cemetery (New Section)
5	Customer & People Services	R&B - Launch a highly publicised single person discount/council tax support amnesty
90	Customer & People Services	Crisis Assistance Funding
97	Neighbourhood & Leisure Services	Highways & Transport: illuminated signs and bollards savings
32	Neighbourhood & Leisure Services	Development of a Council 'brokering service' for tree and landscaping issues
39	Neighbourhood & Leisure Services	Transport & Highway Development: Increase car park charges in Ironbridge as part of a WHS access strategy and introduce a charge to use the Park & Ride service in line with similar tourist areas.
40	Neighbourhood & Leisure Services	Transport & Highway Development: Introduce a licence fee for owners of mobile catering vans to trade in lay-bys
41	Neighbourhood & Leisure Services	Transport & Highway Development: New service for road safety activities - taxi assessments and taxi driver training
172	Neighbourhood & Leisure Services	Commissioning of the Arts and Music Service and Brokerage for other service areas
147	Development Business & Housing	As part of improving stock over previous years then a reduction in R&M can be secured through better quality buildings and full repairing leases.
106	Care & Support	Review of block placements or decommission
181	Care & Support	Invest in Assistive Technology
118	Family & Cohesion Services	Teenage Pregnancy
73	Family & Cohesion Services	In response to demand and suggestion by a number of employees investigate delivery of Work Based Nursery for Ironmaster Way business and area
124	Family & Cohesion Services	Short Breaks
196	Public Health	Drugs and Alcohol Support Services contract review/service re-design
198	Public Health	Sexual Health Services - HIV prevention and testing

Table A – Proposals investigated

The following savings proposals were identified for additional investigation in relation to the equality duty;

No.	Service	Description of Saving	Action Required
141	Care & Support	Savings from reducing the average rates paid for homecare	Equalities officer to follow up with Care and Support Brokerage
178	Care & Support	Reduction to the cost of packages where Homecare is being supported financially and the cost is above the average residential weekly cost.	Detailed impact analysis required.
180	Care & Support	Withdraw packages of care for clients with care packages of less than 3 hours and supplement support given to Carers	Detailed impact analysis required.
115	Care & Support	Pay providers net of contributions and transfer risks of collection of debt	Detailed impact analysis required.
182	Care & Support	Integration - Review of service areas where further integration within the council and with health partners to generate further management savings	To be recorded in the SFP report appendices – Equalities Officer to work with Lead Officer to embed principles.
185	Family & Cohesion Services	Highways & Transport: Subsidised Bus Services - consider reducing / removing the subsidy on existing subsidised routes	Detailed impact analysis required on each change.
189	Family & Cohesion Services	Commissioning Review of Transport and Public Transport	Detailed impact analysis required.
120	Family & Cohesion Services	Children & Family Locality Services - Special Educational Needs review	Detailed impact analysis required.
229	Family & Cohesion Services	In line with 2011 proposals for establishing network of community ambassadors. Linked to emerging Early Help Offer opportunity will be taken to review structure across range of EH services including impact of those joining LA in 15/16	Equalities Officer to engage with lead officer as proposal develops
193	Family & Cohesion Services	Public Health Contracts - use existing services to provide some of package currently contracted out including smoking, sexual health, school nursing etc	Equalities Officer to follow up with Family & Cohesion Services AD
230	Family & Cohesion Services	Implementation of Youth Offer	Community Engagement to link with Lead Officer as proposal develops
234	Safeguarding	Partnership approach to delivery of EDT (20%)	Safeguarding AD to be updated in March 2014
194	Safeguarding	Partnership approach to delivery of Adoption Services (20%)	Partnership IA to be ratified by CYP management team by 21/01/13 on its way to Cabinet 20/02/13. Copy of IA to be sent to Equalities Officer to add into the evidence document for the budget report.

Table B – Proposal where further work is required

ii) Equality Analysis completed to date - detailed

Customer & People Services

12 - Increase burial fees

Burial fees are to be increased broadly in line with inflation.

Whilst appearing to be an equality issue related to religion or belief this proposal has been investigated in previous budget consultation which has established that there is no relevance to the equality duty.

Lead Officer – Andrew Meredith, Customer & Registration Services Manager

209 - Introduction of Automated Switchboard Service

The acquisition of a new Contact Centre phone system gives us the opportunity to implement IVR (Intelligent Voice Recognition) for the Switchboard service removing the need for an employee to deal with those calls. It should be noted that the system would allow a customer to access an officer if they do not wish to use an automated service, but case studies have shown that this will be in limited instances and could be absorbed in the rest of the Contact Centre structure

This proposal adds to the range of contact methods we have available including systems that consistently meet the needs of people with a range of disabilities. Savings will develop through a reduction in manual processing of low level simple requests for service, such as a missed bin to be picked up.

There will be a positive impact to all groups as access will be improved to simple service because the hours available to make a request will increase significantly.

Lead Officer – Andrew Meredith, Customer & Registration Services Manager

210 - Introduction of Automated Telephony Reporting Services

The acquisition of a new Contact Centre phone system gives us the opportunity to implement IVR (Intelligent Voice Recognition) for routine service requests, e.g. Reporting a missed bin, removing the need for an employee to deal with those calls. It should be noted that the system would allow a customer to access an officer if they do not wish to use an automated service, but case studies show that this will be in limited instances. An significant benefit of this service is that it would be a 24/7/365 service

This proposal adds to the range of contact methods we have available including systems that consistently meet the needs of people with a range of disabilities. There is no intention to reduce the number or access to these alternative methods of contacting us. Savings will be developed through a reduction in the amount of manual processing of low level simple requests for service, such as a missed bins.

There will be a positive impact for all groups as general access will be improved to requests from some services as the hours available to make a request will increase significantly.

Lead Officer – Andrew Meredith, Customer & Registration Services Manager

16 - Introduction of Standard Headstone & Kerb Sets For Wellington Cemetery (New Section)

This is the introduction of a restriction at the new section of Wellington Cemetery whereby residents can only be buried in that section in a Standard Headstone & Kerb Set, procured by the Council. It will reduce the maintenance costs for that element of the site and, as they are concrete lined, they will increase the capacity of the site as they will be double depth rather than the current single depth plots. Residents could still have a traditional plot at Dawley or Wombridge Cemeteries.

This proposal will only apply to an extension at Wellington Cemetery. Whilst this reduces some choice for potential service users there are alternatives available. This is unlikely to have any equality or human rights issue although may be raised as such.

Lead Officer – Andrew Meredith, Customer & Registration Services Manager

5 - Launch a highly publicised single person discount/council tax support amnesty

Before commencing the a programme of CTS reviews and issuing of CT penalties, give customers a period of grace in which to inform us of changes to their circumstances that they may have previously failed to do, without fear of prosecution or penalty. This will need to be a highly publicised campaign specifically focused around Single Person Discounts to ensure that the message penetrates the community. Potential cost of running a campaign over a two month window would be: Beacon Radio, £2,500, Telford Journal, (£300 per week) £2,400, Wrekin News (£300 per month) £300 = £5,200. In addition, another external campaign using an external supplier will be repeated. DCLG estimate that around 4% of SPD's are paid out because of fraud or error, so baring in mind that Northgate have recently undertaken some work on this for us, this saving aims to find an additional 0.5% SPD error.

This will need to be a high profile and far reaching publicity campaign which will be developed over the coming months in conjunction with PR. It is likely that one strand of that campaign will to include information about the amnesty with every Council Tax bill that is issued in March 2014, as well as radio, press, posters, etc. This will ensure as wide as possible coverage that should penetrate most of the community. Alternative formats and communication methods will be made available in line with the Communication Support Toolkit.

Lead Officer – Lee Higgins, Benefit Service Delivery Manager

90 - Crisis Assistance Funding

Crisis Assistance funding is money devolved to the Council by Central Government to support individuals and families in need as a last resort. It was previously known as the social fund and administered by the Department for Work and Pensions.

The demand we have had so far for individual applications Crisis Assistance has been dramatically lower than anticipated. The approval rate as of end of October 2013 is 76%. Therefore this proposal is to use some of the funding that is clearly going to remain unspent on individual applications, and instead use it elsewhere in the organisation to fund other projects and initiatives that are designed to assist the financially vulnerable. The use of the fund in this way will not affect the decisions that are made on individual applications.

Lead Officer – Lee Higgins, Benefit Service Delivery Manager

Neighbourhood & Leisure Services

97 - Highways & Transport: illuminated signs and bollards

This relates to lit road signage and traffic bollards only (not pedestrian lighting) and action is limited by legislation. It is the continuation of a savings proposal put forward in 2011/12 Service and Financial Planning process. Consultation was conducted at the time that determined it had no relevance to the equality duty.

Lead Officer – Keith Harris, Service Delivery Manager - Transport & Highway Development

32 - Development of a Council 'brokering service' for tree and landscaping issues

What we do now:

People often live in close proximity to trees, particularly in urban areas. These trees are either their own, their neighbours or may belong to the council. Trees can cause inconvenience to residents when they grow near their dwellings. A dilemma often occurs when the tree makes an important contribution to the local environment but also causes inconvenience to those living nearby. Within the older estates of Telford this is a significant issue.

The Council currently targets resources and responds to Health & Safety issues relating to trees as a priority, rather than nuisance issues such as Falling fruits, nuts, bird droppings, Blossom fall etc. The above are generally considered minor inconveniences, as opposed to legally defined issues, over which the Council has little, if any control over.

Future Policy Direction

By adopting the principles of a co-operative council, the Council can pro-actively alleviate some of the nuisance issues by adopting an urban tree programme addressing people's livability issues through a Total Place concept.

The concept of Total Place is to:

- Consult with the community about the problems associated with the physical components of their very local neighbourhood
- Undertake a thorough evaluation of the local tree population, and undertake works which alleviate a number of issues to improve the quality of life for residents and address Health & Safety concerns.
- To offer a chargeable service to residents to undertake low priority agreed works to help alleviate some of the tree nuisance issues e.g. overhanging branches.

Policy objective

- To create a sustainable approach to managing trees and woodlands which tackles livability and health & safety issues as a whole surrounding urban trees.

The impact upon people

This policy will have a positive impact on residents in the borough. The proactive management of tree issues affecting residents will be thoroughly evaluated and where work is deemed necessary this will be undertaken. This approach will generate substantial savings and increase efficiency by targeting resources, rather than reacting to individual requests for non essential works.

Following the Total Place methodology, many livability issues will be addressed, for example, improving the accessibility and safety of pathways and open spaces will improve the quality of life for older people and people with mobility issues. It is anticipated that requests will be made for non-essential tree works e.g. cutting back over-hanging branches. Where this does not affect trees of high amenity value, or those covered by Tree Preservation Orders (TPO's), agreed works may be undertaken by the authority on a full rechargeable basis to the individual making the request. This work will be based on a single price structure for all individuals.

Lead Officer - Becky Eade, Parks and Open Spaces Manager

39 - Increase car park charges in Ironbridge as part of a WHS access strategy and introduce a charge to use the Park & Ride service in line with similar tourist areas.

A World Heritage Site (WHS) access strategy is needed to minimise congestion in the gorge and sustain the Park & Ride service. Need to work with Ironbridge Gorge Museum Trust (IGMT) to rationalise car park charges across the WHS. There is a cost pressure on the Park & Ride as from March 2015 the DfT grant to operate the P&R ceases.

The change in operation of the service is to maintain a sustainable alternative to the limited parking available in the WHS. The English Concessionary Bus Pass will be accepted on this service so as not to disadvantage older people and disabled people who qualify for the scheme.

Lead Officer – Keith Harris, Service Delivery Manager - Transport & Highway Development

40 - Transport & Highway Development: Introduce a licence fee for owners of mobile catering vans to trade in lay-bys

The licence arrangement would apply to all traders, regardless of the profile of the trader, so in my opinion there are no equality issues with this. The scheme seeks to create greater fairness for those traders across the borough who do pay rents, rates etc to trade from fixed properties, whereas traders who operate from mobile caravans in lay-bys do not. The Highways Act permits the issuing of licences to grant permission to trade on the highway.

Lead Officer – Keith Harris, Service Delivery Manager - Transport & Highway Development

41 - New service for road safety activities - taxi assessments and taxi driver training

The taxi assessment scheme has been requested by and drawn up jointly with the taxi licensing team in Public Protection. It is an optional service to provide instruction and assessment to improve road safety; drivers do not have to buy into this service if they do not wish to.

Lead Officer – Keith Harris, Service Delivery Manager - Transport & Highway Development

172 - Commissioning of the Arts and Music Service and Brokerage for other service areas

The Arts and Music Service will focus on universal offer delivery except where targeted work is commissioned.

This service is dependent on the commissioned funds designed to deliver particular outcomes. The impact of reductions of commissioned funding is outside of the remit of this service area and whilst continued expression of need and discussion are on-going, funding decisions ultimately sit with the commissioning body and their demonstration of the Equality Duty.

Lead Officer – Psyche Hudson, Arts & Culture Manager

Development, Business & Housing

147 - Reduction in repair and maintenance can be secured through better quality buildings and full repairing leases.

As part of the improvement in quality of property and converting leases to full repairing liability we can reduce spend on repairs & maintenance

These saving effectively represents an on-going underspend in repair budgets. As leases lapse and the properties are re-let the contractual responsibility for all repairs falls with the leaseholder as is common practice; previous contracts may have had some shared liability. The level of saving also reflects the disposal of poor quality stock which naturally reduces repair costs.

There will be no impact on community groups or specific protected characteristics.

Lead Officer – James Dunn, Service Delivery Manager, Regeneration and Investment

Care & Support

106 - Review of block placements or decommission

Under utilisation of block contracts results in inefficiencies within the system because spot placements are then procured and paid for. A better system of identifying usage of block beds and maximising this usage to reduce further spot purchasing will reduce the weekly costs of residential and nursing care. In addition a review of usage of block contracts we are engaged in will identify underutilised contracts which can then be discontinued.

This is on a case by case basis; working with providers to explore what efficiencies, without negative impact on service can be made. For example exploring the potential use of assistive technologies, scrutinising back office costs, looking at how the service can be delivered in ways which make it more efficient for example looking at supplies contracts across a number of providers to increase procurement leverage. Some of this may be linked to contract expiry and then testing the market, others is looking at existing contracts and having the discussion.

There will be no impact on the service delivered to older people in need of care.

Lead Officer – Chris Harrison, Service Delivery Manager - Commissioning

181 - Invest in Assistive Technology

The overall proposal of introducing a greater emphasis on the use of an undefined assistive technology to meet the identified unmet social care needs of an individual is commensurate with our enablement approach. Implementation will have the positive effect of increasing an individual's independence and in some cases ease the workload of informal carers, such as a family members and friends.

This savings proposal has also identified a low negative impact in recognition of the potential reduction in contact existing service users may see as a consequence of the further introduction of assistive equipment in their community care packages.

There are 2 identified client groups that will receive the benefit of this proposal; People on the edge of community care services (not eligible for care under the Fair Access to Care Services criteria) and existing social care service users. By their nature both groups contain people with disabilities and older people.

Assistive technology is a wide ranging term for equipment that can support an individual to live a more independent life. The aim of the equipment is to facilitate some or all of their care or prevent worsening of care needs. Some examples include alarms designed to call support, automated medicine dispensing equipment, or mobility aids such as wheelchairs.

This saving proposal will improve equality of opportunity for older people and people with a disability. It will be achieved in different ways for the two client groups;

- People on the edge of care – information advice and guidance will be provided to identify equipment and technology, available commercially, that will stop or delay people from entering the care system.
- Existing service users - the community care review mechanism will have a renewed mainstream emphasis on assistive technology. Whilst alternative methods of meeting unmet need may be identified through the review process, assistive technology will be considered an early preferential option where it meets some of those care needs. Where it is appropriate for the person to receive them, they will be supplied.

An individual's support package is reviewed annually, and whilst exact details of interventions are not available as they will vary on a case by case basis, there are existing safeguards and governance processes in place, to monitor and assure that there are no differential impacts based on the delivery of this proposal.

Interaction between this and other savings proposals that may impact on people within the community care system will be considered in the overall budget impact analysis

Lead Officer – Richard Smith, Service Delivery Manager, Access and Enablement

Family & Cohesion Services

118 - Teenage Pregnancy

Commissioners have been working to this funding reduction for some time. It initially featured in 2011/12 proposals. Following a reconfiguration of services a post previously funded from this budget is now funded elsewhere. Hence the impact on service provision will be minimal.

No impact identified.

Lead Officer – Viv McKay, Service Delivery Manager, Children and Family Services

73 – Development of Nursery in Ironmasters Way

In response to demand and suggestion by a number of employees investigations into the delivery of a Work Based Nursery for Ironmasters Way businesses and area. There is potential for a significant positive improvement of equality of opportunity for women who are restricted in working opportunities by child care needs.

The proposal is at an early investigative stage and our equalities duty commitments will be embedded in the business case.

Lead Officer – Chris Marsh, Early Intervention Service Delivery Manager

124 - Short Breaks

The proposal is for a further review of short breaks spending and contracts to identify further efficiencies without compromising service offered to disabled persons with an entitlement to service.

This is effectively an under spend in the budget. The Short Break statement demonstrates a proportionate tiered approach to delivering to the needs of the individuals and their families. This will not impact the quality of service.

Lead Officer – Viv McKay, Service Delivery Manager, Children and Family Services

Public Health

196 – Substance Misuse Services

Substance misuse services in Telford and Wrekin consist of the following provision currently:

- In-House Adult Drug and Alcohol Service provided at Portico House
- IMPACT AAS provide the adult alcohol counselling and support service including support to carers, family and friends
- NACRO provide the Young Peoples substance misuse service and adult service around employability and training
- TACT represents Telford After Care Team, who supports service users recovering from substance misuse and are normalising their lives. They also facilitate access to Mutual Aid
- Probation services – support offenders with substance misuse issues and ensure referrals are made into services
- Additional services provided within Portico House and around Telford are:

- GP Shared Care – Specialist treatment in the community at local surgeries
- Supervised Consumption at Pharmacies, who monitor and supervise individuals whilst they are taking their scripts
- Housing Support
- Inpatient Detoxification
- Psychological Support

The focus recently has changed from a maintenance service to a service based around recovery. The services are being reconfigured going forward and a budget has been agreed providing minimum impact to the overall budget. In the main most contracts will be extended for a further 1 year and the in-house service is being enhanced. The savings target for all extensions and in-house services have been managed by an efficiency saving, where negotiations have been carried out with service providers who in turn have made their own efficiency savings and agreement has been reached where a lower contract value has been agreed for the same level of services.

Where services are high in price or require revising totally, these services have been given their notice and tenders will be carried out to manage these changes and appoint new service providers and in turn achieving the savings

When defining all of the services the service user has been the centre of all decisions and shaping of services ensuring that we use a person centred approach. User consultations through TACT have been carried out as well as stakeholder meetings to agree a way forward. In Line with the Needs Assessment that has been carried out, a strategy with a comprehensive action plan is in development and will be approved by cabinet.

The overall vision is to have a more community focussed service with two thirds of clients accessing services being treated for their addiction in the community through their local GP surgeries and services will also work on a satellite arrangement.

Lead Officer – Bhavna Taank, Commissioning Specialist - Substance Misuse, Care and Support

198 - Sexual Health Services - HIV prevention and testing

This is the re-letting of a tender. There is anticipated to be no change to frontline services but efficiency savings developed in management and promotional costs. Contract management processes will assure consistent delivery of the scheme ensuring no detriment to groups of people at risk of contracting HIV.

Lead Officer – Stacey Norwood, Commissioning Specialist, Commissioning (Children, Families & Transport)

APPENDIX 4B - SCHEDULE OF ECONOMIC & ENVIRONMENTAL IMPACTS
 (Note: only the proposals with an economic or environmental impact are listed here)

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Economic Impact Assessment	Environmental Impact Assessment
Funding													
6	Funding	Customer & People Services	R&B - Maximise business rate base			100,000	100,000		200,000	Sophie Lane	The 'Analyse local' software will find properties within Telford that are not currently subject to NDR, or those that are potentially undervalued. These will then be passed to the Valuation Office Agency for valuation. In addition, a small project team will work on data matches with internal and external sources with a view to maximising the NDR base.	Potential impact of additional costs to identified businesses	None
7	Funding	Dvpt. Business & Housing	Business Rate growth arising out of developments underway or planned in the Borough.		24,548	719,010	189,360		883,823	James Dunn	The Council gets to retain 49% of any business rate growth. This figures is based on known developments including those in Southwater which have been facilitated through the Council's interventions as part of a business supporting, business winning council. Figures are in addition to those already included within the budget strategy.	Positive - as part of Council's wider growth strategy	None
Income													
8	Income	Law, Democracy & PP	Charging for leases on PIP, s278 agreements and s106 agreements and other income		9,000	9,000	0		18,000	Matt Cumberbatch	There are some services that we provide that we could seek to recover greater income for	Impact of recovering costs from firms who do business with us	None
10	Income	Law, Democracy & PP	Public Protection - Income		16,976	14,200	6,700		37,876	Jo revell	Income from primary authority, trader register, training and one off grants	These are new or increased charges but they do have commercial value to the trader and the charge is not unreasonable. The training and primary authority will support schools to meet their statutory duties under health & safety legislation. Support business development and growth in the Borough and helps achieve compliance.	None
31	Income	Neighbourhood & Leisure Services	Introduce charges relating to the collection of stray dogs from kennels			12,000			12,000	Dave Hanley	The development and tendering of a kennels and charging contract with regards to abandoned dogs. Once contract is in place, kennels will administer the charges with low input from Council.	None	Positive impact through owners taking greater responsibility for their dogs
32	Income	Neighbourhood & Leisure Services	Development of a Council 'brokering service' for tree and landscaping issues. A 'broker' type service could be explored in other areas too e.g., drainage. 'TWC approval' 700 Enquiries last year for overhanging trees. Average of 556 enquiries over the last 3 years. Based on 300 being converted through the system.			5,000	4,000		9,000	Stuart Davidson	In relation to trees - will be developed as part of the emerging tree strategy.	None	Potential improvement to managed environment
33	Income	Neighbourhood & Leisure Services	Licensing activities in parks and open spaces e.g. Charges for ice cream vendor/events			5,000	5,000		10,000	Stuart Davidson	Currently do this in some parks across the borough e.g. Town Park and Dale End	Impact on businesses subject to charges	None
35	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Introduce a coring service to charge Utility companies to test reinstatements			12,000			12,000	Keith Harris	Taking cores from reinstatements and testing for voids and unacceptable materials to determine the integrity of Utility reinstatements. Utility companies charged for failures. Visual inspections alone are insufficient.	Impact on utility companies	Positive - improve utility reinstatements to roads and footpaths
36	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Introduce a charge to Utility companies for site attendance to turn off/on traffic signals		2,000	5,000			7,000	Keith Harris	On average staff attend site 24 times per year to turn off and on traffic signals to facilitate road works by developers and utility companies. Average £210 per visit.	Impact on utility companies	None
37	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Raise charges for skip licences and S50 road openings			500			500	Keith Harris	Align application fees to those of neighbouring local authorities. Skip licences would increase from £25 to £100 and Section 50 Streetworks licences from £267.50 to £300. In 2012, 10 skip licences and 23 Section 50 applications were processed.	Impact on businesses subject to charge	Potential impact on environment through illegal dumping/fly tipping due to increased cost of skip licences
38	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Introduce a charge to Utility companies, developers etc to prepare road closure notices and road diversion plans		500	2,000			2,500	Keith Harris	External promoters of road closures currently must produce their own plans showing diversion routes. Council Traffic Management staff spend time ensuring the plans are acceptable, which takes time. Offering this service should improve the quality of road closures and reduce backwards and forwards communications with promoters.	Impact on utility companies	None
39	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Increase car park charges in Ironbridge as part of a WHS access strategy and introduce a charge to use the Park & Ride service in line with similar tourist areas.			20,000	5,000	5,000	30,000	Keith Harris	A World Heritage Site (WHS) access strategy is needed to minimise congestion in the gorge and sustain the Park & Ride service. Need to work with Ironbridge Gorge Museum Trust (IGMT) to rationalise car park charges across the WHS. There is a cost pressure on the Park & Ride as from March 2015 the DfT grant to operate the P&R ceases.	Potential impact on local businesses mitigated through low cost or free short stay parking can be applied in the Ironbridge car parks	Positive - to ensure viability of Park & Ride

APPENDIX 4B - SCHEDULE OF ECONOMIC & ENVIRONMENTAL IMPACTS
 (Note: only the proposals with an economic or environmental impact are listed here)

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Economic Impact Assessment	Environmental Impact Assessment
40	Income	Neighbourhood & Leisure Services	Transport & Highway Development: Introduce a licence fee for owners of mobile catering vans to trade in lay-bys			16,800	1,000	1,000	18,800	Keith Harris	Charge £280 per licence. 60 licences across the borough	Impact on businesses subject to charge	None
53	Income	Neighbourhood & Leisure Services	Explore options for new par 3 course at Horsehay Golf Centre. Assumes course can be constructed using materials and income arising from the disposal of materials taken from ground excavations on BSF sites.				10,000		10,000	Stuart Davidson	Additional revenue from new product. Assumes capital cost of development is met through savings on cost for disposal of materials taken off site from OLC and others as part of BSF programme and using to create the course	None	Potential recycling of materials from BSF sites
54	Income	Neighbourhood & Leisure Services	Consider introducing a nominal charge for parking at the Town Park (Dark lane) car park			5,000			5,000	Keith Harris / Stuart Davidson	Dark lane car park is the only free town centre car park and may be subject to increased demand as a result of Southwater development. The income could be used to finance improvements to the car park and reduce maintenance budgets.	None - car parking charges already exist in Town Centre	None
62	Income	Dvpt. Business & Housing	Income from New Homes Bonus: By direct intervention as part of our growth strategy we will deliver more new homes as well as bring empty homes back into use, both of which attract New Homes Bonus			75,000			75,000	Katherine Kynaston	This income is in addition to that already built into the budget strategy and the additional NHB income identified below (line 170). The figure is based on a thorough assessment of forthcoming sites. It assumes no growth in empty properties based upon a recent assessment of long term empty numbers.	Positive - as part of Council's wider growth strategy	None
63	Income	Dvpt. Business & Housing	Income from New Homes Bonus: By direct intervention as part of our growth strategy we will deliver more new homes as well as bring empty homes back into use, both of which attract New Homes Bonus			289,888	156,826		446,714	Katherine Kynaston	This income is in addition to that already built into the budget strategy and the additional NHB income identified below (line 162). The figure is based on a thorough assessment of forthcoming sites. It assumes no growth in empty properties based upon a recent assessment of long term empty numbers.	Positive - as part of Council's wider growth strategy	None
65	Income	Dvpt. Business & Housing	Tourism / Destination Membership Fees			15,000	5,000		20,000	Katherine Kynaston	An increase in membership fees will allow the council's contribution towards this service to decrease. The development of a more comprehensive and coherent offer (currently under development) will attract further membership.	Impact on business community is considered positive	None
66	Income	Dvpt. Business & Housing	Fee come from Green Deal		16,600	4,400			21,000	Katherine Kynaston	£21K pa income from Carillion for support provided by TWC staff in relation to delivery of the Green Deal.	None	Positive impact through Green deal
70	Income	Family & Cohesion Services	Child Minder Agency			10,000			10,000	Chris Marsh	DfE accepted as pilot scheme, working up business case to sustain and generate income.	Positive - supporting local providers	None
73	Income	Family & Cohesion Services	Income generated from putting in place work based nursery and training facility for PVI childcare providers				25,000		25,000	Chris Marsh	A high level feasibility study has identified an opportunity to generate income by offering a work based nursery and training facility for PVI childcare providers.	Positive - nursery provision to support employment offer of Telford Town Centre	None
Non-Staff													
79	Non-Staff	Law, Democracy & PP	Change IT solutions for members to reduce printing and circulation costs		0	0	20,000		20,000	Phil Griffiths	Use tablets (with the requisite training) to ensure members have the right technology to best perform all of their councillor roles. The savings are in IT support - to be identified by Angie Astley - Democratic Services savings are in reduced printing and admin costs in the circulation of agendas and other information. Not all the savings are offered as there will be a small extra cost to provide tablets for members.	None	Reduction in use of paper/energy for printing
93	Non-Staff	Neighbourhood & Leisure Services	Environment & Open Spaces: Reduce Additional works budget in the TWS contract for small landscape improvement projects				40,000		40,000	Dave Hanley	Reduce the number of small projects linked to contract and make better use of PETs Parish 2 for 1 schemes, cooperative council initiatives etc assuming relevant progress is made	None	Potential impact as less to spend on environmental improvements
97	Non-Staff	Neighbourhood & Leisure Services	Highways & Transport: illuminated signs and bollards, savings will be generated through replacing where necessary with non-powered signs therefore saving electricity.			5,000			5,000	Keith Harris	Review inventory of signs and bollards and disconnect signs/ bollards where not required to be lit under regulations.	None	Positive - reduction in energy usage

APPENDIX 4B - SCHEDULE OF ECONOMIC & ENVIRONMENTAL IMPACTS
 (Note: only the proposals with an economic or environmental impact are listed here)

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Economic Impact Assessment	Environmental Impact Assessment
99	Non-Staff	Neighbourhood & Leisure Services	Highways & Engineering Services: Street Lighting Energy Saving - Invest to save / legislative need - Annual investment of £325k per year over 4 years =£1.3m total investment.8 year payback			38,000	38,000	38,000	114,000	Dave Hanley	Energy savings based upon the replacement of the Council's 4462 Mercury lanterns across the borough over a 5 year period with a borrowed investment of £300K over 4 years.	None	Positive - reduction in energy usage
103	Non-staff	Neighbourhood & Leisure Services	Transport & Highway Development: Cease using an external car park enforcement agency and carry out the work using Council employees			25,000			25,000	Keith Harris	Directly employing car park attendants will enable greater management control over enforcement activities. Requires approx £30k up front capital for van and other equipment	None	Potential improvement to traffic flows through better management of parking
116	Non-Staff	Family & Cohesion Services	Highways & Transport: Fuel efficiency programme in Fleet Services to reduce fuel consumption and/or limit impact of fuel inflation. Invest to save being worked on. but estimated to be 75k			35,000			35,000	Viv McKay / Helen Hill	To reduce fuel budget through fuel efficiency programme on Council vehicles.	None	Positive - reduction in fuel usage
126	Non-Staff	Education & Corporate Parenting	Games and Swimming Transport			21,000			21,000	Jim Collins	Links to proposals for developing cooperative learning communities. Following implementation of these proposals these costs will no longer occur	None	Potential positive impact through reduced travel for games and swimming
Procurement													
133	Procurement	Neighbourhood & Leisure Services	For TWS to deliver landscape and cleansing duties through localised teams so to release contract efficiencies and allow alignment of resources with Local Environmental Quality/need.			80,000	20,000		100,000	Dave Hanley	The savings are released by reducing the TWS input resource across the landscape and cleansing service elements. The rationale is for the further rationalisation of the current service frequencies and to design service in puts around acceptable Local Environmental Quality. For example, this can be achieved by reducing the frequency of litter picking from monthly to quarterly on some estate roads but maintaining weekly/fortnightly frequencies in areas of greater environmental need. Also reduce the amount of grass cutting on strategic transport routes or other low maintenance areas but maintain current standards on all housing estates.	None	Acceptance that some local areas will require more or less service inputs, seek to work with Parishes and PETs to mitigate impact, review current rapid response service. Have a greater targeted response on dealing with littering, consider further litter bin installation programme, develop links with Street Champions.
141	Procurement	Care & Support	Savings from reducing the average rates paid for homecare through domiciliary framework and use of brokerage			650,000			650,000	Chris Harrison	An exercise to appraise the current market provision and rates for Domiciliary care has been undertaken and a report has been produced. Work is commencing in discussion with Providers of Dom Care to determine a new framework within which the Council will purchase homecare including a review of the contractual terms on which Providers are engaged and the rates they will be paid.	May result in reduction in market provision and employment in the sector	None
143	Procurement	Family & Cohesion Services	Homelessness & Housing			58,930			58,930	Jas Bedesha	Following review of approach to accommodating homeless families reduced dependency on bed and breakfast accommodation and hence reduced loss of housing benefit subsidy. This saving assumes that an average of 10 B&B placements are used (13/13) and 5 in 14/15. The current number is zero and number prior to the initial review averaged 22	This may impact on some business that relied on income from the Council. Some of these business are investigating how they can diversify into becoming supported lodging providers.	None
144	Procurement	Family & Cohesion Services	Commissioners to review all contracts			40,000	40,000		80,000	Viv McKay	Review all commissioned contracts to identify further savings including school nursing, sexual health, action4children and Bradbury house	Possible impact for existing service providers	None
Property Rationalisation													
148	Property Rationalisation	Dvpt. Business & Housing	Operational Property Rationalisation - Savings arising from reduced running costs associated with Phase 1 property rationalisation activity.			16,610			16,610	Chris Goulson	As a direct result of Phase 1 property rationalisation, savings have been realised associated with running costs.	None	Impact from reduced energy usage by Council
150	Property Rationalisation	Dvpt. Business & Housing	Installation of solar panels on Addenbrooke and Oakengates Theatre			14,781			14,781	Kate Turner	A commercial proposal has been developed for the installation of solar panels on Addenbrooke and Oakengates Theatre. Over 25 years this shows a net saving of £485k	None	Positive - increase use of renewable energy
152	Property Rationalisation	Family & Cohesion Services	Children & Family Locality Services property rationalisation			10,000	40,000	30,000	80,000	Chris Marsh	Review accommodation needs for children and family locality services teams.	None	Impact from reduced energy usage by Council

APPENDIX 4B - SCHEDULE OF ECONOMIC & ENVIRONMENTAL IMPACTS
 (Note: only the proposals with an economic or environmental impact are listed here)

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Economic Impact Assessment	Environmental Impact Assessment
153	Property rationalisation	Safeguarding	Relocate staff and LSCB functions elsewhere than West Rd and develop alternative use for premises - revenue and staffing costs			50,000			50,000	KP/HS	If current functions can be relocated and Building can be put to alternative use and generate income	None	Potential impact from reduced energy usage by Council
Service Review/Redesign													
161	Service Review/Redesign	Neighbourhood & Leisure Services	Waste Service redesign and efficiencies introduced prior to and as part of the procurement and delivery of the new Waste Services Contract			770,000	55,000		825,000	Dave Hanley/ Debbie Germany	During the procurement process of competitive dialogue and negotiation, it has allowed the council to work with bidders to establish new ways of working without impacting on service standards	None	None - alternating collections of a recycling week and residual waste week will continue
163	Service Review/Redesign	Neighbourhood & Leisure Services	Undertake a further shrub bed rationalisation programme across the borough			40,000			40,000	Dave Hanley	Spend to Save i.e., £120k to release £40k ongoing. The cost of grass maintenance is cheaper than shrub bed maintenance. Previous programmes have been well received by the local community.	None	Generally received as a positive initiative but there will be occasions when there is a split in opinion on shrub bed removal - particularly communal areas and rear of joined properties.
165	Service Review/Redesign	Neighbourhood & Leisure Services	Reduced inspections regime of our play areas from twice a week to once a week - still in accordance with statutory guidelines.			25,000			25,000	Dave Hanley / Stuart Davidson	Our current play inspection regime is higher than the national standard and can therefore be reduced. If appropriate, there will be opportunity to explore other avenues to assist with the inspection services e.g. PETs, Parishes, Street champions.	None	Risks may be more complaints about litter and broken glass, PET teams where appropriate - could pick up litter.
166	Service Review/Redesign	Neighbourhood & Leisure Services	Review annual/cyclical maintenance programme for Coalbrookdale Water Course.			10,000			10,000	Dave Hanley	Both pools are impounded reservoirs and require maintenance. Although weather dependant, de silting operations can be rationalised as part of a cyclical maintenance plan.	None	Potential small impact through timeliness of desiltation.
179	Service Review/Redesign	Care & Support	Use staff time within the Community Enablement support teams to generate income to deliver services currently purchased from external providers of care and eliminate downtime within service			350,000			350,000	Richard Smith	Recent introduction of a computerised rota for in house enablement and Community Support workers has identified a significant level of non-productive hours. These could be utilised to provide chargeable services for low level support or to provide services for which the Council currently purchases a service form an external Provider of care.	Less demand for independent and private sector providers	None
185	Service Review/Redesign	Neighbourhood & Leisure Services	Highways & Transport: Subsidised Bus Services - consider reducing / removing the subsidy on existing subsidised routes				50,000		50,000	Viv McKay / Keith Harris.	The authority could reduce/remove the subsidies to bus services such as for weekend / evening services / or for areas of the borough. Likely to undermine current commercial services resulting in more pressure to subsidise services.	Potential impact on service providers. Loss of transport services providing connections to employment, schools, colleges, healthcare, shops and recreational facilities.	Potential impact - may lead to increased car journey
Strategic Review of Capacity (Staffing)													
217	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Highways & Transport: Review of Public Realm/Street Works / Street Lighting and Drainage Functions with view of rationalising establishment				50,000		50,000	D Hanley	Review of operational elements of teams but only following completion of current lean programmes to deliver savings Requires a cross-service approach	To be confirmed following review	To be confirmed following review
218	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Rationalisation of waste service budgets now included in the new specification/contract			97,000			97,000	Dave Hanley / Debbie Germany	Savings on a variety of functions and activities that have now been included in the new contract	None	None - new service has high service design standards
220	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Rationalise vacant Parks & Open Spaces Project Manager post and its functions and restructure Parks Team			40,000			40,000	Stuart Davidson	Absorb duties in Parks & Open spaces restructure	None	None - Prioritisation of duties in restructure will mitigate impact.
222	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Rationalise the functionality of Environmental Public Realm, Waste Operations to deliver on future priorities					80,000	80,000	Dave Hanley/Debbie Germany	New ways of working with TWS to focus on local environmental quality /needs.	None	Will allow rationalisation of resources and which can be directed towards Local Environmental Quality and cross cutting Neighbourhood Service initiatives.
224	Strategic Review of Capacity (Staffing)	Neighbourhood & Leisure Services	Transport & Highway Development: Staff rationalisation			60,000			60,000	Keith Harris	Restructuring to provide operational efficiencies and ensure priority services are adequately resourced and accommodating income growth	None	Positive impact, e.g. Improved resourcing of front line services, such as Streetworks will provide better quality reinstatements giving better quality roads and less congestion.

**TELFORD & WREKIN COUNCIL
CABINET - 20 FEBRUARY 2014
SERVICE AND FINANCIAL PLANNING 2014/15 - 2015/16 OVERVIEW AND
REVENUE BUDGET
APPENDIX 5 - DEVELOPING THE COUNCIL'S 2014/2015 BUDGET:
CONSULTATION FINDINGS**

Executive summary

Following notification of the Council's 2014/15 grant from government, the Council developed a proposed 2014/15 budget building on the medium-term service and financial strategy developed in 2012.

The 2014/15 budget continues the organisation's focus on attracting new jobs and investment and promoting growth in the borough, which provides jobs and increased prosperity for local people and generates income from additional council tax and business rates etc. that can be used to help us in our mission to protect, as far as we are able to, priority front-line services, particularly for our most vulnerable older people and children. We are working co-operatively with our residents and partners to deliver this agenda.

This year we asked for people's views on whether the Council should accept the council tax freeze grant or raise council tax by 1.9% in line with 2013/14 budget strategy. We also asked people whether they agreed or disagreed with the proposed three main investments; supporting young people to get a job, supporting businesses to create jobs in the borough and improving roads and the environment.

To understand the communities' views on these questions, a programme of consultation was undertaken from early January, closing 4 February. This included:

- A consultation pull out document 'jobs, growth and council tax freeze' summarising the main budget proposals and including a 'cut out' consultation questionnaire to be returned freepost distributed to homes in the borough;
- Signposting opportunities for people to get involved and give their views on the budget strategy including Facebook, Twitter, write in, ring in or text.
- An online budget survey on the budget page of the Council website – www.telford.gov.uk/budget
- A survey of the Community Panel;
- Meetings with a range of groups and organisations including the Parish Forum;
- Out and about sessions in public places and High Street's;
- An open public meeting;
- A Celebrating Co-operative & Partnership Working event in Telford Town Centre;
- Ongoing press releases;
- A meeting with the Employee Joint Information and Consultation Forum (JICF);
- Formal consultation with the Budget & Finance Scrutiny Committee.

In total 4,186 contacts were involved with this consultation programme. A comparison with previous year's budget consultation is set out overleaf>

Method	Number of contacts for Jan 2014	Number of contacts for Jan 2013	Number of contacts for Jan 2012
Forums, groups and organisations	299	266	381
Comments received via email, telephone and social media	109	100	62
Public budget event	46	66	<i>Approx 70 in attendance. Total not recorded in contacts but feature in figures below</i>
Co-operative and partnership working event	96	n/a	n/a
Responses to survey by the Community Panel	527	512	489
Responses to the survey online	876	570	865
Responses to the full survey by paper	n/a	n/a	264
Responses to the survey by paper format including the Your Voice tear out	776	22	<i>779 Council tax question only</i>
Total	2,729	1,536	2,840

Additional information

Method	2014/2015 budget	2013/2014 budget	2012/2013 budget
Total responses to the survey	2,179	1,104	2,397
New Options consultation	875	n/a	n/a
Supporting People consultation	582	n/a	n/a
Draft strategy and Shaping the Future consultation	n/a	n/a	4,602
Total recorded as budget consultation	4,186	1,536	7,442

Headline Findings

When asked about the next two years of council tax:

- **62.3% preferred the Council to freeze council tax until 2016**
 - 54.2% of Community Panel respondents
 - 61.8% of public respondents to the online budget consultation survey
 - 68.8% of public respondents to the paper tear out budget consultation survey

- **33.9% preferred the Council to increase council tax by 1.9% until 2016**
 - 41.4% of Community Panel respondents
 - 35.5% of public respondents to the online budget consultation survey
 - 26.5% of public respondents to the paper tear out budget consultation survey

- **3.8% didn't know:**
 - 4.4% of Community Panel respondents
 - 2.8% of public respondents to the online budget consultation survey
 - 4.7% of public respondents to the paper tear out budget consultation survey

The Council's plans to invest in supporting businesses to create jobs in the borough were supported by 86.0% of all respondents:

- 91.1% of Community Panel respondents
- 80.4% of public respondents to the online budget consultation survey
- 89.1% of public respondents to the paper tear out budget consultation survey

The Council's plans to invest in supporting young people to get a job were supported by 85.9% of all respondents:

- 92.1% of Community Panel respondents
- 81.0% of public respondents to the online budget consultation survey
- 87.2% of public respondents to the paper tear out budget consultation survey

The Council's Pride in Community investment plans to improve roads and the environment were supported by 84.4% of all respondents:

- 91.9% of Community Panel respondents
- 78.4% of public respondents to the online budget consultation survey
- 86.1% of public respondents to the paper tear out budget consultation survey

Introduction

Following notification of the Council's 2014/15 grant from government, the Council developed a proposed 2014/15 budget building on the medium-term service and financial strategy developed in 2012.

The 2014/15 budget continues the organisation's focus on attracting new jobs and investment and promoting growth in the borough, which provides jobs and increased prosperity for local people and generates income from additional council tax and business rates etc. that can be used to help us in our mission to protect, as far as we are able to, priority front-line services, particularly for our most vulnerable older people and children. We are working co-operatively with our residents and partners to deliver this agenda.

As in previous years, communicating and engaging with the community on our future plans was a key part of the budget process. This year we asked for people's views on whether the Council should accept the council tax freeze grant or raise council tax by 1.9% in line with 2013/14 budget strategy. We also asked people whether they agreed or disagreed with the proposed three main investments; supporting young people to get a job, supporting businesses to create jobs in the borough and improving roads and the environment.

In total 4,186 contacts were involved with this consultation programme.

We began to communicate and engage with local people immediately after the publication of the draft budget strategy on 6 January 2014. Our communication and engagement plan included:

- A consultation pull out document 'jobs, growth and council tax freeze' summarising the main budget proposals and including a 'cut out' consultation questionnaire to be returned freepost distributed to homes in the borough;
- Signposting opportunities for people to get involved and give their views on the budget strategy including Facebook, Twitter, write in, ring in or text.
- An online budget survey on the budget page of the Council website – www.telford.gov.uk/budget
- A survey of the Community Panel;
- Meetings with a range of groups and organisations including the Parish Forum;
- Out and about sessions in public places and High Street's;
- An open public meeting;
- A Celebrating Co-operative & Partnership Working event in Telford Town Centre;
- Ongoing press releases;
- A meeting with the Employee Joint Information and Consultation Forum (JICF);
- Formal consultation with the Budget & Finance Scrutiny Committee.

An open public meeting was held on 29 January at The Place @ Oakengates Theatre at 6pm. The event was promoted in the press and Your Voice and a number of posters and flyers were distributed across the Borough. The open public meeting was a mix of a presentation outlining the budget plans and an opportunity for those in attendance to visit a number of information stands and speak with the Leader of

the Council, Cabinet Members, the Managing Director, Directors, Assistant Directors and Senior Officers. Total number in attendance = 46 local people.

The Cabinet Member for Resources and Enterprise, the Chief Finance Officer and relevant Assistant Directors, between them, attended a number of local groups and forums including:

- Telford and Wrekin Parish Forum = 22 in attendance
- Joint Information and Consultation Forum (JICF) = 7 in attendance
- Senior Citizens Forum = 201 in attendance
- Telford Business Board = 17 in attendance
- Taking Part Forum = 31 in attendance
- Parents Opening Doors – PODS = 8 in attendance
- Young People's Forum = 13 in attendance

Total number in attendance = 299

A number of other forums and groups were approached to receive a budget presentation. Where they were unable to host the Council they distributed the information to their member's and encouraged their member's to attend the public meeting.

The Community Participation Team went out and about in public places and High Streets. Consultation took place with residents in the following areas:

- Community Centres
- Hadley Learning Centre
- Carpenter Centre Overdale
- Park Lane Centre
- Telford Town Centre Bus Station
- The Place
- Dawley
- Donnington
- Madeley
- Newport
- Oakengates
- Wellington

With regard to our budget survey a total of 2,179 completed the questionnaire.

- 527 of people responded to the Community Panel survey.
- 876 of people responded to the online budget survey.
- 776 of people responded by using the tear out slip including sending back the 'cut out' questionnaire in Your Voice.

Opportunities for people to get involved and give their views on the budget strategy via Facebook, Twitter, write in, ring in or text attracted a total of 109 comments.

The Celebrating Co-operative & Partnership Working event in Telford Town Centre helped to promote how the Council and its partners are working to support local residents, communities and businesses and are contributing to improving the quality of life in the Borough. It was an opportunity to talk with local residents about key initiatives. In total we engaged with 96 residents around budget issues, at the event.

The Local Strategic Partnership Executive, composed of senior leaders from health, fire, police, TCAT, Chamber of Commerce and Job Centre Plus, were briefed and consulted on the budget proposals.

Targeted consultation and engagement has taken place throughout the year, related to the proposals put forward in the 2013/14 budget report. For example, New Options – services for adults with learning disabilities delivered from September to December 2013. This consultation attracted 875 comments from service users, parents and carers and partner organisations. The consultation feedback will be used to help to finalise the new model of delivery of services. Engagement has also been ongoing during the autumn of 2013 to advise adult social care service users, carers and providers of the very difficult financial situation and its likely impact on services.

Specific proposals in the 2014/15 budget report will be subject to consultation and engagement, for example the youth offer and transport review.

The consultation period ran through to 4 February 2013 in order that careful consideration could be given to the views expressed by the Council's Cabinet when preparing their final report and recommendations to full Council.

Where available results have been broken down by demographics, with the following areas based on ward boundaries:

- Newport – Newport East, Newport North, Newport South, Newport West
- Rural – Church Aston & Lilleshall, Edgmond, Ercall Magna, Wrockwardine
- Wellington – Shawbirch, Dothill, Haygate, College, Park, Arleston, Ercall
- North Telford – Apley Castle, Hadley & Leegomery, Ketley & Oakengates, Wrockwardine Wood & Trench, Donnington, St. Georges, Muxton, Priorslee
- South Telford – Lawley & Overdale, Horeseyhay & Lightmoor, Dawley Magna, Malinslee, The Nedge, Brookside, Cuckoo Oak, Madeley, Woodside, Ironbridge

Where table data in this report does not sum to the total number of respondents for the various component surveys, this is either because demographic information was not available or because participants had chosen not to answer a particular question.

All "open comments" we have received whether through questionnaires or via text, email, facebook or twitter, have been published online at:

www.telford.gov.uk/info/10068/council_budgets/1785/residents_comments_on_the_councils_budget

Community Panel Budget Survey

Questions about the Council's budget were included in the January Community Panel survey sent to 882 (619 by mail and 263 by email) members and was completed by 527 Panel members across a range of demographics.

Demographic Profile of Community Panel respondents:

Age

	Panel	
	n	%
12 - 18	1	0.2
19 - 25	3	0.7
26 - 39	22	4.9
40 -64	201	44.7
65+	223	49.6
Total responses	450	100.0
Missing	77	-
Total	527	-

Gender

	Panel	
	n	%
Male	275	52.4
Female	250	47.6
Total responses	525	100.0
Missing	2	-
Total	527	-

Ward

	Panel	
	n	%
Apley Castle	14	2.7
Arleston	5	0.9
Brookside	21	4.0
Church Aston and Lilleshall	11	2.1
College	16	3.0
Cuckoo Oak	22	4.2
Dawley Magna	22	4.2
Donnington	13	2.5
Dothill	5	0.9
Edgmond	12	2.3
Ercall	11	2.1
Ercall Magna	15	2.8
Hadley and Leegomery	20	3.8
Haygate	8	1.5

	Panel	
	n	%
Horsehay and Lightmoor	13	2.5
Ironbridge Gorge	14	2.7
Ketley and Oakengates	38	7.2
Lawley and Overdale	10	1.9
Madeley	17	3.2
Malinslee	12	2.3
Muxton	21	4.0
Newport East	11	2.1
Newport North	12	2.3
Newport South	18	3.4
Newport West	8	1.5
Park	10	1.9
Priorslee	21	4.0
Shawbirch	13	2.5
St Georges	15	2.8
The Nedge	23	4.4
Woodside	12	2.3
Wrockwardine	33	6.3
Wrockwardine Wood and Trench	31	5.9
Total	527	100.0

Index of Multiple Deprivation: National Decile

	Panel	
	n	%
10 (among 10% most deprived communities nationally)	47	8.9
20	46	8.7
30	49	9.3
40	52	9.9
50	65	12.3
60	38	7.2
70	57	10.8
80	68	12.9
90	55	10.4
100 (least deprived nationally)	50	9.5
Total	527	100.0

Community Panel Survey Responses:

Q1 Which of the options for council tax do you prefer?

	Panel	
	n	%
Freeze Council Tax until 2016	283	54.2
Increase Council Tax by 1.9% until 2016	216	41.4
Don't know	23	4.4
Total responses	522	100
Missing	5	-
Total	527	-

Q2 Please tell us any other comments you have on Council Tax?

Theme	Panel
	n
General - Non-specific comment	27
General - Concerns over the consultation process	3
Support for Council Tax freeze (comments re cost of living / value for money / high council tax))	10
Support for Council Tax freeze (general)	7
Support for Council Tax freeze (support for preservation of general services)	2
Support for Council Tax freeze (support for preservation of services specifically to vulnerable people)	1
Support for Council Tax Increase (general)	14
Support for Council Tax Increase (support for preservation of general services)	15
Support for Council Tax Increase (support for preservation of services specifically to vulnerable people)	7
Support for preservation of general services (unable to determine if supporting increase/freeze/cut)	19
General concerns over waste of public funds / poor allocation of funds / staff and councillor wages	14
Specific concerns over high council tax / value for money / cost of living (unable to determine if supporting increase/freeze/cut)	32
Support for Council Tax cut (general)	2
Support for preservation of services specifically to vulnerable people (unable to determine if supporting increase/freeze/cut)	4
Total	157

Examples of the comments we received to this question included:

“Council tax should be increased. It is only a very small monthly increase and would protect more services”

“We are all seeking ways to save money in this testing economic period and a price freeze on council tax would be much appreciated gesture if it can be achieved”

“As long as you believe this can be raised by other means rather than cutting services. Otherwise my answer would be to raise C tax”

“Already too high. I suspect there is a lot of waste that could be pruned without hitting vital services”

Q3 How strongly do you agree or disagree with supporting businesses to create jobs in the borough?

	Panel	
	n	%
Strongly agree	287	54.8
Agree	190	36.3
Total agree	477	91.1
Neither agree nor disagree	32	6.1
Disagree	8	1.5
Strongly disagree	4	0.8
Don't know	3	0.6
Total responses	524	100
Missing	3	-
Total	527	-

Q4 How strongly do you agree or disagree with supporting young people to get a job?

	Panel	
	n	%
Strongly agree	312	59.9
Agree	168	32.2
Total agree	480	92.1
Neither agree nor disagree	30	5.8
Disagree	7	1.3
Strongly disagree	3	0.6
Don't know	1	0.2
Total responses	521	100
Missing	6	-
Total	527	-

Q5 How strongly do you agree or disagree with improving roads and the environment? (Pride in Community initiative)

	Panel	
	n	%
Strongly agree	307	58.9
Agree	172	33
Total agree	479	91.9
Neither agree nor disagree	26	5
Disagree	13	2.5
Strongly disagree	1	0.2
Don't know	2	0.4
Total responses	521	100
Missing	6	-
Total	527	-

Q5a Please tell us any other comments you have on the Council's investments.

Theme	Panel
	n
General - non-specific comment	18
General comment about work ethic / benefit claimants	5
General - concerns over the consultation process	6
Broadly supportive of investment in business	20
Broadly supportive of investment in roads and environment	17
Broadly supportive of investment in young people	21
General comment supporting investment in public transport or footpaths	6
General comments about planning, use of land, building work	7
Support for jobs for all ages	5
Support for preservation of general services	9
Support for preservation of services specifically to vulnerable people	4
Support for services / investment in a specific part of the borough (e.g. borough towns, specific streets etc)	16
Broad opposition to investment in roads and environment	2
Broadly opposing investment in business	1
General concerns over waste of public funds / poor allocation of funds	16
Specific concerns over high council tax / value for money / cost of living	3
General concerns / criticism of traffic management, road alterations / traffic lights	9
Specific opposition to investment in town centre	2
Total	167

Examples of comments received for this question include:

“I believe it is essential to create jobs in the borough particularly jobs for young people. There is also a need to maintain roads, and to improve the environment on all large housing estates like Brookside where renovation in the Centre is now underway”

“Majority of roads are find, don’t see how spending more money in this area will help”

“Many people are natural entrepreneurs. More should be done to encourage them - perhaps with the aid of Shropshire Chamber of Commerce”

Online Budget Survey

Members of the public and employees were able to respond to questions on the budget through an online survey

As well as an opportunity to make additional comments, all of these opportunities focused on the four questions around the council tax and three main investments.

876 online responses were received from across the Borough of people from a range of demographics.

Demographic Profile of Online Survey Respondents:

Age

	Online Survey	
	n	%
0-11	1	0.1
12-18	1	0.1
19-25	24	2.8
26-39	157	18.4
40-64	529	61.9
65+	142	16.6
Total responses	854	100.0
Missing	22	
Total	876	

Gender

	Online Survey	
	n	%
Male	452	53.4
Female	395	46.6
Total responses	847	100.0
Missing	29	-
Total	876	-

Ward

	Online survey	
	n	
Apley Castle	18	2.8
Arleston	6	0.9
Brookside	27	4.2
Church Aston and Lilleshall	11	1.7
College	10	1.6
Cuckoo Oak	17	2.7
Dawley Magna	19	3.0
Donnington	18	2.8
Dothill	13	2.0
Edgmond	25	3.9
Ercall	15	2.3
Ercall Magna	20	3.1
Hadley and Leegomery	43	6.7
Haygate	23	3.6
Horsehay and Lightmoor	22	3.4
Ironbridge Gorge	18	2.8
Ketley and Oakengates	30	4.7
Lawley and Overdale	30	4.7
Madeley	25	3.9
Malinslee	12	1.9
Muxton	30	4.7
Newport East	6	0.9
Newport North	11	1.7
Newport South	12	1.9
Newport West	6	0.9
Park	9	1.4
Priorslee	39	6.1
Shawbirch	24	3.8
St Georges	17	2.7
The Nedge	33	5.2
Woodside	4	0.6
Wrockwardine	29	4.5
Wrockwardine Wood and Trench	17	2.7
Total responses	639	100.0
Missing/incomplete	237	-
Total	876	-

Index of Multiple Deprivation Profile

	Online Budget Survey	
	n	%
10 (among 10% most deprived nationally)	39	6.1
20	43	6.7
30	86	13.5
40	42	6.6
50	53	8.3
60	59	9.2
70	73	11.4
80	114	17.8
90	52	8.1
100 (least deprived)	78	12.2
Total responses	639	100.0
Missing/incomplete	237	-
Total	876	-

Online Budget Survey Results:

Q1 Which of the options for council tax do you prefer?

	Online Budget Survey	
	n	%
Freeze Council Tax until 2016	536	61.8
Increase Council Tax by 1.9% until 2016	308	35.5
Don't know	24	2.8
Total responses	868	100
Missing	8	-
Total	876	-

Q2 Please let us know any comments you have about the Council Tax.

Theme	Online Budget Survey
	n
General - concerns over the consultation process	9
General - non-specific comment	39
Support for Council Tax freeze (general)	18
Support for council tax freeze (comments re cost of living / value for money / high council tax))	11
Support for Council Tax Increase (general)	21
Support for Council Tax Increase (support for preservation of services specifically to vulnerable people)	24
Support for Council Tax Increase (support for preservation of general services)	42
Support for preservation of general services (unable to determine if supporting increase/freeze/cut)	26
Support for preservation of services specifically to vulnerable people (unable to determine if supporting increase/freeze/cut)	10
Support for council tax cut (general)	4
General concerns over waste of public funds / poor allocation of funds / staff and councillor wages	48
Specific concerns over high council tax / value for money / cost of living (unable to determine if supporting increase/freeze/cut)	45
Concern over cuts to transport	1
Increase investment in the arts	3
Total	304

Examples of the comments received for this question include:

A small increase in council tax is preferable to further cuts in services, particularly those for the elderly or disabled.

“Council tax represents good value for money - the council provides a wide range of high quality services as well as free car parking which is a lot better than other parts of the country”

“Council tax should be decreased by more efficiency savings and further reductions in staff and the number of councillors”

Q3 How strongly do you agree or disagree with supporting businesses to create jobs in the borough?

	Online Budget Survey	
	n	%
Strongly agree	331	38.4
Agree	362	42
Total agree	693	80.4
Neither agree nor disagree	93	10.8
Disagree	41	4.8
Strongly disagree	26	3
Don't know	9	1
Total responses	862	100
Missing	14	-
Total	876	-

Q4 Please let us know any comments you have about supporting businesses to create jobs in the borough.

Theme	Online Budget Survey
	n
General - non-specific comment	27
General - concerns over the consultation process	2
Broadly supportive of investing in business	60
Broadly supportive of investing in business to create jobs, including concern re unemployment	77
Broadly supportive of investing in business - but concerns over skill levels, minimum wage jobs	12
General support for other infrastructure improvements	5
Opposition to investing in business - Local government intervention not required or Local Government shouldn't be responsible	9
Opposition to investing in business - Central Government role	4
Businesses should take care of themselves without help from Council funds	15
Opposition to investing in business - reference to supporting other 'traditional' services or vulnerable people	9
General- concern over work ethic / benefit claimants	1
Link issue of youth unemployment to investment / support for local business	4
General support for lowering business rates / easing regulation / cut red tape	10
Broadly supportive of investing in business - specific support for SME	7
Support for specific areas of the borough e.g. rural, market towns	6

Theme	Online Budget Survey
	n
Support SMEs	1
Specific opposition to town centre	1
Increased spending on the arts	4
Total	258

Examples of the comments received for this question include:

“Providing council tax doesn't go up, national government should help with promoting business creation.”

“We all depend on a thriving and growing business sector, but the Council can play a vital role in securing this.”

“As long as the business employs residents from Telford”

“I think the best support is indirect through infrastructure development”

Q5 How strongly do you agree or disagree with supporting young people to get a job?

	Online Budget Survey	
	n	%
Strongly agree	360	42.1
Agree	333	38.9
Total agree	693	81.0
Neither agree nor disagree	105	12.3
Disagree	31	3.6
Strongly disagree	22	2.6
Don't know	4	0.5
Total responses	855	100
Missing	21	-
Total	876	-

Q6 Please let us know any comments you have about supporting young people to get a job.

Theme	Online Budget Survey
	n
Support for investment in supporting young people into jobs	85
General - Non specific comment	14
Support for investment - specifically in supporting business	14
Support for investment - specific reference to low wages / low skilled jobs	3

Theme	Online Budget Survey
	n
Support for investment - specific reference to education and improving skills	34
Support for investment - specific reference to 'work ethic' of young	13
Opposition to investment - specific reference to supporting older people	2
Opposition to investment - not the role of local government	14
General comment about 'work ethic', benefit claims (unable to determine whether supporting investment	70
Total	249

Examples of comments received to this question include:

“Future Focus etc are a great service. Supporting young people and helping them get into paid employment makes sense - they are less of a drain on the economy if they are able to contribute financially. Support people, not businesses.”

“As long as we can help young people get proper jobs with real prospects, no sponsor short term menial roles with no future or commitment.”

“We are in danger of having a generation which has never had work, which feels isolated and unvalued, and which, in due time, will lack the motivation, skills and experience to take over from those of us who are older and presently in charge.”

“They should be encouraged to take any job they are capable of doing, while they keep looking for an 'interesting' job. Parents should also be encouraging their children to look for employment!”

Q7 How strongly do you agree or disagree with improving roads and the environment? (Pride in Community initiative)

	Online Budget Survey	
	n	%
Strongly agree	291	34
Agree	380	44.4
Total agree	671	78.4
Neither agree nor disagree	100	11.7
Disagree	43	5
Strongly disagree	35	4.1
Don't know	7	0.8
Total responses	856	100
Missing	20	-
Total	876	-

Q8 Please let us know any comments you have about improving roads and the environment. (Pride in Community initiative)

Theme	Online Budget Survey
Broadly supportive of improvements to roads and the environment	66
Support for investing in roads, specific comments about potholes and road quality	98
Support for environment but not in agreement of support for roads	32
Support for investment in footpaths and cycleways only	8
Specific comment saying road improvements should be paid for by road tax	4
Opposition to proposal - should not be a priority when services being cut	16
Opposition to proposal – reference instead to investment in public transport	8
Opposition to proposal – reference to environmental impact of growth / house building / use of roads	4
general concern over consultation process	4
Opposition to proposal – reference instead to supporting vulnerable people	8
Specific opposition to the box road	3
Opposition to proposal - general	5
General comment regarding people needing to take pride in their area	3
Wider concerns / criticism of traffic management, including traffic lights, roundabouts, signs, road painting and road	33

Theme	Online Budget Survey
works	
Concern road safety around schools	2
Non specific comment	10
Total	304

Examples of comments received to this question include:

“Pride in our local environment has a knock on effect. If a place looks tatty, it is more likely to be shown disrespect by less than well meaning members of the local populace. It does not help attract or maintain local businesses, and a 'stitch in time saves nine' is usually applicable.”

“The roads have suffered long term decline, yet it is important this is in the neighbourhoods not just main roads, drains are blocked, gritting boxes aren't refilled. Works on roads are all being planned poorly, last year, every route into wellington was being improved at the same time, affecting school and work runs penalising those who actually put money into the economy”

“Should be improving the public service transport in the borough, also you should be doing alot more for cycles, car's don't own the road but the government let's them think that. More cycle networks, not the road made bigger to take more traffic, how does that help the environment?”

Paper Questionnaire

776 responses were received through the tear out slip in Your Voice and a paper copy of this questionnaire circulated at engagement events.

Respondents to these questionnaires were from a range of demographic backgrounds:

Demographic Profile of Paper Questionnaire Respondents

Age

	Paper Questionnaire	
	n	%
12-18	28	3.8
19-25	46	6.2
26-39	90	12.2
40-64	287	38.9
65+	286	38.8
Total responses	737	100.0
Missing	39	-
Total	776	-

Gender

	Paper Questionnaire	
	n	%
Male	276	44.8
Female	340	55.2
Total responses	616	100.0
Missing	160	-
Total	776	-

Ward

	Paper Questionnaire	
	n	%
Apley Castle	9	2.3
Arleston	10	2.5
Brookside	15	3.8
Church Aston and Lilleshall	8	2.0
College	13	3.3
Cuckoo Oak	11	2.8
Dawley Magna	19	4.8
Donnington	10	2.5
Dothill	9	2.3
Edgmond	8	2.0
Ercall	11	2.8
Ercall Magna	6	1.5
Hadley and Leegomery	29	7.4
Haygate	11	2.8
Horsehay and Lightmoor	8	2.0
Ironbridge Gorge	1	0.3
Ketley and Oakengates	25	6.4
Lawley and Overdale	18	4.6
Madeley	8	2.0
Malinslee	10	2.5
Muxton	13	3.3
Newport East	7	1.8
Newport North	7	1.8
Newport South	4	1.0
Newport West	9	2.3
Park	8	2.0
Priorslee	20	5.1
Shawbirch	5	1.3
St Georges	12	3.1
The Nedge	22	5.6

	Paper Questionnaire	
	n	%
Woodside	23	5.9
Wrockwardine	10	2.5
Wrockwardine Wood and Trench	14	3.6
Total responses	393	100.0
Missing/incomplete	383	-
Total	776	-

Index of Multiple Deprivation Profile

	Paper Questionnaire	
	n	%
10 (among 10% most deprived nationally)	43	10.9
20	47	12.0
30	69	17.6
40	38	9.7
50	24	6.1
60	28	7.1
70	38	9.7
80	76	19.3
90	10	2.5
100 (least deprived nationally)	20	5.1
Total responses	393	100.0
Missing/incomplete	383	-
Total	776	-

Paper Questionnaire Survey Results

Which of the options for council tax do you prefer?

	Paper Questionnaire	
	n	%
Freeze Council Tax until 2016	499	68.8
Increase Council Tax by 1.9% until 2016	192	26.5
Don't know	34	4.7
Total responses	725	100
Missing	51	-
Total	776	-

How strongly do you agree or disagree with supporting businesses to create jobs in the borough?

	Paper Questionnaire	
	n	%
Strongly agree	406	55.2
Agree	249	33.9
Total agree	655	89.1
Neither agree nor disagree	32	4.4
Disagree	27	3.7
Strongly disagree	14	1.9
Don't know	7	1.0
Total responses	735	100
Missing	41	-
Total	776	-

How strongly do you agree or disagree with supporting young people to get a job?

	Paper Questionnaire	
	n	%
Strongly agree	433	59.2
Agree	205	28.0
Total agree	638	87.2
Neither agree nor disagree	59	8.1
Disagree	19	2.6
Strongly disagree	12	1.6
Don't know	4	0.5
Total responses	732	100
Missing	44	-
Total	776	-

How strongly do you agree or disagree with improving roads and the environment? (Pride in Community initiative)

	Paper Questionnaire	
	n	%
Strongly agree	376	51.7
Agree	250	34.4
Total agree	626	86.1
Neither agree nor disagree	58	8.0
Disagree	25	3.4
Strongly disagree	12	1.7
Don't know	6	0.8
Total responses	727	100
Missing	49	-
Total	776	-

Additional Engagement

Members of the public were encouraged to comment on the budget proposals via a number of methods, including post, email, telephone, text. Comments we received in this way have been published on the Council's website www.telford.gov.uk/budget Comments were also received via social media. In total we received 153 additional comments.

- 76 Twitter
- 12 Facebook
- 65 comments through personal conversations, post, email, telephone and text

The themes of these comments were:

Theme	Paper Questionnaire
	n
General - non-specific comment	37
Broadly supportive of investment in business	2
Broadly supportive of investment in roads and environment	8
Broadly supportive of investment in young people	1
Support Council Tax freeze	2
Support Council Tax increase	2
Support for preservation of services specifically to vulnerable people	6
Support for preservation/investment of services specifically to vulnerable people (children & adults)	7
Support increase in Council Tax for services to vulnerable people	1
Support Pride in Community, but Council shouldn't pay	1
Support review of integrated transport	1

Theme	Paper Questionnaire
	n
Support review of social care to improve efficiencies/manage spend	1
Supportive of investment in roads and environment across the whole of the Borough	3
Qualified comment on investment in young people	1
Qualified support for Council Tax increase	1
Comment on Conservative alternative budget	8
Concern over integrated transport re view impact	1
General - concerns over the consultation process	19
General – positive about consultation process	1
General concerns over waste of public funds / poor allocation of funds / staff and councillor wages	31
Broad opposition to investment in roads and environment	1
Greater enforcement against litter/fly tipping/parking	2
Increase charges for Council Services	4
Increase spend on arts	1
Link issue of youth unemployment to investment/support for local businesses	1
Need better support to voluntary and community sector	1
Oppose further front-line staff cuts/impact on staff	2
Oppose investment programmes whilst cutting support for vulnerable adults.	1
Specific concerns over high council tax / business rates/ value for money / cost of living	3
Specific concerns over high council tax / value for money / cost of living	2
Specific opposition to investment in town centre / house building	1
Total	153

Examples of the comments received include:

"Council tax freeze, personally would rather pay extra £1.61pm than lose services for vulnerable people.

"More needs to be done to improve the environment. Fines must be imposed on litter louts as the paths and roads are still being litters by thoughtless people. Fines for lazy dog owners - too much unsightly dog mess as well."

"My priority is more funding for older people. Things that could be done and prioritised better for older people. Want well paid proper jobs not schemes. People who can afford to should pay more tax."

Report prepared by Jon Power, Delivery & Planning Manager and Andy Challenor, Community Engagement and Equalities Manager.

Budget & Finance Scrutiny Committee

Response to Service & Financial Planning Strategy 2014/15-2015/16

Introduction

The Budget & Finance Scrutiny Committee is a politically balanced Committee of eight elected members, one co-opted member of the public and one co-opted Town & Parish Councillor. The Committee is the main mechanism by which Cabinet consults with scrutiny annually on the service and financial planning strategy (budget proposals).

Cabinet approved the Service & Financial Planning strategy 2014/15-2015/16 for consultation on 9th January 2014 until 4th February. The Committee met on 7th, 21st and 27th January and 4th February to consider the proposals, explore issues and to formulate a response to the proposals.

The main opposition group also put forward an alternative budget and savings proposals which the Committee considered at the meeting on 21st January. Each budget was considered on its own merit and the Committee has made a separate response to the alternative budget.

Efforts were made to encourage participation in the process as much as possible. Other Scrutiny Committees were invited to join up to scrutinise relevant issues. A press release was issued to publicise the role of scrutiny and the times and dates of meetings. Non-Committee Scrutiny members attending meetings were given discretion to ask questions and this was helpful in adding rigour, widening debate and informing the Committee's thinking.

The Committee's approach this year was to focus on the adult social care budget. The scale of the savings needed - £10.5m over the next 2 years – and the potential impact of funding reductions on vulnerable adults makes this a key risk and a key issue for scrutiny. The meeting on 27th January was held jointly with the Health & Adult Care Scrutiny Committee to bring scrutiny skills together to look at the impact of service changes on the Council's balance sheet and on local people.

During its deliberations the Committee met with:

- Cabinet Member Finance & Enterprise
- Cabinet Member Adult Social Care
- Chief Financial Officer
- Interim Director, Care Health & Wellbeing
- Assistant Director Children's Safeguarding
- Assistant Director Family & Cohesion Services
- The Leader and Shadow Member for Finance of the main opposition group (alternative proposals)

Written answers to a range of questions were also provided. The Committee would like to extend thanks to Members and officers who assisted them during their work.

Once again the Committee acknowledged the difficult decisions facing the Council in the climate of reducing grant funding. The Committee has agreed a number of comments in response to the budget proposals which are set out below for consideration by Cabinet. Some of the issues highlighted will be included in the scrutiny work programme over the coming year.

Comments of the Committee

1. The Committee welcomed a number of proposals in the budget:
 - a) Members supported the proposed investment of £1.3m into tackling youth unemployment. This is a key issue to address as it has significant implications for the future prosperity and success of the borough, and the intervention would help reduce pressure on the public purse later on.
 - b) Members were pleased to see the proposals to create an additional £1.2m draw-down contingency for safeguarding and an increase in the leaving care grant which were made in response to the Budget & Finance and Children & Young People Scrutiny Committee recommendations.
 - c) Members felt the £100k investment in Destination Telford was important for driving a strong community identity and the reinforcing the message that Telford and Wrekin is a good place to live, work and visit which is crucial to attracting investment.
 - d) Members welcomed the new approach to debt repayment (MRP).
2. The Committee's main area of concern related to risks around making £10.5m savings in adult social care over two years and the impact of service changes on service users. When considering the financial monitoring and benchmarking data on Adult Care Services the Committee noted that the costs of service provision in all aspects of Adult Care Services were above the national / regional averages and the average costs of authorities with similar demographics (statistical neighbour authorities). The Committee would like to make a number of comments about this:
 - a) The Committee recommends that the lessons learnt and the systems and processes put in place in children's safeguarding / children in care placements should be looked at to see how they could be applied in adult social care. Specific (but not exclusive) examples may be:
 - Using the commissioning process to drive out savings e.g. the establishment of provider framework contracts, the change of approach to spot/block contracting at Queensway which have driven down unit costs of residential and agency care. Members also suggested working with providers to probe areas where savings could be made.
 - The development of a performance monitoring framework similar to the Children in Care Monthly Performance Dashboard to provide monitoring data in a transparent way e.g. the number of users of each type of care

and average unit costs, benchmarking data, progress in achieving targets in each savings proposal area. The Health & Adult Care and Budget & Finance Scrutiny Committees would like to be involved in the development of the monitoring framework.

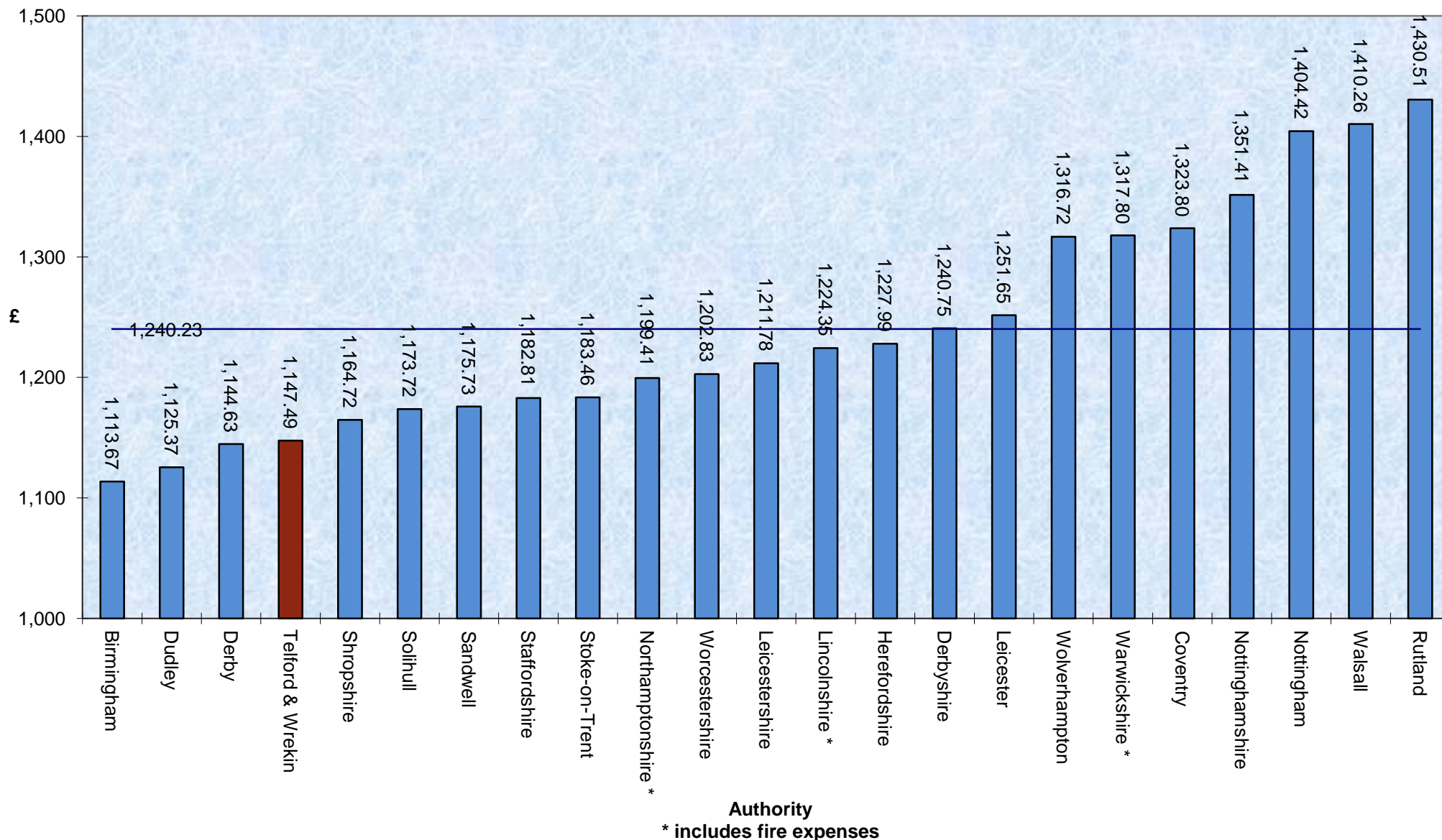
- Robust financial monitoring e.g. monthly meetings of senior managers and Cabinet member/s.
- Work force development to inculcate greater awareness and responsibility for budgets throughout the team and move away from a culture of “over provision”
- Similar to the Brokerage team and sign-off processes in cyp, put systems in place to check care packages are best value for money and there is a consistent approach

It had been reported to the Committee that some of this work was underway and that the senior management restructure will enable some of these changes to be made.

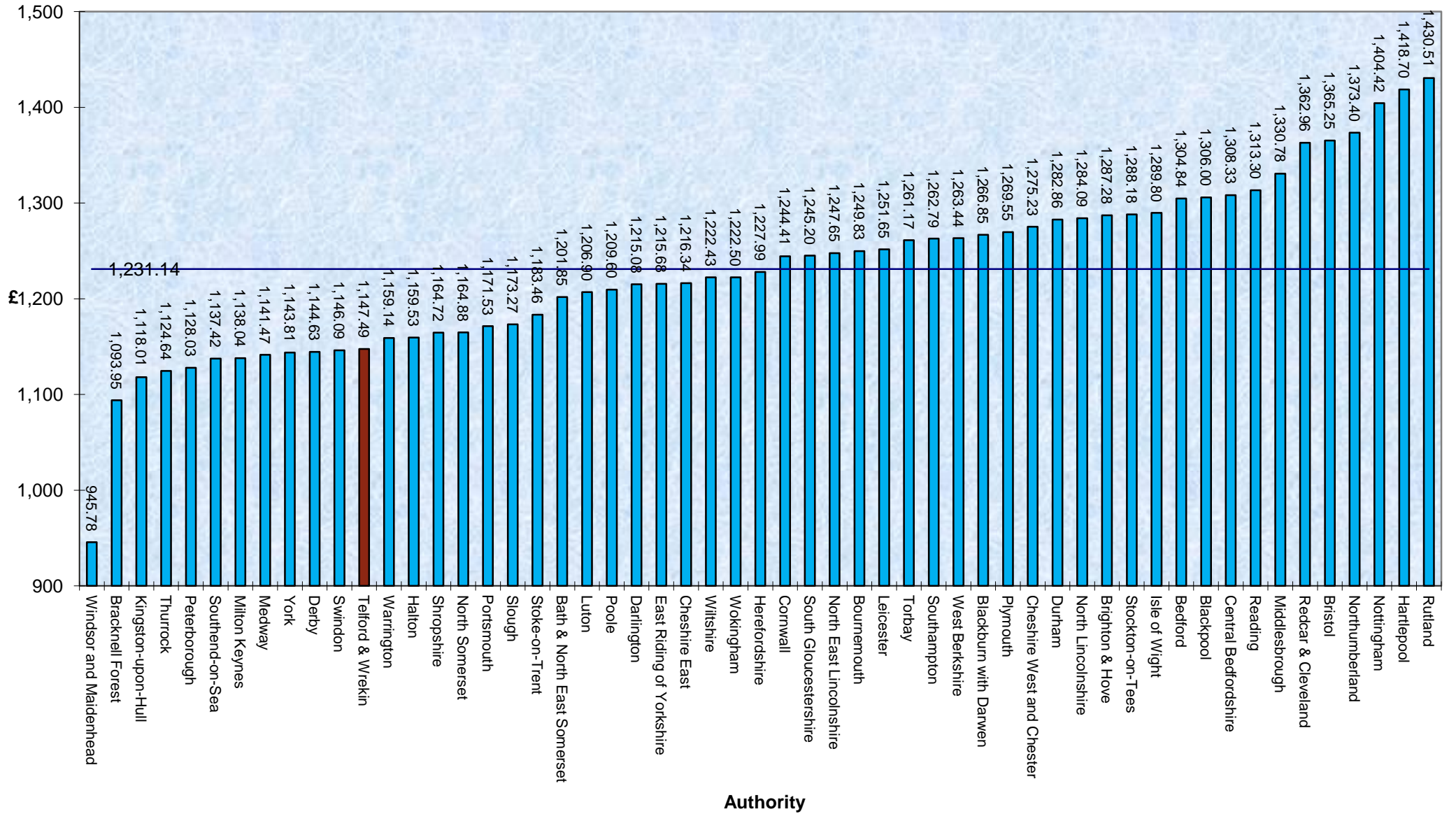
- b) The Committee agreed it was important for them to hear the voice of people using the services and getting feedback from users will be incorporated into future scrutiny reviews. The Committee agreed it was particularly important to engage with service users when planning early intervention strategies. The Committee believe that local people do understand that the Council has to make difficult decisions and that service users are the people who know what works. The integration of health and social care budgets and services offers a real opportunity to develop effective early intervention.
 - c) The Committee expressed the view that implementation the scale of changes in Adult Care Services was critically dependent on a fair assessment and appeals process. Members were also of the view that that decisions about reduction in services should not be down to one officer.
 - d) A solution to the CHC funding issues must be pursued with the CCG at all costs and this should result in a fair assessment process.
 - e) The Committee, with the Health & Adult Care Scrutiny Committee, will monitor the adult social care budget closely over the year and if necessary will make recommendations about the level of investment in the adult social care budget for 2015/16.
3. The Committee concluded its work before an analysis of feedback from the consultation on the budget proposals was available. Members felt it was important for the public to be able to see how their views have been taken into account, and requested that the budget report put to Cabinet on 20th February should make explicit:
 - a) The number of people who had responded during the consultation
 - b) How the proposals agreed on 9th January had been changed as a result of feedback from the consultation.

4. Members supported the approach to generating income as a way of meeting the budget gap and welcomed the fact that ideas were coming forward and being explored. The Committee requested that they are kept informed of progress on current plans and future plans.
5. Members recognised the need to maintain and improve the borough's road network. It was suggested the Council should lobby government for an increase in local authority funding for roads from the road fund licence money.
6. In addition to the discussion about staff awareness of budgets in adult social care services, the Committee discussed some wider points, as evidenced in the Co-operative & Communities Scrutiny Committee's report on the Employee Commission and Co-operative Values, about the importance of two-way communication with staff during restructures.
7. Members recommend that Care Council should be consulted to find out where the young people in care think savings could be made.
8. Members attending Audit Committee last year had been reassured by the report on alternative plans to generate capital receipts should any projected receipts not be realised and felt that officers had been very good at bringing in the required level of receipts in the past. However, one member remained concerned that the anticipated income would not be realised and about the potential impact on capital projects.
9. It was suggested that the issue of fraud and ways of recovering debt more quickly should be looked at and this would be a useful area for scrutiny to look at as part of the work programme.
10. The Committee was mindful of the Council's financial situation and the need to deliver the amount of savings proposed and on time. The Committee will continue to monitor financial performance and under-performing services will be invited to meetings to explain why and what steps are being taken to address issues and to avoid the risk of needing to use reserves.

**Midlands Authorities 2013/14 Band D Council Tax for Equivalent Unitary Services
(Excluding Police, Fire* and Parish Precepts)**



**Unitary Authorities 2013/14 Band D Council Tax
(Excluding Police, Fire and Parish precepts)**



TELFORD & WREKIN COUNCIL
REVENUE BASE BUDGET

Service Delivery Unit	<u>2014/15</u> <u>GROSS</u> <u>EXPENDITURE</u> £	<u>2014/15</u> <u>GROSS</u> <u>INCOME</u> £	<u>2014/15</u> <u>NET</u> <u>EXPENDITURE</u> £
Public Health	10,912,917	10,912,917	0
Law, Democracy & Public Protection	6,173,030	4,115,730	2,057,300
Neighbourhood & Leisure Services	40,568,110	11,378,020	29,190,090
Development, Business & Employment	23,855,770	23,444,380	411,390
Customer & People Services	100,150,300	95,108,340	5,041,960
Finance, Audit & Information Governance	5,516,660	5,516,660	0
Care & Support	58,358,540	11,213,650	47,144,890
Family & Cohesion Services	33,422,660	16,628,040	16,794,620
Safeguarding	16,555,617	461,257	16,094,360
Education & Skills	112,297,880	101,115,940	11,181,940
Co-operative Council	4,373,970	2,918,560	1,455,410
Council Wide Items	23,510,120	15,713,120	7,797,000
Netting off of Internal Recharges included above	(23,710,780)	(23,710,780)	0
Total	411,984,794	274,815,834	137,168,960
Less Use of Balances	0	0	0
Net Total	411,984,794	274,815,834	137,168,960

Base Budget Movements from 2013/14

	<u>£'000</u>	<u>£'000</u>
2013/14 Base Budget		133,830
Contingency (13/14 contingency funded from 12/13 underspend)		2,500
Delete Safeguarding contingency funding (one off in 13/14 only)		-1,300
Impact of one off contribution to severance fund (13/14 only)		-1,219
Re-instate cost of single status		2,350
		<u>136,161</u>
<u>Inflation</u>		
General	544	
Pay Inflation	1,429	
Landfill Tax - increased tipping charges	440	
		<u>2,413</u>
<u>Council Wide Items</u>		
Pensions - Increase in employers contribution	400	
TWS Pension Liability	24	
New Homes Bonus	-445	
Reduction in Housing Benefit Admin Grant	95	
Other	276	
		<u>350</u>
<u>Capital/Treasury</u>		
Cost of Capital Programme	742	
		<u>742</u>
<u>Service Pressures & Base Savings</u>		
Loss of PIP Rental - Hadley Redevelopment	-95	
Reduction in Education Services Grant	250	
Winter Maintenance	66	
Safeguarding - impact of cost improvement plan	-1,190	
		<u>(969)</u>
<u>Savings</u>		
Savings Proposals	-1,178	
Business Rates Growth	-350	
		<u>(1,528)</u>
2014/15 Base Budget		137,169
Less Funding		
Council Tax Income	49,820	
Council Tax Freeze Grant	593	
Collection Fund	300	
Revenue Support Grant /Top Up / Retained Rates	76,306	
Total Funding		127,019
Base Funding Requirement		<u>10,150</u>
Add back Additional 2013/14 Savings (including in savings package)		1,278
Base Funding Requirement before Savings		<u>11,428</u>

APPENDIX 10 - Reserves and Balances

Usable Balances at 1 April 2015

			Balance at 1 April 2015 £m
Total Reserves and Balances			19.68
Less Commitments/Earmarked Funds:			
School Funds	Balances held on behalf of schools; therefore not available to the Council	-	5.43
Funds held for other sectors/partnership working	Includes funds for the Local Safeguarding Partnership, YOS Partnership, Telford Energy Advice Centre, Arthog, PVI Early Years sector and the PCT	-	0.41
Building Schools for the Future Funds	Procurement, capital and lifecycle costs which are fully committed to delivering the BSF programme	-	0.27
Grant funding	Grant funding received and fully committed in the budget strategy	-	0.40
Bad Debt Reserve	Set aside to meet bad debts; level dictated by CIPFA methodology and audited by KPMG as part of the SOA.	-	3.02
Insurance Reserves	Required to cover policy excesses and other potential costs such as MMI liabilities and claims prior to 1998 (unitary)	-	2.06
Severance Fund	Funds set aside to meet one off severance costs associated with service redesign which delivers ongoing savings	-	1.59
Hadley PFI Sinking Fund	Based on funding model; fully committed equalisation fund	-	1.07
Invest to Save Fund	Available for ITS schemes which will deliver future savings	-	0.29
Capacity/Training Fund	Committed to initiatives to build capacity in the organisation	-	0.16
Other Corporate Items	For example, Collection Fund	-	0.39
Specific Earmarked Service Balances	Residual balances held by services following a rigorous review of balances undertaken.	-	0.89
Residual General Working Balances			3.70

Schedule of Provisions, Reserves and Balances

Service Area	Balance Sheet Structure	Description	April 2013 Opening		April 2014 Opening		April 2015 Opening		April 2016 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
			Actual Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)	Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	Estimated Closing Balance 31/3/15	Estimated Change during 20015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16			
General / Special Fund Balances												
Corporate	Special Fund Bals	Special Fund Balance	(527,387.48)		(527,387.48)		(527,387.48)		(527,387.48)		Working balance	Sufficient
Corporate	General Fund Bals	General Fund Balance	(2,596,942.86)	250,000.00	(2,346,942.86)		(2,346,942.86)		(2,346,942.86)		General Fund Working Balance	Forms part of minimum level of balances required
Corporate	Reserves	Budget Strategy Reserve	(830,230.45)		(830,230.45)		(830,230.45)		(830,230.45)		Available for budget strategy	
Corporate	Reserves	Additional Contingency	(3,125,397.30)		(3,125,397.30)	3,125,397.30	0.00	0.00	0.00	0.00	Committed	Forms part of medium term financial strategy
Corporate	Reserves	13/14 Contingency	(2,500,000.00)	2,500,000.00	0.00		0.00		0.00		One Off contingency for 13/14	Actual use will be confirmed when 13/14 outturn is finalised.
Total General / Special Fund Balances			(9,579,958.09)	2,750,000.00	(6,829,958.09)	3,125,397.30	(3,704,560.79)	0.00	(3,704,560.79)			
Specific Commitments not Available												
Corporate	Collection Fund	Council Tax Coll Fund Rev Acc	(1,093,583.88)	300,000.00	(793,583.88)	300,000.00	(493,583.88)	300,000.00	(193,583.88)		Collection fund surplus	T&W element of Collection fund balance; strategy for 13/14 uses £0.3m; use also in the strategy for subsequent 2 years.
Customer & People	Reserves	Skills Dvpt and Apprentices	(515,377.50)	60,000.00	(455,377.50)	227,688.00	(227,689.50)	227,689.50	0.00		To support employees facing redundancy and apprentice posts	
Dvpt. Bus & Hsg	Usable Capital Receipts	PIP Reinvestment Programme	(53,280.93)	(59,885.82)	(113,166.75)	1,012,500.00	899,333.25	899,333.25	899,333.25		Fully committed for the investment portfolio	Used to re-invest in PIP to maximise returns
Corporate	Reserves	LPSA - Reward Grant - Revenue	(59,148.59)		(59,148.59)		(59,148.59)		(59,148.59)		LPSA PRG - balance to be passed over to third party organisation per original agreement	Fully committed
Corporate	Reserves	Early Retirement Fund	(1,587,394.91)		(1,587,394.91)		(1,587,394.91)		(1,587,394.91)		Fund set up to meet the one off costs of redundancies arising from restructures in order to deliver ongoing savings	Monitored as restructures progress.
Corporate	Provision	Redundancy Provision	(2,457,915.21)	2,457,915.21	0.00		0.00		0.00		Specific provision to meet one off costs associated with the Council re-structure - relates to those who had received notification of redundancy at 31 3 13	Fully committed in 13/14
Corporate	Reserves	Insurance - Self Insurance Fund	(1,297,105.42)		(1,297,105.42)		(1,297,105.42)		(1,297,105.42)		Self insurance fund to cover insurance excesses - established in 2008/09 following decision to increase excesses.	Regularly reviewed - requirement depends on claims.
Cooperative	Reserves	LPSA Reward Grant LSP element - revenue	(240,100.43)	11,384.00	(228,716.43)	36,300.00	(192,416.43)	36,300.00	(156,116.43)		Committed to fund Community Engagement Team	Fully committed in budget
Cooperative	Reserves	Refurbishment of Dawley Town Hall	(41,396.62)	41,396.62	0.00		0.00		0.00		External contributions for the refurbishment of Dawley Town Hall	
Corporate	Reserves	LPSA Reward Grant LSP element - capital	(54,732.72)	54,732.72	0.00		0.00		0.00		Not required for original purpose - will fund capital spend currently funded by revenue	
Education & Skills	School Bals	School Balances	(6,640,051.60)	1,000,000.00	(5,640,051.60)	1,000,000.00	(4,640,051.60)	750,000.00	(3,890,051.60)		This represents school balances held by the LEA only. Additional amounts are held by schools as balances in independent bank accounts. Projected movement in balances is based on schools budget plans. It should be noted that schools budget outturns, over the sector as a whole are invariably better than initial budgets (i.e. balances are higher.)	
Education & Skills	Reserves	Schools' Supply Insurance Fund	(51,343.43)	10,000.00	(41,343.43)	10,000.00	(31,343.43)	10,000.00	(21,343.43)		Self Insurance Fund for supply teacher cover in Schools including maternity pay - fluctuates year on year dependant on levels of sickness and maternity leave	LA administered insurance fund to limit the additional costs incurred by schools resulting from contracted staff absence due to sickness. This is a fund constantly reviewed to ensure premiums are appropriate for the level of cover and claim
Education & Skills	Reserves	Theft & Vandalism Fund	(42,679.36)	10,000.00	(32,679.36)	10,000.00	(22,679.36)	10,000.00	(12,679.36)		Self Insurance fund to cover schools costs re theft and vandalism - would expect to hold small variance.	
Education & Skills	Reserves	Other Schools Balances			0.00		0.00		0.00			
Family & Cohesion	Reserves	Youth Offending	(251,838.87)	135,825.00	(116,013.87)	100,000.00	(16,013.87)	16,013.87	0.00		T&W share of Partnership reserve for YOS - confirmed share of reserve following closure of Partnership - other Cms are Systemic Training - £80k, Edge of Care manager £53k. Rest to be utilised for various savings initiatives as pump priming.	
Safeguarding	Reserves	Local Safeguarding Board	(39,393.16)	15,000.00	(24,393.16)	10,000.00	(14,393.16)	7,500.00	(6,893.16)		T&W Share of Partnership reserve to support the work of the Local Safeguarding Board	
Education & Skills	Reserves	SDG Balances	(3,334.83)	3,334.83	0.00	0.00	0.00	0.00	0.00		School Development Group Fund - monies used to support development of Learning Communities by schools	Balance held on behalf of schools.

Schedule of Provisions, Reserves and Balances

Service Area	Balance Sheet Structure	Description	April 2013 Opening		April 2014 Opening		April 2015 Opening		April 2016 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
			Actual Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)	Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	Estimated Closing Balance 31/3/15	Estimated Change during 20015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16			
Family & Cohesion	Specified	Early Years	(85,043.86)	37,000.00	(48,043.86)	25,000.00	(23,043.86)	23,043.86	0.00	ring fenced fund for PVI early years sector used to pay for refurb and r&m on early years provision - £20k subject to S256 agreement with PCT for Family Nurse Partnership	reasonable	
CYP General	Reserves - grant control account	Grant Control Account General	(456,410.22)	270,000.00	(186,410.22)	120,000.00	(66,410.22)	50,000.00	(16,410.22)	combination of 3 items - 251k committed for Adults and Children's Service Review ICT Transformation , 181k Neighbourhood Nursery Initiative monies received to support Newdale Nursery (Council provided)required to ensure sustainability of the provision. The provision will be subject to further review. £23k for specific Active involvement projects relating to Children with Disabilities.		
Finance, Audit & IG	Reserves	Match Funding Provision	(84,583.24)	70,000.00	(14,583.24)	14,583.24	0.00	0.00	0.00	Committed to budget strategy		
Neigh. & Leisure	Reserves	Arthog Trading Provision	(97,438.65)	6,862.00	(90,576.65)	90,576.65	0.00	0.00	0.00	Working balance for trading operation	Commitments against provision could be reviewed.	
Neigh. & Leisure	Reserves	Section 38 Income	(511,448.12)	150,000.00	(361,448.12)		(361,448.12)		(361,448.12)	Funds from developers when roads are adopted - used to ensure roads are brought up to standard prior to adoption.	Funding provided for specific road schemes and cannot be used for other purposes. Therefore, fully committed.	
Neigh. & Leisure	Reserves	Leisure Grant Holding Account	(16,017.17)	16,017.17	0.00		0.00		0.00	Various activities within Leisure and equipment purchases committed in 13/14.		
Dvpt. Bus & Hsg	Reserves	Hadley PFI Sinking Fund	(1,394,282.86)	182,180.00	(1,212,102.86)	142,237.00	(1,069,865.86)	211,072.00	(858,793.86)	Equalisation account relating to Hadley PFI	Based on the funding model - fully committed	
Dvpt. Bus & Hsg	Reserves	Sinking Fund - PIP	(561,666.82)	30,000.00	(531,666.82)	50,000.00	(481,666.82)	50,000.00	(431,666.82)	PIP Tenants money as part of the lease agreements, to be used on the core areas of the properties.	Not a general reserve	
Dvpt. Bus & Hsg	Reserves	Redecoration Provision - PIP	(138,712.06)	25,000.00	(113,712.06)	25,000.00	(88,712.06)	25,000.00	(63,712.06)	PIP Tenants money as part of the lease agreements, to be used on the core areas of the properties.	Not a general reserve, a provision	
Dvpt. Bus & Hsg	Reserves	Dilapidations - PIP	(152,459.16)	152,459.16	0.00		0.00		0.00	Committed spend on Hollinswood House &		
Dvpt. Bus & Hsg	Reserves	Projects Capital	(86,803.12)	86,803.12	0.00		0.00		0.00	For works to Granville House as part of corporate property review	Committed to refurbishment works at the depot as part of property rationalisation.	
Total Specific Commitments			(18,013,542.74)	5,066,024.01	(12,947,518.73)	3,173,884.89	(9,773,633.84)	1,716,619.23	(8,057,014.61)			
Specific Earmarked Balances Identified as Risks												
Corporate	Debtors	Bad Debt Provision	(3,015,655.61)		(3,015,655.61)		(3,015,655.61)		(3,015,655.61)	To cover bad debts	Level based on formula	
Neigh. & Leisure	Reserves	Corporate Environmental Fund	(122,917.00)	122,917.00	0.00		0.00		0.00	Committed to Environmental works.	Balance of £400k Environmental Fund 2012/13	
Corporate	Reserves	Invest to Save Account Balance	(1,040,927.74)	713,000.00	(327,927.74)	39,000.00	(288,927.74)	288,927.74	0.00	Committed to ITS schemes which will generate future savings		
Corporate	Reserves	Corporate Capacity & Training Fund	(1,006,578.74)	686,578.74	(320,000.00)	160,000.00	(160,000.00)	160,000.00	0.00	Various initiatives to build capacity. Spend agreed by cabinet on 11.07.12.		
Corporate	Reserves/Provision/Creditor	Insurance Funds	(864,980.33)	355,093.51	(509,886.82)		(509,886.82)		(509,886.82)	Self Insurance Reserve (non-Education) as part of overall insurance strategy	Level seems reasonable, based on the excesses to which the council is exposed under the current arrangements	
Corporate	Reserves	General - Insurance - SCC liabilities	(251,041.55)		(251,041.55)		(251,041.55)		(251,041.55)	This is an additional insurance reserve which was established when the County Council's balance sheet was disaggregated and is available to cover claims liabilities that arise.	If this does ever become available following the actuarial valuation the level would increase the level of self insurance available to the authority.	
Education & Skills	Reserves	Stop Loss Provision	(1,233,957.44)	250,000.00	(983,957.44)	250,000.00	(733,957.44)	150,000.00	(583,957.44)	Stop Loss Insurance - Self insurance to cover fire policy excesses on school buildings and other adhoc costs including lead roof theft and flooding.	Revenue budget allows for growth in provision but this contribution will be delegated to schools from 13/14 as part of new funding arrangements	
Education & Skills	Reserves	BSF Lifecycle and FM	(251,972.70)		(251,972.70)		(251,972.70)		(251,972.70)	The reserve reflects the Council's agreed approach to delivering FM & Lifecycle at secondary schools in line with EFA specifications - this will be reviewed to establish appropriate levels. The conversion of schools to Academies may have an impact on the levels - not able to project changes at this time.		
Education & Skills	Reserves	Building Schools for the Future	(343,626.69)	190,000.00	(153,626.69)	133,864.82	(19,761.87)	19,761.87	0.00	Reserve set aside for procurement costs associated with BSF		
Total Specific Earmarked Balances Identified as Risks			(8,131,657.80)	2,317,589.25	(5,814,068.55)	582,864.82	(5,231,203.73)	618,689.61	(4,612,514.12)			

Schedule of Provisions, Reserves and Balances

Service Area	Balance Sheet Structure	Description	April 2013 Opening		April 2014 Opening		April 2015 Opening		April 2016 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
			Actual Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)	Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	Estimated Closing Balance 31/3/15	Estimated Change during 20015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16			
Specific Earmarked Service Balances												
Law, Democ & PP	Reserves	Elections Equalisation Reserve	(80,839.26)	(50,000.00)	(130,839.26)		(130,839.26)	130,839.26	0.00	Set aside to assist in funding future local elections as annual revenue budget may not be sufficient in any given year.	depends on the number of elections that arise; next Borough election due May 2015	
Law, Democ & PP	Reserves	Single Status Project	(230,000.00)	0.00	(230,000.00)	230,000.00	0.00	0.00	0.00	Required to fund single status project work (including legal and consultancy costs) and preparation for implementation		
Customer & People	Reserves	People Services	(9,674.51)		(9,674.51)		(9,674.51)		(9,674.51)	No longer required - will be transferred into GF Bals		
Law, Democ & PP	Creditors	Community Right to Challenge	(8,547.00)		(8,547.00)	8,547.00	0.00	0.00	0.00			
Education & Skills	Reserves	Balance Control Mechanism / Residual balances from closed schools	(28,910.16)	28,910.16	0.00		0.00		0.00	Balances clawed back from schools through the balance control mechanism plus residual balances from closed schools	To cover possible deficits of schools which close in the future.	
Care & Support	Reserves	Health Watch	(24,418.03)	24,418.03	0.00	0.00	0.00	0.00	0.00	Specific funding for transition to health watch-funding required to meet the set up costs of the provider		
Safeguarding	Specified	CYP Plan Priorities	(80,000.00)	80,000.00	0.00	0.00	0.00	0.00	0.00	Required to Support Early Help Action Plan		
Family & Cohesion	Reserves	Joint Commissioning Balance	(26,598.59)	26,598.59	0.00	0.00	0.00	0.00	0.00	Committed into budget		
Family & Cohesion	Reserves	Safer Communities cwfd	(112,635.19)	101,943.19	(10,692.00)	10,692.00	0.00	0.00	0.00	Combination of two reserves - committed to fund Domestic Violence service and initiatives, Crucial Crew and other community safety costs to be incurred.		
Family & Cohesion	Reserves	SIS - One vision	(1,428.43)	400.00	(1,028.43)	500.00	(528.43)	528.43	0.00	Given by One Vision Charity to support children with vision impairment - committed		
Family & Cohesion	Reserves	Youth Projects Support	(213,273.43)	100,000.00	(113,273.43)	50,000.00	(63,273.43)	50,000.00	(13,273.43)	Some external projects funding but will be used to support work towards new Youth Offer as per savings schedule		
Family & Cohesion	Reserves	Stafford Park Pooled Fund	(53,188.25)	53,188.25	0.00				0.00	Reserve arising from Stafford Park arrangement - now being decommissioned which is likely to result in some costs to the Council		
Family & Cohesion	Reserves - from creditors	Education Welfare Balance	(38,100.37)	10,000.00	(28,100.37)	10,000.00	(18,100.37)	10,000.00	(8,100.37)	Income from fixed penalty notices re Truancy etc - held to fund training and resources costs associated with this process.		
Care & Support	Reserves	Personalisation Reserve	(201,110.07)	201,110.07	0.00		0.00		0.00	To fund emergency respite contracts and tender work-will fully fund base spending in 2013/14 in order to deal with the reported overspend, and these one off's are reported in the monitoring position Sept 2013		
Care & Support	Reserves	Trainee Social Worker Reserve	(212,391.77)	127,685.00	(84,706.77)	84,706.77	0.00	0.00	0.00	To support a bursary scheme for trainee social workers-SW's are incumbent in these posts and will require the reserve funding	Funds committed to specific posts - reflects 4 for 3 years	
Care & Support	Reserves	PCT monies	(307,766.74)	307,766.74	0.00		0.00		0.00	PCT Projects - monies paid to Council by PCT.Will be fully utilised in offsetting the 2013/14 overspend-this is included in the reported monitoring position-Sept 2013		
Care & Support	Reserves	Bad Debt Provision	(586,639.00)	586,639.00	0.00		0.00		0.00	Bad debt provision set aside to offset bad debts on sales ledger and to offset deferred payments	The committed balance is offsetting 50% of the deferred payments debt at 31.3.13-£256k and the rest is committed to the offsetting of the 2013/14 overspend	
Care & Support	Reserves	Transforming Social Care Grant	(513,282.00)	357,293.00	(155,989.00)	155,989.00	0.00	0.00	0.00	Grant paid to LA's to implement Transformation to Social care service delivery including Personalisation etc	The committed balance meets current committed costs against the implementation of RAS and Transformation project posts	
Care & Support	Reserves	Service Review and ICT Reserve	(49,756.34)	49,756.34	0.00		0.00		0.00	Funding for ICT project etc		
Public Health	Reserves	Public Health Transition Grant	(43,301.57)	43,301.57	0.00		0.00		0.00	To fund pressures arising from any errors in information during transition.		
Law, Democ & PP	Reserves	Civil Resilience	(397.00)	397.00	0.00		0.00		0.00	To purchase a new generator		
Law, Democ & PP	Reserves	Legal Reserve	(57,135.83)	7,000.00	(50,135.83)		(50,135.83)		(50,135.83)	£34k grant received for personal search fees potential liability; balance for standards investigations	Fully committed	

Schedule of Provisions, Reserves and Balances

Service Area	Balance Sheet Structure	Description	April 2013 Opening		April 2014 Opening		April 2015 Opening		April 2016 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
			Actual Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)	Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	Estimated Closing Balance 31/3/15	Estimated Change during 20015/16 (additions/withdrawals)	Estimated Closing Balance 31/3/16			
Customer & People	Reserves	R&B General Staffing	(272,458.35)	135,564.00	(136,894.35)	7,451.00	(129,443.35)	(129,443.35)	To support additional staffing costs to meet Pis.			
Customer & People	Reserves	Register Office	(6,303.50)		(6,303.50)		(6,303.50)	(6,303.50)	Small reserve to be used for service development.			
Customer & People	Reserves	Galaxy Software Upgrade	(13,673.21)	13,673.21	0.00		0.00	0.00	System implemented - awaiting charges from ICT. Balance will also fund Self Service changes			
Dvpt. Bus & Hsg	Reserves	Inward Investment & Marketing	(9,973.16)	9,973.16	0.00		0.00	0.00	To meet costs of fixed contract posts. Fully spent			
Education & Skills	Reserves	Student Awards	(18,274.34)	18,274.34	0.00		0.00	0.00	To offset shortfall of income in Skills			
Neigh. & Leisure/Dvpt. Bus & Housing	Reserves	Grant Holding Account	(265,559.34)	141,751.25	(123,808.09)	45,000.00	(78,808.09)	45,000.00	Coalbrookdale Water course drawdown as and when required each year.			
Neigh. & Leisure/Dvpt. Bus & Housing	Reserves	Budget Strategy Reserve	(79,000.00)	79,000.00	0.00		0.00	0.00	Development of Planning System	Committed in 13/14		
Neigh. & Leisure/Dvpt. Bus & Housing	Reserves	Capacity Fund	(265,022.00)	252,022.00	(13,000.00)	13,000.00	0.00	0.00	Committed against Skills gap analysis, Targeted marketing campaign and First Point for Business.	Majority committed in 13/14, remainder committed 14/15.		
Neigh. & Leisure/Dvpt. Bus & Housing	Fund Balances	Destination Telford	0.00	0.00	0.00		0.00	0.00	Destination Telford .	Committed in 13/14		
Dvpt. Bus & Hsg	Reserves	Home Improvement Agency	(3,367.84)	3,367.84	0.00		0.00	0.00	To provide small grants to individuals in relation to home improvements	Committed in 13/14		
Dvpt. Bus & Hsg	Reserves	Provision for Planning Fees	(2,676.64)	2,676.64	0.00		0.00	0.00	To fund further legal planning fees.	Committed in 13/14		
Family & Cohesion	Reserves	Preventing Repossessions			0.00		0.00	0.00	Amalgamated with Homeless Review Reserve			
Family & Cohesion	Reserves	Transport	(168,830.00)	140,000.00	(28,830.00)	28,830.00	0.00	0.00	Costs for Go Smart and Ticketing and Sceduling Programme majority to be spent in 13/14			
Family & Cohesion	Reserves	Transport Review Reserve	(100,000.00)	50,000.00	(50,000.00)	50,000.00	0.00	0.00	To fund additional costs associated with review			
Family & Cohesion	Reserves	SEN Review Reserve	(100,000.00)	65,000.00	(35,000.00)	35,000.00	0.00	0.00	To fund additional costs associated with review			
Family & Cohesion	Reserves	Homelessness Review Reserve	(130,963.00)	95,000.00	(35,963.00)	35,963.00	0.00	0.00	To fund additional costs associated with review and to supplement any preventative work, and support the implementation of the Homelessness Strategy			
Care & Support	Reserves	Substance Misuse Bond Scheme	(24,351.81)		(24,351.81)		(24,351.81)	(24,351.81)				
Neigh. & Leisure	Fund Bal	Landfill Allowance Trading Scheme	3,002.10	(3,002.10)	0.00		0.00	0.00	LATS scheme finished in 12/13, will purchase LATS in 13/14 and will adjustment will be made to revenue account.			
Finance, Audit & IG	Reserves	New Technology	(140,009.92)	70,000.00	(70,009.92)		(70,009.92)	(70,009.92)	Committed to Financial Management system			
Customer & People	Reserves	PCT contribution to health hub	(75,000.00)	75,000.00	0.00		0.00	0.00	PCT contribution For Health Hub			
Customer & People	Reserves	Cashless Catering system	(102,036.19)	50,000.00	(52,036.19)		(52,036.19)	(52,036.19)	This will be used to offset service pressures in year and set up costs of New Nurseries.			
Cooperative	Reserve	Employability Project Reserve	0.00		0.00		0.00	0.00				
Customer & People	Reserve	Organisational Improvement Fund	(382,361.50)	276,856.00	(105,505.50)		(105,505.50)	(105,505.50)	To fund Organisational Improvement Programme			
Customer & People	Reserves	Cooperative Council Initiatives	(17,962.89)	(6,794.00)	(24,756.89)		(24,756.89)	(24,756.89)				
Customer & People	Reserves	Library Book Fund	(27,253.82)		(27,253.82)		(27,253.82)	(27,253.82)	For stock for the new town centre library			
Customer & People	Reserves	Mystery Shopper Exercise	(6,000.00)	6,000.00	0.00		0.00	0.00	Mystery Shopper Exercise due between October 2012 and March 2013.			
Customer & People	Reserves	Library Self Service Facilities	(15,000.00)	(13,673.21)	(28,673.21)		(28,673.21)	(28,673.21)	Funding for the implementation of the self-service facility at Madeley/Oakengates and Stirchley			
Finance, Audit & IG	Reserves	Finance capacity reserve	(72,125.00)	2,125.00	(70,000.00)		(70,000.00)	(70,000.00)	To provide additional capacity within Finance.			
Family & Cohesion	Reserves	Joint Arrangement	(3,967.00)	3,967.00	0.00		0.00	0.00	Small reserve as a one off for services in Joint Arrangement - currently awaiting notification from Shropshire of results of their review of costs - will be used in revenue account in year.			

Schedule of Provisions, Reserves and Balances

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Family & Cohesion	Reserves	Early Help Partnership	(69,263.53)	50,000.00	(19,263.53)	19,263.53	0.00	0.00	The development of the Early Help Offer including the identification training need in respect of the Emotional Health and Well being of CYP and delivery of "Team around the Child" and " Common Assessment Framework" training will incur costs but is investment required to ensure enable the delivery of the savings identified within the Councils medium term budget plan			
Neigh. & Leisure	Reserves	Tennis Centre Sinking Fund	(26,222.02)	(13,200.00)	(39,422.02)	(13,200.00)	(52,622.02)	(13,200.00)	(65,822.02)	Condition of grant that we build up a replacement fund. This will be applied when expenditure is incurred each year.		
Law, Democ & PP Dvpt. Bus & Hsg	Reserves Fund Balances	Procurement Advice reserve Destination Telford	(23,561.00) (150,000.00)	150,000.00	(23,561.00) 0.00	0.00	(23,561.00) 0.00	0.00	(23,561.00) 0.00	Committed to budget strategy Fund generated from review of reserves & balances 2012/13.	Transferred to YMAW YDDT in 13/14	
Family & Cohesion	Reserves	Young Persons Substance Misuse	(74,891.17)	35,000.00	(39,891.17)	35,000.00	(4,891.17)	4,891.17	0.00	Planned use to offset loss of Drugs funding		
Family & Cohesion	Reserves	Community Safety Fund	(31,051.27)	25,000.00	(6,051.27)	6,051.27	0.00	0.00	0.00	Funding used for projects agreed by the Community Safety Board. £25k project Integrated Offender Management already agreed		
Cooperative	Reserves	Voluntary Sector Grants - CAB	(49,210.00)	49,210.00	0.00	0.00	0.00	0.00	0.00	Funding to be passed to CAB to provide support in terms of the new Welfare Reforms		
Total Specific Earmarked Service			(5,602,759.94)	3,819,198.07	(1,783,561.87)	812,793.57	(970,768.30)	228,058.86	(742,709.44)			
Overall Total			(41,327,918.57)	13,952,811.33	(27,375,107.24)	7,694,940.58	(19,680,166.66)	2,563,367.70	(17,116,798.96)			

ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES: STATEMENT OF THE CHIEF FINANCIAL OFFICER

BACKGROUND

A key responsibility of the Council's Chief Financial Officer is to give assurance on the robustness of the budget strategy which includes highlighting the risks associated with its deliverability and sustainability and the adequacy of reserves.

The framework within which the Council's budget setting process operates and the final budget strategy was developed is governed by legislation which provides regulatory safeguards for the Council:

Section 25 of the Local Government Act 2003 requires the authority's Chief Financial Officer to report on the **robustness of the estimates and the adequacy of reserves** allowed for in the budget proposals in the budget report, so Members are informed and can consider this when they make their budget decisions.

Section 114 of the Local Government Act 1988 highlights the Chief Financial Officer's responsibility to report to members if it appears to him that an unbalanced budget is likely to be set for the year.

Local Government Finance Act 1992 identifies the requirement to set a balanced budget.

Section 151 of the Local Government Act 1972 - Financial Administration requires that authorities should appoint a Section 151 Officer to have responsibility for the proper administration of its financial affairs.

The Accounts and Audit Regulations 2011 – Regulation 4 requires that the accounting records and control systems include measures to ensure that risk is appropriately managed.

The requirements of the prudential Code must also be complied with (a separate report on prudential Indicators is included elsewhere in this suite of service and financial planning reports).

In addition the CIPFA guidance on Local Authority Reserves and Balances requires that a statement reporting on the annual review of earmarked reserves should be made to Council, at the same time as the budget. The statement should list the various earmarked reserves, the purpose for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned

additions/withdrawals and the estimated closing balance. This is included as appendix 9 of this report.

ROBUSTNESS OF ESTIMATES

Overview

Since 2010 the Council has faced unprecedented cuts in Government grant and over the past five years has made £53m of ongoing savings. The outlook continues to be bleak and Government funding will continue to reduce placing further financial pressure on local authorities.

The projected budget gap over the next two years for the Council is £22m which will be met through a package of savings measures, detailed in Appendix 3.

In conjunction with the funding pressures, there is also an increase in demand for Council services, such as homelessness, benefit applications and care for those, both young and elderly, who are vulnerable members of our community. Further, there has been a significant transfer of costs in respect of Continuing Health Cases from Health Services which has placed increasing pressure on the Council's budget although agreement on future funding shares with the CCG has now been reached..

Given the level of cuts to Government Grant funding, it is important that the Council reduces its dependency on government grant and develops other sources of income. This Service & Financial Planning Strategy therefore has a focus on adopting a more commercial approach to income generation which includes promoting business/economic growth and assessing the viability and risks and potential rewards of new commercial ventures. The savings package aims to minimise the impact on priority front-line services and has a focus on: improving procurement; rationalising property and generating capital receipts; reducing non-staff costs; working in partnership; and, as mentioned above, generating additional income.

Despite the financial challenges being faced, the Council has a clear goal to attract new jobs and investment and promote growth in the borough and is committed to an investment programme which will safeguard the future prosperity of the borough. Growth will deliver increased numbers of houses and businesses in the borough which will result in additional council tax, new homes bonus and business rates.

2014/15 is the second year in which local government funding is provided through the Business Rates Retention Scheme. Under this system, authorities retain 50% (49% for Telford & Wrekin Council and 1% for the Combined Fire Authority) of locally collected business rates and 50% of any growth in business rates until the system is "reset" in 2019/20. This brings opportunities, in terms of the council directly benefiting from business rate growth, but also increased risk, in terms of lost income if businesses close or move out of the area or claim significant empty property reliefs. Ensuring

business rates income is maximised is a key priority for the Council which is being closely monitored.

The financial outlook is clearly challenging and there is an ongoing programme of targeted service reviews and restructuring underway.

Overall therefore, given the continued delivery of savings, the long-term service redesign, particularly in relation to Adults and Children's services, the commercial approach being adopted, and the investment being made in the borough, it is considered that the Council is pursuing a sound financial strategy in the context of the most difficult financial position it has ever faced due to the combined effect of Government grant cuts and increased service pressures.

The 2014/15 Service & Financial Planning Strategy has been informed by:

1. Impact Assessment and Risk Management

We are continuing to develop and deliver savings; with the high level of grant cuts some impact on service delivery is inevitable. Where implications have been identified a proportionate equality impact analysis has been carried out. Targeted engagement with service users and stakeholders will also be undertaken where required. The environmental impacts of budget proposals have also been considered, and overall, on balance, the environmental assessment of the proposals is positive. Some proposals are likely to have an economic impact as spending by the council is reduced. Final decisions are informed by extensive consultation with the community in general but also where appropriate with specific groups of service users. It therefore seems inevitable that the level of financial risk will increase both to individual services and the operation of the council as a whole and this will be common to local authorities across the country.

A differential approach to savings targets has been taken, rather than an across the board percentage reduction, to recognise the high risk area of Children's Social Care.

We have set aside a revenue contingency of £2.5m next year; in addition a further £1.2m one off draw-down budget facility has also been set aside specifically for Safeguarding. A risk based review has also been carried out of all reserves and balances to inform the budget strategy.

Individual service areas have continually managed and monitored key risks relating to their service areas to ensure they are providing the best service they can when faced with reduced resources and ongoing reviews. The senior management team monitors service delivery unit performance and seeks to mitigate significant potential exposures to risks.

2. The Monitoring Process

Monitoring provides a regular financial health-check throughout the year and also provides information which feeds into the budget strategy. Financial monitoring follows a risk-based approach with high-value, volatile areas being monitored more closely than low-value, less volatile areas. Regular reports are presented to Senior Management Team and Cabinet during the year which highlight any significant variances and therefore areas of risk. Progress on the delivery of savings will be monitored through this route flagging both 'in year' and future year financial strategy impacts. The reports also monitor the budget contingency and performance against council tax, business rates and sales ledger income collection targets.

3. The Budget Setting Process

The overall medium term financial planning position of the Council is controlled through a model which is updated during the year as new information becomes available - including current year trends identified through monitoring. At a more detailed level finance officers meet with budget holders and review all budgets on an annual basis on top of the usual monitoring work. Budgets are cash limited. Areas of unavoidable growth and pressures have been identified and scrutinised as part of the budget process along with the deliverability of the savings package which forms an integral part of the overall strategy.

The budget setting process links to both the budget monitoring process, performance monitoring and risk management, discussed above, together with other issues such as meeting new legislative requirements and statutory obligations.

2014/15 Budget Assumptions and Considerations:

Given the difficult financial position the Council faces, a tight line has been taken on planning assumptions for next year but this is mitigated by the inclusion of the general revenue contingency of £2.5m and a risk assessed review of reserves and balances which identifies uncommitted balances of £3.7m.

<u>Inflation</u>	
Pay Award	1% has been included for pay awards for both 2014/15 and 2015/16, including teachers pay.
Employer's Pension Contribution	As anticipated, the triennial evaluation of the pension fund at 31 March 2013 identified a pension fund deficit. Following discussion and negotiation with Pension Fund Officers, it has been agreed that in future the Council will pay an employers contribution rate of 12.6% plus a fixed lump sum amount each year (compared to an employers contribution rate of 16.3% in 2013/14), with a deficit recovery period of 25 years

<p>Employer's National Insurance Contribution</p> <p>Non-Pay budgets</p> <p>Contingencies</p>	<p>being set. The lump sum payment in 2014/15 will be £2.6m, rising to £2.9m in 2015/16 and £3.3m in 2016/17. The lump sum will continue to rise in subsequent years, although the next triennial evaluation will be due at 31 March 2016 at which point the deficit position will be reviewed. These increases are included in the Service & Financial Planning Strategy forward planning model.</p> <p>Nil increase</p> <p>A provision for known contractually committed inflation has been included. No other allowance for non-pay inflation has been made as budgets are cash limited. With the prevailing relatively low rate of inflation this is a more sustainable strategy than if inflation were to rise significantly but the position and pressures that this policy places on service budgets will be kept under review through regular financial monitoring.</p> <p>There is a general contingency of £2.5m plus a further £1.2m draw down budget facility specifically for Safeguarding. The Council also has around £3.7m available balances as part of its medium term financial strategy.</p>
<p>Service Pressures</p>	<p>The difficult economic situation has an impact on the community and results in an increase in demand for council services.</p> <p>The key service pressures identified for the medium term relate to Care & Support and Children's Safeguarding.</p> <p>Children's Safeguarding– there are currently 304 Children in Care (at 16.1.14) and financial monitoring shows a projected overspend of £2.1m in the current year. To recognise the considerable pressure this area is facing a one-off “draw-down” budget of £1.2m has been created which alongside a Cost Improvement Plan (Appendix 2) which details actions to achieve savings of £1.3m will meet the anticipated demands on the service during 2014/15. The position will be reviewed again as part of the 2015/16 service and financial planning process.</p> <p>Care & Support – the council has been subject to a significant transfer of costs in respect of “Continuing Health Care” cases (CHC) from the Health Service which has placed a strain on Council budgets. There is currently a significant disparity between the number of people receiving CHC</p>

	<p>funding in this area compared to Shropshire a point which we are have discussed with the CCG and reached an amicable way forward. Adult Care services account for around 36% of the Council's net budget and it is unavoidable that savings need to be made from this area. A package of measures to reduce spending has therefore been put into place which includes: re-commissioning and negotiating provider costs; using assistive technology to reduce care packages where possible; supporting families and communities to provide care; service redesign and review. The measures we will take to reduce spend are aimed at minimising s far as possible the direct impact on service users.</p>
Central Government Funding / Local Government Resources Review	<p>The Business Rates Retention Scheme replaced the current system for funding Local Government in April 2013. This allows local authorities to retain 50% of locally collected business rates and going forward 50% of any growth in business rates (49% for Telford & Wrekin Council and 1% for the Combined Fire Authority). There are opportunities in relation to business rates growth but also risks in terms of reduction in business rate income. The amount included for business rates in 14/15 has been based on local information, rather than the national estimate used by the Government in their settlement figures but will need to be closely monitored throughout the year.</p>
Council Tax	<p>Following the Government's change in treatment of council tax freeze grant being offered and confirmation that freeze grants for 2014/15 and 2015/16 will be "base-lined", Cabinet agreed to accept the freeze grants for the next 2 years subject to consultation with the community. Taking the freeze grant, which is equivalent to a 1.2% council tax increase, as opposed to increasing council tax by 1.9%, as had previously been planned, increases the budget gap by £0.7m over the two year period. Accepting the freeze grant assists local people who are suffering due to the economic conditions which is a priority for the Council. The Government were also very late in confirming the referendum limit thresholds for 2014/15 adding the risk of a planned council tax increase being above the threshold set and the council therefore incurring additional costs of holding a referendum and potential re-billing costs.</p>
Council Tax Support	<p>Telford & Wrekin's Local Council Tax Support Scheme was approved by Council in January 2014 and recommended that the scheme continue unchanged from 2013/14. The balance of one-off £0.065m set aside in 2013/14 will be rolled forward to award discretionary discounts in cases of extreme financial hardship. Council tax support is paid as a council tax discount and there is a greater financial risk than under</p>

	<p>the Council Tax Benefit System as claimants classed as “non-vulnerable” who previously received 100% benefit will now have some council tax to pay. Collection levels will be closely monitored throughout 2014/15 to assess whether the assumptions on losses on collection and growth in the tax base were appropriate.</p>
Interest Rates	<p>Base rates have remained at 0.5% all year; the next rise is expected to be upwards but not for some time, perhaps until 2016/17 although it may be sooner. The Bank of England’s Quantitative Easing programme remained at £375bn. Our investment and borrowing strategies for 2014/15 are set within this context.</p> <p>The assumptions for new borrowing are 2.5%, 3.25% and 4.5% in 14/15, 15/16 and 2016/17 respectively. The current strategy is to use maturing investments to reduce the need to borrow and therefore interest rate/counter-party exposure. The average return on investments is 3.31% in 13/14 but is likely to fall to around 3% in 2014/15 as long-term investments, placed when market rates were much higher, mature. One of the primary objectives is to reduce the Council’s exposure to risk while at the same time maximising returns. The Treasury Management Strategy for 2014/15 is presented to Council alongside the budget reports. The investment portfolio is monitored on a regular basis and advice is received from independent professional treasury advisors.</p>
Treasury Management	<p>The Treasury Strategy for 2014/15 follows the requirements of the Revised CIPFA Treasury Management Code of Practice and clearly identifies the various exposures to risk and strategies in place to minimise this. The Audit Committee has a role to review and monitor the Council’s treasury management arrangements which includes policies, procedures and the management of risk. The 2014/15 Treasury Strategy was presented to Audit Committee on the 28 January for their consideration and comments and was supported by them. The Committee will monitor progress during the year.</p>
Dedicated Schools Grant (DSG)	<p>The figure estimated for Dedicated Schools Grant was £122.716m (including academies) at the time of writing this report. The final DSG allocation to the Council will not be known until June 2014 when all adjustments for academies and pupil numbers are finalised. Compared to Local Authority funding, school funding has been comparatively protected from central government funding cuts.</p> <p>In April 2013 a new school funding regime was implemented</p>

	<p>and Telford & Wrekin has developed a local formula to comply with the changes which was agreed by Cabinet in November 2013. Pupil numbers are a key factor in this formula and while in the medium term it is anticipated that pupil numbers will increase, there will be an interim period where funding may be an issue for some secondary schools where numbers on roll fall, which will have to be managed by them. The changes to the funding regime have resulted in more of the Dedicated Schools Grant flowing to schools, which directly impacts on centrally retained services as the Council must gain approval from the Schools Forum for funding to be retained.</p> <p>Going forward, any transfers to academy status will have an adverse impact on Council funding as an element of funding previously passed to the Council will instead go to academies.</p>
<p>Estimates on the level and timing of capital receipts</p>	<p>The revenue budget and capital programme assume around £81.7m anticipated future capital receipts over the medium term planning period. Any shortfall or delays in generating expected receipts or in the amounts generated will need to be taken into account in future service and financial strategies. This could require scaling the capital programme back, re-phasing schemes or entering in to additional prudential borrowing which would necessitate further cuts to services. Delivery of projected receipts is monitored on a monthly basis as part of overall financial monitoring and reported to Cabinet quarterly. There should be no further decisions taken which significantly increase this medium to long term exposure until there is a clear pattern of receipts being delivered as planned.</p>
<p>Minimum Revenue Provision (MRP)</p>	<p>The policy in relation to MRP is set out in the Treasury Management Strategy Report. The rules around the calculation of the cost of borrowing that must be charged to the revenue account – the minimum revenue provision (MRP) - have been prudently applied in setting the 2014/15 budget strategy.</p> <p>The MRP policy is unchanged from 2013/14, however within the existing policy we are changing our approach to calculating the provision from straight line to an annuity basis for Prudential Borrowing. This has been agreed in principle with KPMG, our external auditors. Detailed calculations will be audited as part of the 2013/14 final accounts audit. The change has generated a one-off saving of £4.9m in 2013/14 and a saving of £1.5m in 2014/15. The saving will reduce in subsequent years and ultimately becomes an additional cost in 15-20 years time. The impact of the MRP change has</p>

	been included in the Service & Financial Planning Strategy.
Prudential Borrowing / Prudential Indicators	<p>The use of prudential borrowing is in line with the capital programmes approved by full Council.</p> <p>Prudential Indicators are approved as part of the budget strategy (see separate report on this agenda) and are monitored and reviewed on a regular basis.</p> <p>The one-off saving of £4.9m generated from the change to calculating MRP, mentioned above, will be put in a provision and used to fund the annual debt charges associated with the £8m capital investment in the “Pride in Your Community” programme proposed in the Service & Financial Planning Strategy. The provision will be sufficient to meet the debt charges for more than 12 years.</p>
Single Status	<p>The Single Status process is in progress and will be completed during 2014/15. An annual provision equal to 4% of the relevant pay bill has been set aside in the accounts for the 4 years 2007/08 to 2010/11. It is now considered that there is adequate funding in the provision and no further contribution will be made. The additional ongoing budget is included in the budget strategy from 2014/15 in line with the implementation date although has been reduced to reflect the reduced risk by the movement of employees on fixed points to salary grades and the reduction in the workforce of over 20%.</p> <p>There is possible exposure to liabilities from back pay and equal pay claims. Possible application for a capitalisation direction enabling the use of capital receipts to fund equal pay one-off costs relating to back pay or equal pay settlements although this new flexibility is likely to be limited by strict controls on the total available nationally.</p>
Savings	<p>Over the past 5 years savings totalling almost £53m have been delivered. There is a schedule of savings proposals included in the strategy at Appendix 3 which will deliver savings over the medium term planning period. Net savings of £14.1m are planned for 2013/14 and 14/15, rising to £19.7m by 2015/16. There is a reserve set aside to meet severance costs. Commitments against this are being monitored as restructures progress; the position will be reviewed at year end to assess whether further transfers in are required from any final underspend against the 2013/14 budget.</p>
Financial Risks inherent	<p>There are a number of major capital projects that have been identified which require careful project management and</p>

<p>in any new funding partnerships, major outsourcing deals or major capital developments</p>	<p>monitoring during 2014/15 and beyond to ensure commitments are matched by funding actually achieved, particularly the reliance on capital receipts and future government funding levels for the council and its public sector partners. These include the Town Centre Redevelopment, Gorge instability project and Building Schools for the Future programme.</p>										
<p>The availability of other funds to deal with major calls on contingencies</p>	<p>General reserves or other funds may have to be used temporarily and restored if revenue contingencies, management and policy action is insufficient to deal with a major issue. The Council has evaluated the risks it faces against available balances as outlined earlier in this appendix and concluded that around £3.7m is available to use in the overall budget strategy; there is no proposed use of general balances in the strategy for 2014/15.</p>										
<p>The overall financial standing of the authority (level of borrowing, debt outstanding, collection of council tax etc.</p>	<p>The Council's approach to sustaining its overall sound financial position is covered in a number of sections of this Appendix. The overall projected net indebtedness position at 1 April 2014 is £106.4m; net additional prudential borrowing anticipated in 14/15 is £1m. The total reliance on capital receipts in the medium term strategy is £81.7m in line with profiled disposals (additional information is provided in both the Capital Programme and Treasury Management Strategy Reports). The Council budgets prudently for its level of borrowing, avoiding external borrowing where cash flow permits and running down investment exposure while rates available for new investments are very low.</p> <p>The assumed council tax collection rate for 2013/14 onwards is 98%. This was reduced in 2013/14 from 99% to take into account the potential impact of the Council Tax Support (CTS) Scheme which replaces council tax benefits. For each 1% not collected the cost is approximately £0.500m in lost income to the Council. Legislation requires that any collection fund deficit is corrected through Council Tax in the next year. In recent years collection has outperformed projections allowing use of a council tax surplus as part of next year's strategy.</p> <p>Cumulative collection rates to date for recent years are</p> <table data-bbox="778 1771 1066 1955"> <tbody> <tr> <td>2009/10</td> <td>99.53%</td> </tr> <tr> <td>2010/11</td> <td>99.41%</td> </tr> <tr> <td>2011/12</td> <td>99.22%</td> </tr> <tr> <td>2012/13</td> <td>98.42%</td> </tr> <tr> <td>2013/14*</td> <td>67.05%</td> </tr> </tbody> </table> <p>Recovery for all years is projected to be over 98% finally.</p>	2009/10	99.53%	2010/11	99.41%	2011/12	99.22%	2012/13	98.42%	2013/14*	67.05%
2009/10	99.53%										
2010/11	99.41%										
2011/12	99.22%										
2012/13	98.42%										
2013/14*	67.05%										

	<p>*to-date</p> <p>Close monitoring of the impact of CTS on collection rates will continue during 2014/15.</p>
The authority's track record in budget and financial management	<p>The Council continues to demonstrate strong financial management with outturn being very close to the net budget set:</p> <ul style="list-style-type: none"> • 2007/08 – underspent by £0.300m (0.27% of budget) • 2008/09 - underspent by £0.366m (0.31% of budget) • 2009/10 – underspent by £0.332m (0.27% of budget) • 2010/11 – underspent by £0.083m (0.07% of budget) • 2011/12 – underspent by £1.843m (1.42% of budget) • 2012/13 – underspent by £0.055m (0.04% of budget) <p>This demonstrates continued strong financial management, despite considerable pressure on service budgets, notably children's social services.</p>
Virement and Contingencies	<p>Virement is an important feature of budgetary control. It provides flexibility to adapt expenditure patterns to meet changing needs and objectives, consistent with Council policy.</p> <p>No Assistant Director or Service Delivery Manger should plan to overspend. All expenditure should be consistent with approved service priorities and the overall approved budget.</p>
The adequacy of the authority's insurance arrangements to cover major unforeseen risks	<p>The Council's insurance arrangements are a balance between external insurance premiums and internal funds to "self insure". The Council use the services of an external insurance advisor to provide additional expertise in managing insurance arrangements.</p> <p>The insurance section work closely with the Council's Risk Officer to identify insurance related risk areas and recommend ways of mitigating future risk.</p>

These assumptions are reviewed on an annual basis.

Reserves & Balances Policy

Introduction

Guidance on local authority reserves and balances is available from the Chartered Institute of Public Finance & Accountancy (CIPFA). This represents good financial management and underpins the framework followed by Telford and Wrekin Council in this policy.

Types of Reserves and Balances

As part of the Service & Financial Planning process, the Council will consider the establishment and maintenance of reserves and balances.

Reserves and balances can be held for a number of purposes. Some reserves and balances are essential for the prudent management of the Council's financial affairs. These will provide a working balance to cushion the impact of uneven cash flows; a contingency for the impact of unexpected events or emergencies and allow the creation of earmarked reserves to meet known liabilities. The consequences of not keeping a minimum level of reserves can be serious and is therefore one of the considerations taken into account when setting the medium term financial plan.

When establishing reserves, the Council will ensure compliance with the Code of Practice on Local Authority Accounting in the United Kingdom.

Some of the most commonly established earmarked reserves are:

- Sums set aside for major schemes, such as capital developments
- Insurance reserves – to provide for an element of self-insurance
- Service Balances – to permit under spends to be carried forward for future commitments
- School Balances – unspent balances of budgets delegated to individual schools

Level of Reserves and Balances

The minimum prudent level of reserves that the Council should maintain is a matter of judgement. It is the Council's safety net for unforeseen circumstances and must last the lifetime of the Council unless contributions are made from future year's revenue budgets. CIPFA guidance does not set a statutory minimum level so it is up to the Council itself, taking into account all the relevant local circumstances, to make a professional judgement on what the appropriate level of reserves and balances should be. Telford & Wrekin Council adopts a risk based approach to determine the appropriate level of reserves and balances to sustain and that which can be released to support the medium term financial plans.

Reserves and balances are only maintained in accordance with the risk assessment undertaken and are used in a planned way. Therefore the

opportunity cost of maintaining the determined levels is kept to a minimum while interest is earned on the retained amount.

Process

Each reserve and balance will have a clear purpose showing how and when it can be used together with a process for review to ensure continuing relevance and adequacy.

An annual review of reserves and balances will be undertaken as part of the budget process each year and a schedule presenting the estimated opening balances for the forthcoming year, planned additions to/withdrawals from and the estimated closing balances will be presented in the budget report. The schedule will also show the purpose of each reserve and a comment on the appropriateness of the value held.

The key financial risks will also be identified and an assessment of estimated exposure and possible mitigation will be made. This will link to the Council's key strategic risks. The conclusion of this risk evaluation process will determine the resources available over the medium term to support the Council's budget.

This process will be repeated each year to ensure the ongoing adequacy of the Council's reserves and balances.

Responsibilities and Reporting Mechanism

The Chief Financial Officer has a duty to local tax payers, and must be satisfied that the decisions taken on balances and reserves represent proper stewardship of public funds.

The level and usage of reserves will be formally approved by Council, as part of the budget strategy, informed by the Chief Financial Officer's judgement and expertise.

The budget report to Council will include a statement showing the estimated opening balances for the year ahead (including general fund and earmarked funds), any projected additions to/withdrawals and an estimated end of year balance. This will be accompanied by a statement from the Chief Financial Officer on the adequacy of the general reserves and provisions for the forthcoming year and the authority's medium term financial strategy.

Budget Strategy – Communication and Engagement Plan – November 2013 to February 2014

Appendix 12

Task	Actions	Responsible person	Timescale
Update online budget page	www.telford.gov.uk/budget	Andy Challenor (Engagement and Equalities Manager)	November
Confirm attendance at forum meetings		Andy Challenor	November
Scope impact assessment and engagement for savings		Andy and Richard Taylor-Murison (Equalities Officer)	November
Agree key budget information and final version of Winter Your Voice Budget Special		Nigel Newman (Communications Manager)	20 December
Launch budget consultation		Andy Challenor	6 January
Distribute - Your Voice budget special		Nigel Newman	From 6 January
Add budget consultation onto the online consultation library	www.telford.gov.uk/yourviews/matter	Andy Challenor	6 January
Budget press release		Nigel Newman	6 January
Send out budget letter – key budget messages, invite to people to attend the public budget event and signposting on how they can get further involved	<ul style="list-style-type: none"> • Parish, Town, Ward Members • Other key partners (LSP etc.) 	Nigel Newman	6 January
Prepare and agree budget information and consultation to go out to all employees		Andy Challenor and Nigel Newman	6 January
Send out budget ‘stakeholders’ email	Council database of 28,000	Nigel Newman	6 January

Send out budget 'stakeholders' email	Business Community	Andy Challenor	6 January
Send out budget 'stakeholders' email	Local forum database <ul style="list-style-type: none"> • Senior Citizens Forum • Parent and Carers Forum • PODS • Carers Contact Centre • CVS • RAFT • Listen not Label • Healthwatch 	Andy Challenor	6 January
Send out budget stakeholders email to local organisations and community groups		Community Participation Team	6 January
Send out budget 'stakeholders' email to CapGemini and Lyreco and other 'business contacts		Wendy Tonge (Involvement Manager)	6 January
Distribute Community Panel survey		Andy Challenor and Jon Power (Delivery and Planning Manager)	6 January
Distribute consultation leaflets in key community buildings and community notice boards		Community Participation Team	Week beginning 6 January
Add consultation information onto local Facebook sites		Community Participation Team	Week beginning 6 January
Out and about in public places and High Streets	<ul style="list-style-type: none"> • Community Centres • Hadley Learning Centre • Carpenter Centre Overdale • Park Lane Centre • Telford Town Centre Bus Station • The Place 	Community Participation Team	During January and February

	<ul style="list-style-type: none"> • Dawley • Donnington • Madeley • Newport • Oakengates • Wellington 		
Rolling screen on Council website		Nigel Newman	During January
Prepare and agree budget presentations for forums and groups and public event		Ken Clarke (Assistant Director – Finance, Audit & Information Governance), Andy Challenor, Nigel Newman and Cllr Bill McClements (Cabinet Member for Finance & Enterprise)	By 8 January
Attend PODS forum	Dawley Lighthouse 7pm – 9pm	Cllr Bill McClements and Clive Jones (Assistant Director – Family and Cohesion Services)	9 January
Attend Senior Citizens Forum	The Place @ Oakengates 10.30am – 12.30pm	Cllr Bill McClements, Cllr Arnold England (Cabinet Member for Adult Social Care), Paul Taylor (Director: Care, Health and Well-being) and Ken Clarke	13 January
Attend Taking Part Forum	11.30am – 12.30pm Park Lane Woodside	Cllr Bill McClements and Debbie Rudd (Engagement Officer)	14 January
Attend Employee Joint Information and Consultation Forum (JICF)	5.30pm	Ken Clarke	22 January
Attend Parish Forum	7pm Wellington Civic & Leisure Centre	Cllr Bill McClements and Ken Clarke	22 January

Attend Telford Business Board	7.30am – 10 am Wellington	Cllr Bill McClements and Richard Partington (Managing Director)	29 January
Public budget event	6pm The Place @ Oakengates Theatre	Andy Challenor	29 January
Celebrating Co-operative and Partnership Working Event	Telford Town Centre	Jon Power	3 February
Attend Young People's Forum	5 – 7pm The Salvation Army Building	Cllr Bill McClements and Andy Challenor and Sarah Stembridge (Engagement Officer)	5 February
Close of consultation			4 February
Share findings of consultation	With Cllr Kuldip Sahota (Leader of the Council), Cllr Bill McClements, Richard Partington and Ken Clarke	Jon Power and Andy Challenor	5 February
Policy Review			6 February
Cabinet			20 February
Full Council			27 February

TELFORD & WREKIN COUNCIL

**CABINET 20 FEBRUARY 2014
COUNCIL 27 FEBRUARY 2014**

SERVICE & FINANCIAL PLANNING 2013/14 – 2016/17: CAPITAL PROGRAMME

REPORT OF THE MANAGING DIRECTOR, CHIEF FINANCE OFFICER, THE ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE, THE ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & EMPLOYMENT AND THE ASSISTANT DIRECTOR: NEIGHBOURHOOD & LEISURE SERVICES

LEAD MEMBER: CLLR BILL McCLEMENTS

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

The report details the revised capital programme for 2013/14 and the proposed capital programme for 2014/15 to 2016/17, together with the Capital Strategy (including the proposed Asset Management Plan and related Building Maintenance and the Highways and Transport capital investment programme).

2. RECOMMENDATIONS

2.1 Members are asked to approve the report and associated capital estimates for 2013/14 and 2014/15 – 2016/17, which incorporates the Capital Strategy, the Capital Programme (Annex I), the Planned Building Maintenance Programme (Annex II), and Asset Management Plan (Annex III) and the three year Highways and Transport capital investment programme (Annex IV).

2.2 Members are asked to delegate authority to the Assistant Director: Development, Business & Employment to deliver the planned programme of works within the Asset Management Plan and to the Assistant Director: Neighbourhood & Leisure Services the Highways and Transport capital investment programme in line with the approved budgets with any variations or changes to schemes in these programmes, that remain within overall approved budgets, after consultation with the appropriate Cabinet Members.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT *Do these proposals contribute to specific priority plan objectives?*

Yes/No *All priorities are covered by the report. The overall budget framework contains funding to support the Council's work to promote*

Equalities & Diversity across the Borough. As part of the Planned Maintenance funding an allocation had been identified to improve accessibility, and service delivery from the Authority's buildings

Will the proposals impact on specific groups of people?

Yes/No An element of the capital improvements to Council buildings will be focused on improving accessibility. The allocation is prioritised using the full range of asset management data and specifically using the accessibility audits as well as working with Assistant Directors and the Equalities team.

TARGET COMPLETION / DELIVERY DATE

There are many different capital projects and each one has a different target completion date. Some of the programmes are ongoing, others will complete during the period of the programme as shown in Annex I.

FINANCIAL/VALUE FOR MONEY IMPACT

Yes/No Where appropriate these are detailed in the body of the report.

LEGAL ISSUES

Yes/No All proposals are covered by the legislative framework within which the council operates

OTHER IMPACTS, RISKS AND OPPORTUNITIES

Yes/No The Council's current strategic risks has been considered as part of allocating resources in the overall programme

IMPACT ON SPECIFIC WARDS

Yes/No Proposals affect all wards in the Borough

PART B – ADDITIONAL INFORMATION

4.0 SUMMARY

- 4.1 This report presents the Council's Capital Strategy for 2013/14 – 2016/17 and later years and a capital programme of £247.189m that includes the proposed investments included in the overall budget strategy. It also sets out the Council's Asset Management Plan and proposed planned Building Maintenance programme, particularly focusing on 2014/15 and the three year Highways & Transport capital investment programme.
- 4.2 The strategy and programmes address our corporate priorities in conjunction with the service and financial planning strategy.
- 4.3 The revenue cost of the use of the Council's own resources and unsupported borrowing are built into the proposed 2014/15 budget and future projections, while the cost of government supported allocations is currently met through a combination of Revenue Support Grant and direct capital grants., No new government supported

allocations have been issued for 2014/15 or 2015/16, this is offset by a partial switching to capital grant.

- 4.4 The Asset Management Plan sets out the framework for assessing and prioritising property related issues. The approved framework has been adhered to in prioritising the planned building maintenance programme for 2014/15. The building maintenance programme has been set in accordance with the proposed budget 2014/15 – 2016/17.

5.0 STRATEGIC OVERVIEW

In the short to medium term, Telford & Wrekin Council is in a period of significant transformation and change. The drivers of this are:

- The retrenchment of public spending by the coalition Government - the Council is facing the challenge of making significant savings, totalling £53m over the past 5 years whilst trying to protect front-line services as far as possible. Our Service and Financial Planning Strategy sets out our response to this challenge and how these savings are being identified and delivered.
- Being a Cooperative Council and reshaping the relationship between the Council, its employees, the community and partners to:
 - **Improve and bring public services together;**
 - **Involve local people and our employees more in planning and running our services;**
 - **Strengthen and develop our communities and encourage people to do more to help their own communities;**

Both of these drivers have required the Council to review its 'priorities' which have been adopted as:

As a Cooperative Council, we will work with our communities to create:

'Telford & Wrekin – the Place of Enterprise, Innovation & Partnership'

We will:

- ***put our children and young people first***
- ***protect and create jobs as a 'Business Supporting, Business Winning Council'***
- ***improve local people's prospects through education and skills training***
- ***protect and support our vulnerable-children and adults***
- ***ensure that neighbourhoods are safe, clean and well maintained***
- ***improve the health and wellbeing of our communities and address health inequalities***
- ***regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing***

Capital investment clearly plays a key role in the achievement of our local priorities. Through our Asset Management Plan and Capital Strategy **we seek to maximise the value and opportunities of our assets to take forward the delivery of emerging strategic priorities.**

Our Capital Strategy and Asset Management programme are not, however, just about ‘concrete, tarmac, buildings etc’, they are about making a positive difference to the quality of local people’s lives through specific projects, services, technology and facilities. In recent years, key initiatives progressed/ delivered through targeted capital investment include:

- “Pride in your Community” – we are investing £8m capital and £1.6m revenue funding over 2 years (2014/15 and 2015/16) across the Borough to regenerate communities by improving the physical environment and the appearance of our neighbourhoods. This is a resident focused investment programme, to complement the Council’s business and housing growth agenda and will help ensure that the Borough is an attractive place for people to live in and to locate businesses in so supporting our growth agenda and the £3m additional income that is projected from retained business rates, council tax and New Homes Bonus by 2015/16.
- “Investing in our Roads” - The Council is committing to a programme of £2m pa (over and above the allocations that we receive from Government and the part of the “pride in your Community” funding that will also supplement the roads programme) to maintain our road network for the next 3 years – a total investment over this period of £6m.
- Investing in land stability schemes to protect the Ironbridge Gorge – the area’s biggest tourist attraction and the West Midlands region’s only World Heritage Site.
- Regeneration schemes currently in progress in Hadley, Brookside and Oakengates.
- Nearly £200m is to be invested in Building Schools for the Future which will see seven new secondary schools re-built and a further six secondary schools re-modelled, alongside two re-built Primary Schools and new or refurbished community leisure facilities.

6.0 CAPITAL STRATEGY: 2013/14 – 2016/17

6.1 During 2014/15, we are planning to invest **£115.650m** as part of a **£247.189m** capital programme, to build and improve the facilities, assets and infrastructure to support the delivery of these objectives. This investment has been secured primarily through a combination of Government grants and supported borrowing allocations, use of the Council’s own resources (capital receipts), and Prudential Borrowing by the Council. Over the planning period, our capital programme is as follows:

Priority Area	Total £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17* £m	Later Years * £m
Adult Care & Support	2.049	1.499	0.550	0.000	0.000	0.000
Development, Business & Employment	55.782	36.014	16.728	1.570	0.970	0.500
Neighbourhood & Leisure Services	61.816	17.796	27.495	14.200	2.325	0.000
Education & Corporate Parenting	123.456	41.567	70.440	10.048	0.469	0.932
Customer & People Services	2.970	0.870	0.700	0.700	0.700	0.000
Cooperative Council	1.000	0.500	0.500	0.000	0.000	0.000
Managing the Organisation	0.116	0.879	-0.763	0.000	0.000	0.000
	247.189	99.125	115.650	26.518	4.464	1.432

* Please note that detailed service and financial planning proposals for 2016/17 and later years will be developed during the course of 2014/15 and thereafter. The Capital Programme total shown in the above table for these years will therefore be supplemented as we receive notifications of further Government allocations for these years and as the Council develops its overall service and financial planning strategy for these years.

6.2 Supporting Telford & Wrekin's role as a focus for continued growth and development until 2026 underpins all our priorities. This is very much a 'capital' agenda – though it must be supported by the day-to-day delivery of high quality and efficient and improving services for the community - and we will look creatively to utilise local resources such as the Council's land assets and land owned by other partners, and external funding and investment to turn vision into reality.

6.3 Details of the major projects and investments that we are looking to resource are shown in Annex I. In particular, the Council has committed to spend £8m over 2 years in its 'Everyday Telford – Pride in Your Community' programme which will improve the physical environment and regenerate communities; and will work with residents to improve the appearance of our neighbourhoods. Some of this funding forms part of the Highways and Transport Capital Investment Programme in Annex IV. Further information about this programme was presented to Cabinet on the 9 January 2014 and is available on the Council website. Many of the investments contribute in to the delivery of more than one Priority.

7.0 CAPITAL PLANNING FRAMEWORK

7.1 The Council's Capital Strategy is driven by our shared Vision for the Borough and our Priorities. All our plans and spending proposals (both capital and revenue) are developed within a partnership framework. The capital strategy is seen as a key opportunity to:

- drive forward the Vision and Priorities for the Borough;
- influence the development of the Borough and the actions of other agencies;
- work in partnership with other bodies to pursue national and regional objectives;
- ensure that funding mechanisms are used effectively and external funding maximised;
- maintain and improve the condition and suitability of our assets.

7.2 A key feature of our approach is that capital and revenue expenditure are considered together through one integrated service and financial planning framework and process. The Capital Strategy process brings together all aspects of capital planning and management. It guides and acts as the focus for all work on capital issues. The capital strategy process is given firm leadership:

- at officer level by the Senior Management Team;
- at member level by the Cabinet.

Progress and the outcomes of capital expenditure are also considered by the Council's scrutiny committees as part of their service and financial performance monitoring role. They also input specifically to the strategy development process through scrutiny of the Draft Budget Strategy.

(i) Approach

7.3 Our approach to the Capital Strategy Process is described below. This process is continually evolving and has been developed to enable the Council to respond effectively to the developments in Capital and Asset Management Planning.

7.4 The Prudential Code of Borrowing requires us to look at capital and revenue spend in an integrated way. Under this regime, the Council has much more freedom to invest in capital projects as long as the borrowing is determined to be **affordable, prudent, sustainable and represents value-for-money**. The prudential system of capital finance makes the capital strategy a much more integral and essential part of the annual budget setting process and medium term financial strategy; developed through an emerging 3-year forward planning framework which brings together service and financial planning priorities and proposed developments to support delivery of our priorities.

(ii) Capital Strategy Process

a) Strategic Review of Needs

7.5 We annually review plans and priorities for capital spending. This is done as part of the annual corporate planning process and the outcome of major policy and/or service reviews. In seeking to determine priorities for investment and action, it is important to understand the key issues, needs and opportunities that need to be addressed. The following documents in particular map these out in detail, these are:

- 'Shaping Our Future: Our Journey to 2020' – what the Council and its partners will focus on over the next six years;

- Medium-term Council Plan – what the Council will focus on over the next three years.

7.6 The result is a clear strategic view of priorities which identifies both **pressures and developments** in terms of:

- Projects required to progress the Vision for the Borough – whether partner, Council or joint (developments);
- Projects required to meet service priorities (pressures and developments);
- Maintenance spending required on assets (pressures).

This process is done collaboratively through dialogue with partners and is also informed by the Council’s annual consultation strategy. This framework encourages a joined-up focus on outcomes, on major strategic initiatives and partnership working. The outcome is a broadly-based overview of capital spending priorities, business needs and opportunities, and outcomes to be realised.

b) Strategic Consideration of Priorities, Resources and Resource Implications

7.7 The financial implications of new capital spending requirements are carefully assessed within service and financial planning in terms of:

- Overall resource availability including the anticipated results of asset disposals;
- Identification and consideration of whole life costings;
- Identification of significant revenue implications for capital proposals, with overall decisions on capital programme being made (and consulted on) as part of the overall service and financial planning process;
- Consideration of appropriate procurement strategies and potential funding regimes.
- ‘Pay back’/Invest to Save potential.

7.8 The Prudential Code of Borrowing highlights the need, in making decisions on capital investment, to have regard to a number of core factors. As such, the Capital Strategy and Programme for 2014/15 has been developed around the following principles and processes:

- Corporate Strategic Planning Assessment:

7.9 Revenue and capital budgets are planned together as far as practicable each year. Desired spending has been prioritised and narrowed down into an overall capital strategy taking account of local, national and regional priorities. National priorities are considered within the parameters of the Government’s Annual Capital Guidelines (ACG’s) for major service areas.

- Options Appraisal to Secure Value for Money:

7.10 In developing the capital programme, the Council has sought to identify which of a number of alternative ways is the best way to fund and deliver a capital project to meet its objectives. Also, to ensure that the Council’s approach to prudential borrowing is

affordable, prudent and sustainable, a set of prudential indicators have been developed to monitor performance. The case for capital investment requires consideration/identification of how such spend represents or will improve value-for-money to the community.

c) Detailed Capital Programme

7.11 The Strategic Assessment of capital spending priorities is then subjected to further internal and external consultation and translated into an achievable phased programme across the whole Council with clearly agreed and identified:

- Revenue implications.
- Procurement Arrangements;
- Timescales, project management arrangements and accountabilities;

Annex I sets out details of our committed Capital Programme 2013/14 – 2016/17 and Detailed Analysis of Capital Grants.

d) Control, Monitoring, Performance Management & Review

7.12 A corporate framework for project management exists for capital schemes. Regular monitoring of progress and spend takes place both at service level and corporately. The Asset Management Plan ensures that relevant property PIs have been incorporated into corporate performance monitoring arrangements and into the monitoring of the management of the capital programme. In-year progress is highlighted as part of the reporting arrangements of the Service & Financial Performance Management Framework.

8.0 ASSET MANAGEMENT PLANNING & PROGRAMME

Our Strategic Approach

8.1 The Asset Management Plan (Annex III) and associated data on Property (i.e. condition, suitability, sufficiency, access, asbestos surveys) informs the Council's Building Investment Programme. The Council has completed all surveys for Operational Properties used for the delivery of its services and these are updated on a rolling programme each year. The Council's Asset Management Plan 2013 /2017 has identified a condition backlog of £7.2million for Operational Properties (excluding schools) and £24.6m for Schools / education properties. The school condition back log will be significantly addressed over the next few years with the investment from the Building Schools for the Future Programme (BSF). The Operational Property backlog will also show significant reductions as a result of Property Rationalisation and investment in retained buildings.

8.2 The Building Investment Programme as identified in Annex II, is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The proposed level of investment included in the Capital Programme 2014/15 is £1.475m for Educational Assets and £0.7m for all other Operational Assets. The budget

allocations do not take into account the capital investment relating to Schools and the secured investment relating to BSF which will greatly reduce the condition backlog for Education Properties as part of the building rationalisation process. In addition to the above capital allocations, Schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for repairing and maintaining the School building stock on a day to day basis.

Condition backlog as detailed in the Asset Management Plan

Priority 1

Urgent works that will prevent closure of premises and/or address a high risk to the health and safety of occupants and/or remedy a serious breach of legislation.

Priority 2

Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address medium risk to the health and safety of the occupants and/or remedy a minor breach of legislation.

Priority 3

Desirable work required within 3 to 5 years that will prevent deterioration of the fabric or services and/or address a low risk to the health and safety of the occupants and/or a minor breach of legislation.

8.3 Previous year condition comparisons

		2008	2009	2010	2011	2012	2013
Schools	P1-P3	£25,277,205	£27,657,372	£29,352,678	£28,593,580	£30,652,623	£24,617,893
Operational	P1-P3	£11,984,120	£10,134,790	£11,080,659	£12,766,526	£8,770,020	£8,369,886

*Note: Hadley PFI / Jigsaw / Madeley Academy / Abraham Darby Academy have not been included within the above figures.

8.4 The Asset Management Database is analysed on a yearly basis as the priorities may change due to new findings as part of continuing re-surveys of property. Emergencies that occur within the financial year may also lead to reprioritisation of the allocated budgets and a change to the programme identified.

8.5 In accordance with prioritisation as set out in the Asset Management Plan we have identified the building maintenance programme for 2014/15 as identified in Annex II; all schemes listed are deemed necessary in order to maintain service delivery.

9.0 PARTNERSHIP AND CROSS CUTTING ACTIVITY

9.1 There is a very well-developed Local Strategic Partnership, bringing together key local organisations and agencies across all sectors. The Partnership is overseen by an 'executive' Agenda Group which comprises the chief officers of the main public, private and voluntary organisations in Telford & Wrekin.

9.2 Partnership working is the framework through which all key local cross-cutting issues are tackled. The Partnership has a range of both 'thematic' and 'area based' sub-partnerships tackling local issues and informed by an extensive programme of consultation.

9.3 The Council actively works with partners to maximise assets for example through various co-locations of services which is a key feature in particular of the Learning Communities that are being developed. Amalgamation and co-location of services and community facilities is a key aim that drives our asset management and service planning.

10.0 CONSULTATION

10.1 The Council has been engaging widely with the local community around service and financial planning. Further details are set out in the over-arching Service and Financial Planning report considered by Cabinet on 9 January 2014. As capital programmes are being rolled out there will be a need for further consideration on consultation with the public.

11.0 RESOURCES

11.1 Mainstream Government Supported Borrowing

The main borrowing allocations received, along with forward indications of minimum future allocations are as follows:

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Later Years £m
Development, Business & Employment	0.116	0.045	0.000	0.000	0.000
Education & Corporate Parenting	0.785	0.483	0.000	0.000	0.000
Neighbourhood & Leisure Services	0.391	0.130	0.000	0.000	0.000
Total	1.292	0.658	0.000	0.000	0.000

The government have announced that no new borrowing approvals funded from RSG would be issued 2015/16.

The revenue cost of utilising these government allocations should be funded by Revenue Support Grant although this is impacted by the RSG damping mechanism which withholds a substantial part of the additional revenue funding due to the Council to support the cost of these allocations at present.

11.2 Supplementary Grants

While information is still awaited on some allocations, the following allocations have been built into the overall resources position

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Later Years £m
Adult Care & Support	0.897	0.000	0.000	0.000	0.000
Development Business & Employment	10.835	6.701	0.000	0.000	0.000
Neighbourhood & Leisure Services	12.046	15.619	1.881	0.000	0.000
Education & Corporate Parenting	33.986	52.698	4.317	0.655	1.603

Total	57.764	75.018	6.198	0.655	1.603
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11.3 Capital Receipts

The capital programme places a significant reliance on future capital receipts, totalling £81.655m shown in the table below. Any shortfall in the amounts received or re-phasing of schemes would have a revenue impact which is not built into the budget strategy. This would have to be mitigated through re-phasing of spend, re-prioritising schemes or incurring additional borrowing which would have a revenue impact which would have to be taken into account in future in the Medium Term Service & Financial Planning Strategy.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Later Years £m
Total	5.374	38.252	26.540	7.989	3.500

11.4 Prudential Borrowing Regime

Within the budget strategy for 2013/14 to 2016/17 the level of Prudential Borrowing assumed is as follows:

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Later Years £m
Adult Care & Support	0.150	0.400	0.000	0.000	0.000
Development Business & Employment	0.478	-8.008	1.070	0.970	0.000
Neighbourhood & Leisure Services	4.700	10.328	12.319	2.325	0.000
Education & Corporate Parenting	-2.671	11.782	-2.169	-1.436	-6.671
Customer & People Services	0.870	0.700	0.700	0.700	0.000
Managing the Organisation	30.388	-14.898	-18.140	-6.739	3.000
Total	33.915	0.304	-6.220	-4.180	-3.671

11.5 Overall Resources Position

For planning purposes, some forward allocation indications have been included below. In these cases no firm scheme proposals will be put forward for approval until actual allocations are known.

Resources Available	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Later Years £m	Total £m
Government Allocations						
Development, Business & Employment	0.116	0.045	0.000	0.000	0.000	0.161
Neighbourhood & Leisure Services	0.391	0.130	0.000	0.000	0.000	0.521
Education & Corporate Parenting	0.785	0.483	0.000	0.000	0.000	1.268
	1.292	0.658	0.000	0.000	0.000	1.950
Grant Allocations						
Adult Care & Support	0.897	0.000	0.000	0.000	0.000	0.897
Development, Business & Employment	10.835	6.701	0.000	0.000	0.000	17.536
Neighbourhood & Leisure Services	12.046	15.619	1.881	0.000	0.000	29.546
Education & Corporate Parenting	33.986	52.698	4.317	0.655	1.603	93.259
	57.764	75.018	6.198	0.655	1.603	141.238
Other Resources						
Capital Receipts	5.374	38.252	26.540	7.989	3.500	81.655
Revenue/External	0.780	1.418	0.000	0.000	0.000	2.198
Prudential Borrowing	33.915	0.304	-6.220	-4.180	-3.671	20.148
	40.069	39.974	20.320	3.809	-0.171	104.001
Total	99.125	115.650	26.518	4.464	1.432	247.189

The revenue impact of the use of Council resources, government allocations and prudential borrowing in the proposed programme are built in to the budget summary.

12.0 CONCLUSION

12.1 Because Telford & Wrekin is a growing and changing area it has substantial capital spending needs:

- to support and meet the growing needs of the Borough and our aspirations to transform Telford & Wrekin;
- to maintain and develop the Council's own stock of capital assets;
- to address the 'New Town effect' of a commonly-ageing infrastructure.

12.2 As a former new town area, with the Council having limited land and asset holdings, we have a more limited capacity to generate capital receipts through disposals than some other authorities. We, therefore, take the capital strategy and its asset management planning very seriously. We look on capital spending as an integral element of our overall approach to Community Planning, partnership working and community engagement.

12.3 We are committed to maximising the effectiveness of our assets and capital spending and to identifying or creating opportunities to attract external funding resources. **Our**

focus is on delivering our priorities and policy objectives and on ensuring that our vision for the community can, each year, become more of a reality for local people.

13. PREVIOUS MINUTES

13.1 Cabinet 9 January 2014 – Service & Financial Planning 2014/15 to 2015/16

14.1 Background Papers

14.1 Funding notifications, investment proposals, cabinet reports on various schemes, previous Capital Strategy documents and capital programmes.

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Capital Programme - 2013/14 - 2016/17 & Later Years

Policy Area	Total £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	Later Years £'000
Adult Care & Support	2,049	1,499	550	0	0	0
Development Business & Employment	55,782	36,014	16,728	1,570	970	500
Neighbourhood & Leisure Services	61,816	17,796	27,495	14,200	2,325	0
Education & Corporate Parenting	123,456	41,567	70,440	10,048	469	932
Customer & People Services	2,970	870	700	700	700	0
Co operative Council	1,000	500	500	0	0	0
Corporate	116	879	(763)	0	0	0
	247,189	99,125	115,650	26,518	4,464	1,432
Resources						
Borrowing Approval	1,950	1,292	658	0	0	0
Government Grant	141,238	57,764	75,018	6,198	655	1,603
Prudential	20,148	33,915	304	(6,220)	(4,180)	(3,671)
Capital Receipts	81,655	5,374	38,252	26,540	7,989	3,500
Revenue	(1)	(41)	40	0	0	0
Other	0	0	0	0	0	0
External	2,199	821	1,378	0	0	0
Total funding	247,189	99,125	115,650	26,518	4,464	1,432

Capital Programme - 2013/14 - 2016/17 & Later Years
Scheme Summary showing major schemes separately

Scheme	Expenditure						Funding					
	Total £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £'000	Grant £'000	Prudential £'000	Receipts £'000	Borrowing £'000	S106/Other £'000	Revenue/External £'000
Social Care Capital Grant	662	662	0	0	0	0	662	0	0	0	0	0
ICT Social Care Review	1,037	637	400	0	0	0	235	550	0	0	0	252
Social Education Centre	350	200	150	0	0	0	0	0	350	0	0	0
	2,049	1,499	550	0	0	0	897	550	350	0	0	252
Supported Independent Living - Disabled Facilities Grant	2,867	1,446	1,421	0	0	0	1,424	1,443	0	0	0	0
Extra Care	1,000	800	200	0	0	0	0	1,000	0	0	0	0
Town Centre - Phase 1 & Accommodation Strategy	22,623	17,926	4,697	0	0	0	4,688	4,817	13,118	0	0	0
Telford Ice Rink	35	35	0	0	0	0	0	-742	777	0	0	0
Housing Related Schemes	4,270	2,805	1,465	0	0	0	1,735	2,426	335	0	0	66
Sutton Hill	292	160	132	0	0	0	0	0	0	0	0	0
Hadley Local Centre Phase 1 & 2	1,870	703	1,167	0	0	0	885	985	0	0	0	0
Woodside	269	61	208	0	0	0	0	39	230	0	0	0
Brookside	5,592	3,551	2,041	0	0	0	0	4,457	980	0	0	155
Borough Towns Initiative	743	743	0	0	0	0	50	-24,166	24,859	0	0	0
Improve Local People's Prospects All Other Schemes	10,056	6,129	3,927	0	0	0	8,754	24	618	161	0	499
Asset Management Plan - General Works & Surveys	2,947	847	700	700	700	0	0	2,947	0	0	0	0
Managing the Organisation Other Schemes	3,268	858	770	870	270	500	0	1,330	1,938	0	0	0
	55,832	36,064	16,728	1,570	970	500	17,536	-5,440	42,855	161	0	720
Oakengates	691	691	0	0	0	0	0	691	0	0	0	0
Parks for People	2,186	1,013	223	950	0	0	1,360	301	525	0	0	0
Newport Fitness facility	1,019	1,019	0	0	0	0	0	1,019	0	0	0	0
Crazy Golf in the Town park	100	100	0	0	0	0	0	100	0	0	0	0
Improved Health & Well Being Other Schemes	767	77	690	0	0	0	33	722	0	0	0	12
Transport & Highways Schemes	31,387	12,773	13,964	2,325	2,325	0	16,195	13,131	0	521	0	1,540
Every Day Telford - Pride in your Community	8,000	0	4,000	4,000	0	0	0	8,000	0	0	0	0
Ironbridge Gorge Stability	17,256	1,713	8,618	6,925	0	0	11,656	5,600	0	0	0	0
Jiggers Bank Stabilization	410	410	0	0	0	0	302	108	0	0	0	0
	61,816	17,796	27,495	14,200	2,325	0	29,546	29,672	525	521	0	1,552
Building Schools For The Future	123,456	41,567	70,440	10,048	469	932	93,259	-1,165	30,420	1,268	0	-326
	123,456	41,567	70,440	10,048	469	932	93,259	-1,165	30,420	1,268	0	-326
ICT/ eGov	2,920	820	700	700	700	0	0	2,920	0	0	0	0
	2,920	820	700	700	700	0	0	2,920	0	0	0	0
Commercial & Business Fund	1,000	500	500	0	0	0	0	0	1,000	0	0	0
	1,000	500	500	0	0	0	0	0	1,000	0	0	0
Managing the funding of the Capital Programme	116	879	-763	0	0	0	0	-6,389	6,505	0	0	0
	116	879	-763	0	0	0	0	-6,389	6,505	0	0	0
	247,189	99,125	115,650	26,518	4,464	1,432	141,238	20,148	81,655	1,950	0	2,198

Capital Programme - 2013/14 - 2016/17 & Later Years

MD/AD	Scheme	funding stream	Total £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000
Adult Care & Support								
	Social Care Capital Grant	Gov Grant	662	662	0	0		0
	ICT Social Care Review	Prudential	550	150	400	0		0
		Gov Grant	235	235	0	0		0
		Revenue	252	252	0	0		0
Total	Sub Total ICT Social Care Review		1,037	637	400	0	0	0
	Social Education Centre	Cap Receipts	350	200	150	0		0
Total Adult Care & Support			2,049	1,499	550	0	0	0
Development Business & Employment								
	Supported Independent Living - Disabled Facilities Grant	Gov Grant	1,424	703	721	0		0
	Supported Independent Living - Disabled Facilities Grant	Prudential	1,443	743	700	0		0
Total	Sub Total Town Centre - Phase 1		2,867	1,446	1,421	0	0	0
	Extra Care	Prudential	1,000	800	200	0		0
	Town Centre - Phase 1	Prudential	3,728	4,773	-1,045	0	0	0
		Gov Grant	4,688	4,219	469	0	0	0
		Cap Receipts	13,118	8,145	4,973	0	0	0
Total	Sub Total Town Centre - Phase 1		21,534	17,137	4,397	0	0	0
	Town Centre - Accommodation Strategy	Prudential	1,089	789	300	0	0	0
		Cap Receipts	0	0	0	0	0	0
Total	Sub Total Town Centre - Accommodation Strategy		1,089	789	300	0	0	0
	Telford Ice Rink	Cap Receipts	777	777	0	0	0	0
		Prudential	-742	-742	0	0	0	0
	Sub Total - Telford Ice Rink		35	35	0	0	0	0
	Wellington Civic Works	Prudential	-4,581	-4,581	0	0	0	0
		Cap receipts	4,605	4,605	0	0	0	0
	Wellington Cemetery	Prudential	21	21	0	0	0	0
Total	Sub Total - Wellington BTI		45	45	0	0	0	0
	Dawley Ground works	Prudential	-7,480	-180	-7,300	0	0	0
	Dawley	Cap Receipts	18,600	7,300	11,300	0	0	0
	Dawley	Gov Grant	50	50	0	0	0	0
	Dawley-Town Park Access section 106	Prudential	-11,350	-7,350	-4,000	0	0	0
	Dawley-Project Management costs	Prudential	300	300	0	0	0	0
	Dawley-MUGAS	Prudential	500	500	0	0	0	0
Total	Sub Total Dawley		620	620	0	0	0	0

Capital Programme - 2013/14 - 2016/17 & Later Years

MD/AD	Scheme	funding stream	Total £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000
	BTI Small Grants	Prudential	37	37	0	0	0	0
	Malinslee Local Centre	Cap Receipts	304	0	304	0	0	0
		Prudential	-263	41	-304	0	0	0
Total	Sub Total Other BTI		78	78	0	0	0	0
	Leegomery Local Centre BTI	Prudential	-1,350	-1,350	0	0	0	0
		Gov Grant	0	0	0	0	0	0
		Cap Receipts	1,350	1,350	0	0	0	0
Total	Sub Total Leegomery Local Centre BTI		0	0	0	0	0	0
	Loan Contingency grant	External	66	66	0	0	0	0
	Housing	Prudential	2,134	1,934	200	0	0	0
	Housing	Cap Receipts	260	130	130	0	0	0
	Housing	Gov Grant	1,735	675	1,060	0	0	0
	Sub Total Housing Schemes		4,195	2,805	1,390	0	0	0
	Youth	Cap Receipts	75	0	75	0	0	0
	Sutton Hill	Prudential	236	160	76	0	0	0
	Sutton Hill Local Centre	Prudential	56	0	56	0	0	0
Total	Sub Total Sutton Hill & Local Centre		292	160	132	0	0	0
	Hadley Local Centre Phase 1 & 2	Prudential	985	403	582	0	0	0
		Gov Grant	885	300	585	0	0	0
Total	Sub Total Hadley Local Centre		1,870	703	1,167	0	0	0
	Woodside	Prudential	10	10	0	0	0	0
	Woodside Local Centre & Project Manag.	Cap Receipts	230	22	208	0	0	0
	Woodside Local Centre & Project Manag.	Prudential	29	29		0	0	0
Total	Sub Total Woodside		269	61	208	0	0	0
	Brookside	Prudential	4,457	2,916	1,541	0	0	0
		External	155	155	0	0	0	0
		Cap Receipts	980	480	500	0	0	0
Total	Sub Total - Brookside		5,592	3,551	2,041	0	0	0
	All Other School schemes	Borrow App	161	116	45			
	All Other School schemes	Prudential	24	8	16			
	All Other School schemes	Gov Grant	8,754	4,888	3,866			
	All Other School schemes	External	499	499	0			
	All Other School schemes	Revenue	0	0				
	All Other School schemes	Cap Receipts	618	618				
	Sub Total All Other School Schemes		10,056	6,129	3,927	0	0	0
	Asset Management Plan - General Works & Surveys	Prudential	2,947	847	700	700	700	0
	Finance Fees	Prudential	480	170	70	170	70	0
	Property & Design Fees	Prudential	800	200	200	200	200	0
	Capital Receipts Site Preparation	Cap Receipts	1,938	438	500	500		500
Total Development Business & Employment			55,782	36,014	16,728	1,570	970	500

Capital Programme - 2013/14 - 2016/17 & Later Years

MD/AD	Scheme	funding stream	Total £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000
Neighbourhood & Leisure Services								
	Oakengates	Prudential	691 0	691				
	Jiggers Bank Stabilization	Gov Grant	302	302	0	0		0
	Jiggers Bank Stabilization	Prudential	108	108	0	0		0
Total	Sub Total Jiggers Bank Stabilization		410	410	0	0	0	0
	Ironbridge Gorge Stability	Gov Grant	11,656	1,713	8,618	1,325		0
	Ironbridge Gorge Stability	Prudential	5,600	0	0	5,600		0
Total	Sub Total Ironbridge Gorge Stability		17,256	1,713	8,618	6,925	0	0
	Every Day Telford - Pride in your Community	Prudential	8,000 0	0	4,000	4,000		0
	Integrated Transport	Borrow App	130	0	130	0		0
		Prudential	549	0	549	0		0
		Gov Grant	2,296	771	1,525	0		0
	Integrated Transport	External	0	0	0	0		0
	Street Lighting Energy Programme	Prudential	1,345	370	325	325	325	0
	Highways & Bridges Capital Maintenance	Borrow App	391	391	0	0		0
		Gov Grant	5,947	3,748	2,199	0		0
	Highways / Footpaths	Prudential	8,550	2,550	2,000	2,000	2,000	0
	Highways Maintenance	External	82	82	0	0		0
	Box Road	Revenue	80	40	40	0		0
	Box Road	Gov Grant	7,129	4,455	2,674	0		0
	Box Road	External	1,378	0	1,378	0		0
	Box Road	Prudential	2,687	0	2,687	0		0
	Local Sustainable Transport Fund	Gov Grant	823	366	457	0		0
	Sub Total Transport & Highways Schemes		31,387	12,773	13,964	2,325	2,325	0
	Parks for People	Prudential	301	-170	77	394		0
		Cap Receipts	525	525	0	0		0
		Gov Grant	1,360	658	146	556		0
	Sub Total - Parks for People		2,186	1,013	223	950	0	0
	Upgraded Tennis Facilities	Gov Grant	33	33	0	0		0
	Crazy Golf in the Town park	Prudential	100	100	0	0		0
	Newport Fitness facility	Prudential	1,019	1,019	0	0		0
	Horsehay Fitness Facility	Prudential	700	10	690			0
	Brindleyford	External	12	12	0	0		0
	Parks & Play Areas	Prudential	22	22	0	0		0
	Sub Total Other Schemes		1,886	1,196	690	0	0	0
Total Neighbourhood & Leisure Services			61,816	17,796	27,495	14,200	2,325	0

Education & Corporate Parenting

Capital Programme - 2013/14 - 2016/17 & Later Years

MD/AD	Scheme	funding stream	Total £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000
	Building Schools for the Future	Prudential	-1,165	-2,671	11,782	-2,169	-1,436	-6,671
	Building Schools for the Future	Gov Grant	93,259	33,986	52,698	4,317	655	1,603
	Building Schools for the Future	External	7	7		0		0
	Building Schools for the Future	Revenue	-333	-333	0	0		0
	Building Schools for the Future	Cap Receipts	30,420	9,793	5,477	7,900	1,250	6,000
	Building Schools for the Future	Borrow App	1,268	785	483	0		0
Total Education & Corporate Parenting			123,456	41,567	70,440	10,048	469	932
Customer & People Services								
	Aggresso Project	Prudential	50	50	0	0		0
	ICT/ eGov	Prudential	2,920	820	700	700	700	0
Total Customer & People Services			2,970	870	700	700	700	0
Co operative Council								
	Commercial & Business Fund	Cap Receipts	1,000	500	500	0		0
Total Co operative Council			1,000	500	500	0	0	0
Corporate								
	Managing the funding of the Capital Programme	Prudential	-6,389	30,388	-14,898	-18,140	-6,739	3,000
	Managing the funding of the Capital Programme	Cap Receipts	6,505	-29,509	14,135	18,140	6,739	-3,000
Total Corporate			116	879	-763	0	0	0
OVERALL TOTAL			247,189	99,125	115,650	26,518	4,464	1,432

TELFORD & WREKIN COUNCIL**CABINET – 20th February 2014****PLANNED BUILDING INVESTMENT PROGRAMME 2014/15****REPORT OF: ASSISTANT DIRECTOR DEVELOPMENT BUSINESS &
EMPLOYMENT****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

To identify the proposed planned building capital maintenance programme for financial year 2014/15, in accordance with Service and Financial Planning 2014/15 to 2015/16.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve the planned building capital maintenance programme for 2014/15 as identified as part of this report.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Maintaining Council property provides an environment for high quality services to be delivered. The investment contributes to the delivery of the following priorities: <ul style="list-style-type: none"> • Ensuring neighbourhoods are safe, clean and well maintained. • Improve prospects through education & skills training. • Improving health and wellbeing of communities. • Protect and support vulnerable children and adults. • Putting Children & Young People first. • Regenerating neighbourhoods in need, and ensuring access to suitable housing.
	Will the proposals impact on specific groups of people?	
	Yes	All residents accessing Council Services
TARGET COMPLETION/DELIVERY DATE	Most projects will be delivered during the financial year 2014/15. Larger projects may cover more than one financial year.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Budgetary provision for the planned programme of works £1.475 million

		Educational and £700,000. Operational (as detailed in Appendix 1) is included within the proposed Service and Financial Planning Report 2014/15 to 2015/16. Confirmation of the Education capital allocations for 2014/15 have not been received and are expected to be notified shortly by the Department for Education, and appropriate adjustments to the programme of works will be made accordingly to ensure spend is within available funds.
LEGAL ISSUES	No	There are no direct legal implications arising from this report however any repair/maintenance works will be subject to competitive procurement to ensure best value is achieved for the Council
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Where improvements are made to properties, other opportunities when the works are being undertaken are investigated and implemented where possible. This may include contributing to larger schemes where a maintenance liability will be reduced or reducing energy costs.
IMPACT ON SPECIFIC WARDS	No	Borough wide impact

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

The Asset Management Plan and associated data on property (i.e. condition, suitability, sufficiency, access, asbestos) informs the Council's planned building capital investment programme. The Council has completed condition surveys for operational properties used for the delivery of its services. These are updated on a rolling programme each year. The Council's Asset Management Plan 2012-2015 has identified a condition backlog of approximately £7.2m for operational properties (excluding schools) and £24.6m for schools/educational properties.

The school condition back log will be significantly addressed over the next few years with the investment from the Building Schools for the Future programme. The operational property backlog has reduced in 2013/14 due to the corporate property rationalisation and investment (i.e. ice rink, Phoenix Leisure Centre) by circa £1.5m.

The planned building capital investment programme as identified in Appendix A, is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The proposed level of

investment included in the Capital Programme 2014/15 is £1.475M for Educational assets and £700,000 for all other operational assets. The budget allocations do not take into account the capital investment relating to expansion of schools and the secured investment relating to Building Schools for the Future which will greatly reduce the condition backlog for Education properties as part of the building rationalisation process. In addition to the above capital allocations, schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for maintaining and investing in the school building stock on a day to day basis.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Community Impact

Maintaining buildings ensures that Council Services are delivered efficiently and with service continuity. Many of the key services are delivered from the Council's property portfolio and are the first key point of contact with our customers.

Equalities Impact

Where possible, as part of the planned building capital investment funding, improvements to accessibility will be carried out. Where improvements to existing facilities are being undertaken, Equalities Issues (i.e. baby changing facilities) are also included as part of the scheme. This allows the Council to increase access to public buildings for people with disabilities.

Environmental Impact

Environmental improvements are incorporated into schemes where appropriate, in an aim to reduce the Council's Carbon Emissions. This will improve the Council's Carbon Reduction Commitment liability and reduce any financial penalties that may be incurred under the scheme.

6. PREVIOUS MINUTES

N/A

7. BACKGROUND PAPERS

Asset Management Plan 2012/2015 (refreshed 2014)

**Report prepared by Chris Goulson, Property & Design Service Delivery
Manager
Telephone: 01952 384302**

APPENDIX A - Education Planned Building Capital Maintenance Programme 2014/15

Asset	Description of Works	Estimated Budget	Corporate Priorities	Ward
John Fletcher of Madeley Primary	Roof Replacement	£240,000	<ul style="list-style-type: none"> • Improve prospects through education & skills training. • Protect and support vulnerable children and adults. Putting Children & Young People first. 	Madeley
Moorfield Primary	The boiler installation in the school has suffered from breakdowns over the last year and is past economical repair. It is proposed to replace the installation with energy efficient boilers to maintain the operation of the school (originally programmed in 2013/14).	£120,000	<ul style="list-style-type: none"> • Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first. 	Newport West
Teagues Bridge Primary	Re-roofing of main school block and boiler replacement The main school roof is in poor condition and the boilers are at the end of their economic life. The school is currently being extended to increase numbers and the works are included within the main contract.	£145,000	<ul style="list-style-type: none"> • Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first. 	Wrockwardine Wood & Trench
Wrockwardine Wood Infant	The boiler plant is not easily maintainable and is inefficient. It is proposed to replace the system with an energy efficient solution to reduce carbon emissions and help reduce running costs (originally programmed in 2013/14).	£120,000	<ul style="list-style-type: none"> • Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first. 	Wrockwardine Wood & Trench
Arthog Outdoor Education	To replace the current inefficient boiler and associated heating plant.	£260,000	<ul style="list-style-type: none"> • Improve prospects through education & skills training. • Protect and support 	Outside Borough

Centre			<p>vulnerable children and adults.</p> <ul style="list-style-type: none"> • Putting Children & Young People first. 	
St Patrick's Primary	Roof Replacement	150,000	<ul style="list-style-type: none"> • Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first. 	Park
Various Schools	Asbestos Removals - To undertake landlord responsibility asbestos removals within property assets. Although checks are undertaken annually it is proposed to undertake new Management Surveys (type 2) on all school properties. Where removals are required these will be prioritised using the Asbestos Management survey data.	£200,000	<ul style="list-style-type: none"> • Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first. 	Various
Various Schools	Data updates - to update the asset management data. This will include condition and suitability surveys and updated drawing/floor plans of buildings as and when upgrades are carried out.	£40,000	<ul style="list-style-type: none"> • Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing. 	Various
Various Schools	Emergency works / Security Works - budget allocation for emergency works or where school security issues are identified. Examples are major boiler failures. This will ensure that schools are able to remain operational with minimum closures.	£150,000	<ul style="list-style-type: none"> • Ensuring neighbourhoods are safe, clean and well maintained. • Improve prospects through education & skills training. • Improving health and wellbeing of communities. • Protect and support vulnerable children and adults. 	Various

			<ul style="list-style-type: none"> Putting Children & Young People first. 	
Various Schools	Energy Efficiency Funding - To ensure that the Council meets its obligations regarding legislative carbon reduction. This is linked to Salix funding and includes heating control and monitoring replacement together with lighting and sensor controls upgrades.	£50,000	<ul style="list-style-type: none"> Ensuring neighbourhoods are safe, clean and well maintained. Regenerating neighbourhoods in need, and ensuring access to suitable housing Improving health and wellbeing of communities. 	Various
	TOTAL	£1,475,000		

Corporate Planned Building Capital Maintenance Programme 2014/15

Asset	Description of Works	Estimated Allocated Budget	Corporate Priorities Contributed to proposals	Ward
Brookside Community Centre	The community centre is being extended/refurbished as part of the Brookside regeneration, it makes economic sense to undertake the condition backlog within the centre whilst it is closed to the community (re-programmed from 2013/14)	£100,000	<ul style="list-style-type: none"> Ensuring neighbourhoods are safe, clean and well maintained. Regenerating neighbourhoods in need, and ensuring access to suitable housing Improving health and wellbeing of communities. 	Brookside
Various Properties	Carbon Reduction Commitment Funding - To ensure that the Council meets its obligations regarding legislative carbon reduction. This is linked to Salix funding and includes heating control and monitoring replacement together with lighting and sensor controls upgrades.	£75,000	<ul style="list-style-type: none"> Ensuring neighbourhoods are safe, clean and well maintained. Regenerating neighbourhoods in need, and ensuring access to suitable housing 	Various

			<ul style="list-style-type: none"> • Improving health and wellbeing of communities. 	
Various Properties	Asbestos Removals - To undertake landlord responsibility asbestos removals within property assets. Although checks are undertaken annually it is proposed to undertake new Management Surveys (type 2) on all operational buildings. Where removals are required these will be prioritised using the Asbestos Management survey data.	£100,000	<ul style="list-style-type: none"> • Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing 	Various
Oakengates Leisure Centre	Refurbishment of fitness suite and changing areas. Linked with BSF adjoining TCA School	£100,000	<ul style="list-style-type: none"> • Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities. • Protect and support vulnerable children and adults. • 	
Newport Swimming Pool	Refurbishment of changing rooms and fitness suite extension. Linked to Invest To Save Bid	£75,000	<ul style="list-style-type: none"> • Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities. 	
Various Properties	Emergency works/unforeseen works - A reserve budget to cover landlord responsibilities for major unplanned replacements (i.e. boiler failure). This is required to ensure building stock continuity.	£208,000	<ul style="list-style-type: none"> • Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating 	Various

Appendix *** of Budget Strategy

			neighbourhoods in need, and ensuring access to suitable housing <ul style="list-style-type: none"> • Improving health and wellbeing of communities. 	
Various Properties	Data Updates - to update the asset management data on operational assets. This includes condition and suitability surveys together with updated plans on 20% of properties.	£40,000	<ul style="list-style-type: none"> • Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing 	Various
	TOTAL	£698,000		

Please note: - the costs shown in the above tables are estimates. Actual costs will be established by competitive tendering in accordance with the Councils Tendering Procedures. All figures are inclusive of Project Management/Design Fees

Corporate Property Asset Management Plan

2014/2017

FOREWORD by Councillor Bill McClements, Cabinet Member: Finance & Enterprise



Land and Property assets are a key issue for the public sector and provide a significant contribution to the delivery of the Co-operative Council's vision, ambitions, priorities and services. Through investment, effective prioritisation of planned maintenance and property rationalisation, real improvements are being made across the Borough.

At a time of significant budget constraints, it is important to continue to manage and utilise our assets effectively, and examine how they can be better used and rationalised. The majority of Council services are provided indirectly through land and property. Therefore ensuring that properties meet both our service and staff needs is of paramount importance.

A Council priority is supporting existing and new businesses to 'Invest In Telford'. To create jobs and encourage enterprise we are using land assets to facilitate this. We have streamlined the planning process to give developers greater certainty and now aim to register all planning applications within 3 days. As can be seen from the section within this plan on Land this approach has already attracted significant employment and development to Telford.

2013/14 has been an exciting time from a property perspective with the completion of a number of schemes and major progress on others. Perhaps the most significant was the opening of the new Phoenix Academy and Leisure Centre at Dawley, a £20 million development to replace the original Phoenix secondary school and leisure centre. Both elements opened in September and offer a fantastic facility to both pupils and the wider community. The 900 place school includes an 8 court sports hall the largest in the Borough and an external 3G sports pitch with floodlighting. Ercall Wood in Wellington is the third new build now well under way and on target for a September 2014 opening.

Phoenix Academy and Leisure Centre



The other most significant development has been the ongoing regeneration of Southwater to deliver a mixed use development linking the shopping centre with The International Centre and Telford Town Park. Development continues rapidly in partnership with the private sector and includes Southwater One, a community building which will focus public sector services at the heart of the town centre and a 600 space multi storey car park. Adjoining this is a new multiplex Cineworld IMAX cinema and Premier Inn Hotel. A number of lettings have been confirmed with operators such as Wagamama and Nandos. Phased openings are planned for Summer 2014. Part of the Southwater redevelopment includes the sale of the former Council offices at Malinslee House to Asda who plan to open their new 6,500 m2 store and petrol filling station in February 2014.

Image of proposed Cinema and Hotel Southwater Way



The regeneration of our Borough Town and local centres is also a key priority and these are being developed in partnership with local communities, businesses, Town and Parish Councils and our Regeneration Partnerships. The built environment continues to play an important role and whenever possible, property is used as a catalyst for change.

Wellington Civic Offices and Leisure Centre was also completed in spring 2012 and opened by Lord Grocott in June 2012. This scheme involves a new library, registry office and office accommodation for circa 200 staff as part of our approach to rationalising property. The collocation of services in Wellington, focussed on business, development and planning has improved our offer to customers by providing a 'one stop shop' for business related enquiries and has also reduced costs. The new building links well into the commercial heart of Wellington and has contributed positively towards the local economy.

The Dawley Regeneration Programme has continued, following the re opening of High Street to traffic and high quality public realm improvements, major infrastructure works on the brownfield 90 acre site were completed in January 2012. Following the opening of the school in September 2013, a community project, run in conjunction with 'The Friends of Dawley' and Cap Gemini, to refurbish the Town Hall, started in October and was completed in December 2013 for a Christmas opening. The remaining land is now being marketed for residential and commercial uses and will see the refurbishment of the Lord Hill public house.

At Hadley District Centre the first phase of the demolition of the 1970s precinct and flats was completed in April 2013. This £3.5 million scheme includes six new retail units including a Tesco Express and Gregg's as well as 24 houses and new public spaces. The second phase started in January 2014 and will include a new veterinary surgery.

Brookside will be the next Local Centre to undergo regeneration. Following extensive consultation with the community, planning permission was approved for a new local centre together with refurbished Community Centre and road alterations. This will replace the four run down shops with three new units including a local convenience store, removal of two blocks of flats, new housing development and high quality public spaces. The new shops opened in January 2014 and the second phase, including the refurbishment of the community centre and demolition of the flats, will commence in March 2014.

A robust Asset Management Plan will inform decisions relating to service delivery, and bring major benefits to the local communities.

CONTENTS

1.0 Statement of Context

Asset Management Plan/ Aims

2.0 Links to Key Plans and Objectives

3.0 Data Management

Core Data

4.0 Programme Development & Implementation

5.0 Operational Assets Key Drivers For Change and Initiatives

Building Rationalisation, New Ways Working

6.0 Regeneration Opportunities Across The Borough

Homes & Communities Agency Assets

Telford Town Centre

Borough Towns and Local Centres Regeneration

- Dawley & Malinslee
- Wellington
- Hadley
- Brookside
- Hollinswood

Building Schools for the Future

Leisure Facilities

Income Generation Opportunities

- Solar Farms
- Housing Investment

7.0 Property Investment Portfolio PIP and Land Assets

8.0 Asset Details & Performance

Statement of Assets

1.0 Statement of Context

The Council's "Local Development Framework" core strategy was adopted a number of years ago and runs to 2016 with 'Shaping Places' now being developed to take us through to 2031. The Central Telford Area Action Plan (CTAAP) was adopted in Spring 2011 and covers the Telford Town Centre area. The continuing growth and development of the area ensures services and facilities are constantly monitored and reviewed, resulting in challenges and opportunities for property holdings and Asset Management. Critically in 2012/13 and 2013/14 the Council was re-structured to align traditional Planning and Economic Development roles within the other property functions under a new service area of Development, Business and Employment. This provides a single point of contact for businesses, investors and developers and provides a seamless service from initial enquiry through to finished development. Support is provided throughout in relation to identifying land and premises, applying for planning permission and securing the right skills. As a New Town with approximately 100 hectares of available commercial land, as well as residential development land, Telford is well placed to deliver growth.

The Asset Management Plan is split into three main areas

- Operational property and associated land
- Property Investment Portfolio (Property held for investment purposes)
- Land (held for future disposal or future operational use)

These individual areas interlink to form a comprehensive approach to Asset Management covering all Council property assets within Telford.

Asset Management Plan - Aims:

- Ensure assets are fit for purpose
- Maximise the use of assets
- Ensure assets are located in appropriate locations for service delivery
- Deliver an integrated approach to Asset Management across the Authority
- Reinforce a corporate approach for holding property
- Ensure Asset Management decisions are co-ordinated and consistent with Council priorities
- Establish a simple and robust performance measurement system
- Provide comprehensive and accurate data to assess property performance and to support and facilitate improved service delivery
- Use land and buildings to facilitate "growth" and be the enabler of regeneration
- Optimise and prioritise the level of property Investment, to meet the Council's current and future service needs
- Promote the innovative use of property together with partners and stakeholders

2.0 Links to Key Plans and Objectives

The Co-operative Council approach details the strategic Asset Management decision-making links within and across Services:

Strategy

- Understanding community needs and those of our partner organisations
- Corporate policies and priorities
- Service delivery and financial strategies

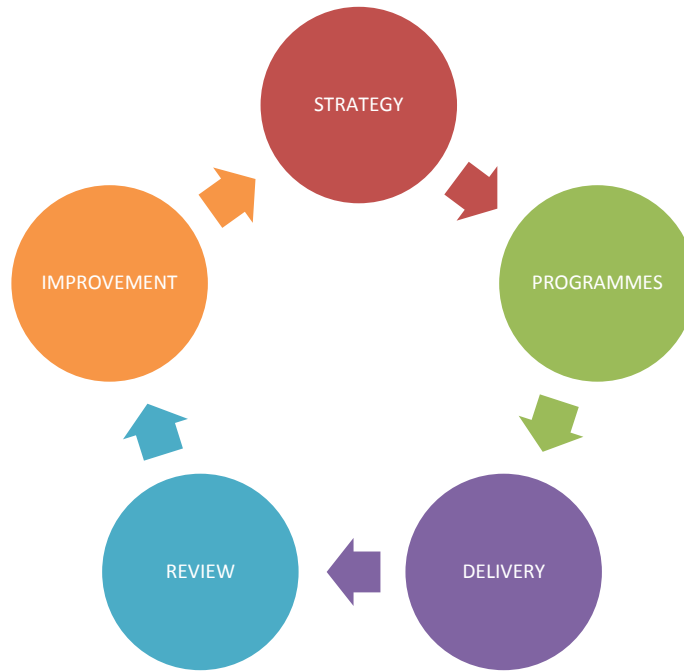
Programmes

Analysis of current performance and future needs including:

- Property audit to understand current performance and trends
- Options appraisal and prioritisation
- Capital planning

Delivery

- Delivery planning
- Project Management
- Procurement



Improvement

- What are the corporate drives for further change? Co-operative Council, Community Strategy, Council Plan, Priority Plans, Service Delivery Plans
- What are the challenges and opportunities now facing services?

Review

- Has the change delivered the expected outcomes?
- How are services performing?
- Have the property-related objectives been achieved?

3.0 Data Management

The ability to make informed property decisions is dependant upon collating and updating accurate data.

Core Data

All Council property data is recorded on a Property Management System, which is designed to accommodate all forms of property data in a central location. The Property Management System brings all the main functions such as; Asset Management, Capital Projects, Service Asset Register and Help Desk Software together into one integrated solution. This provides greater exchange of information and a streamlined property database linked to a help desk. The software is internet based and provides a direct link to customers and stakeholders, enabling them to access data and information in a user friendly environment.

- The Asset Register:

The Council maintains a central Asset Register to record valuations and information for all land and buildings, in accordance with Chartered Institute of Public Finance and Accountancy (CIPFA) and Audit requirements. A five-year rolling programme of asset and insurance valuations is in place for Operational Property, ensuring that 20% of assets are re-valued each year after the validity of the basic data/information has been verified. The Property Investment Portfolio is re-valued annually.

- Condition & Suitability

Condition Surveys of all Schools and Operational Buildings have been completed and are re-assessed as part of an on going re-survey process. Property data is captured across all service areas and work is prioritised according to the data, allowing a transparent planned programme of work to be implemented. Similarly, this enables informed decisions on investment disposal.

- Asbestos

A comprehensive Asbestos Database is held incorporating 'Type 2 Enhanced Surveys' as part of the Asset Management Data, ensuring that quality and up to date information is retained. In accordance with the Council's Asbestos Management Plan, annual risk assessments are conducted on all previously surveyed properties, to ensure that the Council allocates resources to priority items and manages the risks on site.

- Access

Accessibility to properties is paramount to the delivery of services. Comprehensive Disabled Access Audits of operational properties to ensure suitability of premises in relation to service delivery has been carried out. The audits are stored electronically on the central Asset Management Database and are accessible for stakeholders and managers via a web browser. This ensures ownership under the duties imposed under the Disability Discrimination Act (DDA).

- Energy and Efficiency

There is a dedicated energy module as part of the Asset Management Software System, which enables analysis of property related energy data. This data feeds into the Property Performance Indicators (see Section 11), and assists when making key decisions regarding investment and disposal of property. The data also informs the Council's Climate Change Strategy, allowing a targeted approach based upon poor energy ratings of buildings to ensure resources are allocated in the right areas to reduce the carbon footprint. Obligations associated with the Carbon Reduction Commitment (CRC) has led to the Council obtaining accurate readings of all energy consumption, and staff resources have been established to target high use buildings, raising awareness amongst occupiers. The publication of the first CRC national league table has placed Telford & Wrekin Council at number 304 out of 2,100 organisations. The league table ranks the United Kingdom's leading public and private sector organisations by the work they have completed on carbon management. This is an

encouraging start which should improve as the Building Schools for the Future (BSF) and property rationalisation programmes continue.

The Council has worked with a private operator to install the first photovoltaics as part of the Wellington Civic & Leisure development. In doing so we have been able to take advantage of the attractive feed in rates, thus securing income for the council. Also at Wellington, a ground source heating system has been installed, which is another first for the Council. Under the Council's 'Invest to Save' initiative, installation of photovoltaics is to occur at two further Council properties; Addenbrooke House and The Place, in spring 2014. In addition, water harvesting has been installed at Hadley Learning Community, Old Park Primary and Short Wood Primary, together with sedum roofs to minimise water run off. Web enabled monitoring of heating and ventilation at new schools is proving to be a significant benefit. This controlled management should result in meaningful reductions in energy usage, improving efficiency. Combined with the property rationalisation programme this is expected to lead to a major reduction in the Council's carbon footprint.

▪ Measured Surveys

Accurate, comprehensive, measured building surveys are available in AutoCAD for all properties.

4.0 Programme Development and Implementation

The Decision Making Process

The information contained in the Asset Management System enables informed, property related decisions to be made. This corporate planning process identifies requirements for the Property Portfolio. The Council utilises data on condition, suitability, access, sufficiency and asbestos, in decision making pertaining to the following areas (list not exhaustive):

- Review of Office Accommodation
- Repair and Maintenance Programmes
- Capital Programmes
- BSF
- Property Rationalisation
- Borough Towns and Local Centre Regeneration
- Housing Investment
- Commercial Development

Maintenance Programme

The planned Maintenance Programme for 2014/15 has been submitted to Cabinet for approval in February 2014 and details the maintenance priorities established in accordance with the framework described in the Asset Management Plan.

Formulating the Property Related Capital Programme and Key Issues

In establishing the capital programme, consideration is given to; reduced operating costs, regeneration factors, service benefits, geographic and deprivation indices, alternate premises, sharing premises and partnership with the Private Sector or other Public Sector Partners. Whole life cycle costing provides a far more accurate assessment of the long-term cost effectiveness of a project than standard economic methods that focus solely on initial capital costs or on operating-related costs in the very short term. Research has identified the relationship between capital cost, cost in use and the cost to the business of assets as a ratio of 1:5:200. This means that the cost of operating and maintaining a building over its life will be five times the original capital cost. Moreover, the cost of staff productivity and occupation is two hundred times the capital cost.

Sustainability is also a key consideration in the asset provision, use and management process and we are committed to ensuring sustainability is part of all new-build and refurbishment schemes as well as embedded in the procurement process

Key Issues Addressed in Finalising the 2014/15 Capital Investment Programme Include:

- The delivery of capital projects to underpin and support improved service delivery
- Property rationalisation - planned investment in retained buildings to reduce maintenance back log
- Regeneration – support and project management of all regeneration projects
- Repair and maintenance programmes for the PIP to maintain income levels
- Climate Change/Energy Efficiency/ CRC

5.0 Operational Assets

Property Rationalisation/ New Ways Working

Changing Work Patterns and Culture

2013/14 was primarily a year for consolidating Phase 1 accommodation moves undertaken in the previous year and disposing of the vacated properties. The moves resulted in a 35% reduction in space. Phase 2, which will include the opening of the new Southwater One building in Southwater, will commence in Summer 2014. This will involve moving 'Firstpoint', the Council's customer facing function out of Addenbrooke House, freeing up the ground floor. Options to take advantage of this space and further reduce accommodation are currently under consideration. As services constantly evolve, and their property needs change, we continually work with them to ensure their requirements are met.

Addenbrooke House



Southwater One (under construction Jan 14)



Buildings Vacated:

Property	m²
Civic Offices, Town Centre	9,587
The Mount, Wellington	1,243
Highfield House, Wellington	641
Glebe Centre, Wellington	1,626
Ringway House, Wellington	210
62 Wrekin Road, Wellington	489
Pergo House, Donnington	129
Tan Bank Offices, Wellington	867
Station House, Madeley	141
Matthew Webb House, Dawley	319
Euston House, Town Centre	601
Wrekin Farmers, Bridge Road, Wellington	277
Upper House, Madeley	469
2 Landau Court, Wellington	184
4 Landau Court, Wellington	186
Edward James House, Hortonwood	475
First Point at Hadley	123
8 High Street, Hadley	83
	17,650
New Buildings:	
Whitechapel House, Priorslee	1,627
Addenbrooke House	3,538
Wellington Civic	1,573
Donnington House (part of Portico House)	336
Stafford Park 11, Unit B4	827
	7,901
Retained:	
Darby House	6,111
Granville	3,971
Strickland	322
Portico House	361
12-14 Court Street, Madeley	154
	10,919
Summary:	
Vacated	17,650
New	7,901
Retained	10,919
Total for New & Retained	18,820
Reduction in Space	9,749

35% Reduction in Office Accommodation

6.0 Regeneration Opportunities across the Borough

Management of Homes and Communities Agency (HCA) Assets

Chapter 7, Section 3 examines the land holding within Telford. The management of HCA Assets represents a significant opportunity to shape how the Borough is developed in line with the growth and localism agenda and to support the new role HCA have as a facilitator and enabler of development. It will provide the opportunity to complete the New Town in line with the original vision as set out 40 years ago.

Telford Town Centre

Southwater Development (Southwater One, Premier Inn Hotel, Cineworld Cinema and restaurants)



The Regeneration of Telford Town Centre is a key priority for Telford & Wrekin Council, partners and the region. The regeneration will underpin and support growth, stimulate and attract investment in the Borough, safeguard and create jobs and establish a Town Centre responding to the needs of the community. Outline planning consent, obtained in June 2010, set the context for regeneration through the establishment of land use zones to include residential, commercial, bars, restaurants, hotels, retail and leisure. Since then considerable works have been undertaken with openings planned from summer 2014 onward.

Works have included a significant refurbishment and extension at Telford Ice Rink costing £4m to deliver a modern and vibrant regional attraction. Extensions to the building include a “soft play” facility, catering for infants and juniors and a standalone unit which has been let to restaurant chain Mimosas. A further restaurant unit has been delivered to the front of the existing bowling and bingo building and will provide active frontage onto the new Main Street.

Telford Ice Rink



In December 2012, works commenced on an 11 screen Cineworld cinema, an 82 bedroom Premier Inn and seven restaurants, all of which have been pre let to leading national restaurant chains including Pizza Express, Nandos and Wagamama. This development represents a £25m private sector investment in the town, generating circa 350 new jobs. Openings are planned throughout 2014.

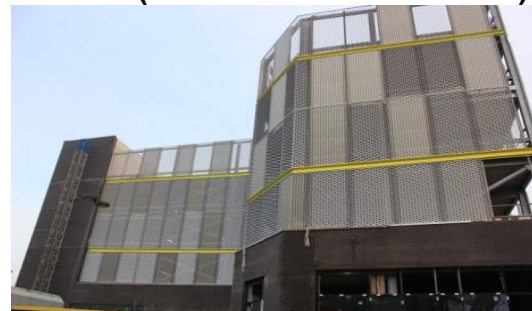
Also in December 2012, works commenced on the construction of a new multi storey car park, following the demolition of Telford Library. This 600 space facility will provide safe and convenient parking for visitors to Southwater and Telford Shopping Centre. Telford's central library is being re-provided in an enhanced form in "Southwater One", which is a mixed use building, also containing a cafe and restaurant on the ground floor and a customer "First Point" on the second floor, providing help and advice on a range of council and other public sector services. The building is on target to open in summer 2014. High quality landscaping is also being delivered and will be completed in phases between March 2014 and June 2014. Works include a large replacement lake, extensive paving works, striking soft landscaping and the installation of lighting, street furniture and public art.

To heat and power much of this development, an Energy Centre is being designed and built adjoining the Ice Rink. Final fit out, testing and commissioning is due for completion in summer 2014 to allow provision of heat and hot water to Southwater One and Telford Ice Rink. This will be managed and maintained in house by the Council with the aim of competitively procuring an Energy Services Company to operate this once new customers onto the scheme are confirmed.

Southwater One



Car Park (under construction Dec 13)



Within the Town Park itself an aerial ropes course opened in October 2013, adjacent to the new Visitor Centre. The course is operated by private company 'Closer to the Edge' and includes zip wires and climbing walls. The facility is available for use by the general public as well as available for private, corporate and educational bookings.

Borough Towns and Local Centres

The regeneration of the Borough to stimulate investment and development is critical. With reduced funding there is a need to be creative with the use of our assets to facilitate and achieve this.

Dawley & Malinslee

The regeneration of parts of Dawley & Malinslee is well underway with the amalgamation of two primary schools at Old Park Primary completed in September 2009 together with the opening of the new public realm in Dawley High Street during November 2010. This is combined with proposed new retail, health facilities and housing. Another significant contribution will be the reclamation of around 90 acres of spoil mounds and land fill on the edge of Dawley, completed in January 2012. This was one of the largest civil engineering projects undertaken since the old 'Telford Development Corporation' and involved the movement of 1.3 million cubic metres of material. The first phase of the re development of this reclaimed land started in April 2012 with the new Phoenix Secondary School was opened in September 2013. This will bring increased footfall to Dawley, providing a significant stimulus to place shaping and regeneration. The remaining land will be used for housing and leisure uses.

Aerial View of Paddock Mount Land Reclamation



Following extensive consultation, the decision to refurbish the former Dawley Town Hall was taken in Spring 2013. The building had been unused for around 3 years. The refurbishment was undertaken by KRM Contractors in Autumn 2013 and completed for a Christmas opening. Within the building the Parish Council have their offices and a wide range of community and voluntary groups use the new facility.

Dawley Town Hall Pre-Refurbishment



Dawley Town Hall Opening December 2013



Hadley Local Centre

Phase 1 of a multi million pound scheme to demolish the 1970's shopping precinct and flats above and provide 7 new retail units including a Tesco's Express and Gregg's, together with a high quality public space was completed in March 2013. The second phase to provide 3 further retail units including a veterinary surgery together with the repaving of the High Street is currently under construction and will be completed July 2014. The final phase of the development will be demolition of the remaining retail units and construction of new residential dwellings.

Hadley Centre Pre Demolition



Phase One Under Construction



Phase One Complete Phase Two Under Construction



Completed Units January 2014



Brookside Local Centre

Brookside has been identified as an area in need of regeneration and investment and has been selected as a pilot project in which regeneration proposals will be developed by the community, in accordance with the Council's co-operative approach. The Centre is a 1970s precinct incorporating four shop units, a Community Centre, Pastoral Centre and a Youth Building. Consultation has been undertaken throughout 2012, working with the Co-operative Council pilot group, Brookside residents, Public Sector Agencies, business and the third sector to look at options for investment in the Local Centre. Following consultation it was agreed to rebuild the shop elements and refurbish the Community Centre to include the youth provision and make major improvements to the road access and public realm spaces. Construction work on the first phase for the shops is due for completion in January 2014 and the second phase, to include the demolition of old shops and flats, together with the refurbishment of the Community Centre is due to start on site April 2014.

Sketch of Brookside Local Centre



Brookside Construction January 2014



Hollinswood Local Centre

Hollinswood local centre has also been identified for regeneration and investment working with the Community concepts the strategy and scheme proposals will be developed.

Building Schools for the Future

The Council has been awarded funding for Wave 4 of the Governments Building Schools for the Future (BSF) Programme, providing a one off chance to completely transform secondary education and community buildings within the Borough.

In order to deliver transformational change, the Council has colocated Secondary Education with Primary Schools and Leisure/Community facilities. In certain cases this will involve closing facilities, disposing of the sites and relocating elsewhere.

In October 2009, after an extensive evaluation process, Kier Construction were appointed for the first phase and work started at Abraham Darby, Madeley and Phoenix, Dawley.

- Abraham Darby included a 420 place Primary School, a new leisure provision with 4 court sports hall and 6 lane swimming pool which all opened in January 2012 together with a 900 place Academy which opened September 2012.
- Phoenix opened in September 2013 and includes a new 900 place Secondary School together with 8 court sports hall, community sports provision and BMX track.
- Further smaller extensions were completed at:
 - Mount Gilbert, Dawley. New skills centre and internal alterations completed October 2012
 - Newport Girls High School, Newport. A new multi use hall, removal of demountable classrooms and 4 new class bases completed October 2012.

The reduction in funding announced in October 2010 necessitated a further assessment of the programme and retendering using Framework 2. Ercall Wood was identified as the sample school and the process of selecting a new contractor started in January 2012 with the successful bidder, Shepherd Construction Ltd, being appointed in the Summer of 2012. Ercall Wood, a 900 place Secondary School, started in March 2013 and is due for completion in September 2014. The other schools listed below are due to start in 2014:

- Burton Borough- Refurbished secondary school
- Priorslee - New build secondary school
- Oakengates - New build secondary school linked to Oakengates Leisure Centre
- Lord Silkin - New build secondary school
- Charlton - New build secondary school
- Adams Grammar – Refurbishment

Phoenix School (under construction)



Ercall Wood (under construction)



Leisure Facilities

As part of the Council's Priority to improve the health and well being of communities, a programme to extend and improve leisure facilities across the Borough has been implemented. Two schemes are currently underway at Newport Swimming Pool and Oakengates Leisure Centre.

The extension to Newport Swimming Pool, which started in October 2013, is costing £1million and includes a new fitness suite and refurbished changing rooms. Completion has been delayed due to drainage problems and a leak to the swimming pool discovered as part of the routine maintenance, and is now expected in March 2014.

Newport Fitness Suite and Changing Room Refurbishment (December 2013)



A similar scheme to improve Oakengates Leisure Centre started in November 2013. Programmed for early Summer 2014 completion and linked to the BSF scheme to collocate a new secondary school to the adjoining site a complete refurbishment to the existing fitness suite is being undertaken. This includes the refurbishment of all the changing facilities at the centre, which will be shared with the new school.

The Place in Oakengates has also undergone extensive external refurbishment with a new entrance and facade installed for the Christmas season. Designed by the Council's in house design team the new appearance and modern lighting scheme has been well received by local traders and members of the public and compliments the exciting programme of events being held there.

The Place, Oakengates



7.0 Property Investment Portfolio (PIP)

The Authority holds a number of individual sites for investment, regeneration and economic development purposes. Details of all assets and their values, based on CIPFA valuation principles, are contained in the Authority's Asset Register (see Section 10). The PIP has an annual revenue target of £5.8 million.

An Economic & Property Market Review completed by GVA in Q3 2013 reports 'the improving economic growth gives grounds for optimism that the long awaited upturn is at last underway'. In terms of rental performance, whilst values have barely moved over the last two years the outlook for 2014 is much more positive. The Investment Property Databank observed that rental values grew 0.2% and 0.1% in Q2 and Q3 2013. Economic growth forecasts have been revised upwards and GVA expect to see all property rental growth of 2% in 2014. This figure is supported by the Royal Institution of Chartered Surveyors (RICS) in its UK Commercial Property Market Update, November 2013. The report observes that 'the occupier and investor markets look set to recover throughout 2014'.

Looking at the sector breakdowns, GVA report that 'the outlook for retail remains challenging, although a sustainable recovery should begin in 2014. Demand, meanwhile has strengthened in the industrial sector, mirroring the positive readings from CIPS (Chartered Institute of Purchasing & Supply) Business Confidence Surveys. The seasonally adjusted CIPS Purchasing Manager's Index® (PMI®) rose to a 28-month high of 54.6 which was the highest since March 2011 highlighting the continued improvement amongst business and consumers. Telford's office market remains challenging with an over supply of town centre space and stagnant rent levels. There are though early indications of an increase in the level of enquiries being received.

The Team has, via a range of measures, delivered effective support to local businesses during the recent difficult economic climate. This included the offer of stepped or incentivised rents, deferred rent payment arrangements, and re-gearing of existing lease agreements. This activity has as far as possible maintained revenue income to the Council, reduced costs associated with holding empty property and safeguarded jobs within the Borough.

Regeneration & Investments continued throughout 2013 to implement its Property Disposal Programme. Completed in November 2010, the comprehensive portfolio review identified a number of underperforming assets in terms of income generation and those, which were a significant drain on a reduced repair and maintenance budget. The proceeds from such sales have been used to reinvest in modern buildings capable of providing income and capital growth, have reduced maintenance liabilities and will deliver new employment opportunities for the Borough. Examples include the sale of industrial assets at Unit B2 Halesfield 10, B4 Stafford Park 11 and Trench Lock 3, enabling the development of a new 10,000sq/ft bespoke office/warehouse at Hadley Park (pre-let to Staubli (UK) Limited on a new 15 year lease), seven new retail units at Phase 1 Hadley Local Centre let to Tesco and Greggs amongst others, and the planned acquisitions of four new retail units within Southwater. This investment will safeguard the revenue position of the portfolio in the medium to long term.

Trench Lock 3



Staubli, Hadley Park East



Key Achievements of the Investment Portfolio in 2013

- Completion of 7 high quality new retail facilities at Phase 1, Hadley Local Centre securing Tesco as the anchor tenant

Hadley Centre



- Disposal of poor performing assets, including B2 Halesfield 10, B4 Stafford Park 11, and Trench Lock 3
- Commenced development of pre let, bespoke 10,000ft² office/warehouse at Hadley Park East
- Continued assistance to customers during the economic downturn, via stepped rents, payment arrangements, and re-gearing of leases. This helped ensure achievement of the income target, and safeguarded jobs within the Borough
- Completed a £300,000 programme of refurbishment involving office premises at Bishton Court, and industrial assets on Stafford Park 15 Dawley Bank and Tweedale Court, improving their marketability, securing new lettings and improving revenue
- Commenced external improvements to retail units at Limes Walk, Oakengates, including new frontages, improved lighting and signage
- Successfully negotiated and secured the letting of 180,000ft² of space via new leases and renewals
- Achieved a low void rate of 6%
- Refreshed the Estates & Investments website and regularly engaged in the use of other social media, such as Twitter to market available land and property

Plans and Developments 2014

- Achieve the Investment Portfolio income target whilst continuing to be proactive in assisting local businesses
- Obtain an independent assessment of the PIP performance for the financial year 2013/14
- Reduce the number of tenants who occupy by way of a licence by negotiating the grant of new leases, securing income for longer periods of time and increasing the investment value of assets held
- Continue the use of conditional break options linked to repayment of rent free incentives, surrender premiums, rent deposits and guarantees in return for lease flexibility
- Continue to reduce levels of current and former tenant debt and investigate alternative means of debt recovery
- Set and achieve clear revenue and void targets for each individual asset
- Set and effectively manage repair and maintenance budgets for each individual asset, ensuring expenditure is below approved levels
- Set and effectively manage service charge budgets for individual assets, ensuring expenditure is below approved levels
- Continue to refresh the Estates & Investments website, explore new means of marketing to attract new business and maximise revenue
- Reduce the overall PIP void rate to less than 4%
- Ensure completion of leases for retail units at Brookside Local Centre, Phase 2 Hadley Centre, and Southwater, helping to secure the long term income position of the PIP
- Update service charge certificates and procedures, providing greater transparency to customers around service charge expenditure
- Review service contracts in place at Multi let properties with a view to procuring contracts that will deliver reductions in expenditure and improved levels of service
- Continue to implement the Property Disposal Programme, reinvesting in assets capable of delivering revenue and capital growth, have reduced liabilities, ensuring the long term sustainability of the PIP.
- Explore potential development and investment opportunities presented via The Stewardship Agreement held with The Homes & Communities Agency
- Complete refurbishment of The Business Development Centre, at Stafford Park 4
- Increase occupancy levels at The Business Development Centre to 90%
- React to legislative changes introduced by The Energy Act 2011 by identifying assets with the lowest energy performance rating E or F. Consider a programme of refurbishment or whether these should be added to the Disposal Programme
- Development of new properties capable of achieving the highest possible energy rating and conforming to national policies regarding sustainability and energy performance
- Re-survey all properties previously identified as having asbestos containing materials as part of a the Council's duty to manage

Continue to work with Business Support Officers on the provision of after care and business advice given to customers of the Council, further improving rates of retention.

Land Strategy

TWC Land Assets

The Land Assets held by the Authority within the Asset Register are defined as playing fields, public open space, amenity land, woodland, paddocks etc and amount to some 300 hectares (Ha). Land Assets exclude the site area of built Operational and Non-Operational Assets (which extends to some 700Ha). The aim of the Land Strategy undertaken in 2010 was to complete a detailed appraisal of each individual land asset by collating information from a number of sources into a single database.

The information for each site includes the following:-

- Site Description
- Site Area
- Existing Use
- Suitability for disposal
- Potential for alternative use
- Legal issues
- Planning issues
- Engineering information
- Regeneration considerations

For specific issues such as Planning, regard was made to the adopted Local Development Framework and the site's current land allocation, together with a view on future development potential. The information collated has been used to categorise each Land Asset. A traffic light system of categorising has been adopted as follows:

Red	Land suitable for disposal
Amber	Land that may be suitable for disposal will require further investigations before a recommendation is made e.g. Engineering study, Planning Application etc.
Green	Land to be retained

The assessment was completed in 2010 with the detailed appraisal of the 358 Assets categorised as follows:

Category	Number of Assets
Red	17
Amber	107
Green	234

Council approval was obtained to sell the assets identified for disposal (red) and six assets have now been sold with an additional nine assets currently with solicitors. Upon completion of the remaining nine sales a capital receipt of £150,000 will be generated.

A rolling programme has been established to investigate the input required to sell the 107 sites categorised as Amber. To date a further 9 sites have been identified for disposal.

Assets categorised as Green (land to be retained) are continually reviewed to ensure that where criteria/circumstances have changed the sites development /disposal can come forward.

The Land Strategy, Operational Property Strategy and PIP Strategy all connect and form the approach to Asset Management within Telford.

Management of Homes and Communities Agency (HCA) Assets

A Stewardship Agreement signed in September 2012 appointed TWC to market, promote and sell HCA's commercial sites. The management of HCA Assets is a significant opportunity to shape how the Borough is developed in line with the localism agenda and to support the new role HCA have as a facilitator and enabler of development. It has provided the opportunity for the Council to take a proactive approach in promoting the opportunities in Telford and to support the Councils wider agenda of growth within the Borough. A number of sales have come forward since the establishment of the stewardship agreement including:

- The sale of a 5 Ha site at Hortonwood completed in December 12 has delivered a 7,500 sqm meat processing plant which opened in January 14. This is estimated to create around 160 jobs.
- The disposal and development of a new 10,000sqft facility at Hadley Park, Telford, which will be delivered in April 14 and will safeguard 18 jobs and create a further 20.
- The disposal of some 3 acres of employment land at Hortonwood and development of a new 60,000sqft warehouse which is currently on site and will be delivered in Spring 14, safeguarding 11 and creating 16 new jobs.

In addition we are currently dealing with a number of substantial enquiries for land opportunities at Hortonwood, Hadley Park East and Halesfield.

8.0 Asset Details & Performance

With reducing budgets, maintenance/refurbishment has been kept to a minimum across both Operational Property and Schools. However, the BSF programme is beginning to reduce the School back log as new and refurbished schools are being delivered as new Academies. On the Operational side, Property Rationalisation has also reduced the backlog of outstanding maintenance as services and staff are concentrated in modern buildings and out dated buildings are disposed of.

As set out in Chapter 5, energy use is increasingly important from both an environmental and financial viewpoint. Whilst we have pursued a programme of eco friendly initiatives such as bio mass boilers, increased insulation etc. this has been offset by increasing use of technology powered by electricity in buildings. It is expected that further significant reductions in usage can come from both the BSF and Property Rationalisation Programme, which will both utilise modern technologies including photovoltaic technology and ground source heat pumps etc. Similarly, space utilisation should further improve from current standards as Property Rationalisation gathers momentum (Chapter 5).

The Statement of Assets is found in Appendix 1. Three key measures against condition, energy use and space utilisation are contained in Appendix 2.

Appendix 1
Fixed Assets Utilised by the Council

Category	Quantity	Total Values
Bus Stations	3	£870,000
Cemetery Building	1	£1
Changing Rooms & Pavilions	11	£1,168,500
Community Centres	5	£1,292,500
Travellers' Sites	2	£1,136,000
Hostels, Homeless & Sheltered Accommodation and Residential Homes	56	£6,262,500
Ice Rink	1	£3,330,000
Leisure Centres	6	£17,836,000
Libraries	8*	£1,322,000
Nursery Schools	1	£305,000
Offices	10	£13,306,200
Outdoor Activity Centre	1	£724,000
Primary/Infants/Junior Schools	51	£75,073,800
Public Conveniences	3	£136,800
Secondary Schools	1	£8,296,000
Academy Schools	9	£9
Ski Slope	1	£467,000
Special Schools	3	£6,486,000
Swimming Pools	1	£684,000
Theatres	1	£1,780,000
Training/Day Centres & Residential Care	3	£1,738,000
Visitor Information Centre	1	£830,000
Youth Projects	5	£644,500
Pupil Referral Units	2	£728,500
Children Centres	2	£1,631,000
TOTAL	188	£146,048,310

*Note: 3 of these Libraries now operating from other properties

Operational Property Leased in from Property Investment Portfolio

Property Type	Quantity	Total Values
Offices	4	See PIP table for asset value
Training / Day Centre	1	See PIP table for asset value

Operational Property Leased in from Private Sector

Property Type	Quantity
Offices	1
HLC Learning Community (Private Finance Initiative – PFI)	1
Queensway	1
TOTAL	3

Property Investment Portfolio - Details

Property Investment Assets	Quantity	Total Values
Smallholdings	1	£400,000
Offices	27	£13,851,800
Retail	33	£8,589,700
Industrial	42	£29,716,440
Miscellaneous/Ground Rents/rationalisation	153	£22,898,600
TOTAL	256	£75,456,540

Indicator 1Bi : Required maintenance by cost expressed as a total cost in Priority levels 1–3

Telford & Wrekin Property Performance Indicators for 2013.

Priority 1–3 covers a 5 year maintenance period. The total cost of priority level 1 – 3 works for all Operational Property (including schools) is £33,337,779. The average for the previous Benchmark Group in 2011 which comprised similar sized authorities was £62,232,762.

T&WC figure is split as follows:

School Property	£24,617,893
Operational Property	£8,369,886

Previous year comparisons

		2008	2009	2010	2011	2012	2013
Schools	P1-P3	£25,277,205	£27,657,372	£29,352,678	£28,593,580	£30,652,623	£24,617,893
Operational	P1-P3	£11,984,120	£10,134,790	£11,080,659	£12,766,526	£8,770,020	£8,369,886

The condition liability for operational buildings has reduced due to major investment in capital projects such as the Ice Rink refurbishment and the overall reduction in office accommodation by 34% last year. The figures here include assumptions for new buildings which have been acquired and do not currently have condition surveys – these will be undertaken during 2014.

School Condition Surveys do not show the reduction due to the investment of circa £1.5m in 2013/14. Surveys are due to be updated during 2014 which will reflect this investment. With this in mind, the condition liability for Schools shows a decrease this year due to the opening of Abraham Darby, Lakeside, Sutherland, Wrockwardine Wood and Phoenix Academies, which has helped reduce the overall condition backlog circa £6m. Further reductions are expected within the next 2 years due to the further Building Schools for the Future programme projects coming on stream.

Indicator 2A : Energy costs/consumption

The running cost for all Operational Buildings (gas/electric) including schools is:

£ spend per m2 GIA	£13.22
2011 Benchmark average	£13.57

Previous year comparisons

Year	£ spend per m2 GIA
04/05	£8.08
05/06	£5.91
06/07	£10.75
07/08	£10.75
08/09	£16.59
09/10	£14.00
10/11	£13.46
11/12	£10.38
12/13	£13.22

The cost of energy per m2 increased due to a rise in energy consumption in 2012/13. Energy consumption in all buildings (operational, disposed and schools) has increased by nearly 20% since 2011/12. This increase was expected due to weather conditions as the winter 2012/13 was longer and colder than in 2011/12.

Awareness campaigns targeted at staff to switch off lights, electrical equipment and reduce heating levels. We undertook energy audits of all operational buildings to review performance to identify and implement appropriate energy efficiency measures. The Low Carbon Schools Service has provided energy saving advice and support to schools since 2011/12. This programme enabled schools to make reductions to their energy consumption.

Annex IV

TELFORD & WREKIN COUNCIL-

CABINET - 20 FEBRUARY 2014

HIGHWAYS & TRANSPORT CAPITAL INVESTMENT PROGRAMME 2014-2016

REPORT OF THE ASSISTANT DIRECTOR: NEIGHBOURHOOD & LEISURE SERVICES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

To identify the proposed planned Highways and Transport Capital Investment Programme for financial years 2014/15 – 2015/16, in accordance with the proposed Budget Strategy.

2. RECOMMENDATIONS

2.1 That Cabinet:

- i. Approve the planned Highways and Transport capital investment programme for 2014/15 – 2015/16
- ii. Delegate responsibility for agreeing any variations or changes to schemes in the capital programme that remain within overall approved budget limits to the Assistant Director of Neighbourhood and Leisure Services in consultation with the Cabinet Member with responsibility for Neighbourhood Services, Employment & Skills

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Maintaining the highway network has been identified as a key priority through community consultation. Maintaining an efficient and effective transport network through the Highways and Transport Capital Programme contributes to the delivery of the following current Council Priorities: <ul style="list-style-type: none">• ensure that neighbourhoods are safe, clean and well maintained;• improve the health and wellbeing of our communities and address health inequalities;• regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing.
	Will the proposals impact on specific groups of people?	
	No	The highway and transport network is used by all sections of the community. As far as is practicably possible all schemes aim to meet guidance on accessibility; all maintenance schemes are based on assessments of condition of the highway network and feedback from the local community.

Annex IV

TARGET COMPLETION/DELIVERY DATE	Projects will be delivered during the financial years 2014/15 – 2015/16	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Budgetary provision for the Highways and Transport Capital Programme is £16.724m for 2014/15 (including capital grants from the DfT Local Sustainable Transport Fund), and funding for future years is outlined in this report. The programme will be delivered using target cost contracts to ensure value for money. J.A Copus 22/01/14
LEGAL ISSUES	No	There are no direct legal implications arising from this report, the Council has a duty to manage and maintain the highway network and any works will be procured and managed in accordance with financial and contract procedure rules.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The highway and transport network forms a key part of the physical environment that people experience on daily basis. In delivering the programme it is important that all opportunities are explored to maximise the enhancement of the local environment, where it can be done in an efficient and cost-effective way.
IMPACT ON SPECIFIC WARDS	No	This report outlines work to be delivered from 2014/15 and is based on the list of schemes developed using condition survey and community feedback and approved by Cabinet in 2012 and will be supplemented with information gathered from the Pride in Your Community consultation.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

The Council's draft Transport Asset Management Plan (TAMP) identifies that the value of the highway assets the Council is responsible for managing and maintaining is around £1bn at present. These assets include roads, footpaths, bridges, street lights and other highway infrastructure. In developing the Highways and Transport Capital Programme a range of factors are taken into consideration including data on condition, feedback from residents, local parish councils and ward members, programming with other schemes on site, safety and accident history. A draft three-year programme was subject to consultation with ward members and parish and town councils during December 2011. This Highways and Transport Programme for 2014/15 is therefore year 3 of the agreed programme together with the additional Pride in Your Community programme. Table 1 sets out the funding allocations until 2016 and Table 2 outlines the spend breakdown by project type.

As anticipated in the 2012 capital programme report, new schemes have been added, based on normal rates of deterioration and requests from communities for road repairs, which can be further exacerbated by periods of cold weather. Throughout the period there may be a degree of reprioritisation required but it is aimed to deliver the agreed programme by the end of 2014/15. The Council has allocated a minimum of £2m from Council Capital funds specifically for carriageway maintenance in 2015/16. A national Pothole Review published in 2012 highlighted the importance of getting highway maintenance right first time and this involves

Annex IV

moving some emphasis from reactive to planned maintenance. This report does not cover revenue funded reactive highway maintenance.

Table 1 – Highways and Transport – Available Capital Resources 2014/15 – 2015/16

Source	2014-15 £'000	2015-16 £'000	Total Two-Year Approved Budget (£) £'000
Council Capital Funding			
Maintenance	2,000	2,000	4,000
Local Sustainable Transport Fund - Box Road	2,687		2,687
Integrated Transport	679		679
Local Sustainable Transport Fund - Box Road (Developer Contributions)	1,378		1,378
Street Lighting Invest to Save	325	325	650
Pride In Your Community	2,800*	2,800*	5,600
Total Council Capital	9,869	5,125	14,994
DfT Funding			
Maintenance	1,942	2,506*	4,448
Additional Highways Maintenance Funding as per December 12 Autumn Statement	257		257
Integrated Transport*	1,525	1,320*	2,845
Local Sustainable Transport Fund-Small Scheme	457		457
Local Sustainable Transport Fund-Box Road	2,674		2,674
Total Dft Capital	6,855	3826*	10,681
All Funding-Highways & Transport Schemes	13,924	6,151	20,075
Pride In Your Community	2,800*	2,800*	5,600*
All Funding	16,724	8,951*	25,675

*Estimated: DfT funding for 2015/16 is still to be notified by DFT

*Estimated: Expected Pride in Your Community spend on Highway and Transport

Annex IV

Table 2 summarises the draft programme for 2014/15 to 2015/16 based on the resources in Table 1 above.

Table 2 – Summary of Highways & Transport Capital Programme 2014/15 – 2015/16

Highway Programme Area	2014-15 £'000	2015-16 £'000	Total Two Year Programme £'000
Maintenance of Existing Assets			
Carriageway Maintenance (including safety maintenance schemes)	2,374	3,846*	6,220
Footway maintenance	400	400*	800
Lighting and illuminated signs/bollards	370	270*	640
Barriers & Guard Rail Maintenance	20	20*	40
Drainage Maintenance	160	160*	320
Structures: Maintenance	640	640*	1,280
Signing & Lining: renewal & maintenance	150	100*	250
Annual Condition Surveys	85	85*	170
Pride In Your Community	2,800	2,800	5,600
Improving and Amending the Highway Network	6,999	8,321	15,320
New / Upgraded Infrastructure	100	65*	165
Sustainable Travel (Public Rights of Way / Safer Routes)	70	45*	115
Safety Schemes	70	50*	120
Public Realm & Street Scene Projects	220	145*	365
Local Sustainable Transport Fund Smaller Projects	1,049		1,049
Local Sustainable Transport Fund Box Road	6,739		6,739
Street Lighting Upgrades	325	325	650
Other Schemes to be funded from slippage	1,152		1,152
Transport & LSTF schemes	9,725	630	10,355
Total	16,724	8,951	25,675

* Estimated: DfT funding for 2015/16 is still to be notified by DFT

Annex IV

The principles of the TAMP are around making sure that the Council has as full an understanding as possible of the condition of its highway assets, whilst using Asset Management Planning to maximise the effect of the available financial resources on improving the condition of the Council's highway assets. In adopting this approach the Council may not treat the roads in worst condition first, there may be instances where early intervention can prevent the need for more expensive interventions in future years; therefore in the interest of maximising the effectiveness of resources it may be necessary to allocate resources to parts of the network that are not considered to be in the worst condition

The Capital Programme includes a number of improvement schemes including projects that are funded by the government's Local Sustainable Transport Fund (LSTF) grant. Over the life of the LSTF programme (2011/12 – 2014/15) the Council is putting in place match funding from its own resources and drawing in further contributions from other organisations. The overall funding package means that the Council is able to deliver a programme including projects such as the ongoing transformation of Telford Town Centre Box Road and an upgrade to the route between Telford Central Rail Station and Telford Town Centre as well as programmes of support for employers, schools and colleges to promote walking, cycling and sustainable transport.

The 'Everyday Telford - Pride in Your Community' programme, and Infrastructure Investment Fund is a resident focused investment programme to be delivered across the borough over a period of 2 years to complement the Council's business and housing growth agenda. The 2-year £8m capital and £1.5m revenue investment will include £5.6m of highway related improvements delivered over two years. With its focus on existing communities and its aim to ensure that the borough is an attractive place for those who live and set up businesses here the Pride programme will also complement the Highways capital programme. The detailed Highways Programme will be developed alongside the 'Pride in Your Community Programme' to ensure maximum impact for local communities. Opportunities to link local improvements with capital highways investment will be maximised as part of the delivery of both programmes and this will enable the Council to maximise on potential efficiencies.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Community Impact

Maintaining the highway and transport network is key to ensuring that people are able to travel for work and education, for accessing services and for leisure activities. The network is used on a daily basis by residents and visitors to the Borough and in terms of service use is likely to be the most used service the Council provides. The condition of the highway and its surroundings can have a significant influence on the overall perception of the quality of the physical environment and by linking the highway capital programme with the 'Pride' programme the Council will further maximise on opportunities to improve the local environment for the benefit of local communities. As part of the Cooperative Council approach the process of engaging contractors for the Highways Programme will include the consideration of supporting local employment and apprentice schemes.

Equalities Impact

Where possible, as part of the capital programme, improvements to accessibility will be carried out, such as the provision of dropped kerbs and tactile paving. This allows the Council to support its Local Transport Plan objective of improving accessibility.

Annex IV

Environmental Impact

Environmental improvements are incorporated into schemes wherever appropriate to support the recognition that highway and footpath condition can have a significant bearing on the perceived environmental quality of an area. Again, by identifying links with the Pride programme the Council will be able to take a Total Place approach when delivering highways schemes, thereby ensuring that both environmental and highways issues are addressed. The Council will be seeking to use recycling of materials and new more sustainable surfacing treatments, in collaboration with other local authorities, with the aim of reducing the Council's Carbon Emissions.

6. PREVIOUS MINUTES

Cabinet 22 September 2011
Local Sustainable Transport Fund
Cabinet 28 February 2013
Highways & Transport Capital Investment Programme 2013 - 2016

7. BACKGROUND PAPERS

Local Transport Plan 3
Draft Transport Asset Management Plan

Report prepared by Keith Harris - Transport & Highways Development Service Delivery Manager and Amanda Roberts - Highway Capital Programme Group Manager

TELFORD & WREKIN COUNCIL

**CABINET – 20 FEBRUARY 2014
COUNCIL – 27 FEBRUARY 2014**

2014/15 TREASURY STRATEGY AND TREASURY UPDATE REPORT

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

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

The report updates members on Treasury Management activities during 2013/14 and details the Treasury Strategy recommended to be adopted for 2014/15

2013/14 Treasury Management Update

The treasury portfolio at the end of December showed overall net indebtedness of £102.8m (borrowing: £142.6m less investments: £39.8m). Base rates have remained at 0.5% all year with the next move expected to be upwards but not for some time, perhaps until 2016/17.

The borrowing strategy for 2013/14 is to use maturing investments to reduce borrowing where possible. To date, two PWLB loans have matured and no new loans have been taken out. Short term borrowing has been used to fund short term cash flow requirements.

The investment strategy for 2013/14 is to gain maximum benefit with security of principal sum invested being the primary consideration. The weighted average return on internal investments at the end of December 2013 was 3.31% compared to a benchmark return for the period of 0.42%. This is an outstanding over-achievement against benchmark and reflects decisions taken some years ago to place investment funds in longer-term fixed rate investments when interest rates were considerably higher than they are today. A schedule of investments is shown at Appendix F.

TREASURY STRATEGY

The Council's Treasury Management Strategy is set within the parameters of the relevant statute, guidance and accounting standards which include the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services and the Prudential Code.

The Council is currently expected to be required to borrow up to £1.0m in 2014/15 based on the current capital programme plans and will adopt a flexible approach to borrowing. The borrowing requirement may increase if the Council proceeds with large commercial projects for example investment in a solar farm or housing for rent at commercial rent levels. In consultation with its treasury management advisors consideration will be given to affordability, maturity profile of existing debt, interest rate and refinancing risk as well as borrowing source.

Where possible, maturing investments will be used to reduce the level of additional borrowing which will reduce investment exposure going forward. The strategy for any new investments will be to lengthen investment periods, where cash flow permits, to achieve higher interest rates within acceptable risk parameters. Maximum investment levels with counterparties will be set to ensure prudent diversification is achieved.

The report also includes the Council's Minimum Revenue Provision Statement, which although the policy is unchanged from 2013/14, within the existing policy we are amending how we calculate the provision from straight line to an annuity basis. This is allowed within the guidance and we have discussed our proposals with our auditors and they have agreed our approach. This includes backdating of the adjustments back to the start of the prudential regime. This will produce a one off saving in 2013/14 of £4.884m and savings in 2014/15 of £1.489m, 2015/16 £1.232m, 2016/17 £1.084m and 2017/18 £0.921m, these gradually reduce before ultimately becoming a cost. If a net present value calculation is done to the cashflows then for a £10 million investment over 40 years using the government's green book discount rate, then the annuity cashflow is around £1 million lower. This change and saving reflects the time value of money. It also sets the Prudential Indicators associated with Treasury for 2014/15.

2. **RECOMMENDATIONS**

Members are asked to note the treasury management activities for the first half year, note the Treasury Management Policy Statement (Appendix A) and approve the Treasury Strategy, including the Annual Investment Strategy for 2014/15 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement.

3. **SUMMARY IMPACT ASSESSMENT**

COMMUNITY IMPACT Do these proposals contribute to specific priority plan objectives?

Yes/No Maximisation of investment income whilst managing risks and minimising borrowing costs whilst also managing risks helps to support the council's overall financial position and therefore the delivery of all policy objectives.

Will the proposals impact on specific groups of people?

Yes/No

TARGET COMPLETION / DELIVERY DATE

Part of ongoing Treasury Management Activities within the Treasury Management Strategy and Policy approved by Council.

FINANCIAL/VALUE FOR MONEY IMPACT

Yes/No Where appropriate these are detailed in the body of the report.

LEGAL ISSUES

Yes/No The Council's Treasury Strategy has to comply with the relevant statute, codes and guidance which are set out both in the main body of this report and Appendices A and C

of the strategy itself Attached).

The Assistant Director: Finance, Audit & Information Governance (Section 151 Officer) has responsibility for the administration of the financial affairs of the Council. In providing this report the Assistant Director: Finance, Audit & Information Governance is meeting one of the responsibilities of the post contained within the Council's Constitution at Part 2, Article 12, paragraph 12.04(f) which states "The Chief financial Officer will contribute to the promotion and maintenance of high standards of governance, audit, probity and propriety, risk management and the approval of the statement of accounts through provision of support to the Audit Committee."

**OTHER IMPACTS,
RISKS AND
OPPORTUNITIES**

Yes/No

The key opportunities and risks associated with treasury management activities are set out in the body of the report and in the Treasury Management Strategy and Policy approved by Council and will be regularly monitored throughout the year.

**IMPACT ON
SPECIFIC WARDS**

Yes/No

PART B – ADDITIONAL INFORMATION

4. 13/14 TREASURY MANAGEMENT UPDATE

4.1 CURRENT PORTFOLIO POSITION

	31 March 13	31 Dec 13
	Principal	Principal
	£m	£m
Fixed Rate Borrowing - PWLB	50.522	40.022
Fixed Rate Borrowing - LOBO	60.000	60.000
Variable Rate Borrowing - LOBO/market	<u>0.092</u>	<u>42.570</u>
Total Debt	110.614	142.592
Investments - in-house	<u>31.426</u>	<u>39.829</u>
Total Investments	31.426	39.829
Net Indebtedness	79.188	102.763

4.2 INTEREST RATES

Base rates began the year at 0.5% and have remained unchanged all year. The Bank of England Quantitative Easing programme remained at £375bn. The next move in the base rate is expected to be upwards, but not for some time, perhaps not until 2016 and will be strongly linked to the recovery of the economy.

4.3 BORROWING & RESCHEDULING

The borrowing strategy for the current year has been to use maturing investments to reduce borrowing where possible.

Rescheduling

During 2013/14 no rescheduling has taken place as market conditions have not been favourable, however the scope for opportunities is regularly monitored.

New Borrowing

During the year 2 PWLB loans matured in November for £5m each.

Between the period 1 June 2013 (previous Member update) and 31 December 2013, £60.6m of temporary loans have been raised in order to fund short-term cash flow requirements at various points. Interest rates have ranged from 0.27% to 0.40% - interest rates have remained fairly low during this time. £42.6m of this temporary borrowing was outstanding at 31 December 2013.

4.4 INVESTMENTS

The strategy for the current year is: To gain maximum benefit, subject to risk control parameters, whilst achieving as a minimum target the 7 day deposit

rate.

4.4.1 In-House Investments

The majority of the Council's investments are internally managed - a mix of both temporary investments for cash flow purposes and longer term investments are undertaken internally. The target return is to achieve at least the 7 day deposit rate.

Temporary Investments

A proportion of funds are invested by the Council's own officers in order to maximise returns from day to day cash flows

In total £1,064m of investments were placed between 1 June and 31 December. Interest rates have ranged from 0.35% to 0.80% and periods ranged from overnight deposits to 52 days. £39.829m in house temporary investments were held at 31 December 2013.

Longer Term Investments

A number of internally managed deposits have been made previously. This has not been added to during 2013/14 and one investment has matured so far during the year for £5.0m. A full list of longer term investments is shown below and total £20.0m.

		£m	%
Fixed Deposit	03/08/09 – 01/08/14	5.0	6.32
Fixed Deposit	06/03/09 – 06/03/14	5.0	6.31
Fixed Deposit	31/03/09 – 31/03/14	5.0	6.37
Fixed Deposit	22/04/09 – 22/04/14	5.0	6.35
Total		20.0	

It should be noted that under the current guidance from our Treasury Advisors our investment policy would mean that new investments should not be placed for longer than 12 months. However the majority of these investments were placed before the start of the financial crisis which resulted in recommended periods for maximum duration being shortened considerably. The council is benefiting from very attractive rates of interest that are no longer available as a result of the decisions to place these investments for longer term periods when interest rates were considerably higher, but these all now mature within the next 7 months.

Overall the weighted average return on all internal investments for the year to date was 3.31% compared to a benchmark return for the period of 0.42%.

4.4.2 Overall Position and Exposure

A full analysis of all Council investments at the end of December is shown in Appendix F.

Our current counterparty limit and maximum exposure is £20.0m with any one counterparty. Counterparty limits will be reviewed once our long term investments have matured during 2014. At the end of December the greatest exposure with a single counterparty was £20.0m with Barclays (50% of the total portfolio).

No investments in Supranational Bonds were held at the end of December.

The Council is guided by its Treasury advisers, Arlingclose, in assessing investments.

4.5 LEASING

Each year the Council arranges operating and finance leases for assets such as vehicles, computers and equipment. This helps to spread the cost over a number of years.

The first drawdown for 2013/14 was completed in October. The drawdown from JCB Finance totalled £0.017m and funded the purchase of equipment over five years at an interest rate of 1.8%. A further lease drawdown is anticipated in March.

5. TREASURY STRATEGY FOR 2014/15 to 2016/17

5.1 BACKGROUND

5.1.1 The CIPFA Treasury Management Code of Practice

The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Annual Investment Strategy as required under the CLG's Investment Guidance.

The purpose of this TMSS is, therefore, to approve the:

- Treasury Management Strategy for 2014/15
- Annual Investment Strategy for 2014/15
- Prudential Indicators for 2014/15, 2015/16, 2016/17 and 2017/18
- MRP Statement.

Treasury Management is about the management of risk. The Authority is responsible for its treasury decisions and activity. No treasury management activity is without risk.

As per the requirements of the Prudential Code, the Authority has adopted the CIPFA Treasury Management in Public Services at a meeting of Full Council on 4 March 2010. In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.

All treasury activity will comply with relevant statute, guidance and accounting standards.

The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification,

monitoring and control of risk are therefore central to the Authority's treasury management strategy.

The strategy takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (Appendix B), the Prudential Indicators (Appendix C) and the outlook for interest rates (Appendix D).

5.1.2 External Context

Economic background: The Bank of England's Monetary Policy Committee (MPC) through its recent forward guidance is committed to keeping policy rates low for an extended period using the Labour Force Survey unemployment rate of 7% as a threshold for when it would consider whether or not to raise interest rates, subject to certain knock-outs. Unemployment was 7.7% in August 2013, but has now fallen to 7.1% just above the threshold. It is not anticipated that there will be any increase in the base rate as a result of this in the short term. The Bank of England may even reduce this threshold to 6.5% or choose a different measure.

The flow of credit to households and businesses is slowly improving but is still below pre-crisis levels. The fall in consumer price inflation from the high of 5.2% in September 2011 to 2.0% in December 2013 will allow real wage increases (i.e. after inflation) to slowly turn positive and aid consumer spending.

Stronger growth data in 2013 (0.4% in Q1, 0.7% in Q2, 0.8% in Q3 and 0.7% in Q4) alongside a pick-up in property prices mainly stoked by government initiatives to boost mortgage lending have led markets to price in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, growth is likely to only be gradual. Arlingclose forecasts the MPC will maintain its resolve to keep interest rates low until the recovery is convincing and sustainable.

In the US expectations for the slowing in the pace of asset purchases ('tapering') by the Federal Reserve and the end of further asset purchases will remain predominant drivers of the financial markets. The Fed did not taper in September and has talked down potential tapering in the near term. It now looks more likely to occur in early 2014 which will be supportive of bond and equity markets in the interim.

Credit outlook: The credit risk of banking failures has diminished, but not dissipated altogether. Regulatory changes are afoot in the UK, US and Europe to move away from the bank bail-outs of previous years to bank resolution regimes in which shareholders, bond holders and unsecured creditors are 'bailed in' to participate in any recovery process. This is already manifest in relation to holders of subordinated debt issued by the Co-op which will suffer a haircut on its conversion bail-in to alternative securities and/or equity. There are also proposals for EU regulatory reforms to Money Market Funds which will, in all probability, result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper. Diversification of investments between creditworthy counterparties to mitigate bail in risk will become even more important in the light of these developments.

Interest rate forecast: Arlingclose's forecast is for the Bank Rate to remain flat until late 2016, the risk to the upside (i.e. rates being higher) are weighted more heavily towards the end of the forecast horizon, as the table below shows. Gilt yields are expected to rise over the forecast period with medium- and long-dated gilts expected to rise by between 0.7% and 1.1%. A more detailed economic and interest rate forecast provided by the Authority's treasury management advisor is attached at Appendix D.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 2.5% for 2014/15, 3.25% for 2015/16 and 4.5% for 2016/17 onwards, and that new longer term loans will be borrowed at the same average rates.

5.1.3 Local Context

The Authority's current level of debt and investments is set out at Appendix B.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.

The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2017/18. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.

The forecasted movement in the CFR in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

The estimates, based on the current Revenue Budget and Capital Programmes, are:

	31/03/13 Actual £m	31/03/14 Estimate £m	31/03/15 Estimate £m	31/03/16 Estimate £m	31/03/17 Estimate £m
Capital Financing Requirement	241.957	275.699	270.329	258.250	248.247
Less: Other long term liabilities (e.g. PFI)	-61.924	-61.742	-60.432	-58.756	-57.605
Borrowing CFR	180.033	213.957	209.897	199.494	190.642
Less: External Borrowing	-110.614	-142.304	-133.266	-127.046	-122.866
Internal Borrowing	69.419	71.653	76.631	72.448	67.776
Less: Usable reserves	-49.116	-49.116	-49.116	-49.116	-49.116
Less: Working capital	-53.879	-32.537	-27.515	-23.332	-18.660
Investments	33.576	10.000	0.000	0.000	0.000

The table above shows a falling Capital Financing Requirement from 2014/15 onwards and this combined with maturing investments reduces the need to borrow other than replacing maturing borrowing and converting from temporary borrowing to fixed borrowing at the best time for the Council dependent on market conditions.

5.1.4 Borrowing Strategy

The Authority currently holds £142.592 million of loans, an increase of £31.978 million on the previous year, as part of its strategy for funding previous years' capital programmes. The Council also holds £61.742 million of other longer term liabilities (mainly PFI). The balance sheet forecast in the above table shows that the Authority expects borrowing to be maintained at around this level at year end and then fall over the next few years as capital receipts are realised. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £234 million.

The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next 2-3 years as official interest rates remain low, it is unlikely to be sustained in the medium-term. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2014/15 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Authority may borrow short-term loans to cover unexpected cash flow shortages.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board
- UK local authorities, including Fire and police Authorities
- any institution approved for investments (see below)
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds
- capital market bond investors
- special purpose companies created to enable joint local authority bond issues.

The Authority has previously raised a significant part of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

The Authority holds £60m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £55m of these LOBOS have options during 2014/15, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk, which will arise at some point in the future when interest rates increase. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £60m. Short-term and variable rate loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk. Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in Appendix D indicates that an acute difference between short and longer term interest rates is expected to continue. This difference creates a "cost of carry" for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority's wider financial position.

5.2 Investment Strategy

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £31 million and £72 million, and levels are expected to reduce in the forthcoming year as long term investments mature and are used to avoid/reduce borrowing.

Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

The Authority may invest its surplus funds with any of the counterparties in table 2 below, subject to the cash and time limits shown.

Approved Investment Counterparties

Counterparty		Cash limit	Time limit †
Banks and other organisations and securities whose lowest published long-term credit rating from Fitch, Moody's and Standard & Poor's is:	AAA	£20m each	10 years*
	AA+		5 years*
	AA		4 years*
	AA-		3 years*
	A+		2 years
	A		1 year
	A-		
UK Central Government (irrespective of credit rating)		unlimited	50 years**
UK Local Authorities (irrespective of credit rating)		£20m each	50 years**
UK Registered Providers of Social Housing whose lowest published long-term credit rating is A- or higher		£20m each	10 years**
UK Registered Providers of Social Housing whose lowest published long-term credit rating is BBB- or higher and those without credit ratings		£5m each	5 years
UK Building Societies without credit ratings		£1m each	1 year
Money market funds and other pooled funds		£10m each	n/a
Any other organisation, subject to an external credit assessment and specific advice from the Authority's treasury management adviser		£5m each	3 months
		£1m each	1 year
		£100k each	5 years

† the time limit is doubled for investments that are secured on the borrower's assets

* but no longer than 2 years in fixed-term deposits and other illiquid instruments

** but no longer than 5 years in fixed-term deposits and other illiquid instruments

There is no intention to restrict investments to bank deposits, and investments may be made with any public or private sector organisations that meet the above credit rating criteria. This reflects a lower likelihood that the UK and other governments will support failing banks as the bail-in provisions in the Banking Reform Act 2014 and the EU Bank Recovery and Resolution Directive are implemented.

In addition, the Authority may invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Authority's treasury management adviser.

Current Account Bank: Following a competitive tender exercise held in 2010, the Authority's current accounts are held with HSBC plc which is currently rated above the minimum A- rating in table 2. Should the credit ratings fall below A-, the Authority may continue to deposit surplus cash with HSBC plc providing that investments that can be withdrawn on the next working day, and that the bank maintains a credit rating no lower than BBB- (the lowest investment grade rating).

Registered Providers: Formerly known as Housing Associations, Registered Providers of Social Housing are tightly regulated by the Homes and Communities Agency and retain a high likelihood of receiving government support if needed. The Authority will consider investing with unrated Registered Providers with adequate credit safeguards, subject to receiving independent advice.

Building Societies: The Authority takes additional comfort from the building societies' regulatory framework and insolvency regime where, in the unlikely event of a building society liquidation, the Authority's deposits would be paid out in preference to retail depositors. The Authority will therefore consider investing with unrated building societies where independent credit analysis shows them to be suitably creditworthy. The Government has announced plans to amend the building society insolvency regime alongside its plans for wide ranging banking reform, and investments in lower rated and unrated building societies will therefore be kept under continuous review.

Money Market Funds: These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Fees of between 0.10% and 0.20% per annum are deducted from the interest paid to the Authority. Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while funds whose value changes with market prices and/or have a notice period will be used for longer investment periods. Note: we have removed the requirement for AAA ratings following EU proposals to stop money market funds from having credit ratings.

Other Organisations: The Authority may also invest cash with other organisations, for example by making loans to small businesses. Because of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Authority's treasury management adviser.

Risk Assessment and Credit Ratings: The Authority uses long-term credit ratings from the three main rating agencies Fitch Ratings, Moody's Investors Service and Standard & Poor's Financial Services to assess the risk of investment default. The lowest available counterparty credit rating will be used to determine credit quality, unless an investment-specific rating is available. Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a A- rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating

criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - o the UK Government,
 - o a UK local authority, parish council or community council, or
 - o a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in the table below.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£25m
Total investments without credit ratings or rated below A-	£5m
Total investments in foreign countries rated below AA+	£5m
Total non-specified investments	£30m

Investment Limits: The Authority has revenue reserves, which could be used to cover investment losses and are forecast to be £49 million on 31st March 2014 although not all of these are available though. In order that no more than 50% of

reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £20 million. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers' nominee accounts (e.g. King & Shaxson), foreign countries and industry sectors as below:

Table 4: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£20m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£20m per group
Any group of pooled funds under the same management	£20m per manager
Negotiable instruments held in a broker's nominee account	£20m per broker
Foreign countries	£10m per country
Registered Providers	£10m in total
Building Societies	£10m in total
Loans to small businesses	£5m in total
Money Market Funds	£10m in total

Approved Instruments: The Authority may lend or invest money using any of the following instruments:

- interest-bearing bank accounts,
- fixed term deposits and loans,
- callable deposits and loans where the Authority may demand repayment at any time (with or without notice),
- callable deposits and loans where the borrower may repay before maturity, but subject to a maximum of £5 million in total,
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments, and
- shares in money market funds and other pooled funds.

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

Liquidity management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

5.3 Ethical Investment

The Council will not knowingly directly invest in organisations whose activities

include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the Council. At the same time the Council will take full responsibility for proper management of risk and safeguarding its investments by ensuring that they are diversified and made with organisations suitably credit assessed.

The Council's lending activity will be subject to (in order of rank)

- The assessment of meeting the minimum lending criteria as specified in the current Treasury Management Strategy and the minimum credit ratings as outlined in the Strategy;
- Meeting the Security, Liquidity & Yield criteria as set out in the current Treasury Management Strategy and Compliance with the Treasury Management Practice Statements;
- And investments are not contrary to the values outlined in the Ethical Investment Framework.

5.4 The Use of Financial Instruments for the Management of Risks

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

5.5 Balanced Budget Requirement

The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

5.6 2014/15 MRP Statement

5.6.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 08 (SI 08/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

5.6.2 The four MRP options available are:
Option 1: Regulatory Method
Option 2: CFR Method

Option 3: Asset Life Method

Option 4: Depreciation Method

NB This does not preclude other prudent methods.

5.6.3 MRP in 2014/15: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

5.6.4 The MRP Statement will be submitted to Council before the start of the 2014/15 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

5.6.5 The Council will apply Option 1 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure.

There is a change to how MRP will be calculated under option 3 and rather than using a straight line basis MRP will be calculated on an annuity method as allowed within the guidance. This will be applied to the calculation of MRP for 2013/14 and ongoing, as well as a one off adjustment during 2013/14 in relation to voluntary overprovision of MRP in previous years since the introduction of the prudential system. The value of this over provision is a one off adjustment of £4.884m and this will be used to offset some of the costs in relation to the additional capital investments included in the budget over the next 10 years. Savings in MRP will also accrue in 2014/15 for £1.489m; 2015/16 £1.232m; 2016/17 £1.084m and 2017/18 £0.921m. This saving will gradually reduce and eventually become a cost. The revised methodology reflects the time value of money.

Also MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

5.7 Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

The Assistant Director: Finance, Audit & Information Governance will report to the Audit Committee on treasury management activity / performance and Performance Indicators as follows:

- half yearly against the strategy approved for the year. The Authority will produce an outturn report on its treasury activity no later than 30th September after the financial year end.
- Audit Committee will be responsible for the scrutiny of treasury management activity and practices rather than the Budget and Finance Scrutiny Committee.

6 Other Items

6.1 Training

CIPFA's Code of Practice requires the responsible officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to

their needs and understand fully their roles and responsibilities.
Reviewing and addressing training needs: The authority regularly reviews the training needs of its staff involved with treasury management and ensures that staff are appropriately trained.

6.2 Investment Consultants/Treasury Advisors

The Council uses Arlingclose as its external treasury management advisers.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review to ensure the quality of any such service is controlled.

7. BACKGROUND PAPERS

CIPFA Code of Practice for Treasury Management in Local Authorities
Temporary Borrowing Records
PWLB records
Investment records
Draft Treasury Strategy provided by Arlingclose
Local Government Act 2003
CLG Guidance on Local Authority Investments
Audit Commission – Risk and Return

Report prepared by
Bernie Morris, Finance Manager (01952) 383702
Ken Clarke, Assistant Director: Finance, Audit & Information Governance
(01952) 383100.

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

1.3 The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Audit Committee and for the execution and administration of treasury management decisions to Assistant Director: Finance, Audit & Information Governance, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

1.5 The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

2.4 The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council

transparency and control over its debt. The Council will look to minimise borrowing through the use of maturing investments to fund capital expenditure rather than reinvestment.

2.5 The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations. Generally as investments mature they will not be reinvested but be used to minimise borrowing.

APPENDIX B

EXISTING PORTFOLIO PROJECTED FORWARD

	Current Portfolio £m	%	31/3/14 Estimate £m	31/3/15 Estimate £m	31/3/16 Estimate £m	31/3/17 Estimate £m	31/3/18 Estimate £m
External Borrowing:							
Fixed Rate – PWLB	40.0	20	39.5	28.5	27.5	26.5	25.5
Fixed Rate – Market	60.0	29	60.0	60.0	60.0	60.0	60.0
Variable Rate – PWLB	0.0	0	0.0	0.0	0.0	0.0	0.0
Variable Rate – Market	42.6	21	42.8	44.8	39.6	36.4	33.7
Total External Borrowing	142.6	70	142.3	133.3	127.1	122.9	119.2
IFRS Long Term Liabilities:							
PFI	61.0	30	61.0	59.7	58.0	56.9	57.3
Finance Leases	0.7	0	0.7	0.7	0.7	0.7	0.7
Total Gross External Debt	204.3	100	204.0	193.7	185.8	180.5	177.2
Investments: <i>Managed in-house</i>							
Short-term monies (Deposits/ monies on call /MMFs)	39.8	100	10.0	0.0	0.0	0.0	0.0
Long-term investments (maturities over 12 months)	0.0	0	0.0	0.0	0.0	0.0	0.0
Total Investments	39.8	100	10.0	0.0	0.0	0.0	0.0
(Net Borrowing Position)/ Net Investment position	(164.5)		(194.0)	(193.7)	(185.8)	(180.5)	(177.2)

Appendix C
Prudential Indicators 2014/15 – 2017/18

1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA’s Prudential Code for Capital Finance in Local Authorities (the “CIPFA Prudential Code”) when setting and reviewing their Prudential Indicators.

2. Gross debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Assistant Director: Finance, Audit & Information Governance reports that the authority had no difficulty meeting this requirement in 2013/14, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
Total	107.199	99.125	115.650	26.518	4.464	1.432

**if applicable*

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
Capital receipts	39.127	5.374	38.252	26.540	7.989	3.500
Government Grants	64.087	57.766	75.018	6.198	0.655	1.603
Revenue / External contributions	0.349	0.779	1.418	0.000	0.000	0.000
Total Financing	103.563	63.919	114.688	32.738	8.644	5.103
Supported borrowing	0.257	1.292	0.658	0.000	0.000	0.000
Unsupported borrowing	3.379	33.914	0.304	-6.220	-4.180	-3.671
Total Funding	3.636	35.206	0.962	-6.220	-4.180	-3.671
Total Financing and Funding	107.199	99.125	115.650	26.518	4.464	1.432

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	13/14 Approved %	13/14 Revised %	14/15 Estimate %	15/16 Estimate %	16/17 Estimate %	17/18 Estimate %
Total	3.11	2.89	3.85	3.67	4.28	4.25

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

Capital Financing Requirement	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
Total CFR	237.879	241.957	275.699	270.329	258.250	248.247

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/13	£m
Borrowing	110.614
Other Long-term Liabilities	61.924
Total	172.518

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	13/14 Approved £	14/15 Estimate £	15/16 Estimate £	16/17 Estimate £	17/18 Estimate £m
Increase in Band B Council Tax	-3.71	21.21	4.20	2.51	12.64

7.2 The increase in Band B council tax reflects the increases in the provision for Capital Financing Charges of £0.599m by 2019/20 to undertake additional borrowing of £18.846m arising from the proposed capital programme. In the short term there are savings due to the rephasing of existing planned borrowing and medium term there is spending ahead of anticipated capital receipts, but once complete the overall increase in Band B is £10.51.

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing,

overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
Borrowing	145	145	170	165	165	160
Other Long-term Liabilities	65	65	64	63	62	61
Total	210	210	234	228	227	221

8.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Assistant Director: Finance, Audit & Information Governance has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Audit Committee.

Operational Boundary for External Debt	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
Borrowing	125	125	158	149	150	141
Other Long-term Liabilities	63	63	62	61	60	59
Total	188	188	220	210	210	200

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 4 March 10.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Gross Debt and the Capital Finance Requirement

10.1 The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need. If these figures exceed CFR (which they don't) they would indicate we are borrowing in advance of need.

Gross and Net Debt	13/14 Estimated £m	14/15 Authorised £m	15/16 Authorised £m	16/17 Authorised £m	17/18 Authorised £m
Outstanding Borrowing (at nominal value)	142.304	134.644	128.424	124.244	120.573
Other Long-term Liabilities (at nominal value)	61.742	60.432	58.756	57.605	58.042
Gross Debt	204.046	195.076	187.180	181.849	178.615

11. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

11.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments / total debt net of total investments)

11.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

Guidance note on quantum of acceptable volatility...

	Existing level (or Benchmark level) at 31/03/13 %	13/14 Approved %	13/14 Revised %	14/15 Estimate %	15/16 Estimate %	16/17 Estimate %	17/18 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure	30	30	30	30	30	30	30
Local Indicator – Upper limit for net variable rate exposure. (Net principal re gross variable rate borrowing and investments divided by gross borrowing plus investments)	70	70	70	70	70	70	70

11.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

12. Maturity Structure of Fixed Rate borrowing:

12.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to

protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

12.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Maturity structure of fixed rate borrowing	Existing level (level at 31/03/13) %	Lower Limit for 14/15 %	Upper Limit for 14/15 %
under 12 months	30 (0)	0	40
12 months and within 24 months	8 (10)	0	25
24 months and within 5 years	2 (12)	0	50
5 years and within 10 years	2 (2)	0	75
10 years and within years	0 (0)	0	75
years and within 30 years	0 (0)	0	75
30 years and within 40 years	7 (5)	0	100
40 years and within 50 years	16 (25)	10	100
50 years and above	35 (45)	15	100

13. Credit Risk:

13.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.

13.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

13.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

13.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

14. Upper Limit for total principal sums invested over 364 days:

14.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
	95	95	95	95	95	95

Appendix D – Arlingclose Economic & Interest Rate Forecast December 2013

Underlying Assumptions:

- Underlying assumptions:
- Growth continues to strengthen with the second estimate for Q3 growth coming in at an unrevised 0.8% and first estimate of Q4 at 0.7%. The service sector remains the main driver of growth, boosted by a contribution from construction.
- The unemployment rate has fallen to 7.1%. The pace of decline in this measure will be dependent on a slower expansion of the workforce than the acceleration in the economy, alongside the extent of productivity.
- The CPI for December has fallen to 2.0%, a much more comfortable position for the MPC. Utility price increases are expected to keep CPI at or above the 2% target in 2014, before falling back again.
- The principal measure in the MPC's Forward Guidance on interest rates is the Labour Force Survey (LFS) unemployment rate. The MPC intends not to raise the Bank Rate from its current level of 0.5% at least until this rate has fallen to a threshold of 7%, this threshold is likely to be reviewed.
- The reduction in uncertainty and easing of credit conditions have begun to unlock demand, much of which has fed through to the housing market. In response to concerns over a house price bubble, the Bank of England announced a curtailment of the Funding for Lending Scheme, which will henceforth concentrate on business lending only.
- The MPC will not hesitate to use macro prudential and regulatory tools to deal with emerging risks (such as curtailing the FLS). Absent risks to either price stability or financial stability, the MPC will only tighten policy when it is convinced about the sustained durability of economic growth.
- Federal Reserve monetary policy expectations - the slowing in the pace of asset purchases ('tapering') and the end of further asset purchases - will remain predominant drivers of the financial markets. Tapering of asset purchases will begin in Q1 2014. The US political deadlock over the debt ceiling will need resolving in Q1 2014.
- The European backstop mechanisms have lowered the risks of catastrophic meltdown. The slightly more stable economic environment at the aggregate Eurozone level could be undone by political risks and uncertainty in Italy, Spain and Portugal (doubts over longevity of their coalitions). The ECB has discussed a third LTRO, as credit conditions remain challenging for European banks.
- China data has seen an improvement, easing markets fears. Chinese leaders have signalled possible monetary policy tightening.
- On-going regulatory reform and a focus on bail-in debt restructuring of is likely to prolong banking sector deleveraging and maintain the corporate credit bottleneck.

Forecast:

- Our projected path for short term interest rates remains flat. Markets are still pricing in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. The MPC will not raise rates until there is a sustained period of strong growth. However, upside risks weight more heavily at the end of our forecast horizon.
- We continue to project gilt yields on an upward path through the medium term. The recent climb in yields was overdone given the soft fundamental global outlook and risks surrounding the Eurozone, China and US.

	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Official Bank Rate													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	1.00
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk				-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month LIBID rate													
Upside risk	0.20	0.25	0.30	0.35	0.40	0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.80
Arlingclose Central Case	0.45	0.45	0.50	0.55	0.55	0.55	0.55	0.60	0.65	0.70	0.80	0.80	0.80
Downside risk	-0.25	-0.25	-0.25	-0.30	-0.30	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55
1-yr LIBID rate													
Upside risk	0.35	0.30	0.35	0.40	0.45	0.50	0.60	0.70	0.75	0.75	0.75	0.80	0.80
Arlingclose Central Case	0.90	0.95	0.95	0.95	1.00	1.05	1.10	1.15	1.20	1.25	1.30	1.40	1.40
Downside risk	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	1.45	1.50	1.55	1.60	1.65	1.70	1.75	1.85	1.95	2.10	2.30	2.50	2.50
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75	-0.80	-0.80	-0.80
10-yr gilt yield													
Upside risk	0.50	0.50	0.50	0.65	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	2.55	2.60	2.65	2.70	2.75	2.80	2.85	2.90	3.00	3.10	3.30	3.50	3.50
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75	-0.80	-0.80	-0.80
20-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.25	3.30	3.35	3.40	3.45	3.50	3.55	3.65	3.75	3.85	4.05	4.15	4.15
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80
50-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	3.45	3.50	3.55	3.60	3.65	3.70	3.75	3.80	3.85	3.95	4.05	4.15	4.15
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80

Appendix E – Recommended Sovereign and Counterparty List (Section 8)

- **Group Limits** - For institutions within a banking group, the authority executes a limit at the highest of any of the single banks within that group.
- **Sovereign Limit** – The Council will only invest a maximum of 20% of the portfolio with non UK sovereigns.

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Group Limit (if applicable) %/£m	Council Holding At 31/12/13 £m
Term Deposits / CDs / Call Accounts	UK	Santander UK Plc (Banco Santander Group)	20	20	7
Term Deposits / CDs / Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Lloyds TSB (Lloyds Banking Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Barclays Bank Plc	20	20	20
Term Deposits / CDs / Call Accounts	UK	HSBC Bank Plc	20	20	13
Term Deposits / CDs / Call Accounts	UK	Nationwide Building Society	20	20	0
Term Deposits / CDs / Call Accounts	UK	NatWest (RBS Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Royal Bank of Scotland (RBS Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Standard Chartered Bank	20	20	0
Term Deposits / CDs / Call Accounts	UK	Close Brothers Limited	20	20	0
Term Deposits / CDs / Call Accounts	UK	Goldman Sachs International Bank	20	20	0
Term Deposits / CDs / Call Accounts	UK	Leeds Building Society	20	20	0
Term Deposits / CDs / Call Accounts	Australia	Australia and NZ Banking Group	20	20	0

Term Deposits / CDs / Call Accounts	Australia	Commonwealth Bank of Australia	20	20	0
Term Deposits / CDs / Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)	20	20	0
Term Deposits / CDs / Call Accounts	Australia	Westpac Banking Corp	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Bank of Montreal	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Bank of Nova Scotia	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Canadian Imperial Bank of Commerce	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Royal Bank of Canada	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Toronto-Dominion Bank	20	20	0
Term Deposits / CDs / Call Accounts	Finland	Nordea Bank Finland	20	20	0
Term Deposits / CDs / Call Accounts	Finland	Pohjola Bank	20	20	0
Term Deposits / CDs / Call Accounts	Germany	Deutsche Bank AG	20	20	0
Term Deposits / CDs / Call Accounts	Germany	Landesbank Hessen – Thuringen (Helaba)	20	20	0
Term Deposits / CDs / Call Accounts	Netherlands	ING Bank NV	20	20	0
Term Deposits / CDs / Call Accounts	Netherlands	Rabobank	20	20	0
Term Deposits / CDs / Call Accounts	Netherlands	Bank Nederlandse Gemeenten	20	20	0
Term Deposits / CDs / Call Accounts	Singapore	DBS Bank Ltd	20	20	0
Term Deposits / CDs / Call Accounts	Singapore	Oversea-Chinese Banking Corporation (OCBC)	20	20	0
Term Deposits / CDs / Call Accounts	Singapore	United Overseas bank (UOB)	20	20	0

Term Deposits / CDs / Call Accounts	Sweden	Svenska Handelsbanken	20	20	0
Term Deposits / CDs / Call Accounts	Switzerland	Credit Suisse	20	20	0
Term Deposits / CDs / Call Accounts	US	JP Morgan Chase Bank	20	20	0

***Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively, if a counterparty is downgraded, this list may be shortened. The counterparty list was correct as at 31 December 2013.*

SUMMARY OF INVESTMENTS**TOTAL RISK PER COUNTERPARTY AS AT 31 DECEMBER 2013**

	CREDIT RATING				TOTAL £000
<u>Fixed Deposits</u>					
Barclays	UK AAA	F1+AA-	B	1	20,000
HSBC	UK AAA	F1+AA	B	1	13,029
Santander	UK AAA	F1+AA-	B	1	6,800
TOTAL- FIXED TERM AND CASH DEPOSITS					39,829

<u>SUMMARY BY SOVEREIGN RATING</u>	<u>£000</u>	<u>%</u>
UK AAA	39,829	100
Total	39,829	100

Credit Ratings – A Guide.

Long-term credit ratings and Sovereign Ratings

Fitch Rating' long-term credit ratings are set up along a scale from 'AAA' to 'D', first introduced in 1924 and later adopted and licensed by Standard & Poors (S&P). Moody's also uses a similar scale, but names the categories differently. Like S&P, Fitch also uses intermediate modifiers for each category between AA and CCC (i.e., AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- etc.).

Investment grade

- **AAA** : the best quality, reliable and stable
- **AA** : good quality, a bit higher risk than AAA
- **A** : economic situation can affect finance
- **BBB** : medium class counterparties, which are satisfactory at the moment

Non-investment grade

- **BB** : more prone to changes in the economy
- **B** : financial situation varies noticeably
- **CCC** : currently vulnerable and dependent on favourable economic conditions to meet its commitments
- **CC** : highly vulnerable, very speculative bonds
- **C** : highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations
- **D** : has defaulted on obligations and Fitch believes that it will generally default on most or all obligations
- **NR** : not publicly rated

Short-term credit ratings

Fitch's short-term ratings indicate the potential level of default within a 12-month period.

- **F1+** : best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment
- **F1** : best quality grade, indicating strong capacity of obligor to meet its financial commitment
- **F2** : good quality grade with satisfactory capacity of obligor to meet its financial commitment
- **F3** : fair quality grade with adequate capacity of obligor to meet its financial commitment but near term adverse conditions could impact the obligor's commitments
- **B** : of speculative nature and obligor has minimal capacity to meet its commitment and vulnerability to short term adverse changes in financial and economic conditions
- **C** : possibility of default is high and the financial commitment of the obligor are dependent upon sustained, favourable business and economic conditions
- **D** : the obligor is in default as it has failed on its financial commitments.

Bank Individual Ratings

Individual Ratings are assigned to banks that are legal entities. The term "banks" here includes bank holding companies and bank assurance holding companies, bank assurance companies operating as single legal entities, investment banks and private banks. These ratings may also be assigned to leasing companies, instalment credit companies, credit card companies, brokerage houses, investment management companies and securities dealing companies, as circumstances demand. These ratings, which are internationally comparable, attempt to assess how a bank would be viewed if it were entirely independent and could not rely on external support. These ratings are designed to assess a bank's exposure to, appetite for, and management of risk, and thus represent the agency's view on the likelihood that it would run into significant financial difficulties such that it would require support.

- A:** A very strong bank. Characteristics may include outstanding profitability and balance sheet integrity, franchise, management, operating environment or prospects.
- B:** A strong bank. There are no major concerns regarding the bank. Characteristics may include strong profitability and balance sheet integrity, franchise, management, operating environment or prospects.
- C:** An adequate bank, which, however, possesses one or more troublesome aspects. There may be some concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects.
- D:** A bank that has weaknesses of internal and/or external origin. There are concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects. Banks in emerging markets are necessarily faced with a greater number of potential deficiencies of external origin.
- E:** A bank with very serious problems, which either requires or is likely to require external support.
- F:** A bank that has either defaulted or, in Fitch Ratings' opinion, would have defaulted if it had not received external support. Examples of such support include state or local government support, (deposit) insurance funds, acquisition by some other corporate entity or an injection of new funds from its shareholders or equivalent.

Notes: Gradations may be used among the ratings A to E: i.e. A/B, B/C, C/D, and D/E. No gradations apply to the F rating.

Support Ratings (1 – 5)

The Purpose and Function of Support Ratings

Support Ratings are Fitch Ratings' assessment of a potential supporter's propensity to support a bank and of its ability to support it. Its propensity to support is a judgment made by Fitch Ratings. Its ability to support is set by the potential supporter's own Issuer Default Ratings, both in foreign currency and, where appropriate, in local currency. Support Ratings do not assess the intrinsic credit quality of a bank. Rather they communicate the agency's judgment on whether the bank would receive support should this become necessary. These ratings are exclusively the expression of Fitch Ratings' opinion even though the principles underlying them may have been discussed with the relevant supervisory authorities and/or owners.

Timeliness and Effectiveness Requirements

Fitch Ratings' Support Rating definitions are predicated on the assumption that any necessary "support" is provided on a timely basis. The definitions are also predicated on the

assumption that any necessary support will be sufficiently sustained so that the bank being supported is able to continue meeting its financial commitments until the crisis is over.

Obligations and Financial Instruments Covered

In terms of these definitions, unless otherwise specified, "support" is deemed to be in terms of foreign currency. It is assumed that typically the following obligations will be supported: senior debt (secured and unsecured), including insured and uninsured deposits (retail, wholesale and interbank); obligations arising from derivatives transactions and from legally enforceable guarantees and indemnities, letters of credit, and acceptances; trade receivables and obligations arising from court judgments.

Likewise, the agency does not assume that the following capital instruments will be supported when sovereign support is involved: preference/preferred shares or stock; hybrid capital (tier 1 and upper tier 2), including reserve capital instruments (RCIs) and variations upon RCIs; and common/ordinary equity capital. It is also assumed that there will be no support for any moral obligation on securitizations. The sovereign support status of subordinated debt is difficult to categorize in advance; it is assessed on a case by case basis, distinguishing among different jurisdictions.

Definitions:

- 1:** A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.
- 2:** A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.
- 3:** A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.
- 4:** A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.
- 5:** A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

GLOSSARY

Term	Meaning
Affordable Borrowing Limit	The amount the authority would normally borrow at any point of time in the year. This boundary might be exceeded temporarily but only in exceptional circumstances. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Authorised Borrowing Limit	The maximum amount the authority can borrow at any point of time in the year. This limit should never be exceeded. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Capital Financing Requirement (CFR)	This represents the underlying need for the authority to borrow and represents the assets of the authority less the long term capital liabilities.
Credit Default Swaps (CDS)	CDS are bought by investors to insure against defaults (i.e. the counterparty not being able to repay). The higher the cost/premium then the higher the risk – CDS therefore given a market view of the credit worthiness of an organisation.
Credit Ratings	Rating on the ability of an organisation to meet its obligations; ratings are assigned by independent, specialist companies, such as Fitch and Moodys using market intelligence they gather.
Credit Risk	The risk that the debtor will default on their obligations
Counterparty	The organisation that you are conducting your business with.
Debt Management Account Deposit Facility	Provided by the <u>Debt Management Office</u> , users can place cash in secure fixed-term deposits. Deposits are guaranteed by the government and therefore have the equivalent of a sovereign triple-A credit rating.
Derivative Instruments	A security whose price is dependent upon or derived from one or more underlying assets. The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Most derivatives are characterized by high leverage. For example, a stock option is a derivative because it derives its value from the value

	of a stock. An interest rate swap is a derivative because it derives its value from one or more interest rate indices.
Discounts	These relate to Public Works Loans Board loans. If rates have increased since the borrowing was undertaken then part of the benefit that PWLB will achieve from being able to loan out at that higher rate are passed back to an authority if they repay the loan early.
Fund Managers	Independent investment managers who work to a specific mandate and invest funds on behalf of the Council
Inflation	The rise in prices of goods and services over a period of time.
Interest Rate Risk	The risk that the value of an investment will change due to changes to the interest rate.
Internal Borrowing	This is where the amount of an authority's borrowing is less than its CFR or underlying need to borrow and represents the use of internal balances rather than borrowing from the market.
LIBID	London inter-bank bid rate. Interest rate at which prime banks will borrow money in the London inter-bank market.
LIBOR	London inter-bank offer rate. Interest rate at which prime banks will lend money in the London inter-bank market. Fixed every day by the British Bankers Association to five decimal places.
Liquidity Risk	The risk of not being able to trade an investment quickly to release cash.
Minimum Revenue Provision (MRP)	This is the amount charged against the Income and Expenditure Account for the year in relation to the repayment of debt on borrowing in order to fund capital expenditure.
Obligor	An individual or company that owes debt to another individual or company (the creditor), as a result of borrowing or issuing bonds.
Premia	This is the penalty applied to the early redemption of PWLB loans where rates have fallen since the loan was undertaken.
Prudential Code	A professional code of practice which provides regulatory framework to local authorities on capital expenditure, investments and borrowing activities.
Prudential Indicators	A set of indicators developed within the Prudential Code which define thresholds for investment and borrowing within a local authority.

PWLB	Public Works Loans Board – a Government agency providing long and short term loans to local authorities. Interest rates are generally lower than the private sector and slightly higher than the rates at which the Government themselves may borrow.
Re-scheduling	This relates to repaying existing borrowing early and replacing it with borrowing for a different period usually, but not necessarily, at lower rates
Return	The gain from holding an investment over a given period
Security	An investment instrument, other than an insurance policy or fixed annuity, issued by a corporation, government or other organisation which offers evidence of debt or equity.
Sovereign Exposure	Risk of exposure to one particular country.
Supranational Bonds	These are bonds (similar to gilts) issued by multi government development organisations and are supported by all of the governments who form part of the organisation. E.g. European Investment Bank and are usually very secure.
Quantative Easing	This is where the government buy back there own gilt issuance to effectively pump money into the financial markets of the economy.

TELFORD & WREKIN COUNCIL

**CABINET – 20 FEBRUARY 2014
COUNCIL - 27 FEBRUARY 2014**

PRUDENTIAL INDICATORS

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

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

1. Summary of Main Proposals

- 1.1 To approve the prudential indicators for 2014/15 to 2016/17 required under the Prudential Code of Capital Finance in Local Authorities.

2. Recommendations

- 2.1 **Members are asked to approve the prudential indicators proposed in this report as part of setting the budget for 2014/15.**

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priorities? Yes/No The prudential indicators form part of the Council's service and financial planning strategy and the overall budget and policy framework which is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priority outcomes. Will the proposals impact on specific groups of people? Yes/No
TARGET COMPLETION / DELIVERY DATE	Prudential Indicators have to be set annually under the Local Government Act 2003.
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/No Where appropriate these are detailed in the body of the report.
LEGAL ISSUES	Yes/No CIPFA's Prudential Code is regarded as mandatory guidance associated with the Local Government Act 2003.
OTHER IMPACTS,	Yes/No The opportunities and risks associated with

RISKS AND OPPORTUNITIES

the report have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.

IMPACT ON SPECIFIC WARDS Yes/No

PART B – ADDITIONAL INFORMATION

4. Summary

4.1 The Prudential System was introduced from 1 April 2004. Under the Prudential System the Council has to approve Prudential Indicators annually and these are contained in the report.

5. The CIPFA Prudential Code

5.1 In September 2003 CIPFA Council approved and subsequently published the final version of the code (updated in 2009), and the concluding paragraph of its executive summary records;

*“The Prudential Code supports the systems of capital investment in local authorities. It is integrated within the wider statutory and management processes of local government. Key elements of the system continue to be determined by legislation, in particular the amount required to be charged to taxation by local authorities in respect of capital investment and the amount and method of government support for capital investment. These will be significant decisions when local authorities take decisions on capital investment. **However, the level of capital investment that can be supported will be subject to affordability and sustainability and be a matter for local decision.**”*

5.2 The general approach of the code is to require the Council to set estimates and limits on its borrowing and features associated with borrowing. The underlying philosophy is that the Council should set limits that ensure borrowing is affordable in the medium to long term. Affordability is determined by the overall amount of borrowing and the interest rate at which it is done. Because borrowing is only permissible (and will remain so) for capital expenditure local authorities have traditionally borrowed at longer term fixed rates of interest (i.e. over 1 year, and typically over 20 years). This helps ensure stability over the medium term; for example a variable rate loan currently at 4.5% may be less attractive than a fixed rate loan at 4.8% if there is thought to be a reasonable possibility that variable rates will rise above 5.2% within a year. To help ensure financial stability the code requires authorities to consider the structure of their borrowing.

5.3 The code also requires authorities with significant investments to set indicators associated with lending money.

5.4 Practically the remaining paragraphs of this section consider the indicators and recommends what the indicators should be for 2014/15. In most cases indicators have to be set for 3 financial years ahead, so figures are also provided for 2015/16 and 2016/17. In proposing these indicators a pragmatic

approach has been taken; i.e. known Council plans (including the present treasury structure) have been considered.

- 5.5 For each indicator, ***the CIPFA requirements of the code are set out in bold italics.*** The limits proposed by the Chief Finance Officer for 2014/15 are then set out. An explanation is provided, unless the indicator and limits are completely self explanatory.

5.6 Prudential Indicators of Affordability – Ratio Affordability Measure

- 5.6.1 ***The local authority will estimate for the forthcoming financial year and the following two financial years the ratio of financing costs to net revenue stream. This prudential indicator shall be referred to as estimates of ratio of financing costs to net revenue stream.***

- 5.6.2 In Telford & Wrekin's case this indicator makes more sense if Local Government Reorganisation (LGR) debt paid over to Shropshire Council is included.

Revenue Budget

Year 1(2014/15)	3.85%
Year 2(2015/16)	3.67%
Year 3(2016/17)	4.28%

- 5.6.3 The indicator has been calculated as debt interest costs divided by budget requirement for the general fund element. The general fund indicator above shows a slight increase in the ratio (This broadly matches the expected prudential borrowing which is noted in 5.10.2 and the cuts in grants impacting on net revenue stream).

5.7 Prudential Indicators of Affordability – Incremental Council Tax Affordability Measures

The local authority will

- (i) forecast the total budgetary requirements for the authority based on no changes to the existing capital programme***
- (ii) forecast the total budgetary requirements for the authority with the changes to the capital programme included in the calculation***
- (iii) take the difference between (i) and (ii) and calculate the addition or reduction to Council tax that would result.***

This prudential indicator will be referred to as estimates of the incremental impact of new capital investment decisions on the Council Tax and shall be expressed in the following manner £ xx.xx.

- 5.7.1 The indicator is calculated by taking the estimates of capital included in the Capital Budget Report, assuming it is financed through a mixture of borrowing and use of capital receipts (with interest at 4.5% ongoing, with Minimum Revenue Provision calculated in line with the MRP policy as

detailed in the Treasury Strategy Report) and dividing them by the tax base (44,306.3). It also assumes that the only Government Approvals agreed at this stage are those for 2014/15, with those for the latter 2 years being only provisional at this stage. The indicator works on a cumulative basis (i.e. the year 2 indicator includes the full year cost of year 1 expenditure, together with the part year cost of that year's programme), but only part year interest cost in the year expenditure is incurred. The estimate has been split into 3 parts which are expenditure funded by prudential borrowing, capital receipts and government borrowing allocations. No Government Borrowing allocations have been issued for 2014/15 and 2015/16, There are no principal repayments in respect of capital receipts.

- 5.7.2 The estimate of the incremental impact on Council Tax (Band B) of capital decisions proposed over and above capital investment decisions that have already been taken by the Council are as follows;

<u>Year</u>	<u>Prudential Borrowing</u> £	<u>Total</u> £
2014/15	21.20	21.20
2015/16	4.20	4.20
2016/17	2.51	2.51

5.7.3 Prudential Indicators of Affordability – Incremental Housing Rent Affordability Measures

This Indicator does not apply to Telford & Wrekin Council.

5.8 Estimates of Capital Financing Requirement

The local authority will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years. These prudential indicators shall be referred to as:

Estimate of capital financing requirement as at the end of years 1, 2 and 3.

- 5.8.1 The capital financing requirement is a concept in the Prudential System, but can simply be understood as the Council's underlying need to borrow money over the long term. The code requires that the figure is calculated gross, to include debt that is paid for by other authorities following LGR, so in Telford & Wrekin's case, these figures have limited meaning, and locally the indicator needs adjusting for LGR debt.
- 5.8.2 Table A shows the estimated cumulative capital financing requirement at a point in time. These estimates now include the impact of the Public Finance Initiative.

	Total CFR
31/3/2014	£275.7m
31/3/2015	£270.3m
31/3/2016	£258.3m
31/3/2017	£248.2m

5.8.3 The movement in the CFR is consistent with other planning assumptions.

5.8.4 Gross Debt and Capital Finance Requirement. The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need. If these figures exceed CFR (which they don't) they would indicate we are borrowing in advance of need.

	Outstanding Borrowing (at nominal value)	Other Long-term Liabilities (at nominal value)	Gross Debt
31/3/2014	£142.3m	£61.7m	£204.0m
31/3/2015	£133.3m	£60.4m	£193.7m
31/3/2016	£127.0m	£58.8m	£185.8m
31/3/2017	£122.9m	£57.6m	£180.5m

5.9 Treasury Management Prudential Indicators

5.9.1 The Council adopted the revised ***CIPFA Code of Practice for Treasury Management in the Public Services*** at its meeting in March 2010. Treasury Management Practices (TMPs) have been established by the Chief Finance Officer in line with the advice of our Treasury Advisors, and are kept up to date with support from Arling Close our current Treasury Advisors. ***The first prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA Code*** is therefore met.

5.10 Capital Expenditure and Capital Commitments Prudential Indicators

5.10.1 ***The local authority will make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years. These prudential indicators shall be referred to as:***

Estimate of total capital expenditure to be incurred in years 1, 2 and 3

5.10.2 The budget and capital report to Council for 2014/15 identifies programmed capital schemes, and subsequent year's capital needs. The estimates of capital expenditure to be incurred are therefore;

	Supported Borrowing	Prudential Borrowing	Grant Funded	Revenue/ External	Capital Receipts	Total
	£m	£m	£m	£m	£m	£m
2014/15	0.658	0.304	75.018	1.418	38.252	115.650
2015/16	0.000	-6.220	6.198	0.000	26.540	26.518
2016/17	0.000	-4.180	0.655	0.000	7.989	4.464

It is only the two columns relating to borrowing that impact on prudential indicators.

5.11 External Debt Prudential Indicators

5.11.1 ***The local authority will set for the forthcoming financial year and the following two financial years a prudential limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as:***

Authorised limit for external debt = authorised limit for borrowing + authorised limit for other long term liabilities for years 1, 2 and 3.

5.11.2 The recommended Authorised Limit for External Debt for:

Year 1 (2014/15) is £170m for borrowing and £64m for other long term liabilities

Year 2 (2015/16) is £165m for borrowing and £63m for other long term liabilities

Year 3 (2016/17) is £165m for borrowing and £62m for other long term liabilities

5.11.3 This limit represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is "prudent". (This limit is analogous to the limit on borrowing set out in section 44 of the 1989 Act). Because it is ultra vires to exceed, the authorised limit must be set so as to avoid circumstances in which the Council would need to borrow more money than this limit.

5.11.4 Other long term liabilities include items that would appear on the balance sheet of the Council that are analogous to borrowing. For example, the capital cost of leases would be included.

5.12 Operational Boundary

The local authority will also set for the forthcoming financial year and the following two years an operational boundary its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as the:

Operational Boundary = operational boundary for borrowing + operational boundary for other long term liabilities for years 1, 2 and 3.

5.12.1 The operational boundary is a measure of the most money the Council would normally borrow at any time during the year. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but suggest a sustained or regular pattern of borrowing above this level ought to be investigated, as a potential symptom of a more serious financial problem.

5.12.2 The Recommended Operational boundary for External debt is

Year 1 (2014/15) is £158m for External debt for and £62m for other long term liabilities

Year 2 (2015/16) is £149m for External debt for and £61m for other long term liabilities

Year 3(2016/17) is £150m for External debt for and £60m for other long term liabilities

5.13 **Interest Rate Exposure**

5.13.1 ***The local authority will set, for the forthcoming year and the following two years, limits to its exposures to the effects of changes in interest rates. These prudential indicators will relate to both fixed interest rates and variable interest rates and will be referred to respectively as the upper limits on fixed and variable interest rate exposures.***

5.13.2 There is no requirement in the code to set lower limits; however, given the risks associated with having excessively high relatively short fixed, or variable rate borrowing, it is suggested that lower limits are set locally for longer maturing fixed rate borrowing.

5.13.3 **Variable rate exposures**
Borrowing that is at variable rates LESS Investments that are variable rate investments

We have a proportion of our investments that are at variable rates and exceed in total the level of debt we currently have at variable rates (historically a high proportion of debt has been at fixed rates). The limits proposed are as follows;

	Net Variable Limit
	%
2014/15	30
2015/16	30
2016/17	30

5.13.4 The upper limit replaces the existing (1989 Act) Section 44 limit “the maximum proportion of borrowing which is subject to variable rate interest”. Whilst 30% has been set forward as a limit, in practice it would be unusual for the exposure to exceed 15%. Limits for years 2 & 3 assume no substantial change in market conditions.

5.13.5 Because of our position in having a number of investments it would be helpful to set a local indicator for setting a maximum exposure for variable rates as a percentage of total investment plus total debt. The limit proposed would be as follows;

	Upper Limit
2014/15	60%
2015/16	60%
2016/17	60%

5.13.6 Fixed Interest Rate Exposure

The local authority will set, for the forthcoming year and the following two years, both upper and lower limits for its exposure to fixed interest rate risk calculated as follows and each expressed as total borrowing less total investments:

Fixed interest rate exposures

Borrowing that is at fixed rates LESS Investments that are fixed rate investments

Expressed as a percentage or absolute of total borrowing less investments.

5.13.7 The limits (expressed as an absolute of total fixed borrowing less total fixed investments) proposed are as follows;

Fixed Rate Risk	Upper Limit	Lower Limit
2014/15	100%	70%
2015/16	100%	70%
2016/17	100%	70%

In principle, it may be necessary / desirable for all borrowing at a point in time to be at a fixed rate. The lower limit is effectively the counterpart to the upper limit for variable rate exposure.

5.14 Prudential limits for the maturity structure of fixed rate borrowing

The local authority will set for the forthcoming year both upper and lower limits with respect to the maturity structure of its borrowing, calculated as follows

**Amount of projected borrowing that is fixed rate maturing in each period
Expressed as a Percentage of
Total projected borrowing that is fixed rate at the start of the period.
where the periods in question are**

- **Under 12 months**
- **1 year and within 2 years**
- **2 years and within 5 years**
- **5 years and within 10 years**
- **10 years and within 20 years**
- **20 years and within 30 years**
- **30 years and within 40 years**
- **40 years and within 50 years**
- **50 years+**

5.14.1 The proposed prudential limits are as follows;

Maturity	Lower Limit %	Upper Limit %	Actual % for 31/03/13
Under 12 months	0	40	0
1-2 years	0	25	10
2-5 years	0	50	12
5-10 years	0	75	3
10-20 years	0	75	0
20-30 years	0	75	0
30-40 years	0	100	5
40-50 years	10	100	25
Over 50 years	15	100	45

5.14.2 Under the investment guidance issued by CLG the Council needs to set indicators for **principal sums invested for periods longer than 364 days.** It is recommended that we set the following limit

Maximum principal investment that can be invested for more than 364 days

Financial Year	Upper Limit
2014/15	95%
2015/16	95%
2016/17	95%

6. Financial Implications

- 6.1 The prudential indicators provide a framework for 2014/15 in which the Council conducts its treasury activities, consistent with good treasury risk management.
- 6.2 The code indicates that “in all cases, the process of setting prudential indicators for treasury management should be accompanied by a clear and

integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority's borrowing and investment portfolios." The indicators proposed here take account of the existing structure of borrowing and all reasonable restructuring activity that might occur.

6.3 The code requires the following matters to be taken into account when setting or revising prudential indicators

- (a) option appraisal for all projects, i.e. value for money
- (b) asset management planning, i.e. stewardship of asset
- (c) strategic planning for the authority, i.e. service objectives
- (d) achievability of the forward plan, i.e. its practicality
- (e) implications for external borrowing, i.e. prudence
- (f) implications for Council Tax and housing rents, i.e. affordability.

Items (a)-(c) are largely considered in the current arrangements as part of the asset management planning / corporate capital strategy processes. Items (d) and (f) in financial terms have been taken account of by the Chief Finance Officer in presenting the budget and item (e) is inherent to the prudential indicator setting process.

7. Background Papers

Local Government Act 2003
CIPFA Prudential Code for Capital Finance in Local Authorities
Guidance on Local Authority Investments

Report prepared by Bernie Morris, Finance Team Leader – Tel: (01952) 383702

TELFORD & WREKIN COUNCIL

CABINET – 20 FEBRUARY 2014

PROCUREMENT INTENTIONS 2014-15

REPORT OF ASSISTANT DIRECTOR: LAW, DEMOCRACY & PEOPLE SERVICES

LEAD CABINET MEMBER: CLLR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 In order to improve the efficiency and transparency of our procurement processes officers are planning procurements for the coming 12 - 18 months to replace the need for individual reports requesting delegated authority to procure goods and services on behalf of the Council.

2. RECOMMENDATIONS

2.1 That Cabinet note the planned procurement as detailed in Appendix A and note the existing delegation to officers in respect of contracts identified as Minor contracts, and delegate the further decisions about the procurement and award of the contracts identified as Major contracts to the appropriate Assistant Director in consultation with the associated lead cabinet member.

2.2 That Cabinet delegate authority to the Assistant Director: Law, Democracy & People Services the affix the Council seal as appropriate

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-operative Council priorities?	
	Yes	This forward planning supports recommendations made by the Commissioning and Procurement Co Operative Council Working Group who requested that the Council give adequate prior notice of intent to commission
	Will the proposals impact on specific groups of people?	
	No	

TARGET COMPLETION/DELIVERY DATE	March 2014	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Budget holders have a responsibility to manage their budgets in accordance with Financial Regulations. This includes ensuring that all staff comply with Financial Regulations and Contract Procedure Rules as detailed in the Council's Constitution. MLB 03.01.14
LEGAL ISSUES	Yes/No	The Council is under a duty to secure best value in the goods and services that it procures. Any improvement in procurement processes aligns with that duty. The award of any contract with a total value of £500,000 or more is a key decision and officers would have to ensure that the appropriate constitutional procedures were followed, principally in respect of the Record of Decisions and Call-in. There will be no requirement for additional approvals following this delegation except as may be reserved by Cabinet due to value or profile.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	This process will ensure a consistent approach to procurement and could lead to more efficient procurement and will enable effective resource planning for Finance, Legal and Procurement services
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 Over recent months SDMs have worked with the Procurement Team and Legal Services to plan their key procurement activity for the next 12 - 18 months. This plan is attached at Appendix A. The plan contains planned activity which will be or may lead to a formal tender process.
- 4.2 Procurement is a continuous process and so the list will need updating from time to time but will be reported to Cabinet in this format to build a sustainable and easily

understood approach to Council procurement for Co Operative Council partners, the voluntary sector and local businesses so that they can plan accordingly.

- 4.3 This process will support improved resource planning for the procurement process itself and the time required from support services such as legal services, finance and procurement.
- 4.4 The Procurement Plan will be monitored by the Procurement Team and the Lead Cabinet Member will be regularly briefed on progress against it.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 5.1 Following on from the Co Operative Council work, it has always been the intention to externally publish our commissioning and procurement intentions to help stimulate the market.
- 5.2 At present only procurement intentions are included in this recommended process but the longer term plan is to also include commissioning intentions. This will assist officers in carrying out their duty under The Social Value (Public Services) Act to inform and consult with the community before services are procured.
- 5.3 The Social Value (Public Services) Act duty will also be considered as part of the overall tender evaluation process for any services where possible. Officers will be looking for suppliers to share how their organisation support's the Council's priorities to tackle unemployment, help build sustainable communities and increase business in the Borough.
- 5.4 Suppliers will be encouraged to present their own Social Value Return on Investment. This will show that for every pound the Council spend with them, the Council receives probably twice or more its value in benefit through the employment of long term or young unemployed, a reduction of carbon emissions by working with borough supply chains and apprentice opportunities are realised.

6. PREVIOUS MINUTES **N/A**

**Report prepared by Sarah Bass, Strategic Procurement Services Delivery Specialist,
Telephone: 01952 382470**

Service Area	Priority Link	Key Commissioning /Procurement Intentions	Major contract < £500k /Minor >£500k	Comments	Guide Contract Award Date	LEAD OFFICER
Development, Business & Housing	Ensure that neighbourhoods are safe, clean and well maintained	Southwater Phase 1 Multi Story Car Park, CCTV and Public Realm	Major	Tender issued in Feb 14	Apr-14	James.Dunn@telford.gov.uk
Neighbourhood and Leisure services	Ensure that neighbourhoods are safe, clean and well maintained	Highways capital programme	Major	This is a change to contract arrangements with the existing supplier, TWS. New arrangements under NEC 3 contract conditions expected to be operational from 1st April.	Apr-14	Dave.Hanley@telford.gov.uk
Neighbourhood and Leisure services	Ensure that neighbourhoods are safe, clean and well maintained	Street lighting	Major	Halcrow are carrying out a review of the street lighting contract and associated street furniture. This will inform the procurement process	Apr-14	Dave.Hanley@telford.gov.uk
Neighbourhood and Leisure services	Ensure that neighbourhoods are safe, clean and well maintained	Car park Enforcement	Minor	Contract due to expire and opportunity assessment to be completed for Insourcing possibility	Apr-14	Keith.Harris@telford.gov.uk
Neighbourhood and Leisure services	Ensure that neighbourhoods are safe, clean and well maintained	Road Safety and Safe driving for Work	Minor	Potential income generation through offering a service to local businesses	Mar-14	Keith.Harris@telford.gov.uk
Neighbourhood and Leisure services	Ensure that neighbourhoods are safe, clean and well maintained	Play Parks , MUGAs and BMX tracks	Minor	Section 106 monies and tender for play parks and other similar facilities	Mar-14	Dave.Hanley@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Capital Funded Building projects (Operational properties)	Major	This will be split across various projects and planned programmes	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Revenue Funded Building Projects (Operational Properties)	Major	This will be split across various projects and planned programmes	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Capital Funded Building projects (Education Properties)	Major	This will be split across various projects and planned programmes	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Revenue Funded Building Projects (Education Properties)	Major	This will be split across various projects and planned programmes	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Re Roofing at the Business Development Centre	Minor	Possible link to ERDF project	Jun-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Extension to Donnington Gypsy Site	Minor	Assessing the need and requirement	Jun-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Electrical Contract	Minor	Service Contract	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Annual Water Testing Contract	Minor	Service Contract	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Security Contract	Minor	Service Contract	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Fire Extinguisher Contract	Minor	Service Contract	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Catering Equipment Contract	Minor	Service Contract	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Lift Contract	Minor	Service Contract	Apr-14	Chris.Goulson@telford.gov.uk
Property & Design	Ensure that neighbourhoods are safe, clean and well maintained	Lifts & Hoists Contract	Minor	Service Contract	Apr-14	Chris.Goulson@telford.gov.uk
Customer & People Services	Ensure that neighbourhoods are safe, clean and well maintained	Debt Recovery	Major	Renewal of debt recovery contract to include bailiff services	Apr-15	Sophie.Lane@telford.gov.uk
Customer & People Services	Ensure that neighbourhoods are safe, clean and well maintained	EDMS / Scanning solution	Minor		Apr-15	Sophie.Lane@telford.gov.uk

Service Area	Priority Link	Key Commissioning /Procurement Intentions	Major contract < £500k /Minor >£500k	Comments	Guide Contract Award Date	LEAD OFFICER
Family & Cohesion Services and Care & Support	Improve the health and wellbeing of our communities and address health inequalities	Pharmacy	Minor	Review of retainer fees and overall services Pharmacies can provide	Apr-14	louise.mills@telford.gov.uk
Neighbourhood and Leisure services	Improve the health and wellbeing of our communities and address health inequalities	Personal Trainers	Minor	T&W to rent out space and sign post Aspiration users to a PT. PT will pay a flat fee for the month and charge the service user	Mar-14	stuart.davidson@telford.gov.uk
Neighbourhood and Leisure services	Improve the health and wellbeing of our communities and address health inequalities	Council Festival services	Minor	Planning for 2014 festivals - Numerous small value contracts anticipated for security, toilets, food provision for example	Jan-14	Psyche.Hudson@telford.gov.uk
Public Health	Improve the health and wellbeing of our communities and address health inequalities	General Practitioner Local Enhances Services (GP LES)	Minor	agreement with local GPs and Pharmacies to provide various additional support services to borough residents	Apr-14	louise.mills@telford.gov.uk
Public Health	Improve the health and wellbeing of our communities and address health inequalities	Breast feeding (align with health visiting)	Minor	Re Commissioning to establish requirements need and current service	Apr-14	louise.mills@telford.gov.uk
Public Health	Improve the health and wellbeing of our communities and address health inequalities	Health Improvement	Major	Review of Lifestyle risk management services and adult and children weight management process. Task and finish group created re insourcing	Apr-14	louise.mills@telford.gov.uk
Public Health	Improve the health and wellbeing of our communities and address health inequalities	Stop Smoking Services	Major	Review of current stop smoking and stop smoking in pregnancy contract	Apr-15	louise.mills@telford.gov.uk
Public Health and Care & Support	Improve the health and wellbeing of our communities and address health inequalities	Mental Health Services (Mind and Green Gym)	Minor	Review of current MIND contract and additional wider services working with Vol Sector	Jun-14	louise.mills@telford.gov.uk
Co operative Council	Protect and create jobs as a 'Business Supporting, Business Winning Council'	Solar Energy	Major	Solar Farm Provision currently being re specified in light of FIT announcements and changes to drawings	Sep-14	Felicity.mercer@telford.gov.uk
Law Democracy & People Services	Protect and create jobs as a 'Business Supporting, Business Winning Council'	Salary Sacrifice Scheme - Cars	Minor	Considering using any of the multiple public sector frameworks available to the Council	Apr-14	Debbie.Brown@telford.gov.uk
Law Democracy & People Services	Protect and create jobs as a 'Business Supporting, Business Winning Council'	re commission eTendering Solution	Minor	Refresh or replace Delta	Jun-14	Sarah.Bass@telford.gov.uk
Customer & People Services	Protect and create jobs as a 'Business Supporting, Business Winning Council'	VOIP / Broadband Network Contract	Major	Full EU procurement for a 5 +2+2+1 contract starts in Jan 14. First Stage tender process commences Feb 14	Jun-15	Mark.iones@telford.gov.uk
Customer & People Services	Protect and create jobs as a 'Business Supporting, Business Winning Council'	Mobile Phone Contract (Propose to purchase under PSN framework)	Major	Possibility to access CPS (GPS) Framework	Apr-14	Mark.iones@telford.gov.uk
Customer & People Services	Protect and create jobs as a 'Business Supporting, Business Winning Council'	Oracle and SQL Server Support	Minor	Review Licences and requirements	Jun-14	Mark.iones@telford.gov.uk
Customer & People Services	Protect and create jobs as a 'Business Supporting, Business Winning Council'	Review of Pse- Councils HR Payrol system	Major	Review to establish what is required from an upgrade or new system implementation	Mar-14	Sarah.Bass@telford.gov.uk
Customer & People Services	Protect and create jobs as a 'Business Supporting, Business Winning Council'	Print Contract	Minor	Consider how we recommissioning printing services	Jan-15	Sophie.Lane@telford.gov.uk
Care & Support	Protect and support our vulnerable children and adults	Substance Misuse	Major	Establishing how the service can focus on rehabilitation	Apr-14	Kit.Roberts@telford.gov.uk

Service Area	Priority Link	Key Commissioning /Procurement Intentions	Major contract < £500k /Minor >£500k	Comments	Guide Contract Award Date	LEAD OFFICER
Care & Support	Protect and support our vulnerable children and adults	Domiciliary Care	Major	Service review and redesign. Tender due out in March 14	Jun-14	Kit.Roberts@telford.gov.uk
Care & Support	Protect and support our vulnerable children and adults	Frozen Meals	Minor	Tender out Feb 13	Jun-14	Kit.Roberts@telford.gov.uk
Care & Support	Protect and support our vulnerable children and adults	Community Meals	Minor	Service review and redesign	Apr-14	Kit.Roberts@telford.gov.uk
Care & Support	Protect and support our vulnerable children and adults	Ellen Court - residential home for young people with mental health issues	Major	Review of contract	Jun-14	Kit.Roberts@telford.gov.uk
Care & Support	Protect and support our vulnerable children and adults	Independent Mental Health Advocacy (IMHA)	Minor	Joint re-procurement with Shropshire. Telford are now are leading the procurement and contract award	Apr-14	Kit.Roberts@telford.gov.uk
Care & Support	Protect and support our vulnerable children and adults	Supporting People - Sheltered Housing	Major	Two stage process involving specialist consultant to support the specification writing then on to full procurement in Jun 14	Jul-14	Kit.Roberts@telford.gov.uk
Care & Support	Protect and support our vulnerable children and adults	Rehabilitation and Enablement	Major	Pooled budget agreement with the CCG	Jun-14	Kit.Roberts@telford.gov.uk
Care & Support	Protect and support our vulnerable children and adults	Carers Support - Adults and Children as Carers	Minor	Pooled budget agreement with the CCG	Apr-14	Kit.Roberts@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Non Accommodation Tender (Detail Below)	Major	This may incorporate all the below with relations to family and child services that are non accommodation based. Decision to be taken on method of procurement	Aug-14	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Psychological Services (part of non accom tender)	Minor	Legal currently drafting a call off contract to support demand contract above may replace this.	Aug-14	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Family Group Conferencing and SEN Mediation (part of non accom tender)	Minor	Temp contract being put in place due to provider going into administration. Will procure with the non accommodation tender in February 2014	Aug-14	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Parenting Assessments (part of non accom tender)	Minor	contract may be absorbed into non accommodation services	Aug-14	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Vulnerable Adult and Children Taxi Services	Major	Tender currently being evaluated	Apr-14	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Social lettings agency	Minor	Creation of a pre qualified list of social letting providers	Aug-14	Jas.bedesha@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Systemic Practice Training	Minor	To bring T&W in line with best practice	Apr-14	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Social Impact bond - Children on the edge of care (Consultant)	Minor	Leading on behalf of regional Councils - Procurement of a consultant to scope the Edge of care service linked to the Social Impact Bond	Mar-14	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Social Impact bond - Children on the edge of care (model delivery)	Major	Leading on behalf of regional Councils, Procurement of the Edge of Care Service linked to above	Jan-15	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Protect and support our vulnerable children and adults	Transport Services	Major	External review of transport may lead to procurement to support findings and actions	Jun-14	Vivianne.McKay2@telford.gov.uk
Customer & People Services	Put our children and young people first	School Meals - Frozen and Dried goods	Major	Supporting the Catering Team with their tender process	Mar-14	Kate.sumner@telford.gov.uk
Family & Cohesion Services	Put our children and young people first	Potential Adoption sub regional framework led by T&W for a west Mercia region	Major	provide training support/marketing and recruitment etc for adoptive parents	Sep-14	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Put our children and young people first	Support services for children in/Edge of Care contract in place by June 14 part of non accm tender)	Minor	This contract may cover : Contact, attachment therapy, sexual harm behaviour therapy, therapeutic homes therapy; psychological assessments	Aug-14	Vivianne.McKay2@telford.gov.uk
Family & Cohesion Services	Put our children and young people first	School Nursing	Major	Tender due to be issued in near future	Apr-14	Vivianne.McKay2@telford.gov.uk

TELFORD & WREKIN COUNCIL

CABINET – 20 FEBRUARY 2014

SHROPSHIRE HILLS AREA OF OUTSTANDING NATURAL BEAUTY (AONB) MANAGEMENT PLAN 2014-2019

REPORT OF ASSISTANT DIRECTOR: PLANNING SPECIALIST

LEAD CABINET MEMBER: COUNCILLOR CHARLES SMITH

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 Local authorities with an Area of Outstanding Natural Beauty (AONB) in their boundary have a statutory requirement to produce a Management Plan for the area. Part of the Shropshire Hills AONB includes the Wrekin. In accordance with an agreement with Shropshire Council, the Shropshire Hills AONB Partnership produces a management plan on behalf of Shropshire Council and Telford & Wrekin Council to cover the whole area. The plan is updated every five years and last approved by Cabinet in May 2009 to cover the period 2009-2014. Cabinet approval is therefore sought for the updated version of the plan covering the period 2014-19.

2. RECOMMENDATIONS

2.1 That Cabinet approves the Shropshire Hills Area of Outstanding Natural Beauty Management Plan 2014 – 2019

SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	The objectives of the AONB management plan are compatible with the priorities of the Council, in particular the objectives to raise awareness and participation, especially among young people and local working with communities. The management plan also supports tourism and associated in-ward investment.
	Will the proposals impact on specific groups of people?	
	No	The management plan supports equality of access to the AONB by all members of the community.
TARGET COMPLETION	The management plan covers the period 2014-2019	

FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	<p>Responsibility for funding the management of the Shropshire Hills AONB is split 75% DEFRA and 25% Local Authority. The Local Authority contribution is split proportionately between Shropshire Council and Telford and Wrekin Council. Telford and Wrekin's contribution in 13/14 was £2,694 and there is ongoing budgetary provision for this contribution in 2014/15.</p> <p>The AONB Partnership also actively seeks external funding and third party grant funding opportunities to support management actions at The Wrekin. JAC 14/01/14</p>
LEGAL ISSUES	Yes	<p>Under the Countryside and Rights of Way Act 2000, the Council has a duty to prepare and publish a plan setting out its policy for management of the AONB and for carrying out its functions in relation to it. The Council also has a duty under the Act to review the management plan before the end of 5 years after publication and, after that, at intervals of not more than 5 years. (IR 14.01.14)</p>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<p>The Management Plan will help secure the future of the AONB. Its examination of environmental, economic and social issues in a Sustainability Appraisal will reduce potential conflicts.</p> <p>Production of the Management Plan is a condition of DEFRA's core funding for the AONB Partnership. There are a number of opportunities identified in the plan to enhance the AONB and Wrekin Forest, maximising benefits to the natural environment, local residents and those visiting the area.</p>
IMPACT ON SPECIFIC WARDS	Yes	<p>The Wrekin and associated Wrekin Forest fall within the Wrockwardine ward. The actions contained in the Management Plan have the potential to benefit this ward directly, with broader benefits to other wards. The Ward Members are Councillor Terry Kiernan and Councillor Jacqui Seymour.</p>

PART B) – ADDITIONAL INFORMATION

3. INFORMATION

- 3.1 The Shropshire Hills AONB is a national designation, with the principal purpose to 'conserve and enhance natural beauty'. The Countryside and Rights of Way (CRoW) Act 2000 requires local authorities to "act jointly" in the preparation of a management plan, and the Shropshire Hills AONB Partnership is the body established to do this.
- 3.2 The Partnership consists of 40 members who form a "Joint Advisory Committee" to the local authorities within whose area the AONB falls; in this case Shropshire Council and Telford & Wrekin Council.
- 3.3 The management plan aims to influence and guide organisations and individuals on a wide range of topics. The Management Plan is reviewed every five years. As a consequence, the AONB Partnership has reviewed the 2009-2014 version and up-dated it to cover the period 2014-19. A public consultation was held during July and August 2013 and Natural England made formal observations on the Plan in early January 2014, before formal approval by the two local authorities.

- 3.4 The amendments made were largely to update priorities, actions and policies in the plan, reflecting changes at both a local and national level. It was noted that since the last management plan, there has been an increase in the number of local area groups within the partnership structure and, as a co-operative council; this is something which is supported by Telford & Wrekin.
- 3.5 The Key Delivery Priorities for the 2014-19 Management Plan are:
- Joining up the conservation effort
 - Valuing the AONB in planning and decisions
 - Supporting a sustainable land management economy
 - Supporting enjoyment and a visitor economy in harmony with the AONB
 - Raising awareness and participation, especially among young people; and
 - Local working with communities
- 3.6 Of particular relevance for Telford & Wrekin is the section on Local Priorities for areas within the AONB which includes a sub-section on the Wrekin Forest (page 63). This sets out key issues, priorities and a management plan policy.
- 3.7 The Wrekin is identified as a priority area in recognition of its high quality landscape, status as “Shropshire’s iconic hill” and value to the local community and those visiting the area. It forms a significant part of the borough’s tourism and leisure offer, drawing people into the area, helping to support in-ward investment as well as improving people’s health and well-being. The Wrekin is also rich in industrial archaeology, connecting it with the nearby Ironbridge Gorge World Heritage Site (WHS). The protection and enhancement of these aspects through the management plan therefore support the Council’s Destination and Invest in Telford initiatives.
- 3.8 The Wrekin is referred to as the Wrekin Forest in the plan on the basis of the Wrekin Forest Landscape Conservation Management Plan which was adopted by the Wrekin Forest Partnership in 2007. This group are formally linked to the AONB Partnership and act as a forum for the discussion of issues and co-ordination of action, largely delivered over recent years by Shropshire Wildlife Trust (SWT) and the Wrekin Forest Volunteers. There is also regular involvement from Ricoh who support their employees in undertaking volunteer conservation work.
- 3.9 Appendix 1 shows the project boundary of the Wrekin Forest which extends beyond the AONB in recognition of its wider area of influence.
- 3.10 A summary of the main contents of the management plan in relation to the Wrekin Forest are set out below.
- 3.11 **Key issues**
While management of the main visitor access point at the Forest Glen has improved in recent years under the ownership of SWT, the management plan identifies that the overall management of visitors and associated issues such as car parking would benefit from a more co-ordinated approach. The council will therefore continue to work with the relevant stakeholders to help achieve this. The plan also recognises that there is scope to improve parking provision and visitor facilities which are sensitive to the location and have a viable business model.

3.12 **Priorities**

The management plan sets out the important relationship with the statutory planning process of both Local Authorities to support its policies. In relation to the Wrekin, the plan makes links with Telford & Wrekin Council's Shaping Places Local Plan process which is exploring mechanisms for the protection, promotion and management of the area, particularly in relation to development proposals which could affect land within its vicinity.

3.13 The plan also identifies the need to:

- Strengthen the current tourism and leisure offer, increasing opportunities for participation in conservation activities and events, improving parking and visitor facilities and raising its profile to further attract in-ward investment, establishing stronger links with the Shropshire AONB, the Ironbridge Gorge WHS and the centres of Telford and Wellington.
- Increase on the ground capacity to take practical action and engage with visitors, including consideration of potential planning gain from new development to support a dedicated countryside management officer
- Deliver conservation actions on habitats and wildlife, areas of cultural heritage and access routes

3.14 **Management Plan Policy**

3.15 The plan sets out the following statement for the Wrekin Forest:

3.16 "The management of the wider Wrekin Forest area is crucial to the integrity of the Wrekin itself within the AONB and should be integrated within planning policy. The landscape quality of the wider Wrekin Forest area should be protected as far as possible, and the management of the Wrekin integrated with this surrounding area.

3.17 The Wrekin Forest Partnership provides a vital local forum for this important area, and should be supported and its links to the AONB Partnership maintained. The Wrekin Forest Partnership needs to develop as a long-term structure linked to permanent funding for a dedicated staff resource to take and co-ordinate action on the ground".

3.18 The importance of the Wrekin forest is recognised by Telford & Wrekin Council and will continue to be taken into consideration in the Shaping Places plan making process. The Authority is also represented on both the AONB Partnership and Wrekin Forest Partnership, and supports their endeavours to identify resources to take action.

3.19 The full Management and supporting documents are available at:
<http://www.shropshirehillsaonb.co.uk/looking-after/management-plan/>

4. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

4.1 The AONB Management plan is accompanied by a Sustainability Appraisal (SA) Report which sets out the findings of an assessment of the plans objectives and policies against environmental, economic and social criteria.

4.2 While most effects of the plan are positive against those criteria, the SA identifies a potential conflict with policies which do not support larger scale wind energy and the need to address climate change by reducing CO2 emissions. A number of options are explored, and mitigated by policies which support energy conservation and renewable energy technologies of types and scales which are compatible with the AONB and its landscape.

5. PREVIOUS MINUTES

- 5.1 Cabinet 11th May 2009: Approval of Shropshire Hills Area of Outstanding Natural Beauty Management Plan 2009-2014

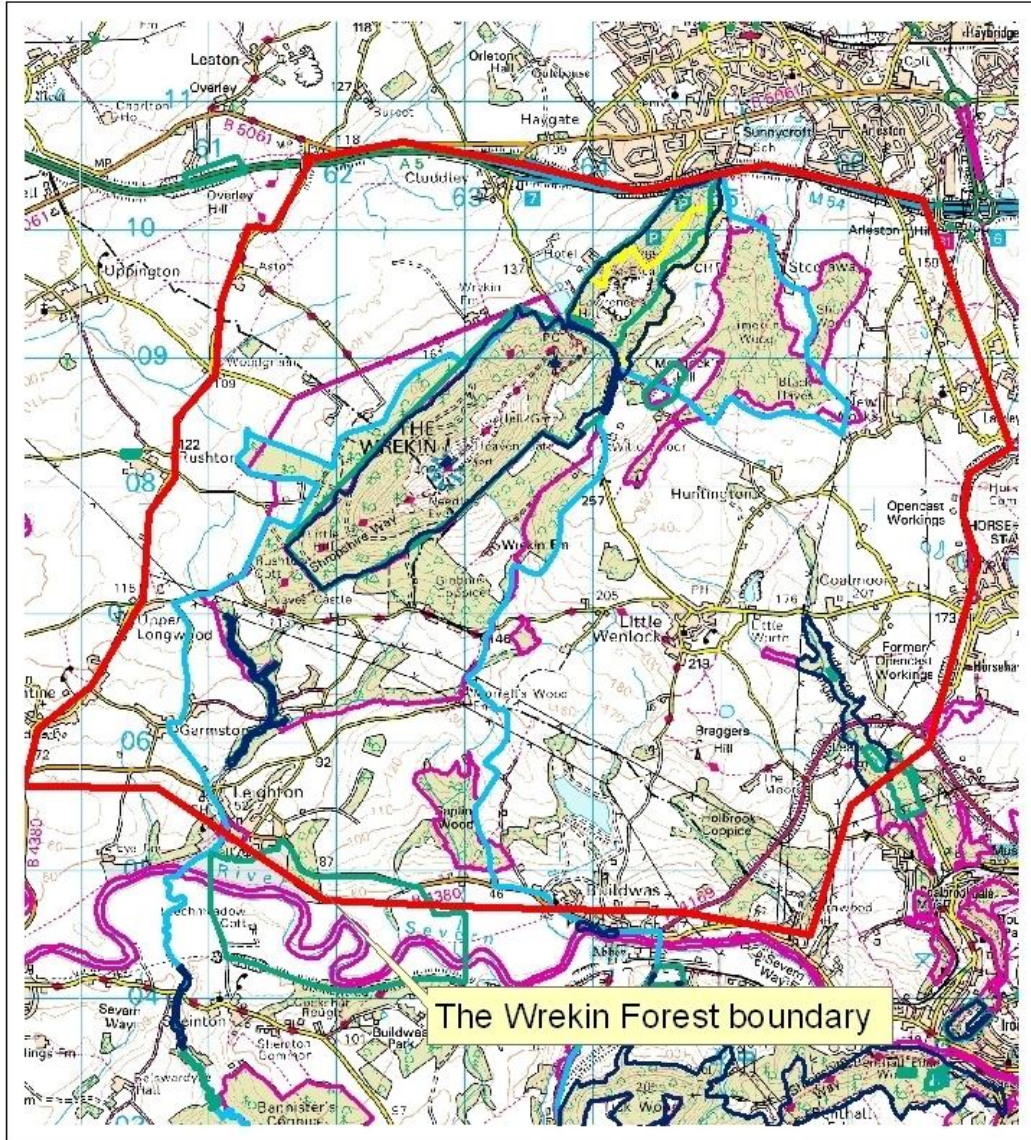
6. BACKGROUND PAPERS

- 6.1 July 2013 AONB Management Plan 2009-14 Sustainability Appraisal Report:
<http://www.shropshirehillsaonb.co.uk/wp-content/uploads/2010/10/Sustainability-Appraisal-Report-with-Appendix.pdf>
- 6.2 6th March 2012: Shropshire Hills Area of Outstanding Natural Beauty Management Agreement between Natural England, Shropshire Council and Telford & Wrekin Council
- 6.3 December 2007: Wrekin Forest Landscape Conservation Management Plan 2008-2013

**Report prepared by Rachel Taylor, Environment & Planning Policy Team Leader,
Telephone: 01952 384220**

Appendix 1: The Wrekin Forest Boundary

The Wrekin Forest



Legend

-  sssi
-  rigs
-  aonb boundary
-  wildlife sites 2000r
-  swt nature reserves



Shropshire Wildlife Trust
193 Abbey Foregate
Shrewsbury SY2 6AH

Tel: 01743 284280
www.shropshirewt.cix.co.uk

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Scale: 1:42,532

TELFORD & WREKIN COUNCIL

CABINET - 20th FEBRUARY 2014

DELEGATED POWERS TO ESTABLISH PRIMARY AUTHORITY PARTNERSHIPS and AMENDMENT OF OTHER DELEGATED POWERS

REPORT OF ASSISTANT DIRECTOR: HEALTH, WELLBEING & PUBLIC PROTECTION

LEAD CABINET MEMBER – CLLR RICHARD OVERTON

1. SUMMARY OF MAIN PROPOSALS

- 1.1 To seek approval for the delegation of authority to enter into Primary Authority Partnerships with business and request nomination of partnerships by Better Regulation Delivery Office (BRDO) under the provisions of section 25 of the Regulatory Enforcement and Sanctions Act 2008.
- 1.2 To seek approval for delegated powers for legislation as described at Appendix 1 to public protection staff. This is required to enable the post holders to carry out their duties on behalf of the Council

2. RECOMMENDATIONS

- 2.1 That the scheme of additional delegation at Appendix 1 be approved**

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Protect and create jobs as a 'Business Supporting, Business Winning Council'
	Will the proposals impact on specific groups of people?	
	No	

TARGET COMPLETION/DELIVERY DATE	1 st March 2014	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/No	3 hours initial support will be provided to each local business from within existing resources in Public Protection. Any support provided after that will be charged for at £50 per hour as recommended by the BRDO. It is intended that this charge will cover any additional costs incurred by Public Protection in providing this support. MLB 03.01.14
LEGAL ISSUES	Yes	The main legal issues are set out in the body of the report and in Appendix 1. Any charges made must be on a cost recovery basis only.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes/No	<i>This represents an important support service to locally based businesses that fall within the scope of the Primary Authority Scheme. Offering Primary Authority Partnerships may attract new businesses to the borough as it helps reduce the regulatory burden facing businesses</i>
IMPACT ON SPECIFIC WARDS	No	<i>Borough Wide Impact</i>

4. INFORMATION

4.1 Local businesses that trade across council boundaries can be subject to differing requirements from the many different local authorities that regulate them. This undermines consistency and creates unnecessary burdens for business. It can also mean that regulation of the business is less effective, reducing the impact that local authorities could have on protection of their residents, workers and the environment from harm and fraud.

4.2 Primary Authority is a national scheme that allows a business to form a partnership with a single local authority and this partnership, once it has been nominated by the BRDO (Better Regulation Delivery Office), has a statutory basis.

4.3 When Telford & Wrekin Council offers Primary Authority to businesses it is demonstrating the Council's willingness to work constructively with a business to improve its compliance, and is taking on responsibility for leading

and shaping the regulation of that business across its operations. It does this by providing tailored, assured regulatory advice to the business over and above the level of advice provided free of charge to all businesses in the borough that are regulated by the Public Protection Service.

4.4 By means of Primary Authority Telford & Wrekin Council can guide the way that other local authorities regulate the business so that it is effective, efficient, consistent, avoiding duplication of effort and unnecessary legal action.

4.5 Primary Authorities are giving their partner businesses confidence that they are doing what is needed to comply with legal requirements which in turn can lead to confidence to invest, as well as giving local inspectors confidence that they are following a consistent approach.

4.6 Primary Authority represents an important support service to locally based business and contributes to the local priority for being a “**Business Winning Business Supporting**” Council.

4.7 It is proposed that 3 hours free advice is offered initially to each local business once the BRDO agree the partnership, and a charge of £50 per hour thereafter for officer’s time (cost recovery only). The issue of costs and recovery will be discussed at the initial meetings with each business where the cost recovery process etc will be discussed and agreed. The charges are necessary to ensure that there are sufficient resources available to support these valuable partnerships.

4.8 The Public Protection service is already working with a number of local businesses to promote Primary Authority and Dukeshill Ham have recently entered into a Primary Authority agreement with the Council.

4.9 Public Protection employees require delegated authority to act on behalf of the Council under a range of legislation.

4.10 All enforcement officers in Public Protection have powers delegated to them either by Council or Cabinet according to which body is responsible for the function. The delegated powers are noted in the constitution in the Local Government Act 2000, Local Government Act 1972, section 100 g (2) list - Responsibility for Functions List of Powers Exercisable by Officers of the Borough of Telford and Wrekin under Council Functions or Cabinet Functions.

4.11 The power to carry out certain duties under the relevant Acts are delegated to the post and the individual officers are authorised to carry out the duties. The process allows the officers to deliver the council’s statutory duties at the most appropriate level.

The delegations deal with such matters as:

- Power to seek information,
- Power of entry,
- Power to take samples,

- Power to serve legal notices,
- Power to authorise works carried out in default of notices and to
- approve permits and authorisations.
- Authority to agree appropriate arrangements for cost recovery with business partners.
- Provide assured advice as part of a Primary Authority Partnership

4.12 Powers delegated to existing and any new posts require Members' approval. In addition there is a need to accommodate the requirements of new legislation.

4.13 This report seeks Members' approval in respect of Executive functions for the updating of powers to posts as outlined in the attached appendix 1.

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

None.

6. **PREVIOUS MINUTES**

None.

7. **BACKGROUND PAPERS**

None.

Report prepared by: Jo Revell SDM Public Protection, Telephone: 01952 381805

Appendix 1

Function	Delegation
Delegated Authority to act under Section 25 of the Regulatory Enforcement and Sanctions Act 2008 as amended	Assistant Director Health, Well-being and Public Protection Public Protection Service Delivery Manager who will delegate further to other officers as appropriate.
All powers and functions under the Sunday Trading Act 1994 except authority to prosecute	Public Protection Service Delivery Manager who will delegate further to other officers as appropriate.
Authority to prosecute for offences under the Sunday Trading Act 1994	Public Protection Service Delivery Manager who will delegate further to other officers as appropriate. Assistant Director Health, Well-being and Public Protection
All powers and functions under the Health and Safety at Work etc Act 1974 except the authority to prosecute.	Health and Safety Advisors

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 20th February, 2014 at 5.00 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington, Telford

PUBLISHED ON WEDNESDAY, 26th FEBRUARY, 2014

(DEADLINE FOR CALL-IN: MONDAY, 3rd MARCH, 2014)

PRESENT: Councillors 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: Councillors A.J. Eade (Conservative Group Leader), W.L. Tomlinson (Liberal Democrat/Independent Group Leader) and S.A.W. Reynolds (Chair – Budget & Finance Scrutiny Committee)

CB-86 MINUTES

RESOLVED – that the minutes of the meeting held on 30th January 2014 be confirmed and signed by the Chair.

CB-87 APOLOGIES FOR ABSENCE

None

CB-88 DECLARATIONS OF INTEREST

None

CB-89 FINANCIAL MONITORING 2013/14

Key Decision identified as **Financial Monitoring 2013/14** in the Notice of Key Decisions published on 21 January 2014.

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.

Strong financial management continued, including early and effective action to identify further in-year savings of £2.5m. Revenue spending was now projected to be underspent by £0.80m at year end. This underspend, together with the unused part of the Council's budget contingency, would be used to supplement the Invest to Save and Severance funds at year end – in order to support the delivery of further savings in 2014/15. Therefore, the overall revenue position was positive and, if maintained, would put the Council in a

good a position as possible to face the further unprecedented levels of cuts in grants that would be made by Government next year.

There were still a number of significant pressures on the budget, including the cost of Children in Care placements (overspend of £2.1m); the cost of Adult Care and Support services (combined projected overspend of £4.4m); transport costs in Family & Cohesion and Adult Care & Support (overspend of £0.3m); increased use of Rapid Response Highways gangs (cost of £0.2m); and an income shortfall of £0.3m relating to Lifelong Learning. 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, savings of £0.4m arising from general waste and recycling services, and a benefit of £0.3m arising from recovery of benefit overpayments.

The capital programme totalled £99m, which included slippage from 2012/13 and approvals to date. Spend was currently standing at 43%. Funding for the programme included a significant amount of capital receipts anticipated to be delivered over the medium term. As previously reported, a contingency plan was being developed should some of the receipts not be forthcoming. The total value of receipts expected in 2013/14 was £5.4m.

Collection levels for Council Tax, NNDR and Sales Ledger debt were behind the targets set for the year, although in terms of Council Tax it was difficult to anticipate the final out-turn because there were now more people spreading payments over a twelve month period.

Councillor A.R.H. England, Cabinet Member: Adult Care & Support, reported that, following intensive discussions, there was now some measure of agreement with the Telford & Wrekin Clinical Commissioning Group (CCG) on the issue of funding for Continuing Health Care. Not all the issues had been resolved, but it did give a basis for moving forward together on joint funding (via the Better Care Fund) and joint working for health and social care services. The Council would also work jointly with the CCG to support them in delivering savings.

RESOLVED –

- (a) that it be noted that the 2013/14 revenue spend is currently projecting to be within budget at year end, and that the proposed use of the contingency, as detailed at paragraph 5.1 of the report, be approved;**
- (b) that the position in relation to capital spend and receipts be noted;**
- (c) that the collection rates for NNDR, council tax and sales ledger be noted.**

Key Decision identified as **Service & Financial Planning 2014/15 – 2015/16** in the Notice of Key Decisions published on 21 January 2014.

Recommendation to Council- not subject to Call-In

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented a series of reports of the Managing Director, the Assistant Director: Finance, Audit & Information Governance (Chief Financial Officer) and the Assistant Directors for Development, Business & Housing and for Neighbourhood & Leisure Services. The reports, detailing the Revenue Budget, Capital Programme, the Treasury Management Strategy and Prudential Indicators, formed the Council's overall Medium Term Service & Financial Planning framework, and identified the service priorities and budget for 2014/15 as well as savings proposals to be delivered over the next two years, and a medium term capital programme. He thanked Officers for preparing the budget against a backdrop of such financial constraint, and thanked the consultation team and all those people who had taken part in the budget consultation exercise.

The Overview and Revenue Budget report set out the pressures facing the Council, including projected grant cuts of around £52.9m in real terms over the last five years, further reductions in spend of £22m over the next two years to meet further cuts in Government grants, reduced income from having a relatively low council tax, increasing numbers of older people needing adult care services and the loss from "grant damping" of £1.6m per annum.

Following the publication of its draft budget proposals in early January, and a one month consultation period, Cabinet had confirmed its key budget strategy proposals for 2014/15 as:

- Freezing Council Tax for the next two years – as agreed as part of its Strategy by Cabinet on 14 November 2013;
- Winning and supporting jobs and investment;
- Minimising cuts to priority services for vulnerable adults and children as far as possible, against a backdrop of unprecedented cuts in government funding, through generating income from growth in the Borough and from selling surplus assets;
- Investing in Safeguarding Children from harm and neglect, including the creation of an additional budget of £1.2m to be drawn down as required to meet demand;
- Investing in facilities for disabled people - to help people to remain living independent lives in their own homes rather than moving into residential care;
- Investing in communities – some one-off investments of £8m capital funding and £1.6m revenue funding over two years could be proposed as a result of the planned early delivery of ongoing savings and effective treasury management. This would fund environmental and infrastructure improvements and help to ensure that the Borough was an attractive place for people that wanted to come to live and locate businesses;

- Investing in roads – a commitment to a programme of £2m per annum to maintain the road network for the next 3 years over and above the funding allocated by Government for this purpose;
- Tackling youth unemployment - £1.3m of revenue funding over two years to deliver a range of pledges and actions to tackle youth unemployment;
- Destination Telford – an investment of £0.1m to promote Telford as a place to visit, live, work and invest in.

Attached to the report were a number of appendices, including savings proposals, a Safeguarding and Early Help Cost Improvement Plan, Impact Assessments of the savings proposals, the Capital Investment Programme, and details of Reserves and Balances.

Following publication of the Cabinet's budget proposals in January 2014, there had been extensive consultation via a wide range of media and settings to involve local people and allow them to express their views. This included an open public meeting at The Place @ Oakengates attended by 46 people. In total, 4,186 contacts were involved with the consultation programme, and the full findings/responses were appended to the report. Among the key results, were broad support for the Council's plans to encourage jobs, growth and protection of services, as well as support for the Council's campaign for a Fair Deal for government funding. A key part of the budget was to bring growth and jobs into the Borough to mitigate against the failure of national Government to generate economic growth, and the continued investment in the Southwater redevelopment, the building of new schools as part of the BSF programme, and the land stability work in the Ironbridge Gorge were highlighted.

Since the draft budget proposals were approved for consultation, the Government had issued the final settlement for 2014/15. The net impact resulted in a gain of £0.01m for the Council, which would be transferred to the inflation provision. For 2014/15 the CCG had confirmed funding of £2.73m would be made available to the Council to support existing care commitments, which was an increase to the funding available in the current financial year.

The forecast budget gap of £11.428m for 2014/15 was highlighted, and that, with 90% of the Council's budget spent on Adult Social Care, Children's Services and Neighbourhood & Leisure Services, it was inevitable that savings in these areas would be needed as a result of the cuts in Government funding. The Council had worked hard to protect Adult Social Care, but in order to deal with a current in-year overspend of over £4m, and to make a contribution to the overall cuts that the Council needed to make, a total of £10.5m savings would need to be found from Care & Support budgets by 2015/16.

In terms of council tax, the consultation on the budget strategy had indicated a high level of support for the proposal to accept the council tax freeze grants for the coming two years, given the Government's change in approach in base-lining them..

An equality impact analysis of the overall impact of the budget was appended to the report, along with environmental and economic impact assessments.

The Council's Chief Financial Officer was required to give a view on the robustness of the Council's financial strategy, including the use of balances, and this was appended to the report. This had concluded that the Council was pursuing a sound financial strategy in the context of the most difficult financial position it had ever faced.

The report on the Capital Programme presented the Council's Capital Strategy for 2013/14 – 2015/16 and later years and a capital programme of £247.189m that included the proposed investments contained in the overall budget strategy. Details of the major projects and investments to be resourced were annexed to the report. It also set out the Council's Asset Management Plan and planned building maintenance programme, particularly focusing on 2014/15, and the three year Highways and Transport capital investment programme.

The report on the Treasury Management Strategy detailed the Treasury Strategy to be adopted for 2014/15. The Strategy was set within the parameters of the latest guidance and accounting standards. It was expected the Council would borrow up to £1.0m in 2014/15 based on the current capital programme, and would adopt a flexible approach to borrowing. The borrowing might increase if the Council proceeded with planned large commercial projects. Where possible, maturing investments would be used to reduce the level of additional borrowing, and investment periods would be lengthened for new investments in order to achieve higher interest rates within acceptable risk parameters. The report also provided an update on the treasury management activities during 2013/14. The weighted average return on internal investments at the end of December 2013 was 3.31% compared to a benchmark return for the period of 0.42%. The report also included the Council's Minimum Revenue Provision Statement, which was now being calculated on an annuity basis, which would provide savings over a number of years following the backdating of adjustments.

The report on Prudential Indicators sought approval of the prudential indicators for 2014/15 to 2016/17 required under the Prudential Code of Capital Finance in Local Authorities.

Recommendations by Cabinet would be considered at full Council on 27th February 2014 as full Council was responsible for setting the overall revenue and capital budget framework. At that meeting full Council would also set the Council Tax for 2014/15.

The Chairman of the Budget & Finance Scrutiny Committee, Cllr S.A.W. Reynolds, presented the comments of the Committee on the budget proposals. The Committee acknowledged the difficult decisions facing the Council in the climate of reduced grant funding. The main focus of the Committee's work had been on the adult social care budget, as the potential impact of funding reductions on vulnerable adults made this a key risk. It was noted that the costs of service provision in this area were above

regional/national averages, and the Committee's report set out a number of comments and recommendations in relation to this. The Committee welcomed a number of the proposals within the budget strategy, including the proposed investment for tackling youth unemployment, an additional draw-down contingency for safeguarding, and the investment in Destination Telford. The Committee had no real concerns about the budget consultation exercise.

Councillor A.R.H. England, Cabinet Member: Adult Care & Support, thanked the Scrutiny Committee for their comments. He reported on the changes to the leadership team in Adult Social Care and the impact this was having in delivering savings and reducing costs that were high in comparison to national averages. The focus of the savings would be on driving down provider costs, efficiencies and service re-design, and reducing existing care packages where there had been historical over-prescription of support. The measures to reduce spending would be guided by the principle of seeking to protect care for the most vulnerable people in the community.

Councillor W.L. Tomlinson, Liberal Democrat/Independent Group Leader, was then invited to comment on the budget proposals. He welcomed the proposed freeze in Council Tax, and suggested that more should be done to make council tax payers aware of the ways available to help them manage their payments. He expressed concern at the potential impact of the proposed cuts in adult social care budgets, and felt that the £4.5m being earmarked for investments should instead be put into reserves and balances to help support and protect front line adult social care services.

Cllr A.J. Eade, Conservative Group Leader, was invited to comment on the Cabinet's budget proposals. He expressed reservations about the way the Council's budget consultation survey had been worded, and that there was no draw down budget for adult social care to provide a safety net. He did not think the savings in Adult Social Care budgets could be achieved without affecting front line services. In terms of investment in Highways Infrastructure, a much more significant investment was needed if real improvements were to be made to the Borough's road network. There was also concern at the potential impact of the cuts in bus subsidies. Reference was also made to the Administration's scheme to build houses for the private rental market, and when these proposals, and the associated borrowing costs, would become known.

During the ensuing debate, the Cabinet Member for Finance & Enterprise advised that further details of the housing scheme would be announced later in the year, and that the Council's capital borrowing was now focussed on projects that would provide an income stream and a profit for the Authority. The proposed areas for investment were as a direct result of the main priorities for spending that had been identified by the public. Reference was also made to the lack of response from Government Ministers to requests to match-fund the Council's proposed expenditure to tackle youth unemployment, and to invest some of the receipts from land sales in the Borough.

RESOLVED – to RECOMMEND to COUNCIL on 27th February 2014:

(i) Overview and Revenue Budget 2014/15 – 2015/16

- (a) that the base budget summarised by Service Delivery Unit in Appendix 9a be approved;**
- (b) that the feedback from consultation summarised in Appendix 5 and from scrutiny in Appendix 6 of the report be considered;**
- (c) that the freezing of council tax levels in 2014/15 and 2015/16 be approved;**
- (d) that the creation of a £1.2m draw-down budget held centrally to offset anticipated pressures in the Children’s safeguarding budget in 2014/15 be approved;**
- (e) that the 2014/15 net savings package of £14.133m detailed in Appendix 3, and the savings proposals set out in the appendix for future years, be approved;**
- (f) that the change in the methodology of calculating Minimum Revenue Provision, as set out in section 10.4 of the report, and the backdating of this change in approach to create a one-off provision to fund the debt charges associated with the ‘Pride in Your Community’ initiative, be approved;**
- (g) that the revenue investment of £1.608m over two years for the ‘Pride in Your Community’ initiative be approved;**
- (h) that the revenue investment of £1.305m over two years for a programme of initiatives to tackle youth unemployment be approved;**
- (i) that the revenue investment of £0.1m one-off funding for Destination Telford initiatives be approved;**
- (j) that the revenue investment of £0.03m ongoing to fund a doubling of the care leavers grant be approved;**
- (k) that the policy framework for Reserves and Balances outlined in Appendix 11 of the report be approved;**
- (l) that the revenue implications of the medium term capital programme for the period 2013/14 - 2016/17 set out in the Capital Programme report be noted;**
- (m) that the Impact Assessments contained in Appendices 4a to 4c of the report be noted;**

- (n) that the Safeguarding and Early Help Cost Improvement Plan contained in Appendix 2 of the report be approved;
- (o) that, as detailed in section 10.5 of the report, any final underspend at the end of 2013/14 be used to supplement the Invest to Save, Capacity and Severance Funds to support the delivery of ongoing savings;
- (p) that provisions be created during 2014/15 to fund the second year of the 'Pride in Your Community' and Youth Unemployment initiatives.

(ii) Capital Programme

- (a) that the Capital Programme and associated capital estimates for 2013/14 and 2014/15 – 2016/17, which incorporate the appended Capital Strategy, the Planned Building Maintenance Programme, the Asset Management Plan and the three year Highways & Transport capital investment programme, be approved;
- (b) that authority be delegated to the Assistant Director: Development, Business & Employment to deliver the planned programme of works within the Asset Management Plan, and to the Assistant Director: Neighbourhood & Leisure Services to deliver the Highways and Transport capital investment programme, in line with the approved budgets and including, following consultation with the appropriate Cabinet Members, changes or variations to schemes in these programmes that remain within overall approved budgets.

(iii) 2014/15 Treasury Strategy and Treasury Update

- (a) that the treasury management activities for the first half year be noted;
- (b) that the Treasury Management Policy Statement, as shown at Appendix A of the report, be noted;
- (c) that the Treasury Strategy, including the Annual Investment Strategy for 2014/15, together with the associated Treasury prudential indicators and the Minimum Revenue Provision Statement, be approved.

(iv) Prudential Indicators

- (a) that the prudential indicators for 2014/15 to 2016/17, as set out in the report, be approved.

CB-91 PROCUREMENT INTENTIONS 2014/15

Non-Key Decision

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Law, Democracy & People Services, which set out proposed processes for procuring goods and services over the next 12-18 months.

Appended to the report was a Procurement Plan containing planned procurement activity which would or might lead to a formal tender process. These had been divided into Minor Contracts, where existing delegations to Officers existed, and Major Contracts, where previously individual reports requesting delegated authority to procure goods and service on behalf of the Council were needed. Approval of the delegations contained in the Plan would streamline the process and avoid the need for further reports seeking delegations for specific contracts.

In the longer term, it was hoped to include commissioning intentions to assist officers with their duty under the Social Value (Public Services) Act to inform and consult with the community before services are procured. Suppliers would also be encouraged to present their own Social Value Return on Investment.

RESOLVED –

- (a) that the planned procurement, as detailed in Appendix A of the report, and the existing delegation to officers in respect of contracts identified as Minor contracts, be noted;**
- (b) that authority be delegated to the appropriate Assistant Director, in consultation with the associated lead Cabinet Member, to progress and award the contracts identified as Major contracts in Appendix A of the report;**
- (c) that authority be delegated to the Assistant Director: Law, Democracy & People Services to affix the Council seal as appropriate.**

CB-92 SHROPSHIRE HILLS AREA OF OUTSTANDING NATURAL BEAUTY (AONB) - MANAGEMENT PLAN 2014 - 2019

Key Decision identified as **Shropshire Hills Area of Outstanding Natural Beauty – Management Plan 2014 - 2019** in the Notice of Key Decisions published on 6 December 2013.

Councillor C.F. Smith, Cabinet Member: Housing, Development & Borough Towns, presented the report of the Assistant Director: Planning Specialist, which sought approval for an updated version of the Management Plan produced by the Shropshire Hills AONB Partnership on behalf of Shropshire Council and Telford & Wrekin Council.

Part of the Shropshire Hills AONB included The Wrekin, and the Council had been working with partners to raise the profile of this part of the Borough in the Management Plan. The sub-area within the AONB was referred to in the Plan as the Wrekin Forest to recognise the links to the Wrekin Forest Partnership and their conservation management plan. The Plan set out a policy statement for the Wrekin Forest, as well as identifying priorities and key issues for the area. These included a more co-ordinated approach to the overall management of visitors and associated issues such as car parking, with scope to improve parking provision and visitor facilities which were sensitive to the location and had a viable business model. The Management Plan also set out the important relationship with the statutory planning process of both Local Authorities to support its policies. In relation to the Wrekin, the Plan made links to the Council's Shaping Places Local Plan process which was exploring mechanisms for the protection, promotion and management of the area.

The review of the AONB Management Plan had been subject to a public consultation exercise and formal observations from Natural England.

Members welcomed the revised Management Plan, and reference was made to the valuable conservation work undertaken in the Wrekin Forest area by Shropshire Wildlife Trust and the Wrekin Forest Volunteers, with the support of Ricoh.

RESOLVED – that the Shropshire Hills Area of Outstanding Natural Beauty Management Plan 2014-2019 be approved.

CB-93 DELEGATED POWERS TO ESTABLISH PRIMARY AUTHORITY PARTNERSHIPS AND AMENDMENT OF OTHER DELEGATED POWERS

Non-Key Decision

Councillor R.A. Overton, Cabinet Member for Public Health & Public Protection, presented the report of the Assistant Director: Health, Wellbeing & Public Protection, which sought approval for the delegation of authority to enter into Primary Authority Partnerships with business, and for specific delegated powers to public protection staff.

Primary Authority was a national scheme that allowed a business which traded across council boundaries to form a partnership with a single local authority. By means of Primary Authority, the Council could guide the way that other local authorities regulated the business, so that it was consistent and effective. This in turn gave businesses increased confidence that they were complying with legal requirements in relation to public protection. The scheme would enhance the Council's "business winning and supporting" priorities by offering an important support service to locally based business. It was proposed that 3 hours free advice was offered initially to each local business once the Partnership had been agreed by the Better Regulation Delivery Office – with a subsequent hourly charge on a cost recovery basis.

Due to new legislative requirements and changes in the job titles of posts, it was necessary to review the delegations given to Public Protection Officers to act on behalf of the Council. An updated list of delegations was appended to the report, which included the provisions of section 25 of the Regulatory Enforcement and Sanctions Act 2008 in relation to Primary Authority Partnerships.

RESOLVED – that the scheme of additional delegations shown at Appendix 1 of the report be approved.

CB-94 EXCLUSION OF PUBLIC AND PRESS

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

CB-95 DEVELOPMENT OF A LOGISTICS HUB AT MoD DONNINGTON

Key Decision identified as **MoD Donnington Logistics Hub** in the Notice of Key Decisions published on 21 January 2014.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Development, Business & Employment concerning proposals to support the bid for the MoD Donnington site to become the location for a National Defence Gateway.

The Council had been lobbying at various levels within the Ministry of Defence to demonstrate Telford's commitment and ability to deliver a logistics and storage hub. An extension to the Donnington base was a credible solution which could realise savings as well as ensuring continuity of military supplies to the front line. The report set out how the Council could take a more active role in the establishment of the Defence Gateway through funding, designing and building associated warehousing, and entering into a variety of freehold and leasehold solutions for land and buildings. The report also set out the financial implications of providing this support, which would be funded from the budgeted corporate contingency.

The Donnington site currently employed some 700 people, a large proportion of whom were associated with the current warehousing and distribution function of the site. If Telford was successful in being made the MoD's logistics centre for the UK, it would protect these existing jobs as well as being a major boost to the local economy and bringing more jobs into the Borough.

In response to questions about the MoD's procurement timetable, it was reported that initial bids had to be submitted BY 4 April 2014, with a likely decision on the preferred bidder due in Autumn 2014. Members expressed

their full support for the bid, and the proposed actions that would help to underpin it.

RESOLVED -

- (a) that the revenue expenditure being incurred, and the allocation of funding from the budgeted corporate contingency to fund this expenditure in 2013/14 as outlined at paragraph 4.4 of the report, be approved;
- (b) that authority be delegated to the Assistant Director: Development, Business & Employment, in consultation with the Cabinet Member: Finance & Enterprise, to undertake negotiations with the bidders around a number of possible delivery options for development including fund, design, build and leaseback solutions, as outlined at paragraph 4.3 of the report;
- (b) that authority be delegated to the Assistant Director: Law, Democracy & People Services to seal or sign any documents required to give effect to the proposals contained in the report.

CB-96 DISPOSAL OF LAND OFF A518, MUXTON

Key Decision identified as **Disposal of Land off A518, Muxton** in the Notice of Key Decisions published on 21 January 2014.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Development, Business & Employment concerning proposals to dispose of surplus land in Muxton.

The report detailed a site owned by the Council to the north of Muxton, directly off the A518 and adjacent to the development boundary of Telford. The site was identified within the Strategic Housing Land Availability Assessment as being suitable and available for development. The Council had been approached by adjacent land owners, who were looking to bring forward planning applications for residential development, and the report set out options for the Council to work in partnership with these parties to deliver a scheme which would involve the eventual disposal of the Council's freehold interests in the land. The report also set out the financial implications of the proposals, and the likely net capital receipt that would be generated.

RESOLVED -

- (a) that authority be delegated to the Assistant Director: Development, Business & Employment, in consultation with the Cabinet Member: Finance & Enterprise, to negotiate and enter into all necessary agreements with adjoining land owners as detailed within the report;
- (b) 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 corporately held land as detailed in the report;

- (c) that authority be delegated to the Assistant Director: Law, Democracy & People Services to seal or sign any documents required to give effect to the resolutions above.**

The meeting ended at 6.24 pm.

Signed for the purposes of the Decision Notices

**Jonathan Eatough
Assistant Director: Law, Democracy & People Services
Date: 26 February 2014**

Signed:

Date: