

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 31st January, 2013 at 5.00 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington, Telford

PUBLISHED ON WEDNESDAY, 6th FEBRUARY, 2013

(DEADLINE FOR CALL-IN: MONDAY, 11th FEBRUARY, 2013)

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

ALSO PRESENT: Councillor A.J. Eade (Conservative Group Leader), Councillor G.M. Green (Liberal Democrat/Independent Deputy Group Leader)

CB-89 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 10th January 2013 be confirmed and signed by the Chairman.

CB-90 APOLOGIES FOR ABSENCE

Councillor P.R. Watling and Councillor W.L. Tomlinson (Liberal Democrat/Independent Group Leader)

CB-91 DECLARATIONS OF INTEREST

Councillor K.S. Sahota declared an interest in agenda item 6 – Relocation of Civic Offices Sunday Car Boot Market – in relation to his son being a stall holder at Wellington Market. While not a disclosable pecuniary interest, he would withdraw from the meeting during consideration of this item.

Councillor C.F. Smith declared a non-pecuniary interest in agenda item 5 – Planning of School Places – in relation to the employment of a family member.

Councillor E.A. Clare declared a non-pecuniary interest in agenda item 5 – Planning of School Places – as a governor of Sutherland Business & Enterprise College.

CB-92 USE OF JIGSAW HOUSES

Key Decision identified as **JIGSAW Houses – Future Provision** in the Notice of Key Decisions published on 14 September 2012.

In the absence of the Cabinet Member: Children, Young People & Families, the Assistant Director: Family & Cohesion Services and Interim Service

Delivery Manager: Commissioning presented a report, which updated Members on the use of the houses on the Jigsaw School site in Hadley and proposals to re-tender care provision in homes on the site.

Adjacent to the Jigsaw School were four purpose-built 4 bedded children's homes – House number 1 was currently used as a resource centre by Children & Young Peoples services, House number 2 was currently a 4 bedded residential home for children in care, operated by Castle Care under a contract ending in July 2013. House number 3 was used as a supported accommodation unit specifically to house a young person with a disability, although this arrangement was likely to end in April 2013. House number 4 was currently being used as a supported accommodation unit for 16/17 year olds on a spot contract basis.

An analysis of referrals and placements of children in care had been undertaken in order to assess the needs and demand for residential care. From the data, it was proposed that the best option was to retain two properties for use as residential care homes for children & young people. This would provide up to 8 beds with a proposed high ratio of spot purchase to block purchase beds, which would provide more flexibility to meet the fluctuating numbers of children coming into care. Following an analysis of the costs of managing this provision and information obtained from across the region, it had been concluded that the management of the residential care homes on the Jigsaw site should be through an independent provider rather than the Council. It was further proposed to continue to use one property as a resource unit, with a view to opening it up to young people in transition as use for life skills training and for contact, and to earmark the remaining property for use as a boarding annex to the new school – although in the short term it could be used as a resource unit or as a supported accommodation unit.

The report outlined the proposed tendering process for the contract for the management of the two residential care homes. The contract would be for a 3-5 year period, and further legal and financial information relating to the proposed contract was detailed in the report.

Members welcomed the proposals to maximise the use of the Jigsaw houses to their full potential. In terms of the residential care provision, it was important to keep costs under control, and the high ratio of spot purchase beds would assist in limiting spending commitments. It was also noted that there was an option to sell beds to other local authorities, should there not be a local need for them.

RESOLVED –

- (a) that the proposed use of the houses on the Jigsaw site, as detailed in the report, be approved;**
- (b) that approval be given to tender for up to 8 residential beds for children in care on the Jigsaw site, and that authority be delegated to the Director of Children's Services, in consultation**

with the Cabinet Member for Children, Young People & Families, to award the contract on completion of the tender.

CB-93 PLANNING OF SCHOOL PLACES: SCHOOLS WHICH HAVE OR ARE PLANNING TO CHANGE THEIR STATUS

Key Decision identified as **Planning of School Places: Schools Changing Their Status** in the Notice of Key Decisions published on 3 January 2013.

In the absence of the Cabinet Member: Children, Young People & Families, the Assistant Director: Education & Skills presented a report, which updated Members on the changes in status of a number of schools in the Borough, and what impact it might have for the Council in the future.

There were two groups of schools that had opted for trust status:

- i) The Wrekin Co-operative Learning Trust – consisting of Shortwood and Wrekin View Primary Schools.
- ii) The Beacon Co-operative Learning Trust – consisting of The Charlton School and Apley Wood, Crudgington, Dothill and High Ercall Primary Schools.

By changing their status from community schools, the land on which the school stands had to be transferred by the local authority to the trust body within 6 months of the trust's foundation. Staff (teaching and non-teaching) employed by the Council were also transferred so that the trust became their employer. The Charlton School was already a Foundation School, with its own land and staff, and so changes there had been minimal. In addition, there were four secondary schools currently applying to become academies by 1 April 2013. Wrockwardine Wood Arts College, Sutherland Business & Enterprise College and Phoenix School were planning to form the Telford Co-operative Multi-Academy Trust. The Lord Silkin School had also applied to become an academy, but with slightly different partners. Three of these secondary schools were already Trust schools, but the Phoenix School (as a current community school) would have both land and staff transferred to it. The situation was complicated for each of these proposed academies, because their current land and premises was different from the one they would occupy once the BSF project was completed. In some cases temporary leases would have to be granted and building agreements entered into to take account of schools moving to new sites.

Any land or asset transfer agreement would need to incorporate sufficient and appropriate protections to ensure that community access was at least maintained and where possible enhanced. In financial terms, there was a saving to the overall Dedicated Schools Grant of around £100,000 as a result of trust schools being eligible for relief of 80% on National Non-Domestic Rates. This saving could be re-invested in the overall school budget. However there would be a loss to the Council of approximately £50,000 in rates revenue. There would also be adjustments to the Council's Education Services Grant as a result of the four schools converting to academy status, with an expected reduction in grant of £266,000.

Members stressed the importance of ensuring community access to school playing fields and sports facilities was maintained and enhanced. In response to a question about schools working co-operatively, the Assistant Director advised that there were already examples under the new Co-operative Trust arrangements of joint training of staff and sharing of resources.

RESOLVED – that the information relating to schools' change of status contained within the report be noted.

CB-94 RELOCATION OF CIVIC OFFICES SUNDAY CAR BOOT MARKET

Key Decision identified as **Relocation of Civic Offices Sunday Car Boot Market** in the Notice of Key Decisions published on 3 January 2013.

Councillor K.S. Sahota withdrew from the meeting room, and Councillor R.A. Overton (Deputy Leader) took the Chair for this item only.

Councillor R.A. Overton, Deputy Leader, presented the report of the Assistant Director: Development, Business & Housing concerning proposals to relocate the Sunday car boot market following the sale of the Civic Offices site.

The Sunday Car Boot Market had operated from the Civic Offices site for more than 10 years, and had generated a weekly income which was used to support other markets across the Borough. With the forthcoming closure of Civic Offices for redevelopment, it was necessary to relocate the Sunday Market with effect from the beginning of February 2013. Consideration had been given to a number of potential sites across the Borough that could accommodate the Sunday Car Boot Market. The preferred option was to utilise the Victoria Road North and Nailors Row car parks in Wellington. This would offer space for around 100 traders, with the Victoria Road South car park being used by customers attending the market.

Discussions had been held with Wellington Town Council and Wellington Market representatives over the precise detail of the new arrangements. If agreed, the new location would be monitored and regularly reviewed over a six month period.

RESOLVED –

- (a) that the relocation of the Sunday Car Boot Market from the Civic Offices car park to a site in Wellington, as detailed in the report and shown at Appendix A, be approved on a trial basis with regular monitoring and review;
- (b) that authority be delegated to the Assistant Director: Development, Business & Housing to negotiate and agree terms for the relocation of the Sunday Car Boot Market;

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

**CB-95 ENERGY COMPANY OBLIGATION AND GREEN DEAL –
OPTIONS AND RECOMMENDATIONS**

Key Decision identified as **Energy Company Obligation (ECO) Funding and the Green Deal** in the Notice of Key Decisions published on 8 November 2012.

Councillor C.F. Smith, Cabinet Member: Housing, Regeneration & Economic Development, presented the report of the Assistant Director: Development, Business & Housing concerning Government measures to improve energy efficiency, reduce fuel poverty and cut carbon emissions, and what options were open to the Council.

The Energy Company Obligation replaced existing energy efficiency schemes, and could provide up to 100% grant assistance for retro-fit energy efficiency measures (eg efficient boilers, insulation) in low income and vulnerable households. ECO funding would be brokered via a Green Deal Provider following an assessment of which households qualified.

The Green Deal (GD) was a financial mechanism open to all households, by which retro-fit energy efficiency measures were funded by a GD Provider in the form of a loan or charge to the property, which was then paid back through electricity bill payments. There should be no net increase in costs to the customer through the application of a “golden rule”, whereby the regular repayments via the energy bill must be less than or equal to the bill savings made.

The Government had identified a number of roles that local authorities could choose to take to maximise local benefits from ECO and GD, and these were appended to the report. Following analysis of these options, and work being undertaken by the Marches Sustainable Housing Partnership, it was considered that the Green Deal Partner approach provided the best opportunity to maximise uptake of funding and deliver economic and wellbeing related outcomes. Along with 33 other local authorities and 7 social landlords (including Wrekin Housing Trust), the Council was a signatory to the Birmingham Energy Savers (BES) Framework, of which Carillion Energy Services was the appointed Green Deal Provider. It was therefore proposed that the Council use the Framework to establish a partnership with Carillion. The report set out how the local operation of the BES Framework would be undertaken, including the role of Carillion in delivering the ECO and GD locally and the role of the Council in co-ordinating all energy efficiency activity in the Borough and providing a client function. The Framework specified that Carillion utilised existing networks of small businesses and the local supply chain, rather than bringing in their direct labour. A number of performance indicators would also be established in order to maximise benefits to the local economy in terms of employment and training.

RESOLVED –

- (a) that the establishment of a partnering arrangement, utilising the Birmingham Energy Savers Framework, to co-ordinate local delivery of ECO and Green Deal opportunities, be approved;
- (b) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member: Housing, Regeneration & Economic Development, to agree contractual arrangements with the Birmingham Energy Savers Green Deal delivery partner, Carillion Energy Services Ltd, to maximise the Authority's opportunities associated with ECO funding and the use of Green Deal funding;
- (c) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to sign or seal all documentation required to give effect to any agreement reached pursuant to (b) above.

CB-96 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 it may involve the disclosure of information relating to the financial or business affairs of any particular person (including the authority holding that information) as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972.

CB-97 SALE OF TRENCH LOCK 3, TRENCH LOCK INDUSTRIAL ESTATE

Key Decision identified as **Sale of Trench Lock 3 Industrial Estate** in the Notice of Key Decisions published on 3 January 2013.

Councillor W.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Development, Business & Housing which sought approval for the disposal of the freehold of Trench Lock 3, Trench Lock Industrial Estate, which formed part of the Property Investment Portfolio (PIP).

Trench Lock Industrial Estate comprised of 35 workshops available for lease to small and medium sized enterprises. As part of a regular review of the PIP, in which income and expenditure associated with all assets over a 5 year accounting period was assessed, along with information from condition and asbestos surveys, Trench Lock 3 had been identified as under-performing. There were a number of factors related to this, and these were detailed in the report. It was therefore recommended that the property be sold as part of the PIP regeneration strategy, and the proceeds of the sale be used to reinvest in modern property capable of sustaining the revenue position of the investment portfolio, whilst reducing other costs.

In response to questions about the existing tenants at Trench Lock 3, and what other premises existed in the Borough for small enterprises and start-up businesses, the Assistant Director: Development, Business & Housing advised that the existing tenancies were protected, and that the Enterprise Hub at Hadley Park East was a good example of provision of start-up units and opportunities for small businesses.

RESOLVED –

- (a) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member: Housing, Regeneration & Economic Development, to dispose of Trench Lock 3, Trench Lock Industrial Estate in accordance with the report;**
- (b) that the capital receipt generated by this disposal be reinvested in modern premises in order to improve the revenue position of the Council's Property Investment Portfolio;**
- (c) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to execute any documents necessary to give effect to (b) above.**

The meeting ended at 5.30 pm.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Law, Democracy & Public Protection
Date: 6 February 2013

Signed:

Date:

TELFORD & WREKIN COUNCIL

CABINET – 28 FEBRUARY 2013

2012/13 FINANCIAL MONITORING REPORT

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

LEAD MEMBER – COUNCILLOR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1.0 SUMMARY OF KEY ISSUES

1.1 2012/13 Revenue

Current financial monitoring shows revenue spending for the year is projecting to be within budget at year end which, given the context of the Council having to make £19m of budget savings required as part of the 2012/13 budget strategy, is a very positive position. The service overspend has increased by £0.134m since the last report to Cabinet. The 2013/14 Service & Financial Planning Strategy proposes that £2.5m is carried forward to create a one-off contingency to support next year's budget and this is also now included in the overall position. The remaining unused contingency is projected to be £1.97m.

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

- The cost of Children in Care Placements together with the use of agency staff in the Children's Safeguarding Service and associated legal costs – showing a combined variation for the Children & Safeguarding Service Area of £3.1m which is £0.3m higher than previously reported. This is an issue that is addressed within the Service & Financial Planning report also on this agenda as delivery of the agreed safeguarding budget action plan is a very significant risk for the council's overall service and financial planning strategy.
- A shortfall of £0.250m in relation to the Education Business Partnership due to lost grant income.
- Care & Support Services are projecting a net overspend of £0.304m which is after offsetting anticipated one-off funding from the NHS totalling £4.7m together with the application of other one-off funding totalling £1.2m. The majority of the overspend relates to the PCT's withdrawal of funding for some clients with healthcare needs and the costs of supporting these people falling on the Council.
- A benefit of £0.625m arising from active treasury management
- Savings against employee budgets relating to vacant posts across a range of services totalling £1.9m

- Savings arising from reduced fleet/transport across a number of services totalling £0.5m
- A one-off refund of £0.351m from the Government in relation to academies funding
- The cost of Specialist Education – net projected overspend of £0.539m which relates to stated provision, a reduction of £0.118m since the last report which is mitigated by reported underspends on DSG funded areas.
- Net income shortfalls of £1.5m relating to a number of services including building control fees, planning fees and PIP rentals, Business Development Centre income, school meals, licensing fees and Adult Social Care Client contributions

1.2 Capital

The capital programme totals £79.7m which includes approved changes for slippage and new approvals. Spend at the time of compiling this report was 51% which is broadly in line with previous years.

The capital programme funding includes a significant amount of capital receipts anticipated to be delivered over the medium term. Failure to achieve, or delays to, the receipts would have financial implications for the Council. The position is being closely monitored and while there have been some changes since the budget was set, total receipts over the medium term are currently on track. Receipts for 2012/13 are lower than budgeted however this can be accommodated within the lower than budgeted spend projected.

1.3 Corporate Income Collection

Collection levels for NNDR are currently projected to be ahead of target; council tax and Sales Ledger outstanding debt are behind target.

2.0 RECOMMENDATIONS

2.1 Members are asked to

- (i) Note that 2012/13 revenue spend is currently projecting to be within budget at year end;**
- (ii) Note the position in relation to capital spend;**
- (iii) Note that NNDR collection is currently ahead of target while council tax and sales ledger are behind target.**

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Delivery of all priority objectives depend on the effective use of available resources. Regular financial monitoring helps to highlight variations from plan.
	No	
TARGET COMPLETION/DELIVERY DATE	To outturn within budget at 31/3/13	
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	Borough Wide

4.0 PREVIOUS MINUTES

01/03/12 – Full Council, Service & Financial Planning Strategy
 26/07/12 – Cabinet, Financial Monitoring Report
 13/09/12 – Full Council, Financial Monitoring Report
 18/10/12 – Cabinet, Financial Monitoring Report
 22/11/12 – Full Council, Financial Monitoring Report
 10/01/13 – Cabinet, Financial Monitoring Report
 24/01/13 – Full Council, Financial Monitoring Report

PART B) – ADDITIONAL INFORMATION

5.0 2012/13 REVENUE BUDGET

- 5.1 Financial monitoring is the responsibility of budget holders and is supported by Finance staff using a risk based approach: more focus is given to high risk areas (high value/highly volatile); less frequent monitoring is undertaken on low risk.
- 5.2 Monitoring shows that spend is projected to be within budget at year end. This position includes use of £2.9m of the remaining corporate contingency to cover net service variations and to carry forward £2.5m

as a one-off contingency for 2013/14 (which is included in the 2013/14 budget strategy). The main changes since the last report are shown below:

Variations - £m	Jan Cabinet Report	Change	Current Projected Variation
Children's Safeguarding – Children in Care placements	+1.678	+0.236	+1.914
Education & Skills – Premature Retirement Costs	+0.096	-0.148	-0.052
Education & Skills – Under spend relating to transport costs	0.000	-0.300	-0.300
Family & Cohesion – Statements and Out of County Placements	+0.657	-0.118	+0.539
Family & Cohesion – Under spend relating to transport costs	-0.200	-0.123	-0.323
Care & Support – procurement of care packages	+5.270	+0.178	+5.448
Care & Support – reduced employee costs	0.000	-0.240	-0.240
Development, Business & Hsg - reduced use of one-off funding against PIP rental shortfall	-0.290	+0.145	-0.145
Customer & People Services – increased costs relating to corporate ICT maintenance contracts	+0.083	+0.114	+0.197
Other Variations	-6.994	+0.390	-6.604
Total Projected Variation	+0.300	+0.134	+0.434
2013/14 one-off budget contingency – cfwd as part of budget strategy	0.000	+2.500	+2.500
Call on Contingency	-0.300	-2.634	-2.934
Final Projected Variation	0.000	0.000	0.000

5.3 Variations of more than £0.100m are detailed in section 5.4 for each Service Delivery Unit. The overall 2012/13 budget position is summarised in the table below together with the changes since the last report:

Summary of 2012/13 Projected Variations

Service Delivery Unit	Previously Reported Variation	Total Current Variation	Movement
	£	£	£
Children's Safeguarding	2,798,195	3,064,299	266,104
Education & Skills	(272,000)	(722,413)	(450,413)
Family & Cohesion Services	(579,000)	(581,084)	(2,084)
Development, Business & Housing	48,000	49,000	1,000
Neighbourhood & Leisure Services*	(5,000)	261,000	266,000
Care & Support	194,000	304,000	110,000
Customer & People Services	35,611	98,415	62,804
Law, Democracy & Public Protection	(100,878)	(100,878)	0
Finance, Audit & Information Governance	(235,708)	(284,778)	(49,070)
Cooperative Council Delivery Unit	(91,695)	(161,496)	(69,801)
Council Wide	(1,492,000)	(1,492,000)	0
Total Projected Variation	299,525	434,065	134,540
Carry Forward to 13/14 as one off contingency		2,500,000	2,500,000
Call on Corporate Contingency	(299,525)	(2,934,065)	(2,634,540)
Projected Year End Position	0	0	0

*The £266k movement since the last report is due to fleet transport transferring to Family & Cohesion Services

5.4 Projected variances over £0.100m are highlighted below.

Service Delivery Unit	Variance £m
<u>Children's Safeguarding</u>	
Children in Care – overspend; reflects 317 CiC (end of January)	+1.914 [increased overspend]
Supported Placements/Special Guardianship and Residence Orders	+0.107 [no change]
Child Protection and Assessment Staffing – overspend arising from the use of agency staff employed to cover vacancies.	+0.515 [reduced overspend]
Support for Children in Need and Assessments – costs associated specific support for children in need and specific assessment requests.	+0.185 [reduced overspend]

Legal Costs – the costs associated with court proceedings	+0.143 [no change]
<u>Education, Culture & Skills</u> Employees – anticipated impact from the restructure and vacancies. Education Business Partnership – loss of grant funding Lifelong Learning & Skills – loss of grant funding Transport – reduced transport costs (includes Home to School Transport) DSG funding – underspends to mitigate the Special Education Needs costs	-0.130 [no change] +0.250 [no change] +0.191 [reduced overspend] -0.300 [increased benefit] -0.539 [no change]
<u>Family & Cohesion Services</u> Specialist Education – projected overspend based on numbers currently in the system and an estimate of future statements. Projections of expenditure in this area are volatile due to the constant updating of information. This is net of DSG funding brought forward from 2011/12. Children & Families Location Services – includes staff savings Transport – projected savings on Home to School Transport costs	+0.539 [reduced overspend] -0.462 [increased benefit] -0.323 [increased benefit]
<u>Care & Support</u> Purchasing budgets – cumulative impact of the financial pressure resulting from Continuing Health Care eligibility review criteria review carried out by the PCT since 2009 which has the impact of additional costs falling on the Council.	+5.448 [increased overspend]

NHS/PCT Funding – anticipated funding from the PCT in relation to clients with a Primary Health Need (CHC clients) as they rebalance their spending. Other NHS Funding - funds passed to the PCT by the Department of Health to support Social Care in Local Authorities. Income – shortfall of client contributions from all client groups. Employee Costs – underspend arising from vacant posts and reduced hours in the structure. Care Leavers – overspend relating to the cost of supporting 16-18 year olds as they leave care. Supporting People – delay in achievement of saving Commissioning – reduction in staffing costs following the service restructure One off Funding – identified following a detailed review of available funds	-2.700 [no change] -2.030 [no change] +0.280 [increased overspend] -0.240 [increased benefit] +0.601 [increased overspend] +0.204 [no change] -0.150 [no change] -1.206 [no change]
<u>Neighbourhood & Leisure Services</u>	
Winter maintenance costs in excess of budget TWS Pension Costs – increased costs from Shropshire Pension Fund; covered by one-off funds. One off funds identified to fund the TWS Pension Cost overspend above Environmental Services –net savings relating to waste collection and disposal Engineers fees and charges – income shortfall arising from reduced chargeable hours due to the current procurement process underway	+0.151 [no change] +0.117 [no change] -0.113 [no change] -0.140 [no change] +0.110 [no change]

<u>Development, Business & Housing</u>	
PIP Rental Income – shortfall due to economic climate	+0.262 [increased overspend]
PIP – use of one off funds identified	-0.145 [reduced benefit]
Building Control Fees – shortfall due to downturn in the economy	+0.100 [no change]
Planning Fees – shortfall due to downturn in the economy	+0.300 [no change]
Planning – identification of one-off funding to mitigate income shortfall shown above	-0.322 [no change]
Planning Legal Fees – costs arising from defending planning applications	+0.100 [no change]
Strategic Housing – underspends arising from vacant posts	-0.357 [no change]
Operational Properties – increased NNDR due to revaluations	+0.102 [no change]
<u>Customer & People Services</u>	
ICT – overspend relating mainly to increased costs associated with maintenance contracts.	+0.197 [increased overspend]
Education catering client account – shortfall against free school meals income budget partly due to schools not buying back into the service.	+0.229 [increased overspend]
School Meals – shortfall in meals income due to reduced take up and purchasing overspends	+0.173 [reduced overspend]
Organisational Improvement – staff savings arising from vacant posts and restructure	-0.153 [no change]

<u>Law, Democracy & Public Protection</u>	
Land Charges Income – additional search fees income	-0.142 [no change]
Licensing Income – shortfall arising mainly from taxi licensing	+0.152 [no change]
Democratic Services – underspends relating to member allowances and subscriptions	-0.114 [no change]
<u>Government Funding Refund</u> – one-off refund in relation to academies funding.	-0.351 [no change]
<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.	-0.625 [no change]
<u>Housing & Council Tax Benefit Subsidy</u> Benefit arising from reduced audit fee and council tax benefit overpayment recovery	-0.125 [no change]

6.0 **CONTINGENCIES**

- 6.1 The 2012/13 budget includes combined contingencies of £7.391m, which are set aside to meet any unforeseen expenditure.

	£m
General Revenue Contingency	1.596
Inflation Contingency	2.550
Additional One Off Contingencies (held in reserves)	3.245
Total Contingency	7.391
Allocation of contractual inflation	1.522
Uses previously approved at Cabinet	0.962
Amount required to meet current Revenue Shortfall (including £2.5m carry forward to support the 13/14 budget strategy).	2.934
Balance remaining in Contingencies	1.973

7.0 CAPITAL

7.1 2012/13 Capital Programme

The capital programme totals £79.7m which incorporates approved adjustments for re-phasing, new approvals, slippage together with updates included in the 2013/14 Service & Financial Planning Strategy (which is also on this meeting agenda).

The financial position is shown in the table below which shows spend at 51% of the budget allocation. Projected spend is expected to be £72.5m which indicates that further slippage will be incurred at year end.

Priority	Budget £m	Spend To Date £m	%	Projection £m
Protect and Support our Vulnerable Children & Adults	4.011	1.192	29.7	2.590
Improve the Health & Wellbeing of our Communities	4.434	3.749	84.6	4.280
Protect and Create Jobs as a Business Supporting, Business Winning Council	14.769	8.351	56.5	12.350
Improve Local People's Prospects through Education & Skills	34.907	17.680	50.7	32.160
Regenerate Neighbourhoods in Need	9.173	3.272	35.7	8.440
Managing the Organisation	2.357	0.480	20.4	1.920
Ensure that Neighbourhoods are Safe and Clean	10.019	6.154	61.4	10.800
Total	79.670	40.878	51.3	72.540

The capital programme funding includes £112.8m receipts anticipated to be delivered over the medium term. Failure to achieve, or delays to, receipts would have financial implications for the Council. Detailed monitoring shows that, although there have been changes since the budget was set, in total, over the medium term, receipts are on track. There is a projected shortfall in 2012/13, mainly due to some anticipated receipts not being delivered until 2013/14. This shortfall can be accommodated through slippage of expenditure, mentioned above, and some additional receipts expected in 2013/14. The position will continue to be closely monitored.

8.0 CORPORATE INCOME MONITORING

- 8.1 The Council's budget includes significant income streams which are regularly monitored to ensure they are on track to achieve targets that have been set and so that remedial action can be taken at a very early stage. The three main areas are Council Tax, NNDR (business rates) and Sales Ledger. 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.

- 8.2 In summary, the overall position shows collection levels for NNDR ahead of target and Council Tax collection and sales ledger debt behind the target set.

INCOME COLLECTION – DECEMBER 2012			
	Actual	Target	Performance
Collection Levels:			
Council Tax Collection	85.41%	85.88%	0.47% behind target
NNDR Collection	87.09%	86.60%	0.49% ahead of target
Sales Ledger Outstanding Debt	8.16%	5.50%	2.66% behind target

8.3 Council Tax (£61.2m)

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

Year end performance 2011/12	97.8%
Year End Target for 2012/13	97.8%

Performance is cumulative during the year and expressed against the complete year's debit. Performance to the end of December is 0.47% behind the target set for this year and the performance at the same time last year:

Month End Target	Month End Actual	Last year Actual
85.88%	85.41%	85.88%

The collection rates are slightly behind target, and at this stage in the year it seems unlikely that the year end target will be met.

8.4 NNDR-Business Rates (£68.1m)

The % of business rates for 2012/13 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 2011/12	98.3%
Year End Target for 2012/13	98.3%

Performance at the end of December is 0.49% ahead of the month end target and the collection at the same time last year. There are some Telford & Wrekin council accounts which have been paid earlier than they would normally be which has resulted in the collection rate looking healthier than expected. Close monitoring will be undertaken during January and February to predict year end outturn.

Month End Target	Month End Actual	Last year Actual
86.60%%	87.09%	86.60%

8.5 **Sales Ledger (£43.2m)**

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 are as follows:

Age of debt	Annual Target %	December 2012	
		£m	%
Total	5.50	3.118	8.16%

Performance for sales ledger outstanding debt is currently outside target but has improved significantly since the last report through active chasing customers for payment via telephone calls. There are still a number of debts under dispute relating to Social Services which are proving difficult to resolve.

9.0 **BACKGROUND PAPERS**

2012/13 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 2012/13 Projected Variations

Service Delivery Unit	Previously Reported Variation	Total Current Variation	Movement
	£	£	£
Children's Safeguarding	2,798,195	3,064,299	266,104
Education & Skills	(272,000)	(722,413)	(450,413)
Family & Cohesion Services	(579,000)	(581,084)	(2,084)
Development, Business & Housing	48,000	49,000	1,000
Neighbourhood & Leisure Services	(5,000)	261,000	266,000
Care & Support	194,000	304,000	110,000
Customer & People Services	35,611	98,415	62,804
Law, Democracy & Public Protection	(100,878)	(100,878)	0
Finance, Audit & Information Governance	(235,708)	(284,778)	(49,070)
Cooperative Council Delivery Unit	(91,695)	(161,496)	(69,801)
Council Wide	(1,492,000)	(1,492,000)	0
Total Projected Variation	299,525	434,065	134,540
Carry Forward to 13/14 as one off contingency		2,500,000	2,500,000
Call on Corporate Contingency	(299,525)	(2,934,065)	(2,634,540)
Projected Year End Position	0	0	0

2012/13 Revenue Budget Variations over £50,000				
Description		Budget	Service	Comments
		£	£	
Childrens Safeguarding				
Children in Care Placements		9,813,510	1,914,114	Based on all known CiC placements and projected for expected leave dates where known - this will reflect any change in both periods of care and numbers within residential care and the cost of placements. Figures are based latest CiC numbers for mid January were 320 (31st March 2012 – 302)
Supported Placements(Special Guardianship and Residence Orders)		375,990	107,022	This overspend has resulted from growth in numbers and placement costs, there are currently 61 supported children, and the majority of the cost results from payments to Carers.
Child Protection and Assessment Staffing		2,127,950	515,260	This is based on the net cost of agency staff, taking their forecast costs and taking off budgets for posts being covered. In total the expenditure is reducing as planned to around 6 fte Agency staff . The cost of agency staff is offset by any vacancies being covered.
Legal Costs		100,000	143,000	Reflects the costs associated with court proceedings,
Support for Children in Need and Assessments		123,410	185,213	Reflects the costs associated with specific support for children in need and specific assessment requests. The level of such costs are subject to the individual cases which present during the year.
Other Variances under £50,000		5,459,190	199,690	
Total Children's Safeguarding		18,000,050	3,064,299	
Education & Skills				
Staffing			(130,000)	There are expected to be some impact from vacancies arising in this year and the implementation of the restructure.
Premature Retirement costs			(52,000)	Review of all costs and future costs expected in year has resulted in an identified underspend
Income	Education Business Partnership		250,000	Impact of loss of grant income
Income	Lifelong learning and skills		191,225	Impact of loss of grant income
Transport	Fleet Services		(300,000)	Forecast underspend on Home to School Transport etc. The position is being reviewed to establish the reasons

2012/13 Revenue Budget Variations over £50,000				
Description		Budget	Service	Comments
		£	£	
Income	Schools support services traded with schools		0	This is the first year that income has been generated from extended traded services with schools, and there is an element of volatility in the level of income from trading and the costs associated with generating that income. This first year's experience will inform the 2013/14 budget setting process and realign forecasts in line with actual activity. The forecasts currently project a breakeven position as expenditure is also below budget and offsets any income shortfalls for the year
DSG funding			(538,916)	Monitoring of the overall use of DSG indicates various underspends which will be used to offset the overspend in relation to SEN(see Family and Cohesion Services)
Other variations under £50k			(142,722)	
Total Education & Skills			(722,413)	
<u>Family & Cohesion Services</u>				
Statements and Out of County Placements(DSG)			538,916	Reflects the current projections based on known numbers in the system and a forecast of future statements and is net of DSG funding brought forward from 2011/12. The Education and Skills SDU underspend on DSG mitigates the overspend here by £538k.
Fieldwork Disability			61,000	This is as a result of residual staff in place pending completion of recruitment process as part of the service restructure
Family Placements			(65,000)	This is as a result of delays in recruiting to posts following restructure
Children & Family Location Services			(462,000)	Includes staffing savings on Newdale and generally across Children's and Family Centres
Transport			(323,000)	Various underspends including BSOG fuel duty rebate, Outside Hire income, Vehicle maintenance with a number of other small underspends.
Teenage Pregnancy			(90,000)	Reflects staffing savings and changes in level of service pending relaunch via the Health and Well Being Strategy.

2012/13 Revenue Budget Variations over £50,000				
Description		Budget	Service	Comments
		£	£	
TAMHS			(50,000)	Saving following restructuring. Whilst there are plans for some targeted initiatives in future years the expectation is that most of this service has been embedded within the new structures created.
Shortbreaks			(75,000)	This saving has resulted from a careful review of existing commitments and levels of service.
Variations under £50k			(116,000)	
Total Family and Cohesion Services			(581,084)	
Care & Support				
Purchasing - all client groups		37,845,000	5,448,000	The change in the interpretation and application of national CHC guidelines by the local PCT in 2009/10 led to a 75% cut in their financial support for vulnerable people with long term health conditions and placed an increased burden of over £8m pa on the Council's Adult Care budget, which is in the process of being cut by 30% as a result of Government grant cuts. Since then this changed approach has led to new cases also falling on the adult care budget which would previously have been NHS funded on top of the cases where existing NHS funding was taken away, leaving a net position of around £8.5-9.0m additional spending pressure ongoing. The Council's ongoing Adult Care budget has been increased by around £3m to offset some of this pressure by cutting other service budgets, leaving a net £5.5m+ unfunded ongoing which is currently being met by £4.7m one off national and local NHS funding leaving a net shortfall of £0.8m falling on one off Adult Care funds this year. Discussions around this unresolved problem passed on by the PCT to the new Clinical Commissioning Group continue.
Funding from the PCT			(2,700,000)	One off PCT contribution towards displaced CHC costs in order to prevent further cuts to Adult Care services impacting on the NHS..
Funding from the PCT(DH funding)			(2,030,000)	£2.03m one off National NHS grant towards protecting Adult Care services which impact on the NHS: This is being used to delay further cuts to Adult Care services which would otherwise follow from the withdrawal of PCT funding for CHC cases causing increased council budget pressures.

2012/13 Revenue Budget Variations over £50,000				
Description		Budget	Service	Comments
		£	£	
Subtotal			718,000	The residual budget pressure has arisen mainly from the review of Health Funded clients. There are likely to be continuing pressures on the purchasing budget as client numbers increase with the increasing demand for services and the increasing cost of care packages. There will also be the impact of savings taken out of the budget in 2012/13, where it is difficult to differentiate the impacts of savings initiatives from the demographic changes in client numbers
Income -client contributions for all client groups		(10,113,000)	280,000	Previous reports referred to further work being needed to ascertain the reasons for income shortfalls in the current year. This has now been done and a significant sum of around £0.4m was the result of income no longer received because of the review of CHC eligible clients and this is now the subject of the purchasing variance reported above. The remainder (reported here) is a shortfall on income budgets resulting from lower than expected client contributions.
Employee Costs		11,577,000	(240,000)	This is a result of vacancies and reduced hours in the structure. This is unlikely to be ongoing as it is the result of the recruitment process which was ongoing during the first quarter of 2012/13
Care Leavers		1,317,170	601,000	When the service was transferred from Children's services into adults the pressure was around £480k. Pressure on budgets has continued to increase due to increasing costs of supported accommodation. Spend depends on the level of support and accommodation required; work is ongoing with the aim of reducing costs.
Supporting People		3,257,000	204,000	A large part, £124k 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. This saving has not been realised as suggested by WHT and this has resulted in a significant proportion of the overspend. There is a partial reduction in forecast outturn from current expected commitments and this is resulting in overspending the reduced budget.
Commissioning		1,025,000	(150,000)	Reduction in staffing following restructure and in costs of operation has resulted in £102k underspend on the pooled budget. The costs associated with SLA's with voluntary organisations is currently under review but some budgets which were to be allocated in 2012/13, but have not been allocated and where expenditure has not occurred are being consolidated and offset against pressures
Transport		1,350,000	97,000	Forecast overspend on Transport etc. The position is being reviewed to establish the reasons

2012/13 Revenue Budget Variations over £50,000				
Description		Budget	Service	Comments
		£	£	
Use of One off Funding			(1,206,000)	Resulting from a careful review of all available monies and commitments. This funding is only one off and will not be available in future years.
Total Care & Support			304,000	
Neighbourhood & Leisure Services				
Public Realm	Winter Maintenance	484,890	151,000	Winter Maintenance budget insufficient due to the level of fixed costs.
Public Realm & Waste Enforcement	TWS Pension Costs	76,589	117,000	TWS Pension costs - impact on Telford and Wrekin of a change in methodology for calculating contributions to Shropshire Pension Fund
Public Realm & Waste Enforcement	TWS Pension Costs	-	(113,000)	Mitigation of TWS Pension costs above due to release of one off funds and other small underspends
Waste Enforcement	Domestic Refuse	74,160	76,000	Replacement costs for lost or damaged containers.
Environmental Services	Waste Collection and Disposal		(140,000)	Various net savings in waste collection and disposal costs
Environmental Services	Service and Contract development		(50,000)	Savings in the operational costs of Granville depot including the impact of a rent review.
Highway & Engineering	Engineers Fees & Charges	(2,218,590)	110,000	Engineers Fees income shortfall due to impact of procurement process of chargeable hours available.
Service Wide	Environmental Services Reserve	400,000		Projected spend for this year is £250k, this is due to delays in implementation due to negotiations with TWS. This will generate a projected in year benefit, although this funding will be required to be slipped into 13/14 due to commitments.
Service Wide	Variations under £50k		110,000	Various small overspends across a number of areas.
Arts and Culture	Oakengates Theatre			(£67k) understand included within Education, Culture and Skills
Total Neighbourhood & Leisure Services			261,000	
Development, Business & Housing				

2012/13 Revenue Budget Variations over £50,000				
Description		Budget	Service	Comments
		£	£	
Estates & Investments	PIP Rental Income	(5,998,332)	262,000	Shortfall in PiP rental income against income target due to high levels of voids in the current economic climate and knock on affect on Service Charges & NNDR for void properties.
Estates & Investments	PiP		(145,000)	Use of one off funding of £45k and capitalisation of £100k of landlord R&M works.
Estates & Investments	Business Development Centre Income	(250,420)	52,000	Shortfall in income from hire of rooms, catering and recharges for service. A plan is currently being identified.
Development Management	Building Control	(437,210)	100,000	Shortfall in building control fee income due to a downturn in the economy
Planning	Fee Income	(1,200,810)	300,000	Shortfall in planning fee income due to the downturn in the economy
Planning			(322,000)	Application of one off funding to mitigate the impact of the downturn in the economy on planning income. Includes underspends from vacancy monitoring and one off reserves and balances
Planning	Planning Legal Fees	5,830	100,000	Legal planning fees for defending planning applications - this is net of one off reserves and use of contingency
FM and Cleaning Services	FM fees and charges		90,000	Net impact of the shortfall against income targets from charges to schools and PAT testing.
Strategic Housing	Environmental Co-ordination	457,310	(100,000)	Number of underspends the majority relating to vacant posts
Strategic Housing			(257,000)	Identification of a number of one off underspends, including vacancy management.
Economic Development			(55,000)	Identification of a number of one off underspends, including vacancy management.
Economic Development	Newport Noctune		10,000	Contribution to the Newport Noctune. Costs coded to Economic Development, but to be met from the Cooperative Council budgets
Operational Properties	NNDR	62,800	102,000	Increase in NNDR rateable values due to revaluations.
Variations under £50k			(88,000)	
Total Development, Business & Housing			49,000	
Customer & People Services				
ICT	Various Budgets	628,740	197,409	£163k overspend against corporate ICT maintenance contracts.

2012/13 Revenue Budget Variations over £50,000				
Description		Budget	Service	Comments
		£	£	
Education Catering Client Account - Free School Meals	Income	(795,700)	229,396	Shortfall against Free School Meals Income due to schools not buying back into service.
Primary School Meals	Various Budgets	5,655	91,132	Overspends against purchases of £69k due to increased food costs.
Secondary School Meals	Income	(563,520)	82,040	Shortfalls against income targets due to reduced take up.
Revenues & Benefits	Supplies & Services	442,630	69,975	Projected overspend against printing.
People Services	Employees	1,710,690	(153,966)	Saving arising from vacant posts and restructure of HR & OI.
Variations under £50k			(417,571)	
Total Customer & People Services			98,415	
Finance, Audit & Information Governance				
Schools & Care Finance	Employees	1,009,600	(68,012)	Under spends due to vacant posts and backfill arrangements.
Variations under £50k			(216,766)	Under spends mainly from reduced spend projected against supplies & services, vacant posts and additional income generated.
Total Finance, Audit & Information Governance			(284,778)	
Law, Democracy & Public Protection				
Democratic Services	Supplies & Services	853,320	(114,654)	Under spends on members allowances and subscriptions.
Land Charges	Income	(39,570)	(142,230)	Additional income projected for searches.
Licensing	Income	(380,260)	152,149	Shortfall against licensing income mainly arising from taxi licenses.
Variations under £50k			3,857	Under spends mainly arising against employees due to vacant posts, reduced hours and staff not at the top of salary scales.
Total Law, Democracy & Public Protection			(100,878)	

2012/13 Revenue Budget Variations over £50,000				
Description		Budget	Service	Comments
		£	£	
Cooperative Council Delivery Unit				
Delivery & Planning Variations under £50k	Employees	529,280	(50,716) (110,780)	Under spend from vacant posts. Under spends mainly arising against employees due to vacant posts, reduced hours and staff not at the top of salary scales.
Total Co-Operative Council Delivery Unit			(161,496)	
Council Wide				
Treasury Management			(625,000)	Benefits of low interest rates and less borrowing than anticipated in the early part of the year.
Local Authority funding refund			(351,000)	One off refund relating to academies funding top slice for 11/12
External Audit Fee		254,320	(90,000)	Under spend as a result of lower audit fee
Housing/Council Tax Benefit Subsidy		(52,880)	(125,000)	£20k under spend against audit fee. Remainder is due to additional income received from council tax overpayment recovery.
Other			(301,000)	A combination of vacancy savings and one off funds
Total Council Wide			(1,492,000)	
Total Variations			434,065	

TELFORD & WREKIN COUNCIL

CABINET – 28 FEBRUARY 2013

COUNCIL – 7 MARCH 2013

**SERVICE AND FINANCIAL PLANNING 2013/14 TO 2015/16 OVERVIEW
AND REVENUE BUDGET REPORT**

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

PART A) – OVERVIEW REPORT

1. Introduction

This report seeks approval of the Service & Financial Planning strategy for the three year period 2013/14 to 2015/16 with specific budget proposals for 2013/14. This overview report, along with other 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 2013/14 as well as savings proposals that will be delivered over the next three years and a medium term capital programme.

The Council published its draft budget proposals for 2013/14 on 5th January and they were approved at Cabinet on 10th January when a one month consultation period commenced. The results of the consultation exercise are included in this report.

2. Summary of the main proposals in the Draft Budget report issued for Consultation.

Despite the considerable financial challenges faced by the Council arising from cuts to the funding we receive from Government, estimated at £40m in real terms over the life of this Parliament, inflation and increased demands for many services, the report set out a clear mission to attract new jobs and investment and promote growth in the borough, while seeking to protect as far as we are able many priority front-line services working co-operatively with our residents and partners. However given the scale of the Government's cuts to the Council's budget, some service reductions are clearly inevitable.

While many other councils have already implemented very significant cuts to essential front-line services and stopped major building projects, we continue to invest in projects to ensure the future prosperity of the area and its residents:

- Our £250m Southwater scheme, kick-started by Council investment – this time next year new bars, restaurants, an 11-screen cinema and hotel creating around 200 new jobs will be about to open, creating a big regional leisure attraction
- Refurbishment of Telford Ice Rink and improvements to Telford Town Park
- Nearly £200m invested in Building Schools for the Future which will see seven new secondary schools re-built, alongside new or refurbished community leisure facilities
- We're making it even easier for businesses to come here and grow, offering support to attract new firms and help create new jobs
- Safeguarding our children and young people and our most vulnerable adults, particularly in the current climate where economic pressures on many families are growing,
- 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
- We're continuing to regenerate areas such as Brookside, Hadley and Oakengates

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

- High quality waste collection and recycling services
- Good standards of litter collection and maintenance of roads and pavements
- Providing a good level of library provision and enhancing customer service by including "First point" services in our main libraries
- All council-owned car parking spaces are free in all the Borough Towns for our residents and we're committed to keep it this way – unlike many other councils
- We're enhancing not cutting our leisure centres so that everyone in the community can use these helping us to improve the health and well-being of local people
- We offer free swimming for under 16s
- For the first time ever, we have given a 3 year core grant settlement to our key voluntary sector partners; co-operating with them for the benefit of our residents.

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 at their current level. Also, creating employment opportunities is essential, not just to grow the local economy, but to give many people and families opportunities to address the financial difficulties that the Government's welfare reforms will undoubtedly bring them.

The draft budget proposals included:-

- A capital programme totalling £287.3m over the medium term with a projected programme of £79.67m next year. This included £1m for a new Commercial and Business Fund to invest in new commercial initiatives with the intention of generating profits to support the provision of existing services in the face of a pro-longed and very significant withdrawal of Government funding for the Council.
- £0.15m 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.
- Investment of £0.6m in to the childrens’ safeguarding budget for 2013/14 to help protect children at risk of harm and neglect.
- Investment of £0.15m in to the winter maintenance budget.

The report also contained savings proposals totalling £8.611m in 2013/14 rising to £15.643m by 2015/16 and a proposal to increase council tax by 1.9% in 2013/14 and the following two years.

3. Changes since Draft Budget proposals were approved for Consultation.

The Government was exceptionally late in issuing the provisional local government finance settlement which was made available between 19th December 2012 and early January 2013 with the Public Health grant allocations not being received until 10th January 2013. The Public Health grant allocation of £10.6m exceeded the projected range of between £8.2m and £10.4m. The council has also updated its projections of business rates income for 2013/14 with an increased projection of £0.34m) and been notified that the funding transfer from the NHS to social care for 2013/14 will be increased compared to the 2012/13 figure by £0.74m.

On 4th February the Government issued the final local government finance settlement for 2013/14 and whilst there was only a very minor change (£0.001m) in the revenue support grant allocation, an additional one-off allocation of £0.286m New Homes Bonus has been announced for 2013/14. These changes have therefore resulted in some restatement of the forecast budget gap for 2013/14.

The financial monitoring report also on this agenda establishes a £2.5m revenue contingency for 2013/14 from projected underspends in the 2012/13 budget. However, this report also identifies that the safeguarding overspend has increased to £3.1m from £2.8m previously reported. The Council must set a robust balanced budget and safeguarding is a volatile demand led budget which can be significantly affected by changes in the overall numbers of children in care or increases in the number of sometimes very expensive residential placements. Even before this latest increase in the level of the projected overspend on the safeguarding budget, the Budget and Finance Scrutiny Committee had expressed doubts over whether the Safeguarding and Early Help Cost Improvement action plan would be fully delivered. It is

therefore considered prudent to create a one off additional budget contingency for 2013/14 of £1.3m following robust modelling of the projected cost of safeguarding children in 2013/14 based on the latest available placement information and discussions with the Assistant Director of Safeguarding. The impact of identified savings resulting from actions within the Safeguarding and Early Help Cost Improvement Plan has been reflected in this model and will continue to be closely monitored. The contingency is required to fund the impact of the normal level of anticipated admissions throughout the year, additional pressures from the benefit changes and an allowance for the transfer of costs to Adult services of those young people moving into semi independent living. The funding from this one off contingency which will be held centrally will only be released following a review and approval process by the Cabinet.

The Council will clearly need further ongoing savings and given the high proportion of the budget spent on employees further redundancies are inevitable. The Council will do all that it can to minimise the need for redundancies through active vacancy management and redeployment, minimising the use of agency workers and consultants and will continue to seek voluntary redundancies where-ever possible. However further redundancy costs will be incurred and therefore this report also recommends that a sum of £1.219m is transferred in to the severance fund to facilitate further ongoing savings from reducing employee numbers.

4. Consultation 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. The budget consultation undertaken during 2011-12 helped to establish the principles and policy direction for a three year strategy. This required a broad range of inputs, over 7,000 comments and ideas were received from people across the borough which significantly influenced the overarching approach to service and financial planning. This year we asked for people's views on our overall approach to ensure that it still protects and develops what the community thinks is most important and assessing whether there is broad support for the proposed savings and council tax strategy given the very challenging circumstances that we are now operating within.

We began to communicate and engage with local people immediately after the publication of the draft budget strategy on 4 January 2013 and formal consultation began after the Cabinet meeting on 10 January 2013. Our communication and engagement plan included:

- Using "Your Voice" to communicate the main budget proposals with the aim of informing every household in the Borough;
- Signposting opportunities for people to get involved and give their views on the budget strategy;
- An online budget survey on the budget page of the Council website;
- Opportunities to use Facebook, Twitter, and invitations to write in, ring in or text in views and comments;

- A postal survey of the Community Panel (comprised of 1,252 local residents who act as a sounding board to inform the Council's policy and service development);
- Meetings with a range of groups and organisations;
- An open public budget consultation event at The Place, Oakengates on January 16 ;
- Ongoing press releases;
- A meeting with the Employee Joint Information and Consultation Forum (JICF)
- Formal consultation with the Council's Budget & Finance Scrutiny Committee which includes an independent co-opted member of the public and councillors from both the controlling and main opposition groups.

An open public meeting was held on 16 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, Assistant Directors and Senior Officers. Total number of members of the public in attendance = 66 local people.

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

- Telford and Wrekin Parish Forum = 30 in attendance
- Senior Citizens Forum = 120 in attendance
- Telford Business Board = 15 in attendance
- Taking Part Forum = 33 in attendance
- Chief Officers Group = 10 in attendance
- Joint Information and Consultation Forum (JICF) = 4 in attendance
- Parents Opening Doors – PODS = 18 in attendance
- Young People's Forum = 12 in attendance
- Ketley Bank Residents Association = 11 in attendance
- Carers Partnership Board = 13 in attendance

Total number in attendance = 266

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 members.

The consultation period ran through to 10 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.

4.1 Summary of the consultation findings

Following notification of the Council's 2013/14 financial settlement from government, the Council developed a proposed 2013/14 budget building on the medium-term service and financial strategy developed for 2012/13.

The 2013/14 budget continues the organisation's focus on continuing to attract new jobs, investment and promoting growth in the borough while protecting as far as possible Council Services. In response to the financial pressures on public services in the Borough, the Council has also developed a Fair Deal Campaign to ask Government to provide funding which better reflects the level of service demand and growth potential in the Borough.

To understand the community's views on these two elements, a programme of public consultation was undertaken from early January, closing February 10th as outlined above:

Our consultation activities explored two key themes:

1. Our plans to encourage jobs, growth and protection of front-line services, including £250m investment in the Southwater Scheme, £200m Building Schools for the Future programme and working to make it easier for businesses to come here and grow, offering support to attract new firms and help create new jobs.
2. A proposed Fair Deal Campaign for Telford and Wrekin as we consider that the Council has 'disproportionately' lost out in the Government's funding cuts to local authorities, loses as a result of an undercount of our population and through the grant damping mechanism, which means the government withholds money that it calculates the Borough should receive and reallocates it to other authorities.

In total some 1,539 people were involved with this consultation programme, building on the 7,000 comments and ideas we received in 2011/12 to shape our medium term service and financial strategy. A full consultation findings report can be found at Appendix 5.

The Council's plans to encourage jobs, growth and protection of services were broadly supported across the consultation:

- **96% of Community Panel respondents**
- **72% of public respondents to an online survey and article in 'Your Voice'**
- **70% of participants at the budget public consultation event at The Place.**

The most common stated reasons by a small number of participants for not supporting these plans were 'concern over growth plans and in particular, whether the Council should be investing in the Southwater scheme' (Community Panel respondents) and opposition to the proposed Council Tax increase (Public survey respondents).

The Council's campaign for a Fair Deal for Telford and Wrekin was also broadly supported across the consultation:

- **95% of Community panel respondents**
- **82% of public respondents**
- **87% of budget consultation event respondents**

The most common reason for not supporting the campaign was concern over the current or future level of Council Tax and that the short-term council tax freeze grant should be taken from the government.

Throughout the consultation period we responded directly or in writing to questions, concerns and issues raised by local people. A range of responses will be published on the Council's website at www.telford.gov.uk/budget. A progress report on this will be presented to Cabinet in May.

5. Role and Contribution of the Voluntary and Community Sector

The Voluntary and Community Sector (VCS) makes a significant contribution to the delivery of services to residents of Telford and Wrekin particularly in relation to prevention and low level intervention. VCS organisations deliver a wide range of services and vary from small local organisations that target a specific area or client group to large nationally recognised organisations, the annual income of these organisations varies between around £10,000 to over £1 million per year.

Although the Telford and Wrekin Voluntary and Community Sector Chief Officers Group (COG) have tried to capture the value of the sector within the Borough it has been difficult to do this. This is partly due to the number of organisations who work across the whole of Shropshire, and also because it is notoriously difficult to capture the total value that the VCS brings to an area. Further information on the role of the COG and a range of the VCS organisations within the Borough can be found at www.cog.tandwcvcs.org.uk/index.html

Telford & Wrekin Council values the contribution that is made by these organisations in the Borough through the services that they deliver and the role they play in helping to identify and address the needs of the community within Telford and Wrekin. These organisations are supported by a large group of volunteers who bring both their own experiences and extensive knowledge of local community issues to the services they support. The Council is committed to working with the VCS in the Borough and has taken a number of steps over the past twelve months to strengthen this relationship including;

- Working with the VCS to develop a 'Voluntary Sector Commissioning Framework' which will be implemented from April 2013.
- Attending the COG to discuss the Council's budget strategy, this identified the need for an ongoing strategic dialogue with the VCS about the Council's budget strategy. The appropriate mechanism for this dialogue will be agreed with the COG.
- Reminding Council services of the need to meet Best Value Guidance in relation to funding the VCS

6. Pressures Facing the Council:-

The current financial position facing the Council is the most challenging ever. Challenges we face include:-

- Projected grant cuts of at least £27m (or over £40m in real terms) over the period of the current Parliament with indications that cuts will continue at this rate until 2018/19.
- The geographical distribution of these cuts has not been even. Appendix 1 demonstrates this graphically. Out of 324 council areas in England, Telford & Wrekin is in the worst quarter in a league table showing the estimated change in funding by local authority area from 2010 to 2013.
- This area also has comparatively low property values. In a league table of “tax base strength” produced by Stoke-on-Trent City Council, we rank 229th lowest out of 324 English local authorities.
- As well as low property values, we also have comparatively low council tax levels with Council tax at Band D in Telford & Wrekin being the third lowest in the Midlands region (only 1.1% more than Birmingham which has the lowest). If Telford & Wrekin levied a council tax equal to the average in the Midlands region we would generate an additional £5.58m p.a.
- The transfer of significant levels of financial risk to the council from the Government through the localisation of council tax support and localisation of business rates. The financial health of the council will therefore be closely correlated with the health of the local economy in future.
- The transfer of £8.5m pa costs relating to Continuing Healthcare cases from the Primary Care Trust.
- Growing numbers of older people needing care and support.
- The withholding of grant that the Government calculate should come to this area but which is paid to other parts of the country through the grant “damping” mechanism.
- A shortfall in grant of up to £1.6m due to the methodology used by ONS to estimate population between annual censuses.
- Pressures caused by the recession which increases demand for some services e.g. homelessness and the payment of housing and council tax benefits but also reduces the Council’s income e.g. income from planning applications and rents from the Council’s property investment portfolio are affected by the economic downturn.
- Limited available reserves. The Council is projected to have just £3.67m of usable balances remaining at the start of 2013/14.

An additional pressure in the budget is the considerable part of the net general fund budget committed to the repayment of debt incurred in respect of past capital investment decisions. Repayment of debt for past spending decisions is a commitment that cannot be avoided and as grant cuts and other pressures reduce the resources available to the Council interest and principal

repayments take up an increasing proportion of the resources available that could otherwise be used to deliver front line services.

Projected Annual Cost of Borrowing	2013/14 £m	2014/15 £m	2015/16 £m
• Interest repayments	4.330	3.610	3.200
• MRP (Principal) repayments	5.293	4.831	4.631
• Debt held by Shropshire Council on behalf of Telford & Wrekin	1.955	1.847	1.763
Total	11.578	10.288	9.594

Despite the pressures faced by the Council, we remain committed to the provision of free car parking. The Council provides 2,000 free car parking spaces across the Borough. The only car parks that the council charge for are one small (56 spaces) car park in the Town Centre and the public car parks in Ironbridge. Charges for these car parks remain lower than those in the large privately owned Town Centre car parks, lower than those in Shrewsbury town centre and lower than those in other world heritage site locations. Many councils are increasing car parking charges by significant amounts in order to generate additional income but we recognise that the introduction of parking charges in our free to use car parks would have a detrimental impact on residents and the local economy.

7. Action already taken:-

The Council has clearly been preparing for the financial challenges we face for some time. Action already taken to reduce costs includes:-

7.1 Staff

- Since 2009 the Council has reduced staffing levels by around 850 jobs. This saves over £20 million each year.
- We've reduced the number of senior managers by 55%
- Staff pay has been frozen since 2009
- We have cut the pay of the Council's most senior post by almost 20% and the pay of the next most senior tier of managers

7.2 Council buildings

- We are disposing of 24 council properties
- We have reduced our office space by one third, slashing running costs

- After paying for the smaller offices we have taken on in Telford Town Centre, which have lower running costs, this leaves us with several million pounds of capital money to reduce council debt and our debt repayment costs
- Overall this will help us save a further £2 million a year

7.3 “Back office” costs

- Since 2009 we’ve cut “back office” costs by over 35% – saving £6m. a year

7.4 Procurement

- We have saved £2.5m through renegotiating and retendering contracts. For example with our commissioning strategy for children in care we have focussed our attention on managing the market through strategic planning with our regional colleagues with the objectives of increasing the market; ensuring we have services of a good standard in the region and managing fees. As part of the West Midlands Commissioning Partnership we have embarked on a number of collaborative arrangements using our strength in buying power and now have two framework agreements in place, one sub-regional foster care framework contract with 6 local authorities and one regional residential contract across 13 local authorities.

7.5 Councillors

- Cabinet members voluntarily reduced their allowances by 10%
- A £40k. reduction in the cost of councillor allowances and expense claims in 2011/12 compared to 2010/11.

7.6 Shared Services

The Council continually review 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. This will deliver savings exceeding £100k in 2013/14 for Telford. The new service will work closely with The Police and Crime Commissioner with genuine integrated working practices ensuring improved outcomes at a lower cost.
- Membership of a joint energy procurement consortium consisting of 4 upper tier authorities.
- We have for some years delivered some specialist services through a joint arrangement with Shropshire Council. Telford hosts educational psychology, sensory inclusion and portage 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

Our strategy is to continue to fight for a “Fair Deal” for the Borough and to do all that we can to continue to protect front line services. So far, we have focussed as far as possible on eliminating waste, removing duplication and unnecessary bureaucracy, streamlining management and improving procurement processes.

Clearly it is becoming increasingly difficult to make savings which will not have direct service impacts. It has to be noted that over 85% of the Council’s net revenue 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, some 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 needs to identify ongoing savings or additional income sources to ensure that this requirement is achieved.

8. Savings, Severance Fund and Contingency for Safeguarding.

Despite the action already taken there is much more that needs to be done. After restating the budget gap to reflect updated information and specifically the impact of the changes referred to in section 3 above, the Council faces a budget gap of £7.106m in 2013/14 rising to an estimated £31.015m in 2015/16, although figures for this year are subject to a high degree of uncertainty as they fall outside the current Comprehensive Spending Review period.

Savings proposals are set out in Appendix 3 but will require some upfront investment. It is considered prudent to supplement the severance fund to help fund redundancy payments expected to be incurred during the coming year. As explained in section 3 above it is also considered prudent to establish a contingency for potential additional costs in the safeguarding budget to cover potential additional pressures arising from the April benefit changes and a potential allowance for the transfer of costs to Adult Services of those young people moving into semi independent living. This one off contingency will be held centrally and will only be released following a review and approval process by the Cabinet.

9. Council Tax.

The results of the consultation exercise reported above show strong support for the proposed budget strategy launched for consultation in January which included a proposal to increase council tax by 1.9% in each of the next 3

years. These results, offering broad support for a strategy that includes a moderate, below inflation, council tax increase in order to reduce the level of cuts to services that would otherwise be required, are not out of line with the results from the detailed consultation undertaken last year when 2,287 people responded to a specific question on whether the Council should accept a short term grant from the Government equal to a 2.5% council tax increase (£1.4m) or whether the Council should increase council tax. 63% (1,439 people) voted for either a 2.5% or a 3.5% council tax increase. As a result, for 2012/13 the Council increased council tax by 2.5%.

Despite the increase in 2012/13, council tax in this area is still the third lowest in the Midlands region being only 1% more than in Birmingham which has the lowest council tax in the Midlands. Our council tax at Band D level is £108 lower than the regional average and more than £300 less than in the Rutland Council area. If the council levied a council tax at the regional average £5.6m more would be generated to help deliver essential services. This low level of Council Tax means that the Council has a higher dependency on Government grants and cuts to these grants have a proportionally greater impact on Telford & Wrekin compared to many other councils. A heat map comparing the disproportionate impact of the Government's grant cuts across the country is included as Appendix 1.

This area also suffers from a relatively weak tax base as the average property in the Borough is in Band B compared which is much lower than wealthier parts of the country where property values are much higher and where the ability to generate income from a much stronger council tax base is considerably greater.

The Government has again offered a short-term grant if council tax is frozen but this time this grant is worth the equivalent of only a 1% council tax increase (£0.58m or around 40% of the grant offered for 2012/13) and only a third the rate of inflation. (The January 2013 increase in the Retail Prices index is 3.3%). An increase of 1.9% equates to around 32 pence per week for the average home in the borough and represents a real terms cut in the level of council tax when compared to the prevailing rate of inflation.

The Council recognises that these are challenging times for council taxpayers but taking account of the above issues and in line with the responses received from the consultation exercise, the soundest option is to decline the Government's offer and, instead, increase council tax by 1.9% for 2013/14. This will make the Council's budget more sustainable over following years and avoid some of the most damaging cuts that would otherwise have to be made to front-line services.

10. Summary of the Medium Term Financial Strategy:

Projected Budget Gap	13/14 £m	14/15 £m	15/16 £m
Updated Base Budget gap	7.106	20.959	31.015
Savings proposals – See Appendix 3	-8.611	-14.934	-15.493
Transfer to supplement severance fund to cover one-off costs associated with the delivery of ongoing savings	1.219	0	0
Creation of a one-off contingency for pressures in safeguarding budget	1.300	0	0
Commercial income/”business winning” approach	-0.100	-0.600	-0.750
Effect of 1.9% council tax increase each year for next 3 years	-0.914	-1.845	-2.794
Restated shortfall before use of general balances or further savings	0.000	3.580	11.978

11. Robustness of the Budget Strategy

The Council is required to set a balanced budget and 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 14 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 £41.7m of savings over the last 4 years and underpinned by the proposed council tax 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.

In order to deliver a robust medium term financial strategy given the

- low starting level of council tax to deliver council services when compared to other councils
- the prospect of many more years of significant reductions to the funding that we receive from Government
- high level of up front grant cuts faced by the council
- impact of cumulative capital programme investment decisions
- low level of residual balances
- greater levels of risk over future funding streams
- increasing pressure on services

a strategy of low level council tax increases is considered to be a more sustainable and financially prudent approach than use of short-term one off grants which only delay the decisions which need taking.

Recommendations approved by Cabinet will be considered at full Council on 7th March 2013 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 2013/14.

12. RECOMMENDATIONS

Members are asked to approve the following recommendations for consideration by Council on 7th March 2013:-

- 12.1 The base budget summarised by Service Delivery Unit in Appendix 9a**
- 12.2 To consider the feedback from consultation summarised in Appendix 5 and from scrutiny in Appendix 6**
- 12.3 An increase of 1.9% in council tax levels in 2013/14 (32 pence per week for the average property in the Borough) and a strategy of increasing council tax by 1.9% in the following two years in order to maintain financial stability and to help protect the delivery of front-line services.**
- 12.4 The creation of a £1.3m contingency fund to offset pressures in the safeguarding budget, and potentially the adult services budget following the transfer of young people to semi-independent living. This contingency to be held centrally and only allocated after consideration by Cabinet.**
- 12.5 The 2013/14 net savings package of £8.611detailed in Appendix 3 and the savings proposals set out in the appendix for future years.**
- 12.6 The transfer of £1.219m to the severance fund as detailed in the report.**
- 12.7 The earmarking of £2.5m underspends in 2012/13 as a one-off budget contingency for 2013/14 as detailed in the financial monitoring report also on this agenda. This amount may be increased further should the Council underspend at the end of 2012/13 as currently projected.**
- 12.8 The Education budget position set out in section 18 of this report**
- 12.9 The statement of the Chief Finance Officer in section 11 (supported by Appendix 14 outlining the robustness of the Budget Estimates and the Adequacy of Reserves.)**
- 12.10 The policy framework for Reserves and Balances outlined in Appendix 10**

- 12.11** The revenue implications of the medium term capital programme for the period 2012/13 - 2015/16 set out in the Capital Programme report also on this agenda.
- 12.12** The Council's Pay Policy included as appendix 11 of this report.
- 12.13** Subject to the savings proposals being accepted that the updated Care & Support Community Care Policy & Procedure Document included as Appendix 12b (amended to reflect the savings) be approved.
- 12.14** The Impact Assessments contained in Appendices 4a to 4d.
- 12.15** The Safeguarding and Early Help Cost Improvement Plan contained in Appendix 2
- 12.16** The Care & Support savings proposals and Public Health budget proposals contained in Appendices 12a, 13a and 13b.
- 12.17** Telford & Wrekin's Local Council Tax Support (LCTS) scheme was approved by Council on the 22nd November 2012 and proposed that the funding gap would be met through a combination of changes to council tax exemptions and discounts and by applying a percentage global reduction in support given to less-vulnerable claimants. The global Local Council Tax Support scheme reduction now needs to be confirmed at 21% in line with the provisional agreement at full Council in November 2012.
- 12.18** A one-off sum of £0.065m should be earmarked to award discretionary discounts in cases of extreme financial hardship arising from the introduction of the LCTS scheme.
- 12.19** The deferment of auto-enrolment in the local government pension scheme for existing employees until 30th September 2016.
- 12.20** That authority to approve any expenditure to be funded from the £1m Capital "Commercial and Business Fund" and the £0.15m "Destination Telford" revenue budget be delegated to the Managing Director after consultation with the Leader and the Cabinet Member for Resources and Service Delivery.
- 12.21** In recognition of our valued relationship with Town and Parish Councils and in line with our cooperative working principles the full amount of LCTS grant attributable to Town and Parish Councils is passed on to them, reflecting the incidence of LCTS scheme claimants. In future years, the quantum of the grant to be devolved will be changed in line with the year on year percentage change in the Council's Revenue Support Grant and the allocation between Town & Parish Councils will be updated annually to reflect changes in the incidence of LCTS scheme claimants.

13. 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 impact on specific groups of 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 which is detailed in the Appendix.</i>
TARGET COMPLETION/DELIVERY DATE	<i>A series of borough wide public consultation activities have been undertaken during January 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 7th March 2013. The final agreed recommendations will be implemented during 2013/14 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 2013/14 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</i>

		<i>setting its budget and council tax levels by the March deadline laid down by the Government</i>
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	<i>This report sets out the strategy framework which includes consideration of corporate risks – particularly in relation to the availability of balances.</i> <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 4d provides information on the environmental impacts of the budget proposals. The economic impacts of the proposals are also detailed in Appendix 4d.</i>
IMPACT ON SPECIFIC WARDS	Yes/No	<i>Borough-wide impact.</i>

PART B) – REVENUE BUDGET

14.0 OUR CONTEXT

The Cabinet approved a draft service and financial planning strategy for consultation covering the period 2013/14 to 2015/16 at its meeting held on 10th January 2013. These proposals were informed by the very extensive consultation exercises with local people which involved 7,442 contacts with local people in the previous year. In response to what the community have told us during these engagement activities and the challenges facing the Borough, the Council identified a series of priority outcomes to inform both short to medium term planning and also longer term thinking about the future shape of the Borough to 2020. These are:

1. **Put our children and young people first;**
2. **Protect and create jobs as a 'Business Supporting, Business Winning Council';**
3. **Improve local people's prospects through education and skills training;**
4. **Protect and support our vulnerable children and adults;**
5. **Ensure that neighbourhoods are safe, clean and well maintained;**
6. **Improve the health and wellbeing of our communities and address health inequalities;**
7. **Regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing.**

As well as making progress in delivering these priorities, the Council's service and financial planning strategy has to be prepared in the context of the most challenging economic situation it has ever faced and very significant changes to the local government finance system as well as the transfer of significant new responsibilities to local government.

14.1 NATIONAL PRESSURES

The January Cabinet report highlighted a number of national pressures including:-

14.2 The Comprehensive Spending Review (CSR) and Cuts to our Grants from Government.

It was clear from the CSR that Communities and Local Government, the Government department from which the Council receives most of its funding could expect very significant budget reductions – over 3 times the level of spending reductions compared to the average reduction across all Government departments (over 27% cuts for local government compared to an average of 8.3%). These reductions would be in addition to the “in-year” grant reductions made in June 2010, shortly after the last general election, which totalled £3m revenue and £1m capital for this Council. After allowing for inflation, over this period these cuts amount to around £40m.

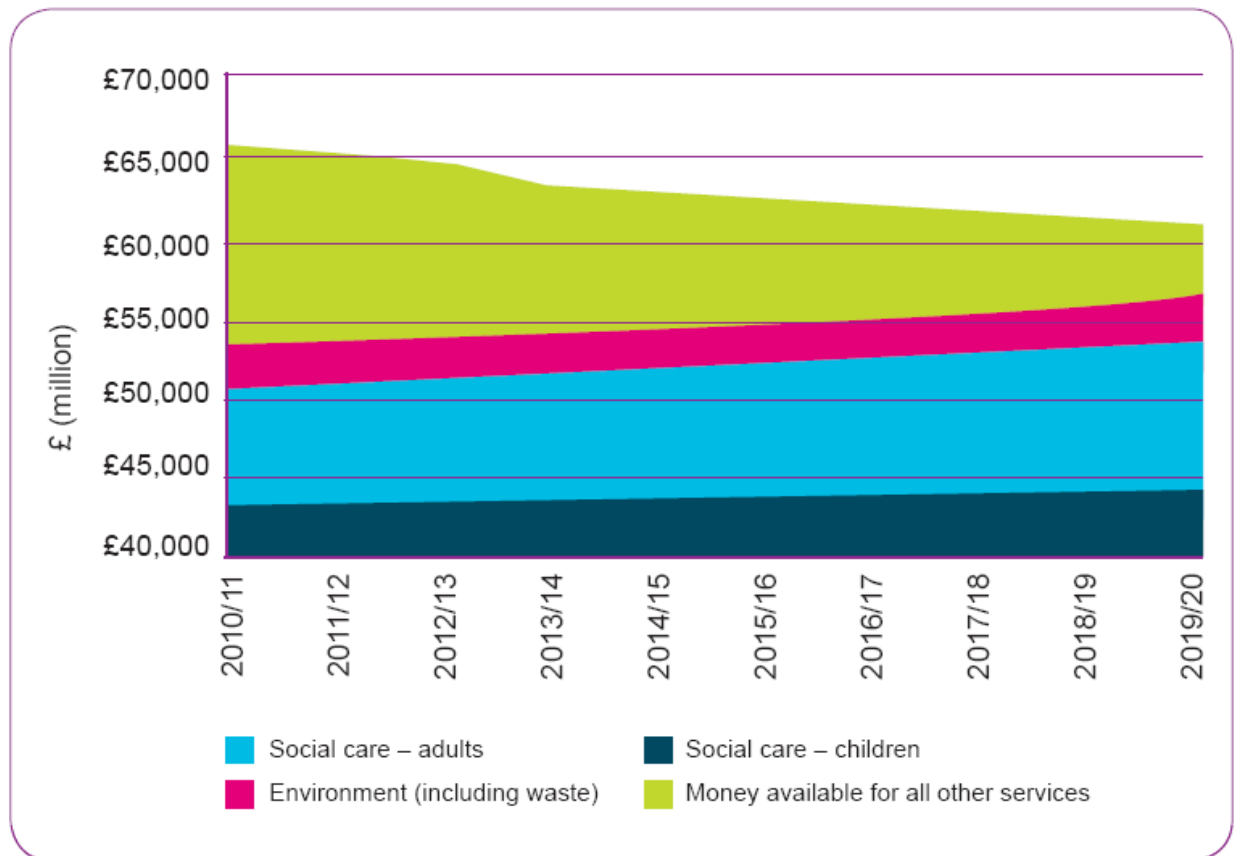
Whilst the position for local government over the period of the current CSR is extremely challenging, the impact of the cuts to Government funding are not felt uniformly across the country. There are very significant differences in the impact of the grant cuts announced so far with the north of England much more affected than the South East and Telford & Wrekin more significantly affected than neighbouring authorities. Appendix 1 contains a “Heat map” produced by Newcastle City Council on behalf of the Association of North East Councils which demonstrates this graphically. Telford & Wrekin is in 245th lowest place out of 324 council areas in England. Our neighbouring local authority areas of Shropshire and Stafford are in 175th and 198th place respectively so fare considerably better than us.

In June 2012, the Local Government Association (LGA) produced a report “Funding outlook for councils from 2010/11 to 2019/20”. This report highlighted that councils were cut much earlier and harder than the rest of the public sector as the Government began to implement its deficit reduction programme. The report modelled what would happen to local government services if the same pattern of cuts to public spending is replicated in the next spending review and makes clear that if this happens councils will not be able to offer many existing services at the end of the decade.

The LGA predicted a likely funding gap of £16.5bn pa by 2019/20. On the assumption that social care and waste services are fully funded, all other services would face cash cuts of more than 66% by the end of the decade. If capital financing and concessionary fares are also funded in full, the LGA’s modelled cash cut for remaining services rises to over 90%.

Clearly the announcements in the next spending review will be critical in determining what services this council will be able to deliver in future. It is also important that the Council reduces its dependency on government grant and develops independent sources of income. Government policy encourages councils to be “pro-development” with the payment of new homes bonus for up to 6 years for each additional home built in their areas and from 2013/14 the opportunity to retain a 49% share of additional business rates generated from new commercial and industrial development. This council will also investigate opportunities for acting in a more commercial way in some new areas of activity if these activities are likely to generate profits that can be used to help protect services to local people although this will not be without inherent risks which will need to managed as effectively as possible.

A graph from the LGA’s “Funding outlook for councils from 2010/11 to 2019/20” report is reproduced below with permission of the LGA. This identifies the potential changes in the level of funding available nationally for council services during the current decade.



14.3 Autumn Statement.

The Chancellor, George Osborne, delivered his Autumn Statement on 5th December 2012. After the annual budget statement each March, the Autumn Statement is the most important economic statement of the year as it updates estimates of growth, inflation, tax receipts, Government spending and the overall budget deficit.

The Chancellor announced that the UK deficit will be higher than forecast from the 2013/14 financial year onwards although lower in the current financial year. He also extended the deficit recovery period by a year to 2017/18.

Year	Previous Forecast of UK Deficit £bn	Updated Forecast of UK Deficit £bn
2012/13	120	108
2013/14	98	99
2014/15	75	88
2015/16	52	73
2016/17	21	49
2017/18	0	31
Total over period	366	448

A further “spending round” was announced which will take place during the first six months of 2013 and will update spending allocations between Government departments through to 2015/16. The Institute for Fiscal Studies commented that ‘The big decisions over spending allocations for 2015/16 are promised in a Spending Review next year. But the outline of that review is beginning to take shape. Yesterday’s cuts will reduce benefit and tax credit spending by some £3.5bn in 2015/16. Protection for the NHS, schools and overseas aid was confirmed for another year. Roll forward to 2017/18, and if the NHS and schools continue to be protected, and no more welfare cuts or tax rises are found, then these unprotected spending areas – police, local government, defence, environment, transport – face cumulative real terms cuts of 16% in the three years to 2017/18’.

14.4 Changes to the Local Government Finance System

As well as the uncertainties over funding levels, the council is also facing major changes to the local government finance system which are being introduced with unprecedented speed. These include:-

14.4.i A new Business Rates Retention Scheme

The Business Rates Retention Scheme will replace the Formula Grant system of local government funding in 2013/14. The main features of this new and very complex system were explained in the January Cabinet report. The new scheme transfers significant financial risks to councils from central government and some of the original intentions of the new system such as encouraging councils to support growth in their areas have been watered down by the proposed “resetting” of the scheme in 2020 and the retention of only 50% of growth in business rates up to a level deemed to be “disproportionate” beyond which no additional growth is retained locally.

14.4.ii Council Tax Support Scheme

The Council currently administers the nationally prescribed council tax benefit scheme and receives a subsidy grant from the Department of Works and Pensions (DWP) in relation to benefits paid out, together with a grant towards the administrative costs of the scheme. The system is demand led i.e. an increase in eligible claimants leads to increased council tax benefit being paid and increased subsidy grant received by local authorities. Spend on Council Tax Benefits in this area was £14.7m in 2011/12. Councils were required to establish their own replacement Local Council Tax Support (LCTS) scheme by 31st January 2013, for implementation in April 2013. It was also announced that in making this change, the Government would cut the amount of grant paid to councils by 10%. Pension age claimants will be protected i.e. they will not experience a reduction in support as a result of these changes.

Council Tax Support is to be given as a council tax discount (i.e. a reduction in the council tax bill similar to a single person discount) with the reduced funding being provided via Government Grant. However, the grant is to be distributed through the new business rates retention scheme rather than being given as a separate identifiable grant so after the first year of the scheme we will not be able to identify how much grant we are receiving specifically for the

new local support for council tax scheme. Our best estimate is that we face an estimated funding shortfall of £3.1m for 2013/14 as a result of the introduction of the new scheme.

As the Government does not have a mechanism to provide funding to Parishes through the Business Rates Retention Scheme, the amount of grant attributable to Parish Councils will be paid to Local Authorities. Consultation about the funding for local precepting authorities proposed that Parishes would use a tax base excluding the LCTS discounts in their council tax setting calculations and Local Authorities would transfer the Parishes element of the LCTS grant into the Collection Fund which would compensate for the reduced council tax income resulting from the LCTS scheme. This approach would provide certainty in funding to Parishes and would be relatively simple to administer.

However, the Government's response to the consultation was issued on 26 November and despite 97% of respondents agreeing with the consultation proposal, an alternative approach has been announced: Parishes will use the adjusted council tax base in their calculations and through a voluntary arrangement, billing and precepting authorities should agree the amount of funding to be passed on. The funding allocations published by the Government are intended as a starting point for discussion. In line with the localism agenda, there will not be a statutory duty to pass on funding.

The Council therefore proposes that the relevant amount notified as part of the local government finance settlement should be passed on in full to Parishes, in recognition of our valued relationship with town and parish councils and in line with our cooperative working principles. This will be on the basis of a cash limited grant which will reduce the level of precept required and mainly offset the reduction in tax base caused by the introduction of LCTS discounts. As a Borough Council we do not need to pass this on, but we appreciate and respect the work that Town and Parish Councils do in our community.

We intend that the method of determining how the allocation should be made between parishes will reflect LCTS caseload data. As the council will only be notified of the relevant amount in 2013/14, the quantum to be distributed between parishes will be varied in line with the overall percentage change in the Council's revenue support grant in future years and the distribution between parish areas will be varied in line with changes in the incidence of LCTS payments

Telford & Wrekin's Local Council Tax Support scheme was approved by Council on the 22nd November 2012 and proposed that the funding gap would be met through a combination of changes to council tax exemptions and discounts and by applying a percentage global reduction in support given to less-vulnerable claimants. Current estimates indicate that overall this will mean a reduction in council tax support of 21.1% for working age, non-vulnerable claimants. It is also proposed that a one-off £0.065m is earmarked

to award discretionary discounts in cases of extreme financial hardship and this has been included in the 2013/14 budget strategy.

14.4.iii Transfer of Public Health Responsibilities from the PCT.

As part of changes being made by the Government to the NHS, in April Public Health functions will transfer to either upper tier Local Authorities, or to 2 new NHS national bodies-Public Health England and the NHS Commissioning Board. The council was notified on 10th January 2013 that it's ring fenced grant allocation to support the new Public Health function will be £10.6m, in 2013/14 and well above the assumption that had been made that the grant would be in the range £8.2m to £10.4m. Previous planning had been based on the lower end of this range so the Council is in a fortunate position of receiving significantly more grant. This necessitates the updating of the base budget gap and gives capacity for some existing discretionary services that contribute to the wider determinants of public health to be protected from cuts if they are funded from the ring fenced grant in future.

The Public Health budget was considered on 23rd January by the Health & Wellbeing Board (see Appendices 13a and 13b). This position is now incorporated in the overall strategy now put forward for approval

14.4.iv Local Government Grant Settlement

The provisional settlement was not announced until 19th December 2012 and there were then considerable delays in the Council receiving accurate and complete information with the final data not being received until 10th January. This extremely late announcement compressed the time available for consultation. The Government announced the availability of a council tax freeze grant for 2013/14 on 8th October 2012. This grant is only equal to a 1% increase in council tax or £0.582m at best for this Council (assuming that the grant is based on the tax base prior to the impact of introducing local council tax support schemes), compared to a grant of 2.5% (£1.4m) offered for 2012/13 although it would be payable for two years rather than for 1 year as for the 2012/13 offer. The Secretary of State also stated that those authorities who increase their relevant basic amount of council tax in 2013/14 by more than 2%, must hold a referendum.

The final settlement was announced on 4th February and reduced the grant receivable by the council in 2013/14 by £0.001m but increased it by £0.041m in 2014/15. A one-off additional New Homes Bonus allocation of £0.286m was also announced for 2013/14 as the Government had previously held back too much from their initial top slice of grants to local authorities which is used to fund the New Homes Bonus allocations made to local authorities.

15. LOCAL CONTEXT

15.1 Grant cuts and savings already made.

The Council has already faced significant reductions in the amounts of revenue grants that it receives from Government. In 2010, shortly after the general election, the Government took the unprecedented step of

implementing mid-year grant cuts. These totalled £3m immediately cut from the 2010/11 budget. Following the CSR in 2010, the revenue support grant settlement in December 2010 implemented further cuts to grants totalling £13.6m in 2011/12 and then a further reduction of £5.6m in 2012/13, i.e. cumulative annual grant reductions of £22.2m in cash terms (considerably higher when inflation adjusted) up to and including the current financial year.

In addition, the Council has had to develop proposals to make good an estimated funding shortfall of £3.1m arising from the LCTS scheme which will be implemented next year.

15.2 Savings programme.

Clearly the council has been making budget reductions for some time and many steps have already been taken that have focussed as far as possible in eliminating waste, removing duplication and unnecessary bureaucracy, streamlining management and improving procurement processes so that as far as possible we have limited the impact on front line services. Our strategy is to continue to fight for a “Fair Deal” for the Borough and to do all that we can to continue to protect front line services.

Clearly it is becoming increasingly difficult to make savings which will not have direct service impacts. It has to be noted that over 85% of the Council's net revenue 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, some 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 needs to identify ongoing savings or additional income sources to ensure that this requirement is achieved.

15.3 Service pressures.

The difficult economic situation continues to have a significant impact on the community. In addition to an increase in the cost of living, impacts include higher unemployment and short-time/part-time working resulting in an increase in Council Tax and Housing Benefit applicants and increased pressure on other services such as early intervention and homelessness.

The Council has a key role to play in mitigating the effects of the economic downturn and planning for recovery, through supporting the growth of key economic sectors, promoting the Borough's business and leisure tourism offer, and creating a 'business friendly environment' with available employment land and an effective infrastructure.

In recent years, we have focused on securing long-term economic prosperity. The continued development of Telford Town Centre and regeneration of the Borough Towns are essential elements of our future budget strategy. It is important that we continue to show confidence, leadership and investment in the future of the area.

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

- **Childrens' Social Care** – in line with regional trends, we continue to have an increase in numbers of Children in Care. The Financial Monitoring report also on this agenda shows that we currently have 317 Children in Care and are now projecting an overspend in the current year of £3.1m (an increase of £0.3m compared to the previous report considered by Cabinet on 10th January). A cost improvement plan for safeguarding and early years was included in the draft service and financial planning strategy which should deliver savings of £2.2m during 2013/14. The draft strategy also assumed an increase in the safeguarding budget for 2013/14 of £0.6m. However, based on the latest information available there is a very high degree of uncertainty about the robustness of the safeguarding budget for 2013/14. It is therefore now proposed to create a one-off contingency of £1.3m for safeguarding (including £0.37m which is earmarked for Care & Support who bear additional costs in respect of care-leavers) to be held centrally and only to be allocated after consideration by Cabinet who will monitor the delivery of the cost improvement plan during the year. This action plan is included at Appendix 2 of this report.

- **Care & Support**

The table below summarises the savings required of the service

	2013/14 £m	2014/15 £m	Total £m
Savings proposals issued in March 2012			
reiterated in September 2012	1.901	1.102	3.003
Ongoing overspend from 2012/13	1.365		1.365
2013/14 budget	0.317	1.957	2.274
Total	3.583	3.059	6.642

In the current financial year the service is delivering £2.546m of non staff savings and £2.251m of staff savings, a total of £4.797m. The delivery of these savings plus the £6.642m identified above represents 27% of the services budget and inevitably will result in a reduction in the care provided to individuals.

In addition demographic and inflation pressures are likely to mean that further savings over and above those identified above will be required in order for the council to be able to continue to meet its statutory duty to provide care for eligible unmet needs.

The current year's savings are being delivered through a complete remodelling of service delivery. In delivering this remodelling of service delivery the service is implementing 15 separate workstreams covering both service delivery and process/systems redesign. It is also delivering a number of procurement savings.

Whilst work is progressing on these workstreams to deliver the service savings required three significant factors are offsetting the savings being delivered and represent significant ongoing pressures on social care budgets. Firstly the impact of the PCT's 75%+ reduction in NHS funding for Continuing Health Care since 2009/10 (funding for people with long term conditions and therefore more severe health and care needs) continues to have a huge financial impact on the service. The additional costs now being met by the reducing funds available to the Council are some £8-9m per year and rising and despite the receipt of some non recurring funding from the PCT, mean that the savings arising from the new model of service delivery are being more than offset by this pressure. These clients, by their very nature of having previously been CHC funded or being eligible for consideration, have very high level and complex needs which puts them at the top end of the cost spectrum. Secondly the increased rate of hospital discharges has put significant pressure on our resources. People are being discharged earlier and consequently with higher levels of need. This results in increased demand and also higher care costs for social care.

The Council's average unit cost for care provision has risen and continues to rise as a consequence of the above two factors. Thirdly as part of the service restructure the service area became responsible for the transition of young people in care. In taking operational responsibility for the service an overspend of £500k has also been transferred from children's to adults services.

The impact of these is an ongoing overspend of £1.365m. In the current year this has been addressed on a non recurring basis by the use of the remaining service reserves. These will not be available in future so the additional costs must be addressed by further savings within the service.

The actions proposed to address the additional savings required are detailed in Appendix 12a. Implementation of all the savings outlined should address the original savings targets, the overspend and the additional target of £0.317m in 2013/14. As we move through 2013/14 then we will have to review our ability to deliver on the additional savings target for 2014/15 of £1.957m and whether this could require consideration of a process to review our level of care criteria.

After the January Service and Financial Planning report was drafted, the Council was informed that it had been allocated an increase of £0.741m in the funding transfer from the NHS to social care in 2013/14. It is proposed that Care & Support budgets are increased by £0.37m and that £0.37m of the £1.3m safeguarding / care and support contingency referred to above is earmarked for Care & Support.

Negotiations with the PCT and CCG over the scale and speed of transfer of the costs of Continuing Health Care cases to the Council will continue.

16.0 OUR STRATEGY

16.1 Overall Approach & Principles

At the heart of our strategy is a strong focus on what we can achieve rather than what we cannot. There are still many services and positive outcomes we can deliver despite the difficult financial situation we face. To do this, we need to ensure that resources are aligned to our Co-operative Priorities, as set out in Section 14.0. These priorities were developed following extensive engagement with the community and help us to decide which services should be safeguarded and where investment is most needed. We are committed to protecting and maintaining priority front-line services, for example:

- Keeping car parking free in Borough Towns for our residents;
- Keeping community libraries open;
- Protecting vulnerable children from harm, abuse and neglect; and
- Continuing free swimming for under 16s.

Our strategy is about proactively and positively building a long-term future for the Borough, rather than simply reacting with short-term cuts. Our focus is on economic growth and we believe that the Council can underpin this by providing the right services and making the right investments. We are therefore continuing to invest in the regeneration of Telford Town Centre, Brookside and Hadley, the transformation of secondary schools through the Building Schools for the Future programme, the improvement of transport infrastructure and land stability in the Ironbridge Gorge, the Borough's biggest tourist attraction.

Our strategy is guided by the following principles:

- 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.

16.2 Investments

Our strategy is based on the principle of ‘developing 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 where additional funding is needed to deliver our Co-operative Priorities:

Our capital investment programme is set in a separate report on this agenda.

New investment proposals include:

- a) **Destination Telford** – linking to our priority to be a ‘Business Supporting, Business Winning Council’, we are proposing to invest £150k revenue funding into initiatives and events 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. It will be funded by earmarking one-off balances following a review of one-off amounts set aside within the Council’s accounts.
- b) **Commercial and Business Fund** – the proposed capital programme includes £1m investment into a new Commercial and Business Fund. This investment supports our budget principle of ‘adopting a more commercial, entrepreneurial approach to income generation opportunities’. Funding will be used for one-off set-up costs for new commercial ventures (see information on Co-operative Commercial Projects in ‘Savings’ Section) and to ‘invest local’, for example to invest

in businesses in the Borough in return for a share of future profits. This investment will be funded from £1m of capital resources. We will also continue to 'pump-prime' a range of '**Invest to Save**' initiatives that will generate future savings or additional income. These will be funded from the Invest to Save Fund (current balance £0.29m) or prudential borrowing where the return to the Council's revenue budget is greater than the cost of servicing the associated additional borrowing costs. Current 'Invest to Save' proposals include a new health and fitness suite at Oakengates Leisure Centre, energy efficient street lighting and a new crazy golf course in Telford Town Park.

- c) **Safeguarding** – The draft budget strategy that we started consultation on in January included a new investment of £0.6m additional revenue funding into the Safeguarding Service, in line with our priorities to 'support and protect vulnerable children' and to 'put children and young people first'. This investment is needed to meet the growing financial pressures on this service as a result of high costs of placements for children in care and will also enable us to fully implement the recommendations of the recent Ofsted Safeguarding Inspection. Whilst Ofsted noted the positive progress made and concluded that the service was 'adequate', we are committed to making further improvements to keep children in the Borough as safe as possible from harm, abuse and neglect. However, in the light of the latest financial monitoring information and in view of comments made by the Budget & Finance Scrutiny Committee it is considered prudent to make a further investment in a one-off contingency totalling £1.3m (with £0.37m earmarked for Care & Support who face additional costs arising from care leavers) to be held centrally and allocated only after Cabinet consideration.
- d) **Public Health** - When Public Health transfers into the Council in April 2013, we will receive grant funding from the Department of Health to invest in protecting and enhancing the health and well-being of the community. One of the Council's key priorities is to 'address health inequalities'. Although some key health measures are improving in Telford & Wrekin, such as mortality rates from cardiovascular disease and cancer (under 75 years) and smoking-related deaths, outcomes remain worse than the national average and this gap is widening. We will continue to fund some public health programmes targeted at specific health issues. However, we will also look at the wider determinants of health and will invest £2.5m of the available grant funding in protecting and enhancing existing services that address some of the underlying causes of poor health, such as leisure, housing and public protection. Our aim is a more holistic strategy that

combines proactive and reactive investment to have a greater long-term impact on reducing health inequalities in the Borough. One of the ways we are looking to do this is through the launch of a new 'Telford Loyalty Card'. It is proposed that this new card will replace the current Flex card and will be free for anyone who lives in the borough. The card will have borough wide coverage and will be rolled out to every household in Telford and Wrekin. As with the current Flex card, card holders will have discounted rates on many activities at Telford and Wrekin leisure centres, as well as access to special offers throughout the year, from local businesses that have signed up to the scheme. The launch will coincide with the transfer of Public Health (under the banner of improving people's health & wellbeing), the aim being to encourage more people to 'get active' and 'shop local'.

- e) **Winter Maintenance** – linking to our priority to keep 'neighbourhoods safe, clean and well maintained', we are proposing to invest £150k additional revenue funding into our winter maintenance programme. Previous one-off resources that were held within reserves have now been exhausted. Prolonged periods of adverse weather in previous years have highlighted the importance of this service, both for the safety of residents and for the effective running of the local economy.

16.3 Savings

Over the last four years we have made £41.7m. of ongoing annual savings, equivalent to around £600 for every home in the borough. The need for savings has increased each year due to Government grant cuts, inflation and other pressures including the transfer of significant costs in respect of Continuing Healthcare cases from the PCT. Savings delivered by year are detailed below:-

2009-10	£4.2m
2010-11	£6.7m
2011-12	£11.7m
2012-13	£19.1m

This is equal to around £250 per head for every person in Telford and Wrekin cut from Council services. 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 (see Appendix 3 for details of 2013/14 savings proposals).

Our starting point has been to focus on areas that do not have significant impact on front-line service delivery, such as:

- **Improving procurement** e.g. tight contract management, re-tendering contracts, challenging and re-negotiating existing contracts, making

greater use of framework agreements and being robust in the award of all future contracts;

- **Property rationalisation and generation of capital receipts** – we have ambitious plans to invest in schools, regeneration and other capital projects to transform the Borough. In order to minimise the burden of ongoing debt repayments we are committed to a significant programme of asset sales totalling £112.774m over the medium term. The planned profile of these receipts is shown below:

	£m
2012/13	33.139
2013/14	39.127
2014/15	11.813
2015/16	12.350
2016 onwards	16.345
Total	112.774

Generation of these receipts is a key assumption within the service and financial planning strategy. The Council has an agreed schedule of asset disposals to address this and this schedule is regularly monitored and all the revenue consequences of temporary financing pending these scheduled disposals are built in to the Council's base budget projections contained in this report. This level of dependency is however a significant risk and will therefore continue to be subject to close monitoring. If any delay is experienced in generating expected receipts, mitigation factors could include a combination of re-phasing some 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 one-off resources.

- **Driving down non-staffing costs that have minimal impact on service delivery** - reviewing and challenging budgets 'line by line' e.g. stationery, subscriptions etc to ensure we have exhausted as many options as possible before considering changes or reductions to services.

As a Co-operative Council, we also invite and consider 'savings suggestions' made by residents and employees.

However, given the scale of the financial challenge facing us, these options alone will not deliver sufficient savings and we need to identify new and creative solutions. The Localism Act 2011 gives local authorities a new 'General Power of Competence' that means we now have greater freedoms and flexibilities in how we can generate income. Therefore a key part of our service and financial planning strategy for 2013/14 and beyond is to 'adopt a commercial and entrepreneurial approach to generating income'.

Our proposal is to deliver a programme of **Co-operative Commercial Projects**. The aim is to benefit the Council and the community, both financially and socially. As well as looking at income potential for the Council which has to be a paramount aim, we will prioritise 'win-win' projects that have direct financial benefits for local people and/or organisations. We will also take account of the broader non-financial benefits and how projects can contribute to the delivery of our Co-operative Priorities.

We will also revisit existing **externally traded services**, including those provided to schools, to ensure that we are being as proactive and commercially aware as possible in meeting customers' needs and managing costs so that we can continue to win business and maximise income from these services.

Whilst it is expected that some of the Co-operative Commercial Projects will start to generate income (£100k assumed in 2013/14, £250k projected by 2014/15), this is a long-term strategy and some projects will take time to come to fruition and then to generate significant profits.

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

- **Carrying out planned, long-term service re-design** not quick-fix options e.g.
 - Children's Services – better help for people in the early stages of difficulties and more targeted help for families with complex needs;
 - Adults' Services – 're-ablement' to help ill or disabled adults learn or re-learn how to live independently;
 - Reconfiguration of services to support being a 'Business Supporting, Business-Winning Council'. As well as improving the local economy, this has direct financial benefits for the Council by increasing New Homes Bonus and generating additional business rates which under the new local government finance system the Council will be able to retain a share of this additional income.
- **Working co-operatively with local people, organisations and partners** e.g.
 - Partnerships with Town and Parish Councils to secure environmental improvements;
 - Encouraging local people to recycle more and reduce waste disposal costs.
 - We will continue to investigate options for sharing services where appropriate, for example by establishing a West Mercia wide Youth Offending Service the Council will improve its service and make savings in excess of £0.1m pa
- **Prioritised review of fees and charges** – to identify whether the Council is subsidising the delivery of some services without good

reason. Our initial focus will be on charges to businesses or partner organisations, including schools. The second phase will focus on discretionary services.

- A continuing **targeted service review and strategic review of capacity programme**. When carrying out restructuring, our aim is to actively seek applications for voluntary redundancy and to promote flexible working arrangements in order to keep compulsory redundancies to a minimum. As part of the planned programme of savings we launched a further time-limited Voluntary Redundancy opportunity on 6th December 2012. The scheme enables individual employees to consider if the time is right for them to move on from Telford & Wrekin Council and enables us to further reduce the number of compulsory redundancies. Additional funding will be required in the severance fund to cover anticipated redundancy costs over the coming year and this report recommends that £1.219m is transferred in to the fund to meet the cost of future voluntary and compulsory redundancies, although as previously stated the Council will do all that it can to minimise the number of compulsory redundancies although they cannot be ruled out. Whilst we do not intend to apply a blanket recruitment freeze because of the need to maintain staffing levels in key areas such as safeguarding, we will routinely challenge the need to recruit as vacancies arise and seek to retain maximum flexibility with the use of a mix of temporary and permanent contracts.

Appendix 3 consolidates the savings proposals that had previously been published in September 2012 and those that were published in December 2013. The only amendment has been the deletion of the Civil Parking Enforcement saving of £0.15m assumed from 2014/15 onwards.

This shows that around £8.611m will be available to support the service and financial planning strategy in 2013/14. Impact assessments and service user engagement will be undertaken during 2013 as more specific proposals are developed. Information on equalities, environmental and economic impact assessments are included in Appendices 4a to 4d.

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 would also provide a contingency against unforeseen costs or the delayed or partial delivery of planned savings.

16.4 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 third lowest in the Midlands region at Band D (£1126.09) and is only 1.1% higher than the 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 9th 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 (£1234.75 at Band D) in the current year, we would have generated an additional £5.58m p.a.

As well as a comparatively low level of council tax, this area also suffers from comparatively low property values with our average property being in Band B. In a league table of “tax base strength” produced by Stoke on Trent City Council, we rank 229th lowest out of 324 English local authorities. Whilst this is relatively good news for local residents, although we appreciate that council tax bills are still significant cost for local households, it means that we do not have the same scope to generate income from council tax as many other parts of the country where council taxes are much higher and average property levels are also higher.

A further factor that has reduced resources in this area is “grant damping” whereby grant that the Government has calculated should be paid to this council is withheld and used to support spending by councils that would otherwise receive less grant e.g. as a result of reducing population numbers. During 2012/13 a total of over £3m of grant that should have been paid to the Council was held back as a result of this damping mechanism. Much of this loss is now perpetuated in the new baseline funding settlement for the Council for the foreseeable future.

The Council also continues to suffer from a population undercount. We believe that the Office for National Statistics undercounts our population by around 4,000 people which has resulted in a further loss of grant of around £1.6m pa. in recent years.

The combined impact of:

	£m
A comparatively low level of council tax	5.6
Grant damping figure for 2013/14	1.6
The population undercount	<u>1.6</u>
	8.8

makes the disproportionate cuts in Government funding and rising demand for services even more of an issue in Telford & Wrekin than in some other areas.

Whilst we are continuing our campaign for a ‘Fair Deal for Telford & Wrekin’ by actively lobbying the Government, we again want to be prudent in our approach to setting Council Tax.

In January 2012, 2,287 residents took part in a consultation on the level of Council Tax increase. The majority of respondents (63%) supported a strategy of increasing Council Tax by between 2.5% and 3.5% (and rejecting a Government Grant available to freeze Council Tax in 2012/13). Based on the views of local people, the level of Council Tax was increased by 2.5% in

2012/13 and the Council agreed a strategy of increasing council tax at that level for the following 3 years.

However, our proposal for 2013/14 is to increase Council Tax by 1.9% (an increase of 2% or more would now result in the Council having to carry out a referendum at significant cost, of around £250,000, to Council Tax payers). This is a long-term strategy to ensure that our budget is sustainable, as the available Government grant (equivalent to a 1% Council Tax increase) for the next 2 years is less than half the rate of inflation and would leave us with a further significant budget shortfall in the short term and when the grant ceased to be paid.

16.5 Base Budget, Balances and Contingencies

A summary of the Base Budget position is included at Appendices 9a and 9b details movements in the Base Budget. The net base budget totals £142.378m for 2013/14 giving a base budget funding gap of £7.106m. in 2013/14.

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 £3.67m available as part of medium term budget strategy considerations.

Current available balances within the “Capacity Fund” of £0.42m and “Invest to Save Fund” of £0.29m are shown as committed as these are likely to be committed during the period of this medium term financial strategy.

The financial monitoring report on this agenda shows a transfer of £2.5m. to create a one-off contingency for 2013/14. This will be a challenging year with further savings to be implemented, continuing pressure likely to be experienced on social care budgets and the uncertainties arising from and increased risks transferred as a result of the new localisation of business rates and local council tax support schemes. Any further underspend available at year end will be used to either supplement the one-off contingency or will be used to further increase the provision for severance costs as it is likely that further posts will need to be deleted by the Council for the foreseeable future. The projections for future years include an ongoing contingency of £2.5m from 2014/15.

No allowance has been made for any pay award in 2013/14 or future years nor has any allowance been built in for general inflation for 2013/14 or future years although some provision for contractually committed inflation has been made. This provision for inflation is currently held centrally as a specific inflation contingency pending confirmation of the minimum amounts that will need to be allocated to services. As the Council is planning to implement single status with effect from 1st April 2014, the provision for additional costs arising from the anticipated single status settlement from April 2014 of £2.75m has been built in to the budget from 2014/15 onwards. However, £0.919m of

this sum has already been allocated to fund the elimination of fixed point grades and the award of market pay adjustments to some social worker posts.

16.6 Council Pay and Care & Support Community Care Policies

This report also contains the Council's Pay Policy at Appendix 11 which was considered at the Personnel Board on 19th February 2013 and an updated Care & Support Community Care Policy & Procedure Document included as Appendix 12b.

17. **MEDIUM TERM GENERAL FUND STRATEGY**

A number of changes need to be reflected in order to update the base budget gap as set out in the table below-

	13/14 £m	14/15 £m	15/16 £m
Base budget gap reported in 10 th January 2013 Cabinet report	10.034	23.993	33.737
Updated information relating to the funding transfer from NHS to social care	- 0.741	- 0.741	0
Additional NDR income assumed in line with final submitted "NNDR 1" form	- 0.342	-0.342	-0.342
Additional schools catering service budget – costs to be borne by Council	0.300	0.200	0.100
Waste Procurement Project - one-off costs	0.150	0	0
Delete central allowance for savings from "flexi-deals" as savings are retained in service areas	0.020	0.020	0.020
Change in funding as a result of the final (February 2013) settlement figures compared to provisional settlement (December 2012).	0.001	-0.0 41	0
Additional spend in Care & Support over and above level of spend previously assumed	0.370	0.370	0
Additional one-off New Homes Bonus	- 0.286	0	0
Additional schools ICT budget allocation – cost borne by Council	0.100	0	0
Existing key services that address the wider determinants of Public Health funded from the higher than anticipated grant allocation announced on 10 th January 2013	-2.500	-2.500	- 2.500
Updated base Budget Position	7.106	20.959	31.015

This updated base budget gap is addressed by the strategy explained in this report and summarised in the table below:-

Projected Budget Gap	13/14 £m	14/15 £m	15/16 £m
Updated Base Budget gap	7.106	20.959	31.015
Savings proposals – See Appendix 3	-8.611	-14.934	-15.493
Transfer to supplement severance fund to cover one-off costs associated with the delivery of ongoing savings	1.219	0	0
Creation of a one-off contingency for pressures in safeguarding budget	1.300	0	0
Commercial income/"business winning" approach	-0.100	-0.600	-0.750
Effect of 1.9% council tax increase each year for next 3 years	-0.914	-1.845	-2.794
Restated shortfall before use of general balances or further savings	0.000	3.580	11.978

Whilst the strategy sets a robust and balanced budget for 2013/14, a shortfall of £3.58m remains for 2014/15 assuming a council tax of 1.9% is implemented in this year. This will need to be covered from a mix of further savings, additional income and potentially some use of one-off resources. The projected shortfall increases by a further £8.4m in 2015/16 although as the projections for this year fall outside the current CSR period and will be subject to the impact of the Spending Round to be announced by the Chancellor sometime before the end of June 2013, the projections for this year are subject to a reasonably high degree of uncertainty.

18. EDUCATION FUNDING.

Compared to Local Authorities funding, schools funding has been comparatively protected and is broadly in line with our current modelling estimates.

From April 2013/14 a new school funding regime will be implemented. This follows detailed consultation by the Department for Education (DfE) with all the relevant stakeholders. The changes to be implemented required the general local formulae for schools to be simplified and the method of funding Special Educational Need to change to fit DfE requirements. These changes do not impact on Pupil Premium.

The local formula for Telford & Wrekin was developed after consultation with all relevant stakeholders and was agreed by Cabinet on 8th November 2012. This 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. Overall the estimated pupil numbers in Telford & Wrekin schools, including relevant Academies, has increased by 148 resulting in an expected £646k of additional Dedicated Schools Grant (DSG).

The changes in school funding result in differing per pupil rates being applied to the different sectors of education which prevents any like for like per pupil rate comparisons to 2012/13. The indicative DSG for 2013/14 for Telford & Wrekin is £120.350m including all Academies bar Madeley. This is now split into 3 blocks of funding as follows:

Schools Block, the majority of which is fully delegated to schools - £96.387m – 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 - £6.991m. 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 new funding has been transferred into DSG from the Early Intervention Grant. This relates to the Councils' statutory obligation to make provision for the education of about 40% of all 2 year olds from September 2014 – the new funding allocation for this purpose is £1.953m.

High Needs Block, this funds education for all those pupils in Maintained and independent special schools, Pupil Referral Units and other alternative education provision - £15.019m.

The DSG is supplemented by pupil premium of £900 per pupil giving a total of expected Pupil Premium for Telford and Wrekin schools (including Academies) of around £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 in the funding system have required a revision of school funding regulations, returns, approval processes and a significant exchange of information between the DfE and Local Authorities. As the pace of change has been so fast, with a high dependency of information flowing from the Government, there is still work ongoing on the funding arrangements for Special Education providers.

The changes to education funding have also 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. The additional amount being delegated to schools was approximately £1m and the Schools Forum has approved 25% of this funding to be retained by the Council for the continued provision of these services centrally. Further approvals will be sought for centrally retained funding relating to SEN and Early Years.

It is the DfE's stated intention to implement a national funding formula for schools in the next funding formula and these changes are a step towards this aim. They have, however, confirmed that a "*Minimum Funding Guarantee will continue to operate in order to offer protection against unmanageable falls in school budgets*". In early 2013 the DfE will carry out a review of the impact of the changes and advise Ministers on the necessity for any adjustments.

Changes in the current arrangements for recoupment of Council funding for the impact of Academies are part of the changes relating to the formula grant and proposals for Business Rates Retention. These changes result in a separate Education function grant being payable to Councils and Academies, created from a top slice of the formula grant. The total value of this grant has been announced as £3.717m. This covers all pupils in all state funded schools and the grant will then be payable to each organisation based on their pupil numbers, the element that will be payable to the Council has not yet been confirmed. Local authority ESG allocations for 2013-14 will be confirmed in early March 2013, based on the number of pupils in maintained schools and academies at that time. This grant is intended to give a fairer reduction in Council resources in relation to the number of pupils educated in Academies in their area. The per pupil methodology does not lend itself to economies of scale and the Council is likely to suffer a disproportionate loss of funding compared to loss of responsibility and workload as result of this change. Work is still ongoing to determine the source data being used to calculate the grant but we currently expect any reduction for the Council to be broadly in line with the current estimate within the Budget strategy.

The transfer of funding for 2 year olds, currently within the Early Intervention Grant (EIG), to the DSG, a ring fenced grant, along with a national top slice of EIG of £150m to be held back by the DfE for specific initiatives, has resulted in a loss of £2.321m to the Council of un-ring fenced grant funding. The level of loss is far above what should have been expected as the level of 2 year old funding transferred from EIG was well above the level of funding originally identified within it. It has recently been announced that the £150m top sliced nationally will be allocated to Local Authorities as a one year Adoption Reform Grant, individual allocations have not yet been announced.

19. EQUALITY IMPACT ASSESSMENT, COMMUNITY ENGAGEMENT AND COMMUNICATION

Equality Impact Assessment 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.

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 stream proposals and ensure that they are fully explored. Initially a pro-forma was issued to Assistant Directors asking for details of saving proposals and any impacts that may be experienced by service users. When compiled into one place a screening exercise was conducted, by the Community Engagement and Equalities Team, to identify possible further requirements for impact analysis and/or service user engagement. This list was agreed at Policy Review on 15 February 2013 and presented to the Budget & Finance Scrutiny Committee at their meeting held on 5 February 2013. The list can be found at Appendix 4.

The Community Engagement and Equalities Team will now work with identified lead officers to investigate the proposals confirming the extent of the equality implications and service user engagement scope. For proposals where implications have been identified and are at a sufficiently developed state a proportionate impact analysis 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 and engagement during its development.

In September 2012 Cabinet agreed additional budget saving proposals. Appendix 4 shows progress on those savings proposals which needed further exploration around the need for an equality impact analysis and/or engagement.

Due to the complexity of the budget setting process with a vast array of proposals for savings there is potential for a number of small changes to have a large cumulative effect. An equality analysis of the overall impact of the budget has been completed and can also be found in Appendix 4.

The analysis will be reviewed and monitored over the full period covered by this report to ensure no unidentified impacts occur and positive progress is maintained.

20. ENVIRONMENTAL AND ECONOMIC IMPACT ASSESSMENTS

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 4d 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 4d. 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.

21. NEXT STEPS

Once the service and financial planning strategy for 2013/14 has been approved by full Council on 7th March 2013 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. 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 being imposed by the Government – as well as some opportunities and the full impact of the localisation of business rates system and local support for council tax scheme will only become apparent as 2013/14 progresses.

As well as exercising tight financial control and effective financial monitoring, managers and Cabinet Members will need to turn attention to the 2014/15 and later years medium term financial strategy early in 2013/14 in order to identify further savings and opportunities for additional income to bridge the projected remaining shortfalls of £3.6m in 2014/15 and an additional £8.4m in 2015/16.

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

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 14 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 £41.7m savings expected to have been delivered over the 4 year period to March 2013 and with this also underpinned by the proposed council tax 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.

In order to deliver a robust medium term financial strategy given the

- low starting level of council tax to deliver council services when compared to other councils
- the prospect of many more years of significant reductions to the funding that we receive from Government
- high level of up front grant cuts faced by the council
- impact of cumulative capital programme investment decisions
- low level of residual balances
- greater levels of risk over future funding streams

- rising and ongoing pressure on services

a strategy of low level council tax increases is considered to be a more sustainable and financially prudent approach than use of short-term one off grants which only delay the decisions which need taking.

23. BACKGROUND PAPERS

- Comprehensive Spending Review Announcements – Treasury Website
- Autumn Statement – Treasury Website
- Revenue Support Grant Provisional Settlement Announcement – CLG Website Revenue Support Grant Final Settlement Announcement – CLG Website
- Service & Financial Planning Report to Cabinet – 22nd December 2011
- Service & Financial Planning Report to Council – 1st March 2012
- Service & Financial Planning Update report to Cabinet – 28th June 2012
- Service & Financial Planning Update report to Cabinet – 20th September 2012
- Service & Financial Planning Update report to Cabinet – 10th January 2013
- LGA report “Funding outlook for councils from 2010/11 to 2019/20” published in June 2012.
- 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.

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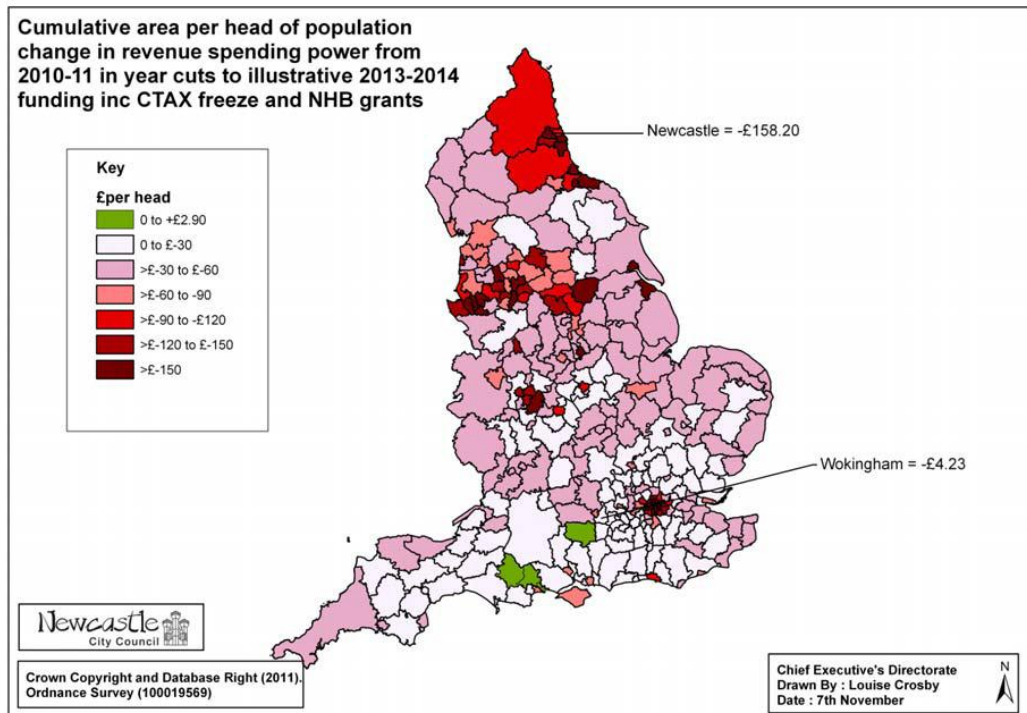
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Appendix 1.

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.
- 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 latest 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. Our neighbouring local authority areas of Shropshire and Stafford are in 175th and 198th place respectively.

Appendix 2 - Safeguarding and Early Help – Cost Improvement Plan

December 2012

Agreed Aims

- To be in a position where there is no overspend in Safeguarding by the end of March 2014
- To make a 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.

Appendix 2 - Action Plan

Target (PI)	Target Saving 13/14 p.a. £k	Target Saving 14/15 p.a. £k	Actions	Progress	PI When By

Objective 1: Emma Wilcock (Karen Perry)

Recruitment & Retention – develop recruitment and retention (workforce planning and development) strategy for children's services social workers.

Performance Indicator (PI) - number of agency social workers employed across children and family services. *Includes impact of over recruitment to avoid agency staff requirements (Current number of agency staff at the end of October is 12..7)*

Max 6 Agency SWs by April 13	300	620 ¹	• Market the concept of the Telford Social Worker (co-operative offer) (<i>EW</i>) • Review approach to recruitment – “LEAN analysis of all parts of process” (<i>RF</i>) • Using generic interview panels programmed in throughout the year (<i>AW</i>) • Improved forecasting of timescales for taking up posts. (<i>SDM's</i>) • Maintaining a competitive advantage (Unique Selling Point) and pay parity with other local authorities (<i>EW/HR</i>) • Improved management reporting - vacancies, appointments and agency cover (<i>HR</i>) • Step Up students to be proactively targeted for recruitment (<i>AW</i>) spring/summer 2013 • Explore SW to SSW progression by Assessment	• Preliminary discussion re workforce planning and development strategy held with Workforce Manager and Principal SW (<i>PSW</i>) – draft version to come to CFSLT early Jan • Managers and <i>PSW</i> attended event at another LA to understand how they do Assessment days • Young people produced poster of “what makes a good SW” and interviewed a SW to be used as promotional materials in recruitment and illustrative as part of co-operative offer • Interviews dates for SW posts highlighted in advert to reduce lead time • Last recruitment campaign filled all the SW vacancies and 2 of the 6 SSW posts, the Advanced SW Practitioner post and 1, possibly 2, of the 2 TM posts. • Online recruitment tracking sheet accessible to all key stakeholders	April 13 Sept 13 April 14

¹ Based upon appointing 5 social workers over establishment.

Appendix 2 - Action Plan

Target (PI)	Target Saving 13/14 p.a. £k	Target Saving 14/15 p.a. £k	Actions	Progress	PI When By

Objective 2: Viv McKay/Angela Yapp (Karen Perry)

Placement Strategy – review placement strategy to ensure that number of placements meet need.

Performance Indicators - reducing residential placements (RP) by 10, drive down cost of placements, knock on effect on numbers of external foster placements by reduction in use of internal foster placements for babies, appointment of contract foster carer (LA employed carer).

40 RP by end of March 13.	1,192	1,413	- Needs analysis by type of placement, modelling existing commitments and identifying best practice elsewhere. (VMcY) - Predictive management information models for the early identification of likely requests for placement (VMcY) - Using different commissioning approaches to procure lower cost placement solutions e.g. intensive foster care "Keep Model". (VMcY) - Reducing no. of babies fostered through use of potential adoptive parents (MW) - Prioritising assessment of any prospective internal foster carers who show an interest in taking teenagers. (AY) - Targeted marketing activity, including making links with employers with strong culture of social responsibility (AY) - Using a JIGSAW house as an	- Provisional agreement from staff member to go forward as contract carer. Investigate possibility of recruiting further contract carers - Completed initial scoping re CAMHS placement stability team; existing resources identified and priority brief for team agreed - SW within fostering team identified for flexed caseload pilot of fast track assessments of foster carers - Weekly fostering recruitment staff in town centre well established and providing an average of 1 high quality enquiry per week - Feedback obtained from adoptive carers re potential arrangements for fostering to adopt, and initial discussions to identify potential (as yet unborn) babies; Telford staff meeting with Joint Adoption service before Christmas - Attendance of Assistant Director at Local Strategic partnership produced some useful leads for follow-up; to be repeated	March 13 March 14 March 14

Appendix 2 - Action Plan

Target (PI)	Target Saving 13/14 p.a. £k	Target Saving 14/15 p.a. £k	Actions	Progress	PI When By
			assessment centre if this is confirmed as a viable option (VMcY) - Recruiting 2 contract foster carers (VMcY/AY) - Consider external procurement of respite care - Advertise for foster carers for individual hard to place children "be my foster carer" - Recruit additional SSW in Family Placement to reduce disruptions family and friend's carers and more capacity to assess mainstream carers. - Pilot new recruitment of foster carers model – flex SWs caseload to assessments and offer additional hours to part-time staff - Increase Children In Care Team SW hours from half to fulltime for 6 months to focus on getting YPs in residential care into foster placements	- Employer with strong culture of social responsibility identified and link made for future targeting visit - CAMHS advice available to foster carers via Family Connect from February 2013 - SSW Family Placement appointed – in post by Feb 2013	

Appendix 2 - Action Plan

Target (PI)	Target Saving 13/14 p.a. £k	Target Saving 14/15 p.a. £k	Actions	Progress	PI When By

Objective 3: Karen Perry/Clive Jones

Children in Care - Review approach /strategy for reducing CiC placements.

Performance Indicators – Reduce number of CiC, reduce number of child protection plans (CP) and reduce time spent in care

300 CiC by April 13	556	1,009	“Family Support Model” in place. Early appropriate intervention and resolution and hence lower cost solution which may be longer term.(DL) - Targeted approach to dealing with most vulnerable families (SF Task Force) (JB) - Embedding culture of integrated safeguarding and early support practice across the Borough on a multi-agency basis (Telford Compact) (DL) - System in place for monitoring impact of interventions (DL) - Learning culture in place - audit/review recent high cost admissions (JBr) - New “early support” approaches for children living with domestic violence or suffering neglect in place. (JB) - Resource Allocation Management Panel established for preventing non emergency admissions to care, especially teenagers (KP/CJ) - Reduced time in care (use of Permanence Panel) (JBr)	- Analysis of involvement of F&C in complex safeguarding cases underway - Families who meeting SF criteria with whom SW teams involved identified - Draft thresholds document discussed at LSCB policy and procedures group and joint Safeguarding/F&C management meeting 3 families (totally 14 children) recently CIC being analysed for joint audit at Childrens’ Service Improvement Team on 14th Dec - Weekly RAMP in place - Emerging model in draft for addressing Neglect. Pilot commenced for improvement in CP conferences and CP plans	April 13
294 CiC by April 14					April 14
9 fewer CP Plans by April 13					April 13
21 fewer CP Plans by April 14					April 14
Average time spent in care reduced by 6 weeks by April 13					April 13

Appendix 2 - Action Plan

Target (PI)	Target Saving 13/14 p.a. £k	Target Saving 14/15 p.a. £k	Actions	Progress	PI When By
			- Predictive modelling/ review of approach for babies with disabilities/complex health needs who may become CIC and those in residential school who require 52 weeks support. (VMcY) - Council services working together to mitigate against bringing a child/s into care. (KK/CJ) - Implement Community Action Research Programme (part of Strengthening Families Task Force (CJ) - Commission Morning Lane to undertake case analysis of recent admissions as part of externally funded support for safeguarding reconfiguration		

Appendix 2 - Action Plan

Target (PI)	Target Saving 13/14 p.a. £k	Target Saving 14/15 p.a. £k	Actions	Progress	PI When By

Objective 4: Viv McKay (Karen Perry)

Utilise commissioning approach to review in detail the following processes/services within safeguarding:

Performance Indicators – will be determined during the course of the review

	150	350	• Change delivery model for fostering, and contact and parenting assessments (Use of IEWM). (VMcY) • Provide better support to vulnerable pregnant mothers (JBr) • LEAN Review of key early help and safeguarding processes (VMcY) • Review value for money of existing arrangements for using translation service. (VMcY) • Fully understand cost differential (child/adult cost per place) and identify options for reducing cost per place where possible. (VMcY) • Investigate options for reducing cost of court ordered contact. (VMcY) • Review use of escort arrangements and opportunity for independent travel when transporting CiC (VMcY)	• Set up meeting with external resource to review Fostering Service Planned for 14th December. • Visit to another LA to learn from their practice re better support to vulnerable pregnant mothers, plus submission of bid for funding from Dee • Potential SW attendees for Parenting Assessments Manual training (April 2013) being identified • Discussion re more cost effective arrangements for contact planned before Christmas	April 13

Appendix 2 - Action Plan

Target (PI)	Target Saving 13/14 p.a. £k	Target Saving 14/15 p.a. £k	Actions	Progress	PI When By
Total Savings	2.198	3,392			
Proposed Investment	600				
Total	2,637				
Proposed Budget 13/14	2,798				

Risk Matrix

Risk	Mitigation
• Culture change within our workforce and across agencies will be resisted	• 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.
• Reconfiguration uncertainty – Safeguarding review underway.	• Comprehensive engagement/communication strategy and plan put in place • Ensuring social workers understand the need for change • The concept of the Telford Social Worker
• Lack of capacity at SDM level – previous reviews have reduced substantially capacity at manager level across children and family service	• 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
• Lack of capacity in Commissioning & Family Placement teams	• As above
• Some LA pay a premium or have concluded single status work resulting pay inequity across the region	• Review inequity and make recommendations for addressing any inequity
• Adverse impact of benefit change on demand for children and family services.	• 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

• Shortage of foster carers nationally – there is a shortage of foster carers across the region, particularly for older teenage children in care.	• Review package and support offered • Review marketing strategy as above
• 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	• 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
• Impact of Family Law reform on capacity in ACM teams	• Should be short term and pending promised national simplifications of care plans
• Lack of Business Support Officer (BSO) capacity	• Review service requirements as part of the restructure

APPENDIX 3 - SUMMARY OF SAVINGS PROPOSALS

Service Area	Savings Proposals By Year				Total Saving £	
	2013/14 £	2014/15 £	2015/16 £	2016/17 £		
Family & Cohesion Services	1,776,510	896,930	50,000	-	2,723,440	-
Education & Skills	636,000	114,000	-	-	750,000	-
Children's Safeguarding					-	
Care & Support	2,218,000	3,059,000	-	-	5,277,000	-
Law, Democracy & Public Protection	183,600	-	-	-	183,600	-
Finance, Audit & Information Governance	236,799	84,742	-	-	321,541	-
Customer & People Services	893,250	614,985	306,000	-	1,814,235	-
Neighbourhood and Leisure Services	1,207,500	1,274,000	203,000	58,000	2,742,500	-
Development, Business & Housing	1,016,740	278,935	-	-	1,295,675	-
Co-operative Council	98,810	-	-	-	98,810	-
Council Wide	344,000	-	-	-	344,000	-
Total	8,611,209	6,322,592	559,000	58,000	15,550,801	
	-	-	-	-	-	
	Savings Proposals By Type				Total Saving £	
	2013/14 £	2014/15 £	2015/16 £	2016/17 £		
Income	475,600	353,000	20,000	20,000	868,600	-
Non-Staff Savings	2,658,940	2,784,810	133,000	38,000	5,614,750	-
Procurement	1,781,800	531,930	306,000	-	2,619,730	-
Property Rationalisation	413,520	55,110	-	-	468,630	-
Strategic Review of Capacity	967,489	349,742	50,000	-	1,367,231	-
Service Review/Redesign	2,313,860	2,248,000	50,000	-	4,611,860	-
Total	8,611,209	6,322,592	559,000	58,000	15,550,801	-
	-	-	-	-	-	
	-	-	-	-	-	

DETAILED SCHEDULE OF SAVINGS PROPOSALS - 2013/14 TO 2016/17

No.	Service	Description of Saving	2012/13 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
Income														
1	Family & Cohesion Services	Educational Psychology		20,000	30,000	-	-	50,000	Di Partridge	SEN Review underway. This will include reviewing different delivery models which can then trade across boundaries with schools in Telford & Wrekin and Shropshire	Minimal impact	Minimal impact - this proposal is support by majority of staff. A review of delivery options is underway including a mutual option.	Consideration needs to be given during the review to the impact this work will have on statements of education need.	Government proposals for changing SEN funding and an SEN White Paper
2	Neighbourhood & Leisure Services	Increased income from the Music Service through exploring new markets/customers and benefiting from a reduction in operating costs following the restructure in 2011		20,000				20,000	Psyche Hudson	Increase Income generation already being realised	Seek alternative funding sources and partnerships to deliver activity for young people.	Amendment to music service structure and salary addressed 2 tier operation	This is a traded service.	Only risks expected with a traded service eg buy back from schools, ability to tap into new markets etc.
3	Care & Support	Low Level Preventative Service- hourly rate increased for this preventative service from £8 to £10 per hour on 1st April 2012 and a further increase to £12 per hour was implemented on the 1st October 2012, to cover the amount currently funded by the Council		29,000	-			29,000	Richard Smith	This is a preventative service available to people who would not meet the Council's eligibility criteria for access to care services. It is utilised by the Access team at initial point of enquiry for people whose level of need is below substantial or critical with the objective of preventing or delaying their need for ongoing care and support. It is not a care service and it is feasible for it to be purchased elsewhere.	The increase in price is a barrier to users of the service and there has been a fall in demand. This has reduced the income and currently the level of saving is lower than anticipated. Action including proactive marketing to increase demand is being undertaken.	There is no immediate staffing impact from raising prices, however an ongoing reduction in current demand would cause a review of the service provided and potentially staffing levels. The service is currently provided by the in house catering and cleaning services following a competitive tender process.	As mentioned under staffing, the contract to provide the service is delivered from within the catering and cleaning contract and any reduction in demand will impact the performance of the contract and reduction in required staff numbers.	It is possible that the absence of this preventative service could escalate an individual's need for care services funded by the council.
4	Care & Support	Meals on Wheels-review of service		57,000	-			57,000	Chris Harrison	A meals on wheels service, delivering a hot meal to vulnerable people is only one way that meals can be provided to people needing a community meals service. Locally we already provide a frozen meals delivery service. Against a background of reconfiguring services to meet a more updated agenda nationally, many authorities have moved away from commissioning the traditional meals on wheels service for a range of reasons. These include health & safety issues- particularly food hygiene, value for money, infrequency of delivery rounds, alternative ways of meeting identified need for a group of people who primarily fall below the community care eligibility threshold, etc. It is therefore proposed to undertake a review of the community meals service, with a view to considering ways of achieving a £57,000 saving by 2013/14. This is the net cost of the service above the food purchase price which is already met by a service user charge per meal.	Impact will depend on alternative arrangements considered. For example the frozen meals delivery service already in place ensures people have access to a frozen meal, a small freezer and safe re-heating equipment at no cost to the Council, other than the assessment and administration costs.	No direct impact for Council staff. But would impact on the WRVS paid staff and volunteers. Also some of the meals are prepared, cooked or re-heated in Council kitchens or under contract with independent providers.	No significant impact on council services. Would need to consider impact on WRVS budget	Existing service users will be concerned about loss of service – mitigation would be through alternatives available. WRVS would be concerned about the loss of a public facing service – mitigation would depend on whether the Council saw an alternative role for WRVS in supporting vulnerable people locally. Public perception – mitigation would be around clear articulation of rationale for change
5	Law, Democracy & Public Protection	Increase in license fees		12,600				12,600	Ian Mercer	due to reduction in the number of "taxi" licences and the decision of members to phase the increase this will reduce by £10k in the first full year and a further £10k in the second. This will be offset in part by line 15 below. This will not cover the impact of the phased introduction only the reduction due to the reduction in licences. the current fees for taxis have not been increased for 6 years, do not cover the cost of the service and the increase will move them into the upper third. the decision to increase fees has already been made by members and follows a public "consultation" exercise. Licensed premises fees are set by Government and are related to the non domestic rate of the premises. All fees are subject to the number of applications and as such all figures are a best guess based on historic numbers.	The business will have to fund the increase. Fee increases are likely to be passed on to the final customer but that is outside the control of the Council.	if the fee income is not realised there is likely to be the need for a further restructure and reduction in staff or alternative savings will have to be found	none	as a result of the proposal to increase fees for the private hire vehicle trade a significant number of drivers have elected to use a legal loophole and now licence vehicles and drivers with Shropshire Council. The fees are required to be reviewed as there is a legal requirement to only recover the costs of the process and this may result in a reduction of fees in the future.
6	Customer & People Services	Increase burial fees - by 5%	139,100	19,000	7,000			26,000	Andrew Meredith	Increase broadly in line with inflation.	Increased costs for burials			
7	Customer & People Services	Increased Income from Nationality Checking Service (possible invest to save)	196,760	5,000				5,000	Andrew Meredith					
8	Neighbourhood & Leisure Services	Environment & Open Spaces: Bulk collections from £15 to £18 for up to 6 items;		5,000				5,000	Dave hanley	£18 is still low compared to other local authorities.	May generate an initial number of complaints for the small increase in bulks charging. Contact Centre to promote voluntary sector assistance for the collection free collection of reusable furniture and white goods	N/A	N/A	Charging for bulks increase came in this year and there has been an increase in participation.
9	Neighbourhood & Leisure Services	increase cost of gym membership fees by 10%		45,000				45,000	Stuart Davidson			considered as part of restructure	N/A	Price resistance. Will need to continually review to ensure price sensitive and comparison via benchmarking
10	Neighbourhood & Leisure Services	Explore a sponsor for leisure service uniforms		5,000				5,000	Stuart Davidson	Secure sponsorship for leisure uniforms from an external health and fitness retailer	N/A	N/A	N/A	
11	Neighbourhood & Leisure Services	Leisure Services: Improved Direct Debit Collection (health & Fitness, golf and swimming) rates through using existing framework contracts for DD collection	618,000	5,000				5,000	Stuart Davidson	An increasing number of leisure providers have outsourced the management of their DD collection. The main benefit being increased collection rates and reduced bad debts.	See risks	No direct saving but capacity to pick up administration associated with Telford Ice Rink which is to be retained in house and was not allowed for at the time of the Leisure Restructure due to original outsourcing proposals.	None	Risks associated with involvement of third party. Appropriate protections can be built into service contract
12	Neighbourhood & Leisure Services	Leisure Services: Increased Health & Fitness profits (OLC) based upon 20% increase in membership levels. This proposed as part of an invest to save bid based on estimated capital investment of £240,000, therefore projected 3 year payback.	153,000		80,000			80,000	Stuart Davidson	Opportunity to create additional capacity in the current aspiration facility to support growth	Positive: Gym users may be without changing provision during school day. Not considered a major risk, given improvement in service. Customers to be made aware in advance. Gym users would be required to use same public toilets as secondary school groups. Work could be scheduled for summer months so as to minimise disruption to schools and users.	None	The projected increased profit takes account of additional equipment leasing costs.	Potential loss of income during refurbishment works. Any closure to be kept to a minimum.
13	Neighbourhood & Leisure Services	Leisure Services: Additional Health & Fitness Profit arising from a new fitness facility at Newport Pool. This is proposed as part of an invest to save bid based on estimated capital investment of £750,000 therefore offering a projected 5.5 year payback	-		136,000			136,000	Stuart Davidson	Currently very limited private sector provision within Newport	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. (Staff costs included within profit projection)		
14	Neighbourhood & Leisure Services	Leisure Services: New income (profit) arising from the development of a crazy golf course within the Town Park. Based upon an invest to save proposal requiring an estimated £100k capital expenditure with a projected 2 year payback.	-	50,000				50,000	Stuart Davidson	New income generating opportunity linked to Town Park and Southwater Square enhancements.	Positive	None serviced by existing visitor centre staff.		Subject to planning approval. Potential objections from Wonderland who have a small Crazy Golf offer. Potential Lease implications to be checked.

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15	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 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.
16	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	10,000		30,000	Stuart Freeman / Ian Goffe	The increase in fee income should be achievable based on fee levels achieved in last two years.	No impact on community as fees are paid by developers	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.
17	Neighbourhood & Leisure Services	Highways & Transport: Develop new income stream, by providing Highway Development Control advice to other authorities. Additional income is subject to creating an invest to save post(s) to deliver additional income and income is subject to other authorities willingness to 'buy' services.		10,000	5,000			15,000	Stuart Freeman / Ian Goffe	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. Additional income is subject to creating an invest to save post(s) to deliver additional income and income is subject to other authorities willingness to 'buy' services.	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.
18	Neighbourhood & Leisure Services	Highways: increase car parking charges in Council car parks in Ironbridge by a further 20% from 2013/14. Example of new charges - all day £2.40; 3 hr £2.30; 2hr £1.30; 30 mins £0.70		32,000				32,000	Keith Harris	Generates increased income from car parks where charges already apply. Helps to encourage greater use of Ironbridge Park & Ride that is now operational at peak visitor times. Residents are protected via permit scheme.	Increased cost for parking and possible impact on local economy in Ironbridge though not anticipated as charges are still at a reasonable level and below that of some town centres and tourist attractions	none	Potential increase in use of Ironbridge Park & Ride to help sustain this new investment.	Potential reduced use of Council car parks if perceived to be expensive and possible displacement of parking onto adjacent road network. However there are limited numbers of off-street parking places in Ironbridge
19	Neighbourhood & Leisure Services	Highways & Transport: Increase parking charges annually by 10% in Telford town centre: Up to 1 hour = 90p (previously 80p) Up to 2 hours = 1.50 (previously 1.40) Up to 3 hours = 2.40 (previously 2.20) Up to 4 hours = 3.10 (previously 2.80) Over 4 hours = 3.70 (previously 3.40)		4,000				4,000	Stuart Freeman	Further average 10% increase in parking charges for car parks where Council already charges (actual increase must be in 10p increments due to parking machines). Council now only has two car parks in the town centre Ice Rink & Southwater Way - for 2012/13 would result in equivalent charges still being around 10% lower than Telford Shopping Centre car parks. Changes to charges to the Ice Rink car park require agreement of TIC who manage the car park on the Council's behalf.	Increased cost for parking which may result in lower levels of car park use; however charges for all day parking are low compared to other towns and other car parks in town centre.	Requires agreement with TIC as Ice Rink car park is split responsibility between Council and TIC with TIC carrying out enforcement. TIC charges would need to be same as Council charges as cannot have different charges on same car park.		Efficiency dependent on pursuing CPE and MSCP. Unlikely to deliver efficiencies if service is operated on traditional local authority model and standard T&Cs.
20	Neighbourhood & Leisure Services	Highways & Engineering Services: More Commercial approach - Advertise Structural Engineer post at PO6 providing better opportunity to generate external income. Post remains vacant after 3 attempts to recruit externally at PO3.	No income being generated or programmed.	3,000				3,000	Chris Butler	Improve ability to recruit and generate more income	Improvement of service being offered	increase in establishment (See calculations below in Box A)	Opportunity to offer in house structural engineering design currently going to external consultants	
21	Neighbourhood & Leisure Services	Highways & Engineering Services: Early development Intervention - Introduce a premium Pre-planning chargeable Engineering constraints report	fee generating	20,000				20,000	Chris Butler	Early intervention at the development stage to offer pre-planning advice with a detailed constraints report on the development site. This would reduce our own internal costs in providing engineering advice free of charge.	Potential to be seen as "another cost" but the benefits to the developer in gaining an early planning approval would outweigh the small fee. (sliding scale fee based upon the size of the development)	Expensive engineering staff freed up to become fee earning from external clients.	Improvement to the planning process by getting it right first time making the whole process more efficient.	
22	Council Wide	Increase various fees and charges across the council by 2.5% in October 2012 and a further 2.5% in April 2013		44,000				44,000						
23	Dvpt. Business & Housing	By direct intervention as part of our growth strategy and becoming a business Winning Council we will deliver more new homes. We		75,000	75,000			150,000	Katherine Kynaston	New Homes Bonus - in addition to the 800 units built into the budget strategy.	Part of growth strategy for the Borough	None	None	None
24	Family & Cohesion Services	Education Psychologists	- 544,021	5,000	10,000			15,000	Diane Partridge	Service review underway has identified an opportunity for trading non core elements of the service	Minimal	Employees have been involved in the review and findings will be the subject to full consultation.	Additional cost for schools, market testing indicates that they would pay an appropriate charge and that	Risks and mitigation to risk will be considered during the review and included in the final report
Total Income				475,600	353,000	20,000	20,000	868,600						
Non-Staff														
25	Family & Cohesion Services	Children's Centre Subsidy - Newdale		150,000	-	-	-	150,000	Chris Marsh	Reconfiguration of children centre (nursery) provision in Newdale Children Centre Area	Subject to 90 day consultation in March/April 2012. This included consideration on impact on the community. Initial proposals were changed to reflect consultation feedback. New arrangements implemented from September	Reduced levels of staffing considered during 90 day consultation.	Some of the provision has transferred to Newdale School	Plans in place for implementing revised arrangements from September 2012
26	Family & Cohesion Services	Commissioning of Teenage Pregnancy Services		20,000	-			20,000	Chris Marsh	Reduced funding available to support preventative work relating to teenage pregnancy.	Possible impact on teenage pregnancy rates within the Borough which are already higher than national averages despite recent	Minimal impact	Impact on ability to deliver existing programme in partnership with health.	see left
27	Family & Cohesion Services	Youth Offending Service	297,754	50,000	-	-	-	50,000	Jas Bedesha	Estimate of saving arising from the introduction of a West Mercia YOS core offer and as a result of a significant reduction in first time entrants to the youth justice system.	Minimal impact. Likely improvement in outcomes as a result of new approach to early intervention, prevention and an enhanced approach to working in partnership with a range of multi agency partners.	Currently being evaluated. Due to holding a high number of vacancies the impact is likely to be minimal.	Capacity in some targeted services will be increased as a result of the new approach	Subject to 4 West Mercia LA and a number of statutory agencies agreeing to the core offer, reaching agreement over appropriate service level agreement.
28	Family & Cohesion Services	Housing Homelessness & Resettlement - Line by Line analysis of budgets.	69,250	10,000	-	-	-	10,000	Jas Bedesha	Estimated saving. Work in progress to identify extent of saving possible.	Minimal impact	Minimal impact	Minimal impact	Risk that review will not reveal any savings
29	Family & Cohesion Services	CSS - Short Breaks – Definition of more appropriate packages in line with criteria set out in the approved Short Breaks Statement		25,000				25,000	Di Partridge	Definition of more appropriate packages in line with criteria set out in the approved Short Breaks Statement	Minimal	None	Minimal	Public concern regarding changes. Our approach will be to work with our partners deliver this small saving.
30	Education & Skills	Rationalisation of Home to School Transport (High Ercall Bus)		16,000				16,000	Kathy Swallow	This is a discretionary service currently being subsidised by the Council.	Following a period of consultation during the spring of 2011/12 the subsidy is being withdrawn over a period of time.	None	possible impact on school admissions for High Ercall Primary School	
31	Education & Skills	Home to School Transport – Further route efficiency resulting in smaller bus required Wellington to Newport		33,000				33,000	Kathy Swallow	Further route efficiency identified by Transport Team resulting in smaller bus required Wellington to Newport	None	None	None	Demographic change dictate larger bus required
32	Education & Skills	Home to School Transport – further route rationalisation between Newport and Muxton and surrounding areas.		20,000				20,000	Kathy Swallow	Further route rationalisation between Newport and Muxton and surrounding areas.	Minimal	May lead to creation of post (funding from savings or school) to support extended provision in school needed to support early arrival of pupils	Would need to work in partnership with schools to secure this saving	Reliance on school being prepared to work in partnership.

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33	Family & Cohesion Services	Reduce B&B usage resulting in less Housing Benefit subsidy being lost	307,000	20,000				20,000	Jas Bedesha	Reducing current reliance on B&B to provide temporary accommodation will reduce loss of housing benefit as well as benefiting clients. By working with clients contacting the service to prevent homelessness, working effectively/closely with other agencies e.g. through Joint Assessment Panel/SAP to maintain/support clients in existing accommodation or ensure clients are supported/housed by the most appropriate service/agency and develop opportunities to meet housing needs via private sector housing (developing the Bond Scheme) there is scope to	The Authority has a statutory homelessness duty and this will continue to need to be met. If more measures can be introduced to prevent homelessness and/or house via the Bond, this will benefit clients providing accommodation more suited to their needs and supporting their move back to independence.	None	Leakage into HRA account.	Changes to the benefit system pose a threat of more people presenting to the service as homeless. This may lead to an increase in numbers needing temporary accommodation impacting on the service ability to reduce B&B usage even with the measures identified in place.
34	Family & Cohesion Services	Housing Services - storage costs/bonds etc.		20,000				20,000	Jas Bedesha	Based upon historic spend against this budget (which meets the cost of storage of clients belongings during period in temporary accommodation and off site storage of files and materials)	May require clients to be charged for the off site storage of belongings.	None	None	None
35	Family & Cohesion Services	Various Youth Initiatives	189,243	75,000				75,000	Jas Bedesha	Reducing funding available to support positive activities for young people and rationalising property required/rented.	Reduced programme of activities for young people. Phase 2 C&YP service review proposals will identify a different approach to youth provision.	Minimal	Some initiatives are delivered in partnership with other providers. There may be some impact on partners ability to deliver proposals as a consequence of making this reduction.	
36	Education & Skills	Lifelong Learning/age careers service		100,000				100,000						
37	Education & Skills	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	
38	Neighbourhood & Leisure Services	Increase the use of volunteers working at Oakengates Theatre as stewards to reduce longer term use of casual salaries budget		9,000				9,000	Psyche Hudson	Viable alternative service delivery option e.g using volunteers	Reduced opening hours and staff resource. Customer First Point for information and Online Booking facility for theatre will remain available.	Reduction in number of casual post holders.		
39	Neighbourhood & Leisure Services	General reduction in operational budgets at Oakengates Theatre e.g. marketing, promotions, postage, casual budgets		13,000				13,000	Psyche Hudson	Viable alternative service delivery options e.g reducing opening hours, management staff being more operational, more on line literature, on line booking promoted, use of volunteers etc.	Online Booking facility for theatre will remain available and use of volunteers will help to ensure no reduction in customer service at the theatre.			reputation - access to services and less diverse cultural offer as we move to more commercial bookings at the Theatre e.g. comedy.
40	Care & Support	Mental Health Service Review - Review of partnership arrangements with South Staffordshire and Shropshire Foundation Trust (NHS). In addition to required staffing savings rationalisation and renegotiation of buildings and IT costs		50,000				50,000	Karen Kalinowski	Current governance and operational arrangements are being reviewed as part of overall service have been reviewed. Reduction in staffing and renegotiation with the SSSFT will result in reduced level of operational building running costs.	Should be no further impact on public outside of implications of staffing review.	Part of Phase 2 Restructure	SSSFT are also identifying operating efficiencies and are anticipating savings requirements.	None
41	Care & Support	Independent Travel Training - Savings to Care & Support		5,000				5,000	Transport - Helen Hill; Care & Support - Richard Smith	Savings on Care & Support budgets for transport by training suitable individuals to use public transport rather than have bespoke transport procured for them.	Positive impact for clients as promotes independence. Requires training, monitoring and careful communication as service involves vulnerable adults and children.	Independent Travel Training post provided as part of Environmental Services restructure.	Saving is delivered by Environmental Services but relates to budgets managed by Care & Support	Requires careful identification of people to be trained to ensure that highly vulnerable people are not left to look after themselves
42	Care & Support	Various operational budgets across all service teams			2,000			2,000	Karen Kalinowski		None	None	None	None
43	Customer & People Services	People Services - review of supplies and services and car leasing budgets	14,630	13,800				13,800	John Harris					
44	Customer & People Services	Reduced maintenance & lease costs of delivery van	8,000	2,500				2,500	Sharon Smith					
45	Customer & People Services	Libraries - general reduction in overall operating costs eg stationery, marketing, promotions, postages		3,000				3,000	Sharon Smith		Limits number of reading development activities; possible delays to request service etc	Will require 20% staff saving to be delivered following formal restructure launch at the end of January 2012	na	
46	Customer & People Services	ICT: Reduced costs of Wide Area Network as a result of property rationalisation		20,000				20,000	Kirsty King	Buildings will be decommissioned as part of the property rationalisation and therefore network links can be removed. These costs are in addition to savings in property running costs	None	None	None	
47	Customer & People Services	ICT: Reduce licensing for the security encryption for mobile devices		1,250	1,250			2,500	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		
48	Customer & People Services	ICT: Stop ICT benchmarking work and related subscriptions		2,500				2,500	Kirsty King	It could impact on proving value but external statistics can be provided as and when required.	None	None	None	Investigate cheaper alternatives in benchmarking providers.
49	Customer & People Services	Customer Services - reduction in various operational budgets eg training, postage, publications		5,000				5,000	Andrew Meredith	Limited immediate impact on service delivery, as the savings will be delivered through a combination of savings against the coaching and equipment budgets.		There is no immediate direct impact on staff	None	None
50	Customer & People Services	Release leakage budget from bottom line for Catering as part of the Property & ICT restructures		76,700	32,235			108,935	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	
51	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			57,000			57,000	Angie Astley					
52	Neighbourhood & Leisure Services	Environment & Open Spaces: Further CRC budget rationalisation				55,000		55,000	Dave Hanley	In addition to the £265k CRC saving the CRC budget can be rationalised further once the lost Newport CRC investment expenditure committed by TWS has been written off	N/A	N/A	N/A	Key risk is the waste budget is being ring fenced for procurement purposed but this should be treated as leakage.
53	Neighbourhood & Leisure Services	Environment & Open Spaces: Stop maintaining private open space zone 1's e.g., Wombidge Road, Fieldhouse Drive		5,000				5,000	Dave Hanley	There are a number of sites which are not in council ownership but have always been maintained. Pass responsibility on to commercial premises/shop owners.	Could be received negatively by traders 'un cooperative' but counter argument is - why should tax payers subsidise cleansing of private land. May need to serve formal Street Litter Control Notices.	N/A	N/A	TWS can carry on maintaining assuming traders pay for the service.
54	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	Drop 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.	Up to a 2 TWS operatives	Parishes or community groups may need to engage.	N/A
55	Neighbourhood & Leisure Services	Environment & Open Spaces: Reduction of one urban refuse round as per contract variation			140,000			140,000	Dave Hanley	Interpretation of the contract variation indicates this may be possible - so will enter into dialogue with TWS	May mean some areas of the Borough has day changes but hope to keep this to a minimum	3 TWS FTE	N/A	Could have implications on other negotiations ongoing with TWS therefore proposing 2014 before implementation
56	Neighbourhood & Leisure Services	Environment & Open Spaces: Reduction in Public Realm Overtime budget		10,000				10,000	Dave Hanley	Reduced budget can be managed within existing resources.	N/A	N/A	N/A	N/A

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57	Neighbourhood & Leisure Services	Waste & Refuse: Increased recycling by encouraging 30% of Borough wide households that currently don't recycle or recycle at very low levels and also apply the Council's grey bin policy to existing as well as new customers		75,000	150,000			225,000	Dave Hanley	Survey data suggests that up to 30% of households don't use the existing kerbside service for the collection of recycling materials. A social marketing programme to encourage these households could be rolled out over the next three years. The saving will also increase with the continuing increase in landfill tax. Also properties who currently have more than one grey bin are to be reviewed ie apply the new policy of 6 or more people in the household	Non recycling households can be a cause of frustration for the majority of the community who currently recycle. We need to promote the social responsibility of recycling, reducing landfill and the ever burdening landfill tax.	Needs to draw on expertise and input from Community teams, PR and consider additional resources to stimulate roll out i.e., door to door knocking teams	Needs to draw on expertise and input from Community teams PR and consider additional resources to stimulate roll out ie door to door knocking teams to encourage households plus listen and respond to customer enquiries.	May not be popular with households who don't positively engage so need to promote that all residents have a social responsibility to recycle in order to prevent landfill and ever increasing taxation on landfill. Bin retrieval is aimed to be brought forward and be in place before Christmas.
58	Neighbourhood & Leisure Services	Support the contractual reactive maintenance budget by utilising the capital sum (maintenance related) from the new development sites.		50,000				50,000	Dave Hanley	Draw the funding off the capital lump sum associated with new development sites and to maintain current levels of expenditure on unforeseen maintenance works such as tree maintenance and fence repairs.	N/A	N/A		
59	Neighbourhood & Leisure Services	Environment & Open Spaces: Introduce highway reactive maintenance service efficiencies		50,000	50,000			100,000	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.		TWS/Enterprise	This saving would have to be in agreement with TWS	Additional teams are in place for the remainder of 2012/13.
60	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.
61	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		15,000	35,000			50,000	Stuart Freeman / 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
62	Neighbourhood & Leisure Services	Highways & Transport: Further reduction in operational budgets i.e., training, mileage, printing, equipment budgets		5,000	5,000			10,000	S Freeman	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	
63	Family & Cohesion Services	Independent Travel Training - Savings to Family & Cohesion Services		18,000				18,000	Transport - Helen Hill; & Care & Support	Savings on Care & Support budgets for transport by training suitable individuals to use public transport rather than have bespoke transport procured for them	Positive impact for clients as promotes independence. Requires training, monitoring and careful communication as service involves vulnerable adults and children.	Independent Travel Training post provided as part of Environmental Services restructure.	Saving is delivered by Environmental Services but relates to budgets managed by Care & Support	Requires careful identification of people to be trained to ensure that highly vulnerable people are not left to look after themselves
64	Family & Cohesion Services	Post 16 route rationalisation New College/BRJ		5,000	-			5,000	Helen Hill	rationalisation of routes	Minimal	Minimal	Minimal	
65	Neighbourhood & Leisure Services	Engineers - Stoney Hill tipping costs		27,000				27,000	Chris Butler	This saving will be achieved when the leachate pumped from the landfill cells is discharged directly to the public sewerage system rather than by tankering. The pipeline is under construction This was approved by cabinet as a spend to save initiative using capital funding.	Improved sustainable system of disposal and less danger of leachate break out	Possible increase in management of the site contractors.		Limited
66	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			10,000	Stuart Freeman	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 done within highways regulations and non-illumination of signs/ bollards cannot be done in areas where street-lights are turned off
67	Neighbourhood & Leisure Services	Highways & Transport: Lean review of reactive and planned drainage maintenance		5,000	5,000			10,000	Chris Butler/Stuart Freeman	Review the processes for gulley 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
68	Neighbourhood & Leisure Services	Highways & Transport: Reduce Rights of Way maintenance this will result in only £5,500 remaining in the budget.		7,000				7,000		Would result in reliance on the Capital Programme for future investment	Would limit reactive maintenance / repairs on Rights of Way network		Proposal may reduce the level of funding the Council makes available to partners such as South Telford Rights of Way Partnership (STROWP)	Possible options to explore low level maintenance being done by community groups, alongside reactive maintenance work.
69	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	£1.2M	38,000	38,000	38,000	38,000	152,000	Chris Butler	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
70	Dvpt. Business & Housing	Various non staffing savings - line by line exercise		85,000				85,000	David Sidaway	Line by line assessment of non staffing budgets	None	None	None	
71	Dvpt. Business & Housing	Release leakage budget from bottom line for Cleaning as part of the Property & ICT restructures		172,300	139,765			312,065	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	
72	Dvpt. Business & Housing	Replace lighting at Portico House with more efficient equivalents and save energy costs		700				700						
73	Dvpt. Business & Housing	Replace lighting at Oakengates Leisure Centre with more efficient equivalents and save energy costs		10,000				10,000						
74	Dvpt. Business & Housing	Various non staffing savings - line by line exercise across Facilities Management and Strategic Housing budgets		25,000				25,000	David Sidaway	Line by line assessment of non staffing budgets across Facilities Management and Strategic Housing		None - non staffing budgets	Minimal	None
75	Dvpt. Business & Housing	Planning & Development management - various operational efficiencies		18,400				18,400	David Fletcher	Increased efficiencies in non front line services	None	None	None	
76	Dvpt. Business & Housing	Property & Design: Reduced Repair & Maintenance at Civic Offices		14,500				14,500	Chris Goulson	Civic Offices being vacated 2013	None	None	None	None
77	Dvpt. Business & Housing	Transfer operation of Neighbourhood Libraries to the Community.	41,000	41,000				41,000	Sharon Smith					
78	Dvpt. Business & Housing	Under achievement of saving against Stirchley Library	38,120	8,000				8,000	Sharon Smith					
79	Dvpt. Business & Housing	Libraries: Reduction in library building overheads by way of a reduction in opening hours in the 5 neighbourhood Libraries. Pending consultation in Jan 2012		19,060	19,060			38,120	Sharon Smith	Cannot achieve 20% staffing target without rationalising buildings & relocating services Service Review now completed with proposals for the 5 Neighbourhood Libraries (Donnington, Dawley, Oakengates, Hadley and Stirchley) reducing to 16 hours of opening each week going out to public consultation in early January	shorter opening hours alternative or co-located sites as part of BSF Programme	Will require 20% staff saving to be delivered following formal restructure launch at the end of January 2012	n/a	1964 Act requires the provision of a "comprehensive & efficient" library service which must be maintained and this has been adhered to when developing proposals for public consultation early in the New Year of 2012

No.	Service	Description of Saving	2012/13 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
80	Dvpt. Business & Housing	Property & Design: Contingency for school schemes		10,000				10,000	Chris Goulson	Removal of budget	None	None	None	
81	Dvpt. Business & Housing	Estates & Investments: Insurance Excesses		6,000				6,000	Alan Fox	Investment property reinvestment programme results in reduced need for excess budget	None	None	None.	None
82	Finance, Audit & IG	Various operational efficiencies including deletion of essential user car allowances, remaining leased car budgets, printing, stationery, mileage, equipment, course/training expenditure and bench-marking budgets.		61,400				61,400	Ken Clarke	Reduced based on 12/13 projected spend and improved working practices, increased use of electronic working methods, expiry of small number of remaining leased car arrangements	Minimal	Minimal - reduced ability to attend external training courses/seminars and to support staff wishing to become professionally qualified.	Minimal	Minimal
83	Education & Skills	Various operational efficiencies relating to non-staffing across the service area.		92,000				92,000	Jim Collins	Efficiency savings identified during 2012/13 based on spending levels and identified areas for additional modification of practice	Minimal		Minimal	Minimal
84	Dvpt. Business & Housing	Saving in various operational budgets		17,700				17,700	Katherine Kynaston	Operational budget savings following budget and team amalgamation	None	None	None	None
85	Neighbourhood & Leisure Services	Environment - 50% reduction of play development budget		10,000	10,000			20,000	Dave Hanley	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	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
86	Family & Cohesion Services	Workforce Development - Children & Family Locality Service	141,172	126,170	15,000			141,170	Chris Marsh	Government backed scheme to support early years workforce development has ended.	Minimal. Change reflect national government change in priorities.	Reduction 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.
87	Family & Cohesion Services	Teenage Pregnancy	108,000	50,000	18,000			68,000	Chris Marsh	Reduce size of programme and link to work on sexual health which becomes a Council responsibility from 1st April 2013	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
88	Family & Cohesion Services	Children & Family Locality Service - Commissioning Budget	50,225	50,220				50,220	Chris Marsh	Assertive outreach contract for providing support for vulnerable families ended and replaced by more targeted supported through children and family centres	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	contract ended 11/12 following reorganisation	minimal
89	Family & Cohesion Services	Targeted Mental Health in Schools	50,000	25,000				25,000	Clive Jones	DfE pilot ended, small sum retained to commission some TAMHS support	minimal	none	minimal	none
90	Family & Cohesion Services	Children's Specialist Services - reduced requirement for supplies and services	34,995	15,000				15,000	Diane Partridge	Following a review of spend during 12/13 budget no longer required	None	None	None	None
91	Family & Cohesion Services	Educational Psychologists - Supplies & Services	48,098	5,000				5,000	Diane Partridge	Small reduction to supplies and services budget based upon 12/13 spend levels	None	None	None	None
92	Family & Cohesion Services	Children & Family Locality Services - Supplies and Services	151,037	20,000	10,000			30,000	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
93	Family & Cohesion Services	Community Safety	41,447	38,650				38,650	Jas Bedesha	based upon 12/13 spending levels, services efficiencies and greater partnership working	Reduced funding available to support community safety	None	none	Increase in anti social behaviour. Mitigated by working closely with partners including the PCC, Police, Housing other LA and health.
94	Family & Cohesion Services	Homelessness Project	14,280	14,280				14,280	Jas Bedesha	STAY contract ended and not renewed earlier this year. The Housing Task Force is looking at a different approach to dealing with homelessness. Findings of the review will be the subject of consultation.	Minimal	None	None	Ongoing benefit reforms may lead to an increase in the number of people presenting as homeless in 13/14. The Housing Task Force is assessing this risk and identifying options to mitigate.
95	Family & Cohesion Services	Children & Family Locality Services - Special Educational Needs	106,000		10,000			10,000	Chris Marsh	Review options for reducing funding to support SEN within PVI sector. The review will consider whether amended early years funding within the Dedicated Schools Grant can provide additional support	Possible impact on PVI in dealing with children with special educational needs.	Minimal	see left	minimal
96	Family & Cohesion Services	Support for communication with parent and parent groups.	-		10,000			10,000	Viv McKay	Review impact of current arrangements and options for future engagement with parents.	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
97	Co-operative Council	Unallocated grant funding		48,810				48,810	Richard Partington	Unallocated grant funding	This proposal will not impact on existing projects as it is unallocated.	None	Minimal	None
98	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		48,000	4,500			52,500	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
99	Customer & People Services	ICT - Management Of Dell contract - make further savings in relation to maintenance		15,000				15,000	Kirsty King					
100	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			40,000			40,000	Kirsty King				Postage budgets sit within service budgets which would be cut as a result of the saving.	
101	Customer & People Services	People Services - use of dedicated schools grant to deliver training for Early Years		120,000				120,000	John Harris	This will require some further work to ensure a level of early years training can be provided and funded by schools to ensure this saving is sustainable post 2014				Training programme may not be ongoing.
102	Customer & People Services	People Services - further reduction in council training budget following the introduction in 2013 of e.learning		50,000				50,000	John Harris					
103	Customer & People Services	People Services removal of consultancy budget		35,000				35,000	John Harris					
104	Law, Democracy & Public Protection	Reduction in members allowances budget		50,000				50,000	Jonathan Eatough	Underspend in current year	Nil	Nil	Nil	The risk is that, at some stage in the future members may choose to claim their full allowance. This will need to be subject to annual review.
105	Care & Support	Application of a series of funding restrictions detailed below which will contribute to the delivery of the 2012/13 budget strategy savings for 2013/14 and 2014/15 as listed in Appendix 3 and also the additional savings target of £317k for 2013/14:		317,000	-			317,000	Karen Kalinowski					
	Care & Support	1) Imposition of a funding ceiling - either through the application of RAS or through a ceiling linked to the alternative cost of residential care) for community based care packages						-	Karen Kalinowski	The cost of caring for an individual with a high level of need in their own home can be considerably more than the cost of a residential placement	This will significantly reduce choice for some individuals who may have to go into residential provision and will not be able to continue to live in their own homes unless their relatives/carers are able and wish to provide additional funding or support.		Will lead to some reduced demand for domiciliary providers and increased demand for residential and nursing care	Challenge and complaints from individuals and their families/carers
	Care & Support	2) Review of policy provision/revision of expectation in ALD and Transition service areas to clarify that basis of future accommodation provision in the community will be on shared basis.						-	Karen Kalinowski	It is accepted by society that young adults not in receipt of social care services live in shared accommodation or continue in the family home due to the economic state which prevents their access to single rented or purchased accommodation				Challenge and complaints from individuals and their families/carers

No.	Service	Description of Saving	2012/13 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
	Care & Support	3) Review of Adults with Learning Disability Provider Services						-		The introduction of personal budgets gives individuals increased choice and control over how their council funded care is provided. As a result In house services will be in direct competition with external service providers and other models of service delivery e.g. personal assistants. In order to survive the services have to be more cost effective and deliver the services of choice.	This will result in a redesign of services and some services may no longer be available if they are not financially viable. It should however result in the delivery of more localised services closer to the communities in which service users live.	Not possible to assess at this stage but may involve transfer to independent organisations and possibly redundancy	Transport budgets will be impacted by the redesign. It is planned to reduce the overall demand for transport and achieve subsequent reduction in costs	Likely to be significant opposition to change by the parent/carers of service users. This will be mitigated as far as possible by their engagement in the entire process.
	Care & Support	4) A panel process will be introduced to review and agree all ongoing care packages to ensure consistency and utilisation of alternative less costly forms of service provision such as assistive technology						-	Karen Kalinowski	Process ensures consistency and enables prioritisation of care delivery when lower levels of funding available	Will be delays in some individuals receiving their care packages		Will lead to increase in delayed discharges from hospital	Challenge and complaints from individuals and their families/carers. Will also have adverse impact on relationship with Health colleagues
106	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
Total Non-Staff				2,658,940	2,784,810	133,000	38,000	5,614,750						
Procurement														
107	Family & Cohesion Services	Housing Resettlement - review of rents paid to private landlord, RSL & B&B	293,240	20,000	-	-	-	20,000	Jas Bedesha	Estimated saving. Actual savings will depend upon outcome of ongoing review	Minimal impact	Minimal impact	Minimal impact	Risk that review will not reveal any savings
108	Care & Support	Alternative funding of housing related support services through Housing Benefit (100% government reimbursement) instead of Council Supporting People (Care & Support) funding.		260,000				260,000	Chris Harrison	Alternative source of funding from Housing Benefit at no cost to council under current Housing Benefit regulations.	None if current Housing benefit regulation/eligibility continues	None	Funding from Housing Benefit instead of Care & Support. Housing benefit reimbursed by central government	Impact of changes to Housing benefit under Welfare Reforms may adversely impact (insufficient information at this stage to know) which could remove access to alternative funding source. Agreement needs to be reached with WHT on the value of the saving.
109	Care & Support	Supporting People - review of existing contracts to move from buildings based to floating (needs based) support service		200,000				200,000	Chris Harrison	Savings will be delivered following a fundamental review of existing contracts. The proposal is to move away from unit (building) based provision to a "Floating support" type model which should deliver efficiencies, but will also require reductions in support to those no longer deemed eligible for services. Will increase access to people not currently able to access services because they do not live in	Could potentially reduce provision of support to vulnerable adults, but also could improve service to those who remain eligible.	None	None	Change will be resisted by some current provider s of building based support.
110	Care & Support	Market & Community Development - in particular development of a homecare framework agreement		100,000	100,000			200,000	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.
111	Customer & People Services	Archives - renegotiate contract	57,740	5,000				5,000	Sharon Smith					
112	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)		123,000	133,000	206,000		462,000	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.
113	Customer & People Services	ICT - Broadband & telephony contract - tender process commences Jan 2013.		10,000	90,000	100,000		200,000	Kirsty King	The contract is due for renegotiation				
114	Customer & People Services	ICT - Printing savings relating to MFDs		33,000				33,000	Kirsty King					
115	Customer & People Services	ICT: Review alternative suppliers of antivirus software on computers - Corporate		13,500				13,500	Steve Roberts	Review of available anti-virus products to produce budgets savings without leaving the authority at risk of data corruption.	None	None	None	
116	Neighbourhood & Leisure Services	Environment & Open Spaces: Seek to devolve or sub contract cleaning of Ironbridge toilets	TWS indicate £40,000 in their re price B?Q	10,000				10,000	Dave Hanley	seek to create efficiency saving through devolving budget and responsibility to the Parish, IGMT, SGCT etc	May assist a local small business opportunity	Currently sub contracted by TWS	other agencies may be able to offer a cheaper solution.	Need to ensure adequate back up arrangements to sustain service delivery.
117	Neighbourhood & Leisure Services	Waste & Refuse: Wood and MDF from CRC sites are currently recycled. The current recycling cost is high in comparison with national rates and considering increasing demand for wood fuels. Savings should be achieved by a formal re procurement exercise		60,000				60,000	Dave Hanley	There are now several companies operating locally who can already accept the Councils materials and the contract can be designed to give opportunity for schools to benefit from this procurement process.			Schools may benefit from the procurement package.	New contract will be tendered prior to April 2013
118	Neighbourhood & Leisure Services	Procurement savings released from the re letting of a new Recycling service contract			150,000			150,000	Dave Hanley	This is a major procurement and will generate savings through market factors/testing.	Should be positive as proposal is reduce the numbers of bins, bags and boxes for residents	TWS - ultimately TUPE	TWS/new provider	Impact on TWS and the 2019 contract but will be mitigates through TUPE
119	Council Wide	West Mercia Energy dividend		200,000				200,000						
120	Finance, Audit & IG	Reduction in external audit fee following national procurement process	249,610	83,300				83,300	Ken Clarke	Reduction based on published audit fees.	Nil	Nil	Nil	External audit may charge additional fees, for example in relation to electors questions which they are obliged to investigate, which would result in additional in year costs. In future these will be managed as in year over-spends as part of financial monitoring i.e. they will be met from underspends elsewhere or the budgeted contingency.
121	Education & Skills	Home to school transport		200,000				200,000	Viv Mckay	Efficiency Savings identified during 2012/13	Minimal	None	Minimal	Other unavoidable costs may arise due to changes in legislation. Officers will monitor risk to ensure suitable mitigation is in place.
122	Education & Skills	Other Route Rationalisation		50,000				50,000	Viv Mckay	Further savings anticipated from using route mapping software	Minimal	None	Minimal	None
123	Family & Cohesion Services	Fleet Services		250,000				250,000	Viv Mckay	Efficiency savings identified during 2012/13 including BSOG fuel duty rebate, outside hire income and on vehicle maintenance.	Minimal	None	Minimal	Savings in 12/13 not ongoing. Regular monitoring will ensure that spending against budgets in kept under review
124	Family & Cohesion Services	Short Breaks	598,655	50,000				50,000	Viv McKay	Maintaining spending at 12/13 spending levels whilst still meeting needs identified in short breaks statement	Minimal	None	None	Increase in children and young people meeting the criteria set out within the Council's Short Breaks Statement.
125	Family & Cohesion Services	Childrens' Disability - Bradbury House	142,310	30,000				30,000	Viv McKay	Improved contract terms and reduced requirement following reassessment of need	Minimal	None	None	Sudden increase in demand
126	Family & Cohesion Services	Homelessness & Housing	-	84,000	58,930			142,930	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
Total Procurement				1,781,800	531,930	306,000	-	2,619,730						
Property Rationalisation														
127	Dvpt. Business & Housing	Property Rationalisation - Phase 1 net savings relating to running costs		300,520	16,610			317,130	Chris Goulson	Rationalisation of Phase 1 operational properties	Council services will be consolidated at a reduced number of improved buildings	None	None	None

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128	Dvpt. Business & Housing	Release borrowing potential as a result of further rationalisation, using £700k overall - benefit increases to £49k in 15/16		30,000	8,500			38,500	Chris Goulson	As part of property rationalisation for Council operational needs, Edward James House is no longer required as a result of the first phase of property rationalisation.	None	None	None	None
129	Dvpt. Business & Housing	Running costs associated with Edward James House		50,000				50,000	Chris Goulson	As part of property rationalisation for Council operational needs, Edward James House is no longer required as a result of the first phase of property rationalisation.	None	None	None	None
130	Dvpt. 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.			20,000			20,000	Kate Turner	As part of the improvement in quality of property and converting leases to full repairing liability we can reduce spend on repairs & maintenance	None	None	None	None
131	Family & Cohesion Services	Youth Premises - property rationalisation	38,871	33,000				33,000	Jas Bedesha	Rationalising use of youth property by disposing of properties (not used for youth club provision) no longer needed or generating additional income.	The Council will continue to deliver its youth offer through centres located across the Borough. The review will focus upon offices based or bases where provision required	None	Opportunity to generate income by disposing of property or finding external tenant.	Unable to relocate officers to other locations.
132	Family & Cohesion Services	Children & Family Centres property rationalisation	-		10,000			10,000	Chris Marsh	Review accommodation needs for children and family centre teams.	Minimal	None	Opportunity to generate income by disposing of property or finding external tenant.	Minimal
Total Property Rationalisation				413,520	55,110	-	-	468,630						
Strategic Review of Capacity														
133	Finance, Audit & IG	Employee savings relating to restructure, reduced hours, vacant hours following restructure and ending temporary contracts.		57,099	49,742			106,841	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	Reduces capacity and ability for workforce planning.
134	Customer & People Services	Libraries phase 2		25,000				25,000						
135	Customer & People Services	HR/OI Service Review outcome (staff savings)		200,000				200,000	Angie Astley					
136	Family & Cohesion Services	Housing Homelessness & Resettlement - Further staffing review to account of integration into Cohesion Services	349,190	40,000	-	-	-	40,000	Jas Bedesha	Estimated saving. Actual savings will depend upon outcome of ongoing review	Minimal impact.	Possible staffing reductions arising from the review	Minimal impact	Risk that review will not reveal any savings
137	Council Wide	SMT restructure		100,000				100,000						
138	Dvpt. Business & Housing	Resulting from confirmed service restructure; Strategic review of Capacity within the service		143,000				143,000	David Sidaway	Values included reflect the projected savings following confirmation of restructure in October 2012	None	Part of confirmed structure from October 2012	None	None
139	Neighbourhood & Leisure Services	Strategic Review of Capacity across the Service Area		40,000	50,000			90,000	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.
140	Neighbourhood & Leisure Services	Highways & Transport - change Road Safety and Sustainable Travel team to become largely self funding from grants and income generation		45,000				45,000	Keith Harris	Further opportunities for income generation by charging schools and other external organisations for road safety / driver training courses and through developer contributions.	Continual erosion of work quality given volume and competing priorities may impact on quality of service delivery. Potential for increase in road accidents and less sustainable forms of transport	Increased workload will need to be managed and prioritised	Increased pressure on school and college budgets to continue funding road safety and sustainable travel initiatives. Increased pressure on NHS and public health budgets arising from increased numbers of road accidents, reduction in active travel (obesity, heart attacks etc) and increase in carbon emissions (respiratory diseases). Increased pressure to spend limited capital budgets on traffic management measures to mitigate an increase in car-use.	Reduction in Council reputation if road accidents and the proportion of car-use increases
141	Neighbourhood & Leisure Services	Highways & Transport: Review of Public Realm/Street Works / Street Lighting and Drainage Functions with view of reducing establishment				50,000		50,000	D Hanley/S Freeman/C Butler	Review of 'operational' elements of teams but only following completion of current lean programmes to delivery savings for 12/13. Requires a cross-service approach	Not known until proposal worked up	Any changes likely to impact on structures / roles.	Not known until proposal worked up	Not known until proposal worked up.
142	Family & Cohesion Services	Children & Family Locality Service - Supplies & Services	26,500	26,500				26,500	Chris Marsh	Based upon spend during 12/13 budget no longer required.	Reducing funding available to support the Councils early intervention programme.	None	None	None
143	Family & Cohesion Services	Childrens' Specialist Administration Arrangements	29,886	29,890				29,890	Diane Partridge	Arising from recent restructure of Family & Cohesion Service implemented in 12/13	None	None	None	None
144	Co-operative Council	Reduced hours/staff vacancies		50,000				50,000	Richard Partington	Proposed savings arise from employee requests for reduced working hours and re-organisation around staff vacancies.	None	Positive impact arising from granting employee requests for reduced working hours and retaining experience and skills of these employees, although as with all flexible working patterns there is potential for capacity of team to be further stretched.	Minimal	None
145	Customer & People Services	Further review of the People Services operations following merger of former HR and OD services			250,000			250,000	John Harris	There are opportunities to deliver further savings through the deployment of e.learning and a commissioning based approach to learning				
146	Law, Democracy & Public Protection	Deletion of posts as a result of VR applications and re-distribution of associated work		121,000				121,000	Jonathan Eatough	Will be achieved through voluntary redundancies and the associated required re-structures to properly re-distribute work.	Some services will be affected. It is too early to detail what these impacts will be.	This whole saving is based on the loss of staff. The aim is to secure the majority of the savings through voluntary redundancy but compulsory redundancies cannot be ruled out.	Potentially links to the delivery of public health outcomes and the associated ring fenced budget.	Our ability to meet the high standards required regarding performance management to the Electoral Commission will be reduced. Whilst a re-structure in public protection will enable us to review the way we provide this service a reduction in personnel is likely to have a direct impact upon front line services
147	Education & Skills	Strategic Review of Capacity		90,000				90,000	Jim Collins	Reduction of grant funding for Children & Family Locality Services will require a rationalisation of service delivery to provide more targeted support	Reduced funding to support vulnerable young people experiencing barriers to learning and employment will require a more targeted approach to minimise impact.	Employees affected by the review of service delivery will be fully consulted in order to identify ways to reduce negative impact.	Minimal	Could impact on the quality of provision in the medium term and this could have a negative impact on the 16-24 age group
Strategic Review of Capacity				967,489	349,742	50,000	-	1,367,231						
Service Review/Redesign														
148	Neighbourhood & Leisure Services	The Place		100,000	80,000			180,000	Psyche Hudson					
149	Neighbourhood & Leisure Services	Reduce funding for the Arts Development Team which will result in less art related activities within the community and schools		8,000				8,000	Psyche Hudson	Alternative funding sources will be accessed for development work e.g. sponsorship or commissioned by others e.g. health, schools, Arts Council via a grant etc.	Reduced Opportunities for target groups to participate. Reduced access to advice and information. We will seek alternative funding sources to continue work at certain level.	Reduction in number of jobs, already actioned via service restructure in Summer 2011.	Capacity to deliver for partnerships with other services e.g. youth, community safety	Ability to deliver on a variety of agendas for commissioning partners. Need to be more selective in our choice against resources available.
150	Neighbourhood & Leisure Services	Reduce the amount of budget available to spend on community public events eg culture fest, park live however look to gain sponsorship from private sector to bridge the gap		9,500				9,500	Psyche Hudson	Alternative funding sources will be accessed for development work e.g. sponsorship	Reduced offer in terms of community events possible although will seek alternative funding sources and have secured some short term sponsorship so far. Skill up the community to run their own local events.			Reputation - less activity or events for the community. Getting the community skilled up to deliver its own events might be a way to provide the same amount of public events.
151	Neighbourhood & Leisure Services	Reduction in funds to be used by Telford Culture Zone - children and young persons arts development programme. Will move to a commissioning model and investment from schools/PCT/other commissioners.		17,000				17,000	Psyche Hudson	Reduced staffing, alternative options need to be explored to deliver childrens arts activities within reduced resources.	Young people in particular have lost a great deal of regular activity following national government grant cuts in 2010. We will seek alternative funding sources and partnerships to deliver activity for young people.	Reduction in number of jobs already realised in 2010	Capacity to deliver in Schools and other Settings e.g early years, looked after, YOS	Ability to deliver a wide variety of activity for CYP. Need to be more selective in our choice against resources available, seek partnerships to support and reduce expectations.

No.	Service	Description of Saving	2012/13 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
152	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		1,200,000	1,000,000			2,200,000	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 telcare 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	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.
153	Finance, Audit & IG	Review of Employment Services/Purchase Ledger Team functions		35,000	35,000			70,000	Julie Pugh					
154	Dvpt. Business & Housing	Consider relocating Dawley library to become part of new Sports and Learning Community site in Dawley saving on overheads and operational costs as a result of a shared location		6,560				6,560	Chris Goulson	Continue to deliver service in a shared location to reduce overheads via new school	Reduced floor space but potentially increased opening hours	staff savings already planned to be delivered in Jan 2012	nya	
155	Customer & People Services	Further reduction in the library book fund from £179,820 per annum		7,000				7,000	Sharon Smith	balanced approach to finding required savings. Other than the building the book fund is the largest library non-staff resource. Will also explore book donations to be received in some of our smaller neighbourhood libraries	Fewer items and /or copies purchased	20% staff savings will be realised following restructure launch in Jan 2012	nya	1964 Act requires the provision of a "comprehensive & efficient" library service
156	Customer & People Services	Organisational Development Budget		10,000				10,000	Debbie Germany	Further reduce the Organisational Development budget which is used to provide development opportunities for the whole organisation. Deliver saving in 13/14 following the implementation of a refreshed development programme post restructuring.	No impact expected as the service will be provided to meet priorities in a more efficient way.	None	Workforce Development will be focussed on priorities and delivering the service in a more focussed way. It will be tailored to need only. No impact expected.	A risk analysis will be carried out on transformed services to mitigate the risk. Some savings are being held back until 13/14 to ensure that the risk can be properly assessed.
157	Neighbourhood & Leisure Services	Environment & Open Spaces: Rationalise specifications for litter picking across the Borough and a sweeping in district centres but increase the number of rapid response teams and litter bin provision. Explore potential of changing district centre cleansing designations and litter picking frequencies to move away from a daily operation across the Borough.		327,000				327,000	Dave Hanley	The Broad principles are... Revise baseline service across all high density housing to reduce litter picking frequency from weekly (zone 2) to fortnightly (zone 3) - Revise baseline service across all housing estates - to reduce litter picking frequency from weekly/fortnightly (zone 2 and zone 3) to monthly (zone 4) with the exception of arterial estate roads and key footpath routes so to maintain current fortnightly litter picks in housing estates and use this 'offer' for Parish 'buy in' particularly in high density housing. Consider reducing the daily operations of shopping areas where littering is less apparent due to a high number of litter bin	Service standards and cleansing levels will need to be monitored on a regular basis.	significant TWS impact	various - leisure sites, district centres, Borough Towns etc	Dissatisfaction in local environmental quality (LEQ) will impact on what people think of their local area. Will be off set by more litter bins as well as Parishes topping up standards or contributing to TWS hit squad teams. 3 Parish teams in place and we expect a further 3 to follow. negotiations with TWS due to commence Sept re detail of year 2 savings.
158	Neighbourhood & Leisure Services	Change strategy in relation to tree and woodland work so that only essential work is carried out free of charge		23,000				23,000	Dave Hanley	Allow for residents to contribute to permissible local tree works for example minimum 50% contribution towards tree pruning and crown lifting. Typical contributions could be between £50 - £100. The council could reduce the budget but recover the difference by charging for certain types of non essential tree works. The Council has to give priority health and Safety and insurance mitigation type work. We do however continue to receive a high number of other tree requests such as affecting light, overhanging branches above cars, satellite signals, solar panel shading etc. In these we would require resident or stakeholder contributions to undertake these works.	The tree budget needs to be aligned to Health & Safety type works across the borough. Tree works which are desirable/non essential and are for the benefit of individual households should only be undertaken with a reasonable contribution from the household.	N/A	various - leisure sites, district centres, Borough Towns etc will only receive essential tree work maintenance	Allow households to pay/contribute to non priority tree works on open space if it benefits them e.g. light, satellite signals etc.
159	Neighbourhood & Leisure Services	Waste & Refuse: Seek to change collection days across the Borough without affecting current household collection frequencies when the recycling contract is re let in 2014			300,000			300,000	Dave Hanley	It is not considered feasible at present for example to reduce to a 4 day week or up to 7 days across refuse and kerbside services due to existing vehicles dedicated to either kerbside or refuse collections. Consider compressing 5 days in to 4 or double shift patterns or 7 day	Week end service or early evening service may need to be considered			
160	Family & Cohesion Services	Highways & Transport: Subsidised Bus Services - consider reducing / removing the subsidy on existing subsidised routes				50,000		50,000	Stuart Freeman / Helen Hill	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.
161	Family & Cohesion Services	(1) Review provision model for domestic violence (women's refuge) and (2) increase in HIA and PSH fees and charges		30,000				30,000	Jas Bedesha	Saving includes 2 discrete elements: (1)Accommodation for those homeless due to domestic violence is currently provided through Willow Court. Victims of domestic violence are and will continue to be a priority group for service support. Willow Court provides an important service and includes facilities to work with children who have witnessed/been subject to violence in the home. However this type of accommodation does not suit all clients who sometimes find it hard to share accommodation with others. In order to afford suitable protection the refuge has to enforce strict policies regarding family visiting and clients can become isolated from their family. Other clients may also become overly reliant on the support and protection and a number of clients have been in residence many months causing a 'silting' up of the refuge and limiting scope to support new clients. It is also felt that the current service provided by housing for this client group is overlapping with that which other agencies are or should be providing. This is adding to the service costs. There remains a need to provide a safe environment for this client group where they can receive support from housing and other agencies.	(1) Alternative rather than reduced service model for domestic violence. (2) Impact of increases in Private Sector Housing Fees for some services.	None	(1) Housing service are providing aspects of support to victims of domestic violence that could or should be provided by other agencies/services. The impact of a change in delivery model needs to consider costs for and capacity within other agencies to ensure no impact on the very vulnerable client group (2) HIA fees dependent upon availability of DFG funding in future years. PSH fees dependant upon change of charging policy to charge for statutory functions.	(1) Dispersed model may make providing support for children within affected families less easy to provide than when all clients are on single site. Providing security at dispersed locations may be more difficult and/or incur some immediate cost. Mitigation needs to be considered via full review of options and risks. (2) Risk of pricing some clients out of receiving service which may result in their being unable to stay in their own homes and leading to costs to social services/housing to provide residential accommodation and/or care as a result of accidents in the home. May consider putting in increased fees and charges as a result of the expansion of the Handyman service as an alternative. Major current risk is the loss of DFG funding which from which fees are generated.
162	Education & Skills	Review of School Improvement Services		35,000	93,000			128,000	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

No.	Service	Description of Saving	2012/13 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
163	Neighbourhood & Leisure Services	Waste Services - introduce Black bag sort scheme at CRC's - i.e. stop and sort customer services helping to reduce landfill.		30,000	30,000			60,000	Dave Hanley / Debbie Germany	negotiate with TWS and Sita to change current operation at CRC to ask staff to stop and sort / guide customers to ensure full recycling takes place, i.e. nothing is sent to landfill that could be recycled	Maybe negative customer reaction - intrusion?	TWS staff would have to be retrained	TWS may resist change and may affect future waste contract savings	
164	Neighbourhood & Leisure Services	Leisure & Environment - Reduction in Town Park / Parks management costs, Review opening hours of visitor centre, seasonal working across, parks, ice rink and town park, look to reduce TP management costs -year 2 after parks for people and public realm southwater link explored fully		20,000	20,000			40,000	Stuart Davidson / Dave Hanley	Other than special events need to consider as Tourist attraction and operate accordingly. High, Medium and Low seasons. Low season Nov-Feb Mid Mar-Apr and Sept-Oct Savings based on reduced catering and reception staff needs plus a review in year 2 of the off peak management costs.		Staffing impact minimised by closer working across leisure (Ice rink) and town park and parks service		
165	Family & Cohesion Services	Newdale Childrens' Centre Service Review	165,801	15,800				15,800	Chris Marsh	Part 1 service review completed during 12/13 and subject to 90 day consultation. Part 2 involves the transfer of the Baby Unit to the school. This review will be completed during 13/14	Minimal	Still to be assessed but will be subject to full consultation programme if required	School are aware of proposal	Minimal
166	Family & Cohesion Services	Youth Offending Service	-	64,000	50,000			114,000	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 reletting 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
167	Family & Cohesion Services	Management Support - Supplies and Services	248,660	76,000				76,000	Clive Jones	Following reconfiguration of service and based upon 12/13 spending levels budget no longer needed	None	None	None	None
168	Family & Cohesion Services	Housing Task force			20,000			20,000	Jas Bedesha	Initial review work undertaken by the Housing Task Force has identified a number of opportunities for generating efficiencies including ensuring the more effective use of Council properties, negotiation of lower rents etc.	None	None	Working with Development, Business & Housing to Develop Options	Minimal
169	Family & Cohesion Services	Housing Options Advice & Resettlement	916,358		20,000			20,000	Jas Bedesha	Restructure of service area to be launched March 2013 linked to work of Housing Task Force	None	Still to be assessed but will be subject to full consultation programme	None	Minimal
170	Customer & People Services	Review of Council Tax Single Person Discounts		50,000				50,000	Sophie Lane	A review of SPD's has not been undertaken for a number of years and work in other councils has suggested that there is additional council tax charges that should be levied due to changes in family circumstances not reported				
171	Family & Cohesion Services	Commissioning Review of Transport and Public Transport		250,000	600,000			850,000	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 will be 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 from IEWM. They have undertaken reviews elsewhere and identified significant savings.
Total Service Review/Redesign				2,313,860	2,248,000	50,000	-	4,611,860						
Overall Total				8,611,209	6,322,592	559,000	58,000	15,550,801						

Service and Financial Planning 2013/14 to 2015/16 – Equality Impact assessment

Section 1 - Overview

The Service and Financial Planning report aims to show how we will achieve a balanced budgetary position for 2013/14 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.

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 assessment does not look at each saving individually but refers to the overarching budget strategy. The process for identifying the savings which require further analysis is detailed within the main report in Section 18.0 Subsequent impact analysis are attached as appendix 4.

Background

The Council is facing a challenging time;

- Grant funding and income from central government is reducing
- Many services are in greater demand than previous years due to the country's economic position

This pressure has manifested itself in many ways on our services;

- The number of homelessness applications is projected to be 25% higher compared to last year which was 28% higher than 2010/11. In total this is now around 350 applications.
- Unemployment in Telford and Wrekin for people aged 16-24, has gone up from 25.9% (June 2011) to 26.3% (June 2012) or 2,300 people. This follows the regional and national trend, both of which have increased. However Telford and Wrekin remains higher than both regional (23.2%) and national (21.2%) rates.

- The number of Council Tax and Housing Benefit applicants is at an all time high with an increase of 603 over the last year (a 3% increase) when comparing the caseload at 31 March 2011 and 31 March 2012. Our benefit expenditure was more than £4.2m higher (an increase of 5.4%) in 2011/12 compared to 2010/11. In addition, there was an increase of 46.7% in the number of change of circumstance assessments processed by the Council in 2011/12 compared to 2010/11 mainly due to the DWP introducing a new system. This level of increased administration is more costly and is expected to continue although with no further significant increase in resources to manage this is anticipated.

The Council's Service & Financial Planning strategy for the period 2012/13-2014/15 was approved by full Council on 1 March 2012.

This strategy outlined a range of principles that had been established to provide a fair and consistent 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 approximately two thousand contacts including professionals and members of the public through a range of methods and techniques to deliver a representative sample. The consultation feedback that led to this can viewed at 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 this report builds on the 2012/13 report found here http://www.telford.gov.uk/downloads/file/4496/overview_and_revenue_budget_report

The table below shows the summary elements of the overall financial plan;

Projected Budget Gap	13/14 £m	14/15 £m	15/16 £m
Updated Base Budget gap	7.106	20.959	31.015
Savings proposals – See Appendix 3	-8.611	-14.934	-15.493
Transfer to supplement severance fund to cover one-off costs associated with the delivery of ongoing savings	1.219	0	0
Creation of a one-off contingency for pressures in safeguarding budget	1.300	0	0
Commercial income/”business winning” approach	-0.100	-0.600	-0.750
Effect of 1.9% council tax increase each year for next 3 years	-0.914	-1.845	-2.794
Restated shortfall before use of general balances	0.000	3.580	11.978

Table 1 – Projected budget gap 2013/14 – 2015/16 based on current proposals

The Council’s budget situation is constantly changing, so in line with good financial management we monitor the situation throughout the year. We will revisit analysis of our service and financial planning regularly and as savings are proposed assess their relevance and analyse their impact on our equality duties.

There are a number of reasons for these variations including;

- Uncertainty over future years central government settlement and financial modelling.
- Known gaps in budgets which indicate further detailed proposals are required to meet the targets set; the summary table above illustrates the gaps as they are currently identified.
- The enduring nature of the General Equality Duty, we need to be sure that unintended consequences have not had an unlawful impact on one of the three aims in respect of a protected characteristic.

The table helps to illustrate that we must find additional savings as we go forward.

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.

Single Status

Single Status is a pay equalisation exercise that the council is required to complete in order to reduce the gender pay gap and demonstrate that the principle of equal pay for equal work is being applied.

This is a difficult exercise at the best of times, illustrated by the various tribunal cases that have recently been settled. For a number of years the council has put aside provision and kept it in a reserve to cover this cost. With a firm understanding of the target completion date, April 2014, it has been decided to supplement this pot by £2,750,000 to cover additional costs. £918,000 has already been committed to removing fixed grade points which will benefit women, who are disproportionately represented in the lower pay scale of the councils pay structure.

We produce an annual report which provides a profile of our workforce – http://www.telford.gov.uk/downloads/download/1008/workforce_report_january_2012

Council Tax

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

The government have offered a one off grant for two years which is the equivalent of a 1% increase in council tax.

Given a mandate from our previous consultation and the budgetary gap that will result at the end of this period should the grant be accepted, the report proposes that we increase council tax by 1.9%. This is below the Department for Communities and Local Government's trigger of 2% for a referendum. This would cost approximately £250,000 to run, the equivalent of a 0.5% Council Tax increase.

You can find a summary of the consultation online; http://www.telford.gov.uk/downloads/file/3700/2012_budget_consultation_final_summary

The council will also begin the operation of a council tax discount scheme, from April 2013, which will take into consideration people's ability to pay, their age and if they have a severe disability. To further mitigate the impact of these changes we have put aside £65,000 to provide discretionary support for those individuals who present significant financial hardship as a result in the change of scheme.

A separate impact analysis has been completed for the Council Tax Support Scheme and can be found online - http://www.telford.gov.uk/downloads/file/5101/council_tax_support-community_impact_assessment

Fair Deal

We believe that Telford and Wrekin is not receiving a fair deal from central government.

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 third 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.

We will campaign for a fair deal from central government.

Engagement

Effective engagement with our communities is key to developing an efficient co-operative approach. The feedback helps to inform the direction and implementation of proposals. The methods we have used are detailed in the report and a programme of engagement carried out and feedback received can be found in appendix 5.

Timeframe

The proposals shown in the Service and Financial Planning 2013/14 to 2015/16 report will be implemented between April 2013 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 analysis are completed if necessary. This is to ensure equality and the 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	21 January 2013
Other officers/Stakeholders involved	Ken Clarke, Assistant Director Finance, Audit & IG; 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	Young vulnerable people are protected.	Working age people are being asked to shoulder more of the financial burden. There are potential negative impacts for older people as they represent a large proportion of our Adult Social Care Service Users.	
People with ill health or people with a disability	The savings generally protect those individuals with the most severe disabilities.	Changes to criteria for services / support on may unintentionally have the effect of reducing opportunities for participation and access to some people with disabilities.	
People of different gender	Women will benefit from an growth strategy through improved access to employment.		
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
 People that are married or in a civil partnership
 People affected by deprivation

		X
		X
Services are being targeted into the most deprived wards in the borough enhancing equality of opportunity		

Whilst the overall trend of service provision is realignment and streamlining, there will be some reduction of the capacity that the council can deliver. As an authority going through significant change there has been greater recognition of the needs of vulnerable individuals in the community. There has also been a recognition that some of the positive outcomes we are looking for can be best delivered in partnership or by supporting other organisations.

The renewed emphasis on growth and improvement of the local economy will have significant impact on the wider community benefiting women, young people, people with lower educational achievement, 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.

There are early indications that the trend is improving illustrated in the analysis produced by Telford & Wrekin Co-operative Delivery Team - http://www.telford.gov.uk/downloads/file/4110/economic_profile_update .

Potential positive impacts

- Younger people
- People with a severe disability
- Women

People who share these characteristics will benefit from more focussed services responsive to the direct individual needs.

Changes in criteria or services are not likely to have any disproportionate impact on these groups. Although there may be unintentional consequences that haven't been foreseen, ongoing service user feedback will be used to monitor this.

On-going changes in the overall emphasis of services such as Adult Social Care and Children and Family Service to have a greater role with regard to intensive reablement and early intervention, respectively, are aimed at delivering services in a more holistic way with improved outcomes as well as assisting with the Council's budgetary pressures.

Following a business growth agenda and implementing positive steps to improve employment opportunities will have a significant impact on young people and women who have been disadvantaged by a contracting labour market.

Much of our activity as a council is centred on the most vulnerable. As our services are being redesigned we are able to take a fresh look at how we take ability to pay and deprivation into consideration. Although we use this indicator we do so with caution, deprivation can often mask the impact of holding other protected characteristics.

National information, such as 'An anatomy of Economic Inequality in the UK', National Equality Panel, January 2010, and local information is available to demonstrate that people who share elements of these protected characteristics are particularly vulnerable to changes in circumstance. The overall approach will lead to more opportunities and stability for those most vulnerable in our borough.

Potential negative impacts

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

- Working age people (18-65 years)
- Older People (65+ years)
- People with ill health or people with a disability

Reductions 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 difficult to see how with the size of the savings that are needed could be achieved without having a significant impact on those people.

(A number of large projects in Care and Support are yet to take effect so more detailed information is not available. These are identified in the action at the end of the analysis.)

The council is limited in its ability to increase its income from service delivery, such as raising charges for leisure services, and therefore efficiencies and potential service reductions have to be sought.

One way of improving income is by increasing Council Tax. The proposed increase is below inflation but will have a significant impact on the ability of the council to deliver services, particularly when compounded over several years. Systems exist to help people who have low, or no income, to deal with council tax payment. The current national system is changing to a localised form which will impact working age (18-65 years old) people. In some circumstances the younger person in a mixed age couples where one person is 65+ years old will be protected.

When this scheme was determined there were significant restrictions which effectively focussed the changes onto people of working age and given limitations in funding will mean that they are impacted more by change in the scheme than others.

The scheme changes eligibility related to disability and will mean that certain groups of disabled individuals are no longer eligible for the discount. However, it seeks to protect the most severely disabled who have no alternative recourse. For those individuals affected they may be further disadvantaged by a transition to Personal Independence Payments (PIP) from the long standing Disability Living Allowance. Transition will take four years and it will begin in April 2013. Briefing sessions are planned in late February to update decision makers and frontline staff within the borough.

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 develop our analysis and monitoring techniques to make sure that this is the case. By further enhancing our understanding of the needs of people who have these protected characteristics we may find unidentified impacts to be acted upon.

Supporting this is Census 2011 information, which is gradually being released in more detail. It will allow us to build a more accurate picture of the residents of the borough and their needs. Combined with information developed from our services and in co-operation with our partners we are able to identify and act on impacts in a flexible way.

Engagement and consultation

A great deal of engagement and consultation has occurred over the past two 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 year's 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 the 2012/13 - 2014/15 report and additional savings identified within the year including the September tranche. Information relating to this engagement is contained within Appendix 5 of the report.

Broad universal consultation for 2013/14 - 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

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

The Cabinet will consider final recommendations on 28 February 2013 and Full Council will do so on 7 March 2013.

Further consultation regarding the individual proposals is planned for this year. Details of those proposals are shown at the end of this analysis.

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 services this will adapt our approach and allow for fine tuning of proposals.

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 2012/13 to 2014/15 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.

Young People - we continue to have an increase in numbers of Children in Care. We have approximately 317 Children in Care and are now projecting an overspend in the current year of £3.1million. A differential approach to savings targets has been taken, rather than the previous across the board 20% target reductions. This recognises that Safeguarding in particular is under considerable pressure and rather than remove funding from this service in 2013/14, the Council will invest an additional £0.6 million in to the budget and over and above this create a specific contingency with £1.3m additional funding set aside for safeguarding (£0.93m and Care & Support's care leavers budget of £0.37m).

Reconfiguration of Children and Families services have focused on early intervention and holistic approaches to improve outcomes and in doing so their cost

efficiency. Particular attention is to be paid to the review and monitoring of these changes to provide assurance of the positive outcomes. A corporate contingency is held for specific services such as Sensory Impairment, so that corrections can be made without putting pressure on other service budgets.

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 establishment of enablement and re-ablement 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.

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 £150,000 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. The outcome will be improved opportunities for employment that will benefit in particular women 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 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 proposals will help us to have due regard to the General Equality Duty by driving forward equality of opportunity.

We are working in a more targeted and efficient manner for the more vulnerable members of our communities. This will be evidenced through performance information. We will expect to see reductions of inequality between groups and improvement in the overall standard of living. It may be a relatively slow process, and certainly slower than desired, because these inequalities are largely based on generational differences. However, early indicators collected across council services will demonstrate positive and sustainable trends

The level of council tax will determine what future changes will be required. There is a likelihood of additional real term reductions in service rather than further improvement in efficiency and refocusing of resources if council tax does not rise over this period. This may affect the ability of the council to further advance the aims of the General Equality Duty.

Section 4 – Review and Monitoring

It is intended that the majority of proposals will begin implementation from April 2013.

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

- 10 February 2013 – Engagement completed.
- 28 February 2013 – Report considered by Cabinet
- 7 March 2013 – Report considered by full Council

A series of monitoring reports 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 4.6, to occur as they are planned and developed. - **Up to March 2016**

Proposals that have already been identified for further analysis are shown below

Savings proposals impact analysis overview 2013/14 – 2015/16

The following savings proposals have been identified from savings put forward to Cabinet in January 2013 for consideration in the 2013/14 – 2015/16 budget strategy. It is proposed that each saving be explored in relation to its impact on people who share protected characteristics.

Service Area	Proposal Number	Description of saving
Family & Cohesion	87	Teenage Pregnancy – Reduce size of programme and link to transferring responsibilities for sexual health.
Family & Cohesion	93	Community Safety – Efficiencies and greater partnership working.
Family & Cohesion	94	Homelessness Project – STAY contract ended and not renewed. The Housing Task Force is looking at a different approach to dealing with homelessness.
Family & Cohesion	95	Early Years Special Educational Needs – Review options for reducing funding to support SEN within PVI sector. The review will consider whether amended early years funding within the Dedicated Schools Grant can provide additional support.
Care & Support	105	Imposition of a care funding ceiling – The cost of caring for an individual with a high level of need in their own home can be considerably more than the cost of a residential placement.
		Review of policy provision/revision of expectation in ALD and Transition service areas to clarify that basis of future accommodation provision in the community will be on shared basis only – It is accepted by society that young adults not in receipt of social care services live in shared accommodation or continue in the family home due to the economic state which prevents their access to single rented or purchased accommodation
		Review of Adults with Learning Disability Provider Services – The introduction of personal budgets gives individuals increased choice and control over how their council funded care is provided. As a result in-house services will be in direct competition with external service providers and

		other models of service delivery e.g. personal assistants. Exploration of more cost effective service delivery.
		Panel process to review and agree all ongoing care packages – Process ensures consistency and enables prioritisation of care delivery when lower levels of funding available including the consideration of alternative service provision such as assistive technology.
Care & Support	106	Fair Access to Care Services criteria - Dependent on delivery of existing savings consider commencing a consultation process to review of eligibility criteria to reduce statutory access to services to those with critical needs only.
Family & Cohesion	121	Home to school transport – Efficiency Savings identified during 2012/13
Family & Cohesion	171	Commissioning Review of Transport and Public Transport – Further service review of transport policy, fleet and public transport, including a review of best practice from across the Country.

The following proposals, which were presented to cabinet in September 2012, still need exploration in relation to impact.

Service Area	Proposal Number	Description of saving
Care & Support	4	Meals on Wheels review
Environmental Services	158	Change strategy in relation to tree and woodland work so that only essential work is carried out free of charge
Families and Communities	161	Review provision model for domestic violence (women's refuge) and increase in HIA and PSH fees and charges
Education, Culture & Skills	148	Review of The Place Theatre

Identified savings proposals relevant to equality 2013/14 – 2015/16

The following savings were identified for analysis in the Service and Financial Planning 2013/14 - 2015/16 Report. Following the summary table you will find details of the analysis that have taken place.

- Full** - a full impact analysis has taken place.
Short - a short or partial impact analysis has taken place.
TBC - proposals that require further development prior to the commencement of an impact analysis.
NR - after investigation assessment no longer required.

Service Area	Proposal Number	Description of saving	Equality Impact Analysis
Care and Support	4	Meals on Wheels review	TBC
Highways and Transport	68	Reduction in Rights of Way maintenance budget	Short
Highways and Transport	160	Subsidised bus services – consider reducing/removing the subsidy on existing subsidised routes	Short
Environmental Services	158	Change strategy in relation to tree and woodland work so that only essential work is carried out free of charge	TBC
Families and Communities	28	Short Breaks – definition of more appropriate packages in line with criteria set out in the approved Short Breaks Statement	Short
Families and Communities	26	Commissioning of Teenage Pregnancy Services	Short
Families and Communities	35	Various youth initiatives	Short
Families and Communities	161	Review provision model for domestic violence (women's refuge) and increase in HIA and PSH fees and charges	TBC
Families and Communities	34	Housing services – storage costs/bonds etc. Various savings on Housing, Homelessness and Resettlement	Short
Education,	36	Lifelong Learning / age careers service –	NR

Culture & Skills		Development of a trading service attracting funding from a range of sources to deliver.	
Education, Culture & Skills	148	Review of The Place Theatre	TBC
Revenues & Benefits	N/A	Council Tax Support Scheme – Council Tax Benefit localisation to be introduced from April 2013.	Full

Savings Proposal 68 - Reduction in Rights of Way maintenance budget

The proposed reduction in revenue funding for Rights of Way may result in reduced planned and reactive maintenance and may also impact on the progression of legal orders associated with Rights of Way.

The Council aims to mitigate this through liaising with local town and parish councils to explore joint funding opportunities for rights of way priorities in their area. In addition the Council is exploring options to encourage and facilitate user groups to undertake some maintenance work on the network where it is safe and appropriate to do so.

The Council will continue to invest in capital improvements in the rights of way network to improve its overall condition and accessibility to the network.

Finally, the Council will also seek grant funding opportunities to deliver improvements to the network and will work with the Local Access Forum to identify and apply for relevant grant funding.

Stuart Freeman

Savings Proposal 160 - Subsidised bus services

There are 3 subsidised routes in the borough. Proposed savings in this area will not currently be made by reducing these services.

Engagement with stakeholders and interested parties will take place with regard to adjustments of subsidised routes as and when adjustments or reviews are proposed.

Helen Hill -

Savings Proposal 28 - Short breaks

The proposals regarding short breaks are related to efficiencies developed through the application of the Short Breaks Statement,
http://www.telford.gov.uk/downloads/file/3357/short_breaks_statement

The Statement developed in conjunction with service users and providers has become a more sophisticated system. It contains appropriate analysis of the issues faced by service

users. These savings will be delivered through the cost savings of utilising the statement appropriately.

Savings Proposal 26 - Commissioning of Teenage Pregnancy Services

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. The impact on current service provision is small.

Savings Proposal 35 - Various youth initiatives

Shaping the Future consultation highlighted 'things to do for young people' as high on people's priorities.

This saving has been identified from an ongoing, historic budget under spend. This is now being used as a one off saving.

Savings Proposal 36 - Housing services

Housing Services have undergone a restructure and developed a new approach to using bed and breakfast accommodation to develop savings.

Currently, a Homelessness and Resettlement Review is taking place. As part of the review a Homeless Strategy will be presented to Cabinet in January 2013.

Impact Assessment - Local Council Tax Support

Section 1 – Overview

1. What is the title of the policy?

Localised Support for Council Tax

2. What are the objectives of the policy? For example, what are we aiming to achieve? Who does it benefit? Please provide a brief description

The national Council Tax Benefit (CTB) scheme comes to an end on 31st March 2013 and is to be replaced by a locally determined system of Council Tax Support (CTS). The funding available for the new scheme will be cash limited. The aim of the new support scheme is to provide financial assistance to council taxpayers within the Council's area who have low incomes.

The Council currently pays Council Tax Benefit to around 18500 claimants and 10700 of these are of working age. We recognise that Council Tax Benefit is paid to greater numbers of women than men and in particular females who do not have a partner. Therefore, we acknowledge that any change to the Council Tax Benefit scheme will have a disproportionate affect on female claimants. We have included a breakdown of our current caseload in Appendix 1 (as of 31 August 2012).

Persons who are of state pension age (a minimum 60 years or greater) are protected under the scheme, in that the calculation of the support they are to receive has been set by Central Government. For working age applicants however, the support they receive is to be determined by the local authority.

This equality impact assessment looks at the potential for **not only** protecting pensioners (as required under the legislation) **but also** providing full support to all working age claimants who are considered **vulnerable** as defined below;

- The claimant or partner is in receipt of a severe disability premium within the calculation of council tax support or within any means tested benefit (Housing Benefit, Income Support, Employment and Support Allowance (Income Related) or Job Seeker's Allowance (Income Based)); or
- The claimant, partner or any dependant is in receipt of a enhanced disability premium within the calculation of council tax support or within any means tested benefit (Housing Benefit, Income Support, Employment and Support Allowance (Income Related) or Job Seeker's Allowance (Income Based)); or
- The claimant or partner is in receipt of a support component within the calculation of council tax support or within their Employment and Support Allowance; or
- The claimant or partner receives War Disablement Pension or a War Widow's/Widower's Pension, or any similar payment from another country.

The objective in adopting this policy would be as follows;

- a. To protect pension age claimants (in accordance with the requirements laid down by Central Government);
- b. to protect a specific section of the existing claimant group deemed to be highly vulnerable and independently verified as being the most seriously sick and not likely to be able to obtain work; and
- c. to protect the Council's armed forces covenant

The main issue for the Council is that the funding for support has been reduced significantly. However exempting these two additional working age groups (bearing in mind that pensioners are already protected under the scheme by Central Government) would increase the shortfall in funding to be borne by the remaining working age claimants who are not deemed vulnerable.

Central Government has not been prescriptive in how an authority should protect vulnerable groups but points to the Council's existing responsibilities including the Child Poverty Act 2010, the Disabled Person Act 1986 and the Housing Act 1996 as well as the public sector equality duty in section 149 of the Equality Act 2010.

In relation to disability, no definition has been given as to the level which would lead to protection being given, although it is acknowledged that where a person is in the longer term able to undertake work, that they should be incentivised to do so.

This would not apply to those who are deemed severely disabled.

3. Who does this policy affect?

- Customers/service-users
- Partners
- Employees
- Other – interested parties and organisations representing claimant groups

4. What period does the policy cover?

1st April 2013 until 31st March 2014. Reviewed annually

5. Your contact details:

Name of person completing impact assessment and their post	Jody Wilkinson – Business Improvement Specialist - Revenues & Benefits Services
Date Agreed	22 November 2012

Section 2 – Impact Assessment

1. Will this policy have a significant impact on any of the following groups of people with regard to the General Equality Duty?

Positive and negative impacts should be assessed with regard to the General Equality Duty;

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

Please mark all boxes indicating whether an impact has occurred, this could be positive or negative.

	Impact (X)		
	Positive	Negative	None
People of different ages		Working age 18-65yrs	Pension age and protected groups
People with ill health or people with a disability		Disabled persons not in protected group	Severely Disabled persons are in protected group
People of different gender		Women of working age will be affected more than men as they represent a higher number of claimants and tend to be in lower wage employment.	
People who are transgender			No evidence to indicate impact
Different racial groups			No evidence to indicate impact
People with different religion or beliefs			No evidence to indicate impact
People of different sexual orientation			No evidence to indicate impact
Women who are pregnant or breast-feeding			No evidence to indicate impact
People that are married or in a civil partnership			No evidence to indicate impact
People affected by deprivation		Working age 18-65yrs (although there is in-built protection for low incomes)	

What is the expected impact?

All persons within the Council's area who have a low income may apply for support and assistance with their Council Tax.

By making an application, providing evidence of their income and household circumstances, their potential entitlement for support will be calculated in line with Central Government prescribed requirements for the Council Tax Support (Reduction) scheme.

In the case of all claimants, it will be essential for the authority to correctly process claims for support based on the new regulatory requirements and to ensure that all existing benefit claimants continue to receive support through the transition and onwards

The desired outcomes are as follows;

Pension Age Claimants

- That existing pensioner claimants for Council Tax Benefit (up until 31st March 2013) are successfully transferred to the new Council Tax Support scheme;
- That all pensioners receive the level of support required by regulations set by Central Government (Council Tax Reduction Scheme (Prescribed Requirements) Regulations 2012);
- That all new pensioner claimants or existing working age claimants who rise to pension age are able to receive Council Tax Support in line with the regulations; and
- That all pensioner claimants continue to receive the correct level of support at all times.

There are currently 7728 pensioner claimants for Council Tax Benefit

Severely Disabled Working Age Claimants (as defined above)

- That existing severely disabled working age claimants (as defined earlier in this assessment) for Council Tax Benefit (up until 31st March 2013) are successfully transferred to the new Council Tax Support scheme;
- That all working age severely disabled claimants receive the level of support currently provided under the existing Council Tax Benefit scheme;
- That all new working age severely disabled claimants or existing working age claimants who become severely disabled are able to receive Council Tax support in line with current Council Tax Benefit scheme; and
- That all working age severely disabled claimants continue to receive the correct level of support at all times.

Working Age Claimants who receive a war widows pension or war disablement pension

- That existing working age claimants who meet the criteria and who currently claim Council Tax Benefit (up until 31st March 2013) are successfully transferred to the new Council Tax Support scheme;
- That all working age claimants who meet the criteria, receive the level of support currently provided under the existing Council Tax Benefit scheme;
- That all new working age claimants or existing working age claimants who meet the criteria are able to receive Council Tax support in line with current council tax benefit scheme; and
- That all working age claimants who meet the criteria, continue to receive the correct level of support at all times.

There are currently 240 Council Tax Benefit claimants who are either severely disabled working age claimants or receive a war widows or war disablement pension.

Remaining Working Age Claimants (not protected)

- That the remaining existing working age claimants who currently claim Council Tax Benefit (up until 31st March 2013) are successfully transferred to the new Council Tax Support scheme;
- That the remaining (non protected) working age claimants receive the level of support decided by the Council;
- That all new working age claimants or existing working age claimants who are not in the protected categories are able to receive Council Tax Support in line with Council policy; and
- That they continue to receive the correct level of support at all times.

There are around 10500 remaining working age claimants who would not be protected from the impact of any changes in the new Council Tax Support scheme unless they were defined as vulnerable.

A breakdown of those affected by Parish area is included at Appendix 1.c. We recognise there are areas within the Borough where there are higher numbers of people claiming Council Tax Benefit and acknowledge therefore that claimants in these areas will disproportionately be affected when compared to the whole Borough.

There are a number of factors which will **contribute** to the outcomes of the new process namely;

- That the new Council Tax Support scheme broadly replicates the existing Council Tax Benefit scheme for pension age and working age disabled claimants;
- That management and staff are experienced in delivering means tested support / benefit schemes; and
- That there is a comprehensive project plan, which ensures that delivery of the new scheme, will be on time and in line with legislative requirements.

The factors / forces that could **detract** from these outcomes are as follows;

- The failure of Central Government to approve the necessary legislation on time;
- The tight timescales for implementation of the new scheme;
- The failure of the Council's software suppliers to deliver the necessary changes to existing software systems to enable the correct processing of the new support; and
- The failure to deliver these significant changes to the welfare benefit system on time and within budget.

2. What engagement and consultation have you already carried out?

The Council has consulted with major preceptors and has consulted with the public commencing in August 2012 ending on 26th October 2012.

The information has been collated and will influence the decisions made by the Council prior to the 31 January 2013 in order to allow the implementation of the scheme for the April 2013.

3. Please give brief details of any further engagement/consultation you plan to carry out with any of the above groups, particularly where you feel you don't have sufficient information.

All major precepting authorities have been consulted on the implementation of the new Council Tax Support scheme and a full consultation with the public was undertaken as required by the legislation (Local Government Finance Act 2012) from 28th August 2012 to 26th October 2012.

The consultation delivered responses regarding the principles used to identify the changes and the thoughts of people regarding the individual proposals.

Whilst pension age claimants are protected, the Council still, as part of the consultation process, looked to pension age claimants and pensioners generally to respond to the consultation itself.

In respect of working age severely disabled claimants and the protected groups generally, it was essential to consult with the group as, being of working age, they will be directly affected by any changes decided by the Council.

For working age claimants generally or those who are not classified as protected within this policy, extensive consultation was undertaken to obtain their views given that the level of support they receive will be reduced significantly where these other groups are protected.

The consultation process was robust, comprehensive and encouraged a full response to the new support scheme itself (notwithstanding the fact that the authority is obliged to implement the scheme determined by Central Government for pension age claimants).

The consultation process has utilised a number of communication channels and delivered a maximum coverage of the Borough through the production of a specialized consultation document to every household within the Borough. Direct engagement with potentially affected claimants was undertaken in First Point, Telford at Civic Offices when customers access the benefit service.

Groups representing disabled people or people who chronically sick have been directly consulted as part of the process and we have encouraged their opinions on both local and national schemes.

Public consultation has taken place during the period 28 August 2012 until 26 October 2012

Appendix 2 provides links to information used as part of the consultation.

Section 3 – Mitigating Actions

1. For each significant negative impact identified in Section 2 (Questions 3 & 4), what action have you taken, or will you be taking, to reduce/manage these impacts?

Where claimants are not protected, the level of support will be reduced in line with the funding available from Central Government.

This will be mitigated to some degree by the Council having the ability to assist claimants, by awarding additional support, where they are facing **exceptional** hardship and each case will be examined on a case-by-case basis taking into account their full personal and financial circumstances.

It is **not** possible to protect all claimants given the significant reduction in funding available to the Council.

All working age claimants **not** in the protected groups will see a reduction in support from the current Council Tax Benefit levels. However depending on their circumstances, the reduction they experience will be proportional to the level of benefit they currently get and also their specific circumstances.

The Council is maintaining the core aspects of the current means tested scheme that provides additional assistance where there are dependants, disability and caring responsibilities by continuing to grant;

- disability premiums;
- enhanced disability premiums;
- severe disability premiums;
- work related activity components (where the person is in receipt of Employment and Support Allowance);
- support component (where the person is in receipt of Employment and Support Allowance);
- disabled child premiums (where dependants are in receipt of Disability Living Allowance or are registered / certified blind; and
- carer's premium where the claimant or partner is in receipt of Carer's Allowance

The scheme also provides significant work incentives with the continued use of;

- earnings disregards;
- additional earnings disregards;
- childcare disregards; and
- extended payments (reductions)

The Council, in creating its policy, has looked to protect families from child poverty by maintaining

- Dependants Additions – an allowance for each child is used within the calculation;
- Disabled Child Premiums – where a child is deemed to be disabled under the policy an additional premium is granted for each child within the calculation;
- Enhanced Disability Premium (where the child is entitled to Disability Living Allowance Care Component at the highest rate); and
- Family premium – where any claimant has at least one child, a family premium is awarded.

In addition child benefit, child maintenance and other income payable to children will

continue to be disregarded in full.

The engagement activities have identified that consideration should be given to those with limited financial management skills, mental health problems and anxiety in completing forms. As part of the wider changes to Welfare Reform being delivered through a number of Council services, the Council will continue to proactively engage and work with interested groups and third party organisations (including but not limited to Citizen's Advice Bureau) to maximise opportunities to support and advise customers affected by the changes, especially but not exclusively limited to customers who may share these characteristics.

- 2. For each significant positive impact you identified in Section 2 (Questions 3 & 4) what action have you taken, or will you be taking, to maximise the opportunity?**

N/A

Remember to integrate any actions you have identified in to your service/team plans.

- 3. How do any of the above actions contribute to the aims of the General Equality Duty;**
- **eliminate unlawful discrimination, harassment and victimisation**
 - **advance equality of opportunity**
 - **foster good relations between different groups**

The above actions eliminate unlawful discrimination and maintain the level of support to the most vulnerable within the Council's area.

We believe the current proposals are objectively justified to achieve the legitimate aim of protecting the most vulnerable in our society whilst budgetary reductions of 10% or more are implemented nationally in relation to available council tax support. These steps will also improve equitable outcomes by removing inconsistencies where household income levels are not taken into consideration.

Where negative impacts have been identified we have made attempts to lessen the impact on those affected; the continuation of childcare disregards in calculations and a reactive hardship fund for instance.

We will also continue to review the situation and seek to provide further mitigation as and when opportunities and budgetary constraints allow.

Section 4 – Review and Monitoring

- 1. From what date will this policy be implemented?**

1st April 2013

- 2. How will the actual impact of the policy be monitored and reviewed?**

Full monitoring of scheme implementation on a monthly basis in line with the accepted project plan.

Monthly and quarterly collection of data is to be undertaken by the Revenues and Benefits Service.

An update report will be produced at the end of the first year with further analysis of

the actual impacts incorporating engagement with key stakeholders and detailing the effectiveness of the discretionary fund – April 2014

APPENDIX 1

Current Council Tax Benefit Caseload Breakdown

1a. Breakdown by case group

Case Group	Number of Current Council Tax Benefit claims
Pension Age	7728
Working Age	10774

1b. Working Age claims breakdown by gender by the person claiming Council Tax Benefit

Gender	Number of claims
Female with partner	1607
Female without partner	5493
Male with partner	1464
Male without partner	2210

1c. Working Age claims breakdown by Parish area

Parish	Number of Council Tax Benefit claims
Dawley Hamlets Parish Council	288
Ercall Magna Parish Council	37
The Gorge Parish Council	112
Great Dawley Parish Council	1295
Hadley and Leegomery Parish Council	900
Hollinswood & Randlay Parish Council	425
Ketley Parish Council	269
Lawley & Overdale Parish Council	419
Lilleshall & Donnington Parish Council	886
Madeley Parish Council	1890
Newport Town Council	355
Oakengates Town Council	558
St Georges & Priorslee Parish Council	467
Stirchley & Brookside Parish Council	1047
Wellington Town Council	1332
Wrockwardine Parish Council	66
Wrockwardine Wood & Trench Parish Council	318
Others*	101

*Represents Parish areas with fewer than 20 claimants and have been combined to protect against the potential identification of individuals.

Information extracted from Telford & Wrekin Council Tax information management system 31 August 2012. The number of claimants can change daily so this information is only accurate at the time of extraction

APPENDIX 2 – Consultation Documents

Council Tax Support Consultation – Consultation Document

http://www.telford.gov.uk/downloads/file/4622/council_tax_support-consultation_document

Council Tax Support Consultation – Consultation Survey

Online - http://www.telford.gov.uk/downloads/file/4623/council_tax_support-draft_proposed_scheme

Paper - http://www.telford.gov.uk/downloads/file/4621/council_tax_support-paper_survey

Your Voice Special edition

http://www.telford.gov.uk/downloads/file/4705/council_tax_benefit-the_changes_that_could_affect_you

Savings proposals impact analysis overview 2013/14 – 2015/16

The following savings proposals have been identified from savings put forward to Cabinet in January 2013 for consideration in the 2013/14 – 2015/16 budget strategy. It is proposed that each saving be explored in relation to its impact on people who share protected characteristics.

Service Area	Proposal Number	Description of saving
Family & Cohesion	87	Teenage Pregnancy – Reduce size of programme and link to transferring responsibilities for sexual health.
Family & Cohesion	93	Community Safety – Efficiencies and greater partnership working.
Family & Cohesion	94	Homelessness Project – STAY contract ended and not renewed. The Housing Task Force is looking at a different approach to dealing with homelessness.
Family & Cohesion	95	Early Years Special Educational Needs – Review options for reducing funding to support SEN within PVI sector. The review will consider whether amended early years funding within the Dedicated Schools Grant can provide additional support.
Care & Support	105	Imposition of a care funding ceiling – The cost of caring for an individual with a high level of need in their own home can be considerably more than the cost of a residential placement.
		Review of policy provision/revision of expectation in ALD and Transition service areas to clarify that basis of future accommodation provision in the community will be on shared basis only – It is accepted by society that young adults not in receipt of social care services live in shared accommodation or continue in the family home due to the economic state which prevents their access to single rented or purchased accommodation
		Review of Adults with Learning Disability Provider Services – The introduction of personal budgets gives individuals increased choice and control over how their council funded care is provided. As a result in-house services will be in direct competition with external service providers and

		other models of service delivery e.g. personal assistants. Exploration of more cost effective service delivery.
		Panel process to review and agree all ongoing care packages – Process ensures consistency and enables prioritisation of care delivery when lower levels of funding available including the consideration of alternative service provision such as assistive technology.
Care & Support	106	Fair Access to Care Services criteria - Dependent on delivery of existing savings consider commencing a consultation process to review of eligibility criteria to reduce statutory access to services to those with critical needs only.
Family & Cohesion	121	Home to school transport – Efficiency Savings identified during 2012/13
Family & Cohesion	171	Commissioning Review of Transport and Public Transport – Further service review of transport policy, fleet and public transport, including a review of best practice from across the Country.

The following proposals, which were presented to cabinet in September 2012, still need exploration in relation to impact.

Service Area	Proposal Number	Description of saving
Care & Support	4	Meals on Wheels review
Environmental Services	158	Change strategy in relation to tree and woodland work so that only essential work is carried out free of charge
Families and Communities	161	Review provision model for domestic violence (women's refuge) and increase in HIA and PSH fees and charges
Education, Culture & Skills	148	Review of The Place Theatre

APPENDIX 4d								PROPOSALS WITH ECONOMIC AND ENVIRONMENTAL IMPACTS				
No.	Service	Description of Saving	2012/13 Budget £	2013/14	2014/15	2015/16	2016/17	Total	Lead Officer	Rationale	Environmental Impact	Economic Impact
Income												
8	Neighbourhood & Leisure Services	Environment & Open Spaces: Bulk collections from £15 to £18 for up to 6 items;		5,000				5,000	Dave hanley	£18 is still low compared to other local authorities.	This has potential to increase fly-tipping	None
18	Neighbourhood & Leisure Services	Highways: increase car parking charges in Council car parks in Ironbridge by a further 20% from 2013/14. Example of new charges - all day £2.40; 3 hr £2.30; 2hr £1.30; 30 mins £0.70		32,000				32,000	Keith Harris	Generates increased income from car parks where charges already apply. Helps to encourage greater use of Ironbridge Park & Ride that is now operational at peak visitor times. Residents are protected via permit scheme.	This small increase may result in a small reduction in the number of car journeys to Ironbridge	This may result in a reduced number of visitors to Ironbridge but the impact is expected to be minimal and not considered to have any material impact on local businesses.
22	Council Wide	Increase various fees and charges across the council by 2.5% in October 2012 and a further 2.5% in April 2013		44,000				44,000			None	The overall increase in income raised through this is relatively small and its impact on individual businesses paying for Council services will be minimal.
23	Dvpt. Business & Housing	By direct intervention as part of our growth strategy and becoming a business Winning Council we will deliver more new homes. We will also bring empty homes back into use which also attracts New Homes Bonus		75,000	75,000			150,000	Katherine Kynaston	New Homes Bonus - in addition to the 800 units built into the budget strategy.	Building will primarily take place on sites earmarked for housing. Population increase as a result of housing growth is likely to result in increased demand for energy and an increase in car journeys. This will be mitigated through high environmental design standards for housing and for journeys through integrated transport provision. Also the capacity of the Borough's road network has been designed for a population in excess of 200,000 - the road capacity will ensure that journeys are as efficient as possible.	Housing growth and subsequent population increase will ensure that the Borough is increasingly economically sustainable - particularly through increased consumer spending in the Town Centre and the Borough centres. Expansion of house building in the Borough will support the creation of new jobs and support existing jobs in the industry.
Non-Staff												
30	Education & Skills	Rationalisation of Home to School Transport (High Ercall Bus)		16,000				16,000	Kathy Swallow	This is a discretionary service currently being subsidised by the Council.	There is potential for a small increase in vehicle journeys if parents drive children to school.	None
31	Education & Skills	Home to School Transport – Further route efficiency resulting in smaller bus required Wellington to Newport		33,000				33,000	Kathy Swallow	Further route efficiency identified by Transport Team resulting in smaller bus required Wellington to Newport	There is potential for a small increase in vehicle journeys if parents drive children to school.	None
32	Education & Skills	Home to School Transport – further route rationalisation between Newport and Muxton and surrounding areas.		20,000				20,000	Kathy Swallow	Further route rationalisation between Newport and Muxton and surrounding areas.	There is potential for a small increase in vehicle journeys if parents drive children to school.	None
33	Family & Cohesion Services	Reduce B&B usage resulting in less Housing Benefit subsidy being lost	307,000	20,000				20,000	Jas Bedesha	Reducing current reliance on B&B to provide temporary accommodation will reduce loss of housing benefit as well as benefiting clients. By working with clients contacting the service to prevent homelessness, working effectively/closely with other agencies e.g. through Joint Assessment Panel/SAP to maintain/support clients in existing accommodation or ensure clients are supported/housed by the most appropriate service/agency and develop opportunities to meet housing needs via private sector housing (developing the Bond Scheme) there is scope to	None	Impact on private landlords and B&B providing current provision.
41	Care & Support	Independent Travel Training - Savings to Care & Support		5,000				5,000	Transport - Helen Hill; Care & Support - Richard Smith	Savings on Care & Support budgets for transport by training suitable individuals to use public transport rather than have bespoke transport procured for them.	There is potential for a small reduction in vehicle journeys if public transport is used - impacting on energy usage and congestion.	Impact on current transport providers.
53	Neighbourhood & Leisure Services	Environment & Open Spaces: Stop maintaining private open space zone 1's e.g., Wombridge Road, Fieldhouse Drive		5,000				5,000	Dave Hanley	There are a number of sites which are not in council ownership but have always been maintained. Pass responsibility on to commercial premises/shop owners.	Working with private owners to minimise any environmental or economic impact.	
55	Neighbourhood & Leisure Services	Environment & Open Spaces: Reduction of one urban refuse round as per contract variation			140,000			140,000	Dave Hanley	Interpretation of the contract variation indicates this may be possible - so will enter into dialogue with TWS	Potential impact on cleanliness of Borough	None
57	Neighbourhood & Leisure Services	Waste & Refuse: Increased recycling by encouraging 30% of Borough wide households that currently don't recycle or recycle at very low levels and also apply the Council's grey bin policy to existing as well as new customers		75,000	150,000			225,000	Dave Hanley	Survey data suggests that up to 30% of households don't use the existing kerbside service for the collection of recycling materials. A social marketing programme to encourage these households could be rolled out over the next three years. The saving will also increase with the continuing increase in landfill tax. Also properties who currently have more than one grey bin are to be reviewed ie apply the new policy of 6 or more people in the household	Potential positive impact due to reduction of landfill of household waste.	None
61	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		15,000	35,000			50,000	Stuart Freeman / Helen Hill	To reduce fuel budget through fuel efficiency programme on Council vehicles.	Potentially positive impact as a result of increased energy efficiency.	None

No.	Service	Description of Saving	2012/13 Budget £	2013/14	2014/15	2015/16	2016/17	Total	Lead Officer	Rationale	Environmental Impact	Economic Impact
66	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			10,000	Stuart Freeman	Review inventory of signs and bollards and disconnect signs/ bollards where not required to be lit under regulations. .	Potentially positive impact as a result of reduced energy consumption	None
68	Neighbourhood & Leisure Services	Highways & Transport: Reduce Rights of Way maintenance this will result in only £5,500 remaining in the budget.		7,000				7,000		Would result in reliance on the Capital Programme for future investment	Working with community groups to minimise any environmental impact	None
69	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	£1.2M	38,000	38,000	38,000	38,000	152,000	Chris Butler	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.	Positive impact as a result of increased energy efficiency and improvement to environmental quality.	None
72	Dvpt. Business & Housing	Replace lighting at Portico House with more efficient equivalents and save energy costs		700				700			Potential positive impact with reduction in energy usage	None
73	Dvpt. Business & Housing	Replace lighting at Oakengates Leisure Centre with more efficient equivalents and save energy costs		10,000				10,000			Potential positive impact with reduction in energy usage	None
106	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.	None	Potential impact on local providers through reduced demand for services - could lead to business closures and redundancies.
Procurement												
107	Family & Cohesion Services	Housing Resettlement - review of rents paid to private landlord, RSL & B&B	293,240	20,000	-	-	-	20,000	Jas Bedesha	Estimated saving. Actual savings will depend upon outcome of ongoing review	None	Impact on private landlords and B&B providing current provision
109	Care & Support	Supporting People - review of existing contracts to move from buildings based to floating (needs based) support service		200,000				200,000	Chris Harrison	Savings will be delivered following a fundamental review of existing contracts. The proposal is to move away from unit (building) based provision to a "Floating support" type model which should deliver efficiencies, but will also require reductions in support to those no longer deemed eligible for services. Will increase access to people not currently able to access services because they do not live in	None	Financial impact on existing providers
110	Care & Support	Market & Community Development - in particular development of a homecare framework agreement		100,000	100,000			200,000	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	None	Could result in some businesses not being considered viable by providers and closing but could encourage new entrants to market.
118	Neighbourhood & Leisure Services	Procurement savings released from the re letting of a new Recycling service contract			150,000			150,000	Dave Hanley	This is a major procurement and will generate savings through market factors/testing.	Positive impact through improved ratio f recycling and reduction in landfill	Bring new investment in waste infrastructure to the Borough
122	Education & Skills	Other Route Rationalisation		50,000				50,000	Viv Mckay	Further savings anticipated from using route mapping software	Potential environmental benefit through more efficient journeys - reducing energy consumption and impacting on road congestion as a result of reduced vehicle movements.	None
Property Rationalisation												
129	Dvpt. Business & Housing	Running costs associated with Edward James House		50,000				50,000	Chris Goulson	As part of property rationalisation for Council operational needs, Edward James House is no longer required as a result of the first phase of property rationalisation.	Potential environmental benefit through reduction in energy usage by the Council and a reduction in journeys by officers travelling between Council buildings for meetings.	None
131	Family & Cohesion Services	Youth Premises - property rationalisation	38,871	33,000				33,000	Jas Bedesha	Rationalising use of youth property by disposing of properties (not used for youth club provision) no longer needed or generating additional income.	Potential environmental benefit through reduction in energy usage by the Council and a reduction in journeys by officers travelling between Council buildings for meetings.	None
132	Family & Cohesion Services	Children & Family Centres property rationalisation	-		10,000			10,000	Chris Marsh	Review accommodation needs for children and family centre teams.	Potential environmental benefit through reduction in energy usage by the Council and a reduction in journeys by officers travelling between Council buildings for meetings.	None
Service Review/Redesign												
152	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		1,200,000	1,000,000			2,200,000	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	None	Could result in instability in market provision during transition period.

No.	Service	Description of Saving	2012/13 Budget £	2013/14	2014/15	2015/16	2016/17	Total	Lead Officer	Rationale	Environmental Impact	Economic Impact
157	Neighbourhood & Leisure Services	Environment & Open Spaces: Rationalise specifications for litter picking across the Borough and a sweeping in district centres but increase the number of rapid response teams and litter bin provision. Explore potential of changing district centre cleansing designations and litter picking frequencies to move away from a daily operation across the Borough.		327,000				327,000	Dave Hanley	The Broad principles are... Revise baseline service across all high density housing to reduce litter picking frequency from weekly (zone 2) to fortnightly (zone 3) - Revise baseline service across all housing estates - to reduce litter picking frequency from weekly/fortnightly (zone 2 and zone 3) to monthly (zone 4) with the exception of arterial estate roads and key footpath routes so to maintain current fortnightly litter picks in housing estates and use this 'offer' for Parish 'buy in' particularly in high density housing. Consider reducing the daily operations of shopping areas where littering is less apparent due to a high number of litter bin provision	Potential to impact on environmental quality	Financial impact on provider
160	Family & Cohesion Services	Highways & Transport: Subsidised Bus Services - consider reducing / removing the subsidy on existing subsidised routes				50,000		50,000	Stuart Freeman / Helen Hill	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 increase in private vehicle usage and associated congestion and energy usage	None
163	Neighbourhood & Leisure Services	Waste Services - introduce Black bag sort scheme at CRC's - i.e. stop and sort customer services helping to reduce landfill.		30,000	30,000			60,000	Dave Hanley / Debbie Germany	negotiate with TWS and Sita to change current operation at CRC to ask staff to stop and sort / guide customers to ensure full recycling takes place, i.e. nothing is sent to landfill that could be recycled	Increased recycling and reduction in landfill. Low risk in illicit commercial waste being refused at the CRC which in turn may be fly tipped.	None

Developing the Council's 2013/14 budget: consultation findings

Budget Consultation February 2013

Document Governance

Title	Budget Consultation February 2013
Purpose/scope	Set out findings of the Council's 2013/14 budget consultation programme
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Budget Consultation February 2013

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1 Executive Summary

Following notification of the Council's 2013/14 grant from government, the Council developed a proposed 2013/14 budget building on the medium-term service and financial strategy developed in 2012. This medium-term strategy set out the following principles:

- In line with our co-operative values, work together with and involve our residents and employees in developing our strategy;
- Adopt a commercial approach and facilitate growth as a 'Business Supporting, Business Winning Council'
- Minimise the impact of savings on front-line service delivery particularly for vulnerable adults, children and neighbourhood services
- Minimise the impact of savings on our employees as far as possible
- Based on consultation, reject a one-off government grant to freeze Council Tax and increase Council Tax by 2.5% for the next two years.

The 2013/14 budget continues the organisation's focus on continuing to attract new jobs, investment and promoting growth in the borough while protecting as far as possible Council Services. In response to the financial pressures on public services in the Borough, the Council has also developed a Fair Deal Campaign to ask Government to provide a grant which better reflects the level of service demand in the Borough.

To understand the communities' views on these two themes, a programme of public consultation was undertaken from early January, closing February 10th. This included a Community Panel questionnaire, and online web survey open to the public and Council employees, a public engagement meeting and the following stakeholder meetings:

- Telford and Wrekin Parish Forum
- Senior Citizens Forum
- Telford Business Board
- Taking Part Forum
- Chief Officers Group
- Joint Information and Consultation Forum (JICF)
- Parents Opening Doors – PODS
- Young People's Forum
- Ketley Bank Residents Association
- Carers Partnership Board

In total, some 1,539 people were involved with this consultation programme, building on the 7,000 comments and ideas we received in 2012 to shape our medium term service and financial strategy.

The Council's plans to encourage jobs, growth and protection of services were broadly supported across the consultation:

- **96% of Community Panel respondents**
- **72% of public respondents to an online survey and article in 'Your Voice'**
- **70% of participants at the budget public consultation event at The Place.**

The most common stated reasons by a small number of participants for not supporting these plans was 'concern over growth plans and in particular, whether the Council should be investing

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in the scheme' (Community Panel respondents) and 'opposition to the proposed Council Tax increase (Public survey respondents).

The Council's campaign for a Fair Deal for Telford and Wrekin was broadly supported across the consultation:

- **95% of Community panel respondents**
- **82% of public respondents**
- **87% of budget consultation event respondents**

The most common reason for not supporting the campaign was concern over the current or future level of Council Tax and the government support grant should be taken.

Where we have received specific questions through the consultation process, where possible we will respond. These responses will be published on the Council's website. A progress report on this will be presented to Cabinet in May.

2 Introduction

Following notification of the Council's 2013/14 grant from government, the Council developed a proposed 2013/14 budget, building on the medium-term service and financial strategy developed in 2012.

The 2013/14 budget is primarily focused around continuing to attract new jobs, investment and promoting growth in the borough while protecting as far as possible Council Services. In response to the financial pressures on public services in the Borough, the Council has also developed a Fair Deal Campaign to ask Government to provide a grant which better reflects the level of service demand in the Borough.

To understand the communities views on these two elements, a programme of public consultation was undertaken from early January, closing February 10th including:

- A survey of the Community Panel composed of 1,252 local residents who act as a sounding board to inform the Council's policy and service development
- An online survey and a questionnaire in 'Your Voice' as a paper pullout
- A public budget consultation event at The Place, Oakengates on January 16.
- Budget presentation at a range of community groups/forums.

These explored two themes:

1. Our plans to encourage jobs, growth and protection of services, including £250m investment in the Southwater Scheme, £200m Building Schools for the Future programme and working to make it easier for businesses to come here and grow, offering support to attract new firms and help create new jobs.
2. A proposed Fair Deal Campaign for Telford and Wrekin as we estimate that in 2013/14 the Council has 'disproportionately' lost some £10m as a result of the high levels of government cuts to local authorities, undercount of our population and a 'stabilising' damping mechanism, which means the government withholds money that it calculates the Borough should receives and reallocates it to other authorities.

In total some 1,539 people were involved with this consultation programme, building on the 7,000 comments and ideas we received in 2012 to shape our medium term service and financial strategy. This report sets out the findings of the latest consultation programme.

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, Horsehay & 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.

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A number of participants raised specific questions through the consultation process, which we will respond to where possible. These responses will be published on the Council's website in due course. A progress report on this will be brought to Cabinet in May.

3 Community Panel Budget Survey

Questions about the Council's budget were included in the January Community Panel survey sent to 1,252 members and was completed by 515 Panel members across a range of demographics.

Table 1: Demographics of Community Panel respondents

		Count	%
Age	16-44	47	11%
	45-64	191	43%
	65+	203	46%
	<i>Total</i>	<i>441</i>	<i>100%</i>
Gender	Female	233	46%
	Male	279	54%
	<i>Total</i>	<i>512</i>	<i>100%</i>
Long term limiting illness	No	353	75%
	Yes	118	25%
	<i>Total</i>	<i>471</i>	<i>100%</i>
Ethnicity	Other ethnicity	24	5%
	White British	459	95%
	<i>Total</i>	<i>483</i>	<i>100%</i>
Area	Newport	49	10%
	North Telford	152	30%
	Rural	64	12%
	South Telford	169	33%
	Wellington	79	15%
	<i>Total</i>	<i>513</i>	<i>100%</i>
Deprivation ranking	20% most deprived nationally	95	19%
	20-40% least deprived	113	22%
	40% most deprived - 40% least deprived nationally	100	20%
	20-40% most deprived nationally	110	21%
	20% least deprived	94	18%
	<i>Total</i>	<i>512</i>	<i>100%</i>

As shown in table 2, the vast majority of Panel respondents (96%) support the Council's plans.

Table 2: Do you broadly support our plans to encourage jobs, growth and protection of services?

	All responses		Gender		Age			LTLI		Ethnicity	
			Female	Male	16-44	45-64	65+	No	Yes	Other ethnicity	White British
No	21	4%	2%	7%	2%	6%	4%	4%	5%	5%	4%
Yes	456	96%	98%	93%	98%	94%	96%	96%	95%	95%	96%
<i>Total</i>	<i>477</i>	<i>100%</i>	<i>217</i>	<i>259</i>	<i>45</i>	<i>181</i>	<i>183</i>	<i>334</i>	<i>106</i>	<i>22</i>	<i>429</i>

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Table 3: Do you broadly support our plans to encourage jobs, growth and protection of services?

	All responses		Area					Deprivation				
			Newport	North Telford	Rural	South Telford	Wellington	20% most deprived	20-40% most deprived	40% most deprived to 40% least deprived	20-40% least deprived	20% least deprived
No	21	4%	4%	2%	10%	4%	5%	0%	4%	2%	10%	5%
Yes	456	96%	96%	98%	90%	96%	95%	100%	96%	98%	90%	95%
Total	477	100%	45	140	59	158	75	87	105	90	101	93

If respondents did not agree with the plans or an aspect of them, they were asked to explain why. A total of 60 respondents provided additional comments. The main concern highlighted by these respondents was about the Council's investment in Southwater.

Table 4: If you do not broadly support our plans or elements of our plans, please tell us why?

	Count
Concern over growth plans - Southwater including whether it is required and whether the Council should be investing in the scheme	16
Broadly positive comments on proposals	8
Concern over growth plans - Building Schools for the future	6
Require more detail on proposals to make an informed comment	6
Opposition to the proposed Council Tax increase	4
Non-specific comment	4
Concern over growth - impact on Borough Towns / communities e.g. Newport	4
Improve transport infrastructure - including roads	4
Ensuring that specific services are protected	3
Concern over growth plans - impact of development on the environment / sustainability	3
More support for manufacturing sector	3
Concerns with the consultation process	2
Need to do more to improve affordable housing / address homelessness	2
Council, in how it makes decisions, needs to do more to support existing businesses/growth	2
Do more to support the unemployed of all ages	1

The vast majority of Panel respondents, table 5, also supported the Council's campaign for a Fair Deal for Telford and Wrekin with 95% in support.

Table 5: Do you broadly support the Council's campaign for a Fair Deal for Telford and Wrekin?

	All responses		Gender		Age			LTLI		Ethnicity	
			Female	Male	16-44	45-64	65+	No	Yes	Other ethnicity	White British
No	22	5%	2%	6%	2%	6%	3%	3%	4%	9%	4%
Yes	454	95%	98%	94%	98%	94%	97%	97%	96%	91%	96%
Total	476	100%	213	261	42	179	184	319	114	23	424

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Table 6: Do you broadly support the Council's campaign for a Fair Deal for Telford and Wrekin?

	All responses		Area					Deprivation				
			Newport	North Telford	Rural	South Telford	Wellington	20% most deprived	20-40% most deprived	40% most deprived to 40% least deprived	20-40% least deprived	20% least deprived
No	22	5%	5%	1%	7%	6%	7%	3%	4%	2%	7%	6%
Yes	454	95%	95%	99%	93%	94%	93%	97%	96%	98%	93%	94%
Total	476	100%	43	147	56	157	72	91	106	93	97	87

If respondents did not support the campaign for a Fair Deal for Telford and Wrekin, they were asked why. For those who expressed a negative view, the key reason (10 respondents) was that Council Tax was already too high and/or that the Council should take the Government Support Grant.

Table 7: If you do not support the campaign for a Fair Deal for Telford and Wrekin, please tell us why?

	Count
Broadly support campaign	16
No to Council Tax rises / take government support grant / Council Tax too high	10
Need more detail to make a decision	9
Council wastes too much money/inefficiency/financial management	6
Sounds like whinging	4
Concern over population argument	3
Non specific comment	1
Not clear what the benefits of lobbying would be	1
It is the Council's fault for allowing the Government to get away with this historically	1
Need to support job creation in the Borough	1
Would support Fair Deal if it stopped migrants coming to the Borough and claiming benefits	1

4 Public survey

Members of the public and employees were able to respond to questions on the budget through an online survey or a tear out slip in the January Your Voice publication. Both of these opportunities focused on the two questions around the Council's proposals to drive the growth agenda and the Fair Deal Campaign.

A total of 592 responses to the public consultation were received, 22 of these through the 'Your Voice' pull out and the remaining 570 online. Responses were received from across the Borough and people from a range of demographics.

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Table 8: Demographics of respondents to the public consultation.

Gender	Female	230	43%
	Male	307	57%
	<i>Total</i>	<i>537</i>	<i>100%</i>
Age	under 40	102	19%
	40-64	345	64%
	64+	93	17%
	<i>Total</i>	<i>540</i>	<i>100%</i>
Area	Newport	25	6%
	North Telford	109	27%
	Rural	50	12%
	South Telford	155	38%
	Wellington	65	16%
	<i>Total</i>	<i>404</i>	<i>100%</i>
Council Employee	No	455	84%
	Yes	89	16%
	<i>Total</i>	<i>544</i>	<i>100%</i>

As table 9 shows, 72% of respondents supported the Council's plans to encourage growth.

Table 9: Do you broadly support our plans to encourage jobs, growth and protection of services?

	All responses		Gender		Age			Area				
			Male	Female	Under 40	40-64	65+	Newport	North Telford	Rural	South Telford	Wellington
No	149	28%	11%	29%	18%	22%	22%	26%	18%	26%	19%	21%
Yes	392	72%	89%	71%	82%	78%	78%	74%	82%	74%	81%	79%
<i>Total</i>	<i>541</i>	<i>100%</i>	<i>206</i>	<i>285</i>	<i>87</i>	<i>321</i>	<i>87</i>	<i>23</i>	<i>100</i>	<i>47</i>	<i>140</i>	<i>62</i>

Respondents who did not support the Council's plans or an element of them were asked to explain. A total of 127 respondents offered additional comments, with the most common response being an opposition to the proposed Council Tax increase.

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Table 10: If you do not broadly support our plans or elements of our plans, please tell us why?

	Count
Opposition to the proposed Council Tax increase	52
Concerns with the consultation process	16
Concerns over waste, poor allocation of funds, high levels of staff/councillors/wages, value for money	16
Non-specific comment	11
Concern over growth plans - whether Southwater is required and whether the Council should be investing in the scheme	10
How benefit changes, including Council Tax Support, are being implemented	6
Council, in how it makes decisions, needs to do more to support existing businesses/growth	6
Require more detail on proposals to make informed consent	5
Ensuring that specific services are protected	4
Concern over growth - impact on Borough Towns / communities e.g. Newport	4
Should focus on maintenance rather than regeneration	3
Need more emphasis on savings	3
Concern over growth plans - impact of development on the environment / sustainability	2
Concern over growth plans - Building Schools for the Future	2
Contract out services to other providers for savings	2
Greater financial transparency	2
More support for areas across the Borough not just towns / south estates	2
Ensure collection of debts / correct billing	2
Cut budgets to specific services	2
Broadly positive comments on proposals	1
More support for manufacturing sector	1
Improve transport infrastructure - including roads	1
Concerns about short term savings creating long term cost e.g. preventative care	1

The majority of respondents, 82%, broadly supported the Council's campaign for a Fair Deal for Telford and Wrekin (table 11).

Table 11: Do you broadly support the Council's campaign for a Fair Deal for Telford and Wrekin?

	All responses		Gender		Age			Area				
			Male	Female	Under 40	40-64	65+	Newport	North Telford	Rural	South Telford	Wellington
No	96	18%	5%	17%	12%	12%	11%	18%	8%	17%	9%	8%
Yes	433	82%	95%	83%	88%	88%	89%	82%	92%	83%	91%	92%
Total	529	100%	201	277	83	309	88	22	95	47	141	59

5 Budget consultation event

A public consultation event was held on 16 January at The Place, to allow people to hear first hand about the Council's plans for its 2013/14 budget.

A total of 66 people booked a place at the event with 38 of these turning up, as well as an additional 28 who had not booked a place, a total of 66 members of the public. In addition to the public, the event was attended by 11 Cabinet members and 21 officers.

Residents had the opportunity to discuss the proposed plans and any particular concerns and suggestions they might have with officers and members one-to-one. A full list of comments collected at the event has been included in Appendix 1.

In addition to open discussion, attendees were encouraged to respond to the two budget consultation questions.

Table 12: Do you broadly support our plans to encourage jobs, growth and protection of services?

	Count	%
No	10	30%
Yes	23	70%
<i>Total</i>	33	100%

Table 13: If you do not broadly support our plans or elements of our plans, please tell us why?

	Count
Ensuring the protection specific services: Rights of Way	5
Concern over growth plans - whether Southwater is required and whether the Council should be investing in the scheme	3
Improve transport infrastructure - including roads	3
Opposition to the proposed Council tax increase	2
Non specific comment	2
Concerns with the consultation process	1
How benefit changes, including Council Tax support, are being implemented	1
Council, in how it makes decisions, needs to do more to support existing businesses/growth	1
Do more to support recycling - wider range, more facilities	1
Commission out services to other providers for savings	1
Council should focus on maintenance rather than regeneration	1

Table 14: Do you broadly support the Council's campaign for a Fair Deal for Telford and Wrekin?

	Count	%
No	4	13%
Yes	26	87%
<i>Total</i>	30	100%

6 Community Groups and Forums

A number of community groups/forums were visited during the Budget consultation, plans were presented and group members had the opportunity to ask questions and provide feedback. More than 266 people were informed about the proposed budget plans in this way, the groups visited were:

- Telford and Wrekin Parish Forum = 30 in attendance
- Senior Citizens Forum = 120 in attendance
- Telford Business Board = 15 in attendance
- Taking Part Forum = 33 in attendance
- Chief Officers Group = 10 in attendance
- Joint Information and Consultation Forum (JICF) = 4 in attendance
- Parents Opening Doors – PODS = 18 in attendance
- Young People's Forum = 12 in attendance
- Ketley Bank Residents Association = 11 in attendance
- Carers Partnership Board = 13 in attendance

Appendix I sets out a summary of the questions, comments and discussion from each group. Many of the discussions focused on topics particular to the group e.g. discussion of availability and cost of services for children with disabilities and developing joint solutions with the voluntary community. There were some more general themes across several of the discussions:

- Concerns / need more information about 'bedroom tax' - who it applies to, how to get support, may cause additional problems i.e. homelessness
- Questions over regeneration plans for specific areas including Sutton Hill, Ketley Bank and Stirchley
- Dissatisfaction with levels of litter / lack of litter picking in the Borough
- Questions over Government funding and how this affects Telford and Wrekin / Council should be fighting decisions

7 'Additional Comments'

Members of the public were encouraged to comment on the budget proposals via a number of methods, including post, email, telephone and text. More than 100 different comments were received in this way – this includes those following the public budget consultation event which was held on 16 January. Comments we received via email or telephone have been published on the Council's website at www.telford.gov.uk/budget.

Analysis of these comments has identified a number of themes:

- Opposition to the proposed Council tax increase
- Concerns with the consultation process
- Ensuring that specific services are protected, including for example:
 - Protection of vulnerable adults and children
 - Rights of way
 - Road improvement/'potholes'
 - Sports and culture activities
- How benefit changes, including Council Tax support, are being implemented – this includes comments on both the need to use benefit changes to encourage people into work and to protect vulnerable communities.

Appendix I Community Groups and Forums

Young People's Forum

Held on 6 February 2013, 12 people in attendance

Have any young people felt any affects of the recession/Council budget cuts over the last year or so?

- Increase in bus fares (possibly less routes being subsidised by the Council)
- School writing club has stopped due to lack of money
- Less money for art in school e.g. no money for paper towels
- Hole in the roof at Sutherland School

Will young people use Southwater

- Would use it if it is nice.
- A lot of things in Telford are ok but not quite
- Want a place in Telford to be proud of
- A young person is looking at Southwater in their BTEC construction
- We want something that you member Telford by
- My French exchange student said that they thought Telford was beautiful
- Is Southwater like a method of cutting down youth employment?
- We want Telford to be better than average
- Are they getting rid of the existing cinema

Will you stay in Telford as you get older – what would make you stay?

- If we had good services and facilities i.e. Wellington leisure centre and library is good
- Some areas look a bit drab
- Would come back to visit parents
- If the right industry was here i.e. gaming - maybe would stay
- Having an art gallery
- More jobs and a university

Suggestion:

Get back to schools about the things that are coming to Telford in the future – new industry etc. We can also learn from young people about what services and business they want in Telford in the future.

Ketley Bank Residents Association

Held on 6 February 2013 - 11 people in attendance

Key questions, comments and issues raised by the Ketley Bank Residents Association:

- As housing building is on the increase in Telford, does this include 'social housing'?
- Get those on Community Service to pick up the litter
- Is there anyway that disabled people can get support on Bedroom Tax?
- If you have children abroad serving in the forces – where do they stay when they come home? – (In reference to Bedroom Tax)
- Invest in ING
- Why is nobody fighting the Government about the unfairness on grants etc.?

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- There is no transparency in Central Government.
- Points raised on the new Council Tax Support Scheme and the impact – danger there will be more people in care and homelessness
- Questions raised about older people and WHT
- Why is Ketley Bank not mentioned on the map in the recent edition of Your Voice.
- When will Ketley Bank be regenerated?
- Discussion on poor housing stock in Sutton Hill.

PODS (Parents Opening Doors)

Held on 4 February 2013 – 18 people in attendance

- More marketing and promotion is needed on the capital funding pot under short breaks
- When is the track at Oakengates getting a nearby toilet?
- Is there any form of replacement for the Polo Service?
- Can you meet with PODS?
- It is felt that leisure staff and coaches are not fully confident and skilled to work with CYP with additional needs – what can be done about this? Parents want the opportunity for their children to mix with children without disabilities
- Can free swimming be extended past 16 years for CYP with disabilities?
- How much do we pay out to residents who claim for damage to the cars e.g. pothole damage. It has been quoted in the press about 12million?
- Shropshire short breaks offer all day for £15 is that possible in TW?
- Leisure offer £1 per activity in school holidays but children with disabilities are being charged £4 under shortbreaks. It feels that CWD are penalised.
- If the Council is encouraging more jobs – what work are we doing to encourage more affordable child care opportunities – particularly for children with additional needs?
- The group would like an update on BSF and particularly be able to raise some questions around admissions and transport etc. Can you arrange to meet with the group?
- Due to the build in Stirchley the library is moving and being reduced. Importantly can you tell the group where all the very valuable literature on autism has gone? Library staff have been asked but they don't know?
- Is it possible to offer subsidies for children with disabilities for music lessons?
- The group would like an update on the Family Connect Service – can you arrange to meet with them?
- The group felt that NHS medical consultants do not signpost to support services – on diagnosis of disability. Is it possible to put information leaflets and packs into family rooms at the hospitals?
- How are carers with children with disabilities recognised in the Carer Strategy and in HWB priority for carers. How can PODS feed into the strategy?
- The group would like to meet with you to discuss post 16 education for disabled children. Can you arrange to meet with them?
- The group would like more information on changes to benefits particularly the Bedroom Tax. Can you arrange to meet with them?
- Where is the income from the sale of 24 buildings going to?
- What do you do with income from charging for short breaks?
- Where does road tax go?
- When will Stirchley be regenerated?

Carers Partnership Board

Held on 5 February 2013 – 13 people in attendance

- Awareness not to cut carer services as Carers are a key asset to maintain people at home
- Concerns raised regarding a culture change in both staff and recipient of services. Expectations versus wants and needs!
- Real concerns that the budget cuts will impact on personalisation. One Board member referred to this as counteracting forces: which will take choice away and place increased pressure on carers.
- Dilnott Enquiry was raised with regard to paying for residential/nursing care. Still waiting when this will be implemented probably not till after next general election.

Senior Citizens Forum

Held on 14 January 2013, 120 people in attendance.

Do you broadly support our plan?

Yes	No	Don't know
11	1	0

If you don't support our plans or a particular element of it, please tell us why?

- Stop wasting taxpayers money fighting plans already passed in favour of Sainsbury supermarket in Newport
- However concerned with Council rates increase. Always present % on Band B it is greater in Band D

Do you support the Council's campaign for a Fair Deal for Telford and Wrekin?

Yes	No	Don't know
11	1	0

General comments and concerns raised

- fly tipping remains an problem
- services for litter picking have been cut and we need them
- Fast food shops should be charges for the costs of picking up their litter
- should be instant fines for people who litter and patrols for outside schools
- full litter bins in Muxton need emptying more frequently
- what do people on community orders do?
- add another statistic to presentation - 850 Council jobs - what % is this of the original workforce?

Taking Part Committee

Held on 15 January 33 people in attendance.

Comments and questions raised regarding:

Care and Support Services

- Do you think cost of caring for elderly is going to go up?
- What if elderly person not able to do it (personal budgets) themselves?
- How about doing more contracting work? (for personal budgets)
- What if it doesn't work? (personal budgets)
- I think the issue of personal budgets is a key thing to take from here
- Unit 10 has been a really good service (and a cooperative service)

Employment

- Any specific plans for jobs for disabled people?
- People can't get jobs – that's the Governments fault.....Cameron. We need people to work for tax so we have more money

On Fair deal for Telford

- Do they (the government) say to you why they do that?
- Are they (the government) discriminating because T&W is a labour Council?
- If Govt keep cutting back we are going to have nothing
- Why not take grant?
- Is there a lot of pressure on you because of all the cuts?
- Are there more cuts next year?

On Safeguarding

- Definitely on that one!! (putting extra money into keeping children safe slide)
- What about keeping vulnerable adults safe? (Follow up - information relating to Adult Social Care expenditure)

On leisure Centres

- How will they be better?
- tell people how much cheaper roughly
- Who made decision to keep free swimming?

Recycling

- the sad thing is not many people put things in bins
- we should all do that (recycle)

Car Parking

- We should cut back on car parking charges in hospitals
- We should cut back all over the place
- We could do with new car park at Town Centre
- We are really struggling for disabled parking at ice rink – are there any plans for more spaces? (For following up)
- You shouldn't have to pay for Car Park

Council Plans

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- Are you going to try and keep local services?
- As a cooperative Council, what are the plans for T&W to work with social enterprises? It is a buzz word but not happening (follow up required, approach Cllr Davies –group would welcome further discussions)

On Engagement

- Are you going to let us know when things do change?
- I think you should come back in 6 months (Follow up visit agreed by Bill)

Other Follow ups

- Lack of meeting space availability –TCAT
- Streetlights keep going off in Lancaster Avenue
- Why does it take so long to see a doctor (followed up in subsequent presentation by a commissioner)

Voluntary Sector Chief Officers Group

Held 24 January 10 people in attendance

Q. Do we capture the feedback that we get from radio interviews as part of the budget consultation process as residents give their feedback when Cllr McClements is interviewed in the radio? It was suggested that this should be included within the information captured via the consultation.

A. We will look into that.

Q. Shropshire Council appears to be taking a different approach to T&WC in terms of exploring different business opportunities. There was a concern that Councils could take on business opportunities just because they make a profit. What checks and balances are in place to prevent the Council from taking an aggressive approach to business

A. The aim of T&WC developing commercial projects is to provide funding to support service delivery. There is a commercial board that scrutinises any commercial developments by the Council.

Comment: Can the Council make sure that it considers the impact if it starts to introduce charges as it can have a knock on effect e.g. if we were to introduce charges for pest control it could lead to a problem with vermin in the Borough

Comment: The presentation at the Taking Part Group was appreciated. Will the Council make sure that it continues to invest in Adult Social Care particularly around services to vulnerable adults

Comment: How do we capture the value that the voluntary sector brings to the Borough and could the Council work more closely with the voluntary sector to develop joint solutions.

Discussion: The group talked about how the proposed Voluntary Sector stakeholder event could be used to have discussions around potential solutions and how the Voluntary Sector and Council work together more closely. These discussions would need to take place earlier in the year to be able to feed into the budget process.

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Comment: Concern was expressed about how the Council categorises Vulnerable Adults as Welfare Reforms will impact upon many more people than the Council currently would categorise as a Vulnerable Adult

Comment: The bedroom tax will have an impact on those who are Foster Carers.

Appendix 6 - Budget & Finance Scrutiny Committee

Response to Service & Financial Planning Strategy 2013/14 – 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 has responsibility for scrutiny of the Council's budget strategy.

The Cabinet approved the Service & Financial Planning strategy 2013/14-2015/16 for consultation on 10th January 2013. Savings proposals in the previous financial strategy approved in May 2012 were updated and approved by Cabinet for early consultation on 20th September 2013 and included in the current budget strategy.

The Committee met on 16th October and 19th December 2012 to consider the savings proposals approved in September, and on 9th, 15th, 22nd January and 5th February 2013 to consider the proposed Service & Financial Planning strategy 2013/14-2015/16.

As part of its consideration of the proposals, the Committee met with:

- Cabinet Member Resources & Service Delivery
- Cabinet Member Children, Young People & Families
- Cabinet Member Adult & Social Care
- Cabinet Member Neighbourhood Services & Co-operative Council
- Cabinet Member Leisure & Wellbeing
- Cabinet Member Transport & Community Protection
- Chief Financial Officer
- Director Adult Social Care
- Assistant Director Care & Support
- Assistant Director Children's Safeguarding
- Assistant Director Family & Cohesion Services
- Assistant Director Environmental & Leisure Services
- Community Engagement & Equalities Manager
- Equalities Officer

Written answers to a range of questions on further issues were also provided. The Committee would like to extend thanks to Members and officers that assisted them during their consideration of the proposals.

As part of their work, Members considered:

- The national funding picture and key points in the Autumn Statement for local government and the changes to local government finance
- The December grant settlement and projected budget gap/required savings for the period of the strategy
- The capital programme, levels of borrowing and impact on the revenue budget
- The use of one-off resources and the level of balances and contingencies

- Savings proposals approved for consultation in September 2012 and additional proposals published in January 2013
 - The budget consultation process
 - The impact analysis overview of the overall strategy
 - The proposed Council Tax increase
 - Assumptions in the medium term financial planning strategy.
- Much of the Committee's work was focused on the higher spending services in children's safeguarding, adult social care and environmental and leisure services.

There were no alternative budget proposals put forward for scrutiny.

The Cabinet's final proposals are due to be discussed at Cabinet on 28th February with the Council Tax for 2013/14 being set at Council on 7th March.

Members acknowledged the unprecedented cuts to local government funding announced in, and after, the Comprehensive Spending Review in October 2010. The changes to local government finance, the 10% reduction of the grant paid to Councils for localised Council Tax Support Schemes, the transfer of responsibility for Public Health from PCTs to local authorities and the grant settlement announced on 19th December all impact on the amount of money the Council has available to spend on services.

Whilst the forecast for the future, as with other local authorities, looks gloomy, the Committee found much to welcome in the strategy. Members gave credit to the efforts of the Council and its staff in achieving savings equivalent to more than £600 per household and with limited impact on front-line services, although acknowledged that as the cuts deepen this may not continue to be possible. The Committee supports the commitment to prioritise continued economic and housing growth, both of which are key to the future prosperity and wellbeing of the borough and to maintaining and growing the Council's funding as part of the business rates retention and New Homes Bonus schemes. Members noted that balances are lower than ever before, but credited staff for reducing the use of contingencies in 2012/13 to enable more to be rolled over to 2013/14 for one-off contingencies or to supplement other balances. The Committee heard many excellent examples of Co-operative working, some of which are mentioned in the comments following, and support this approach to involving partners, the voluntary sector and local people in decisions about the delivery of services which may otherwise be under threat.

Below are a number of specific comments and recommendations that the Committee have made about the budget strategy. These may not affect specific savings proposals for 2013/14, but are issues that the Committee will follow up over the year to scrutinise how they are being addressed.

Comments of the Committee

1. The Committee agrees that the strategy sets a balanced budget but is concerned that there is no room for manoeuvre and a high risk of slipping into deficit early in the year because of the risk of the non-achievement of savings targets, particularly in children's safeguarding.

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2. The Committee notes that a “salami slice” approach has been taken to making savings to avoid cutting services completely, but feels that this is not a sustainable way of making the level of savings that will be required in future years and that the Council must now make strategic decisions about what services will be prioritised for the future, what services may be cut, and how the public’s views will be taken into account
3. The Committee feels that there are many commendable ideas in the Early Help / Safeguarding Cost Improvement Plan and recognises the good work that is going on and agrees that the safety of children is paramount. However, members have genuine concerns that delivering savings of £2.19m in 2013/14 is aspirational, and would like to make several comments about this:
 - a) The direction of travel is good but the Committee feels there is an over-emphasis on budget monitoring rather than budget management. This should not be just a reporting function: senior managers and Cabinet members should have a detailed strategy to achieve the savings which is driven by action, not events, and backed up by detailed forecasting and situational plans (for example for legislative changes). Senior managers should not lose sight of the strategy by getting involved in too much operational detail, and staff at lower levels need to be empowered to make decisions consistent with the strategy.
 - b) The budget should be managed and balanced in-year within the context of the Council’s overall budget on a risk-opportunity basis and with thresholds built into the process to trigger corrective action. A level of contingency should be built into the service budget and beyond this overspend risks should be offset against either opportunities for generating commercial income or from making additional savings in other areas and the service must not continue to rely on one-off contingencies and balances which is no longer a viable option.
 - c) Members are sceptical about being able to achieve some of the targets in the Cost Improvement Plan for example to reduce the number of children in care to 300 by April 2013 and 294 by April 2014 when the trend is upwards and likely to continue so with the economy and welfare benefit changes putting pressure on families. Members recommend that the “number of children in care” should not be used as a performance indicator because this is an uncontrolled number, although number trends should be used for forecasting and financial modelling. The “length of time spent in care” should be a key performance indicator because reducing this would have a significant impact on the budget and because there is an element of control over this. The work of the Resource Allocation Management Panel and particularly the Securing Permanency Group is critical to reducing delays in care planning and the Committee has requested the monthly reports of the SPG.
 - d) Work on reducing the unit cost of residential placements though the framework contract is laudable but the real impact will be made by reducing the number of residential placements. There is some scepticism about achieving the target to

reduce residential placements by 10 but members recognise that this would go along way to making the savings and there should be no let up in pace to achieve this.

- e) Safeguarding is a key budget dependency and the Committee will require the attendance of the Director of Children Services to attend future meetings during 2013/14 to provide a detailed update on progress against the action plan.
- 4. Linked to the comments above about taking a risk-opportunity approach to managing the budget, the Committee noted that (in line with LGA forecasts for local government finances) the proportion of net General Fund budget available for services other than adult social care, children and young people and environmental services is shrinking (currently £13m of £125m) and that the opportunities to offset over-spend in these areas by cuts to other services is increasingly less viable. The Committee recommends that the Council pursues all ideas for commercial income generation as rigorously and quickly as reasonably prudent, and the Committee may look at this as part of its work programme.
- 5. As in previous years, the Committee is concerned about achieving the projected value of Capital Receipts and that if this happens the capital programme should be cut back and gaps should not be made up by increasing borrowing or cutting other services. The cost of interest on borrowing already takes £5m from the revenue budget which accounts for a significant proportion of the £13m revenue for services other than adult social care, children and young people and environmental services.
- 6. The Committee is concerned that selling assets to support the budget is not always the right strategy. More consideration should be given to enhancing the value of assets in a way that offers a greater or longer term return to the Council, and/or as a lever for supporting economic development (for example by offering lower or peppercorn start-up rents). Using the sale of assets to bridge budget gaps is not sustainable.
- 7. The Committee looked at many examples of co-operative working such as the Street Champions, Rapid Response Teams, Environmental Teams and library services and would like to recognise the valuable contribution of Town & Parish Councils, partners and local people in helping to maintain and deliver services which may not otherwise be affordable. The Committee recommends that in all cases, Town & Parish Councils should be consulted on any services which may be withdrawn so that they have an opportunity to consider taking over delivery of those services.
- 8. Business and inward investment is highlighted as a priority in the strategy and the Committee commends the £150k investment in Destination Telford.
- 9. Members of the Committee expressed different views about Council Tax. Some members supported the rejection of the freeze grant and the decision to increase Council Tax by 1.9%, below the threshold to trigger a referendum, while other members disagreed with increasing Council Tax and felt that while 2/3 of people responding to the consultation in 2011/12 had supported an increase, only a relatively small proportion of residents had responded.

10. The Committee will require the Managing Director to attend a future meeting to discuss how the points raised in this response are being addressed and to discuss the Council's approach to the future budget strategy.
11. Members were assured that the savings targets in Adult Care & Support are achievable and realistic but noted the Cabinet Member's intention to go back to Council if additional money is needed.
12. The Council should continue to lobby government about the particular pressures for Telford & Wrekin and the under-funding from grant damping and population under-count.
13. The Committee supported the deferment of auto-enrolment of existing staff into the pension fund for three years but staff must be told of their right to join.
14. The Committee heard that the Public Health settlement was better than expected. Members recommend that the Council should take the opportunity created by the surplus (planning had been based on an assumption of a lower amount) to link the funding with other Council services which promote health and healthy activities such as leisure.
15. The Committee applauds the fact that 35% cost savings had been made on back-office functions (which is more than the 20% savings made by many other authorities from shared services) but feels that options for sharing services and outsourcing should be more fully explored and the Committee will be looking at this as part of its work programme.
16. The Committee recognise the work in lobbying for funding and grants, for example the £1.5m government investment in the new facilities in Dawley, and there should be no let up in these activities.

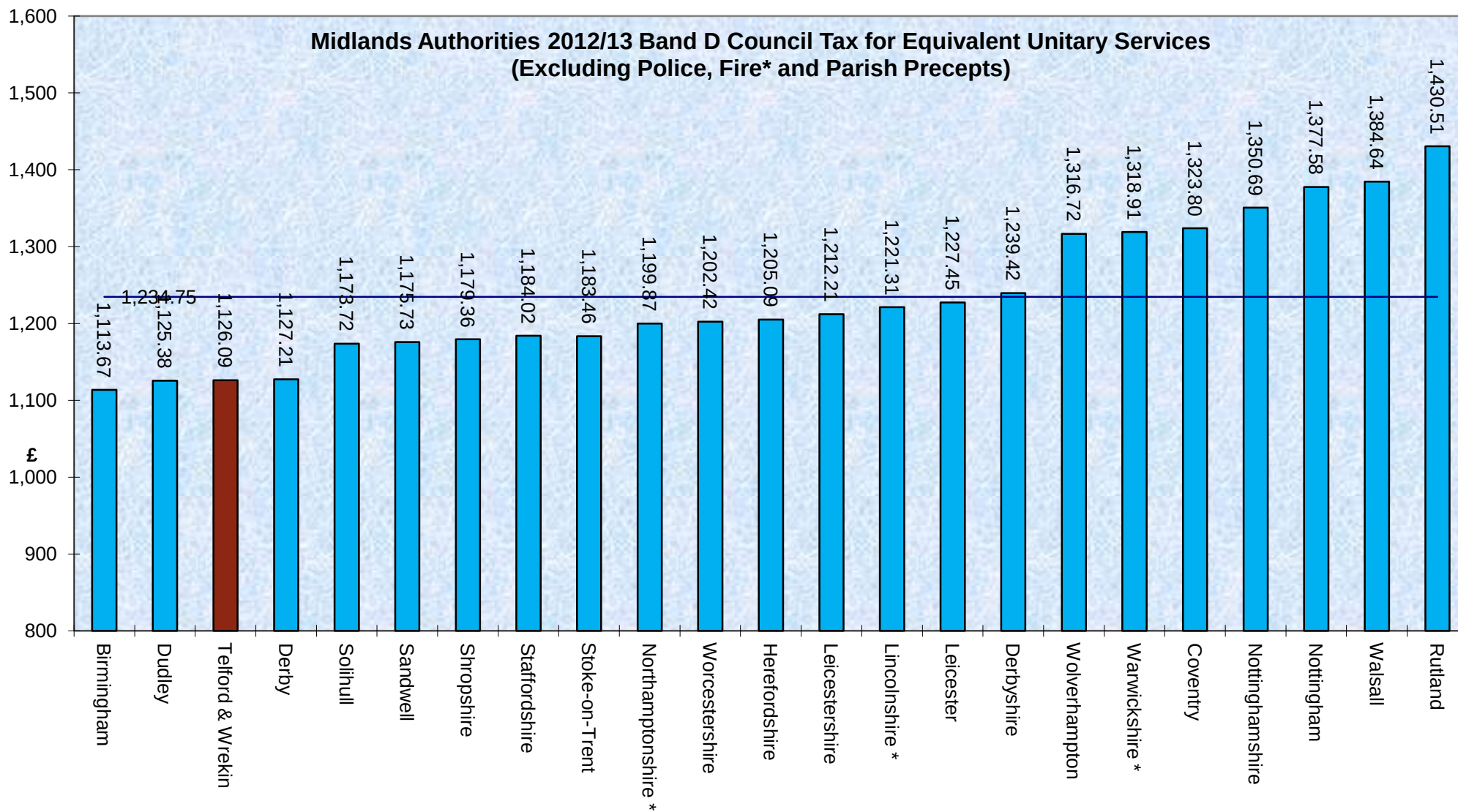
The Committee would also like to make a number of operational suggestions relating to specific services areas:

- With regard to the library service, members recommend that in all cases Town & Parish Councils should be approached about joint funding, and that the mobile library (as a second is not affordable) must be used to full potential to reach as many people with mobility problems as possible across the borough.
- Efforts should be made to ensure there is adequate provision of computers in libraries and volunteer support schemes. This is particularly important with the introduction of Universal Credit which requires on-line benefit claims.
- The Council should pursue all avenues for partner funding including the police's fund from the seizure of criminal assets which can fund projects which help reduce crime and anti-social behaviour.

- The use of Oakengates theatre as a meeting venue should be recognised as an opportunity cost for the theatre.

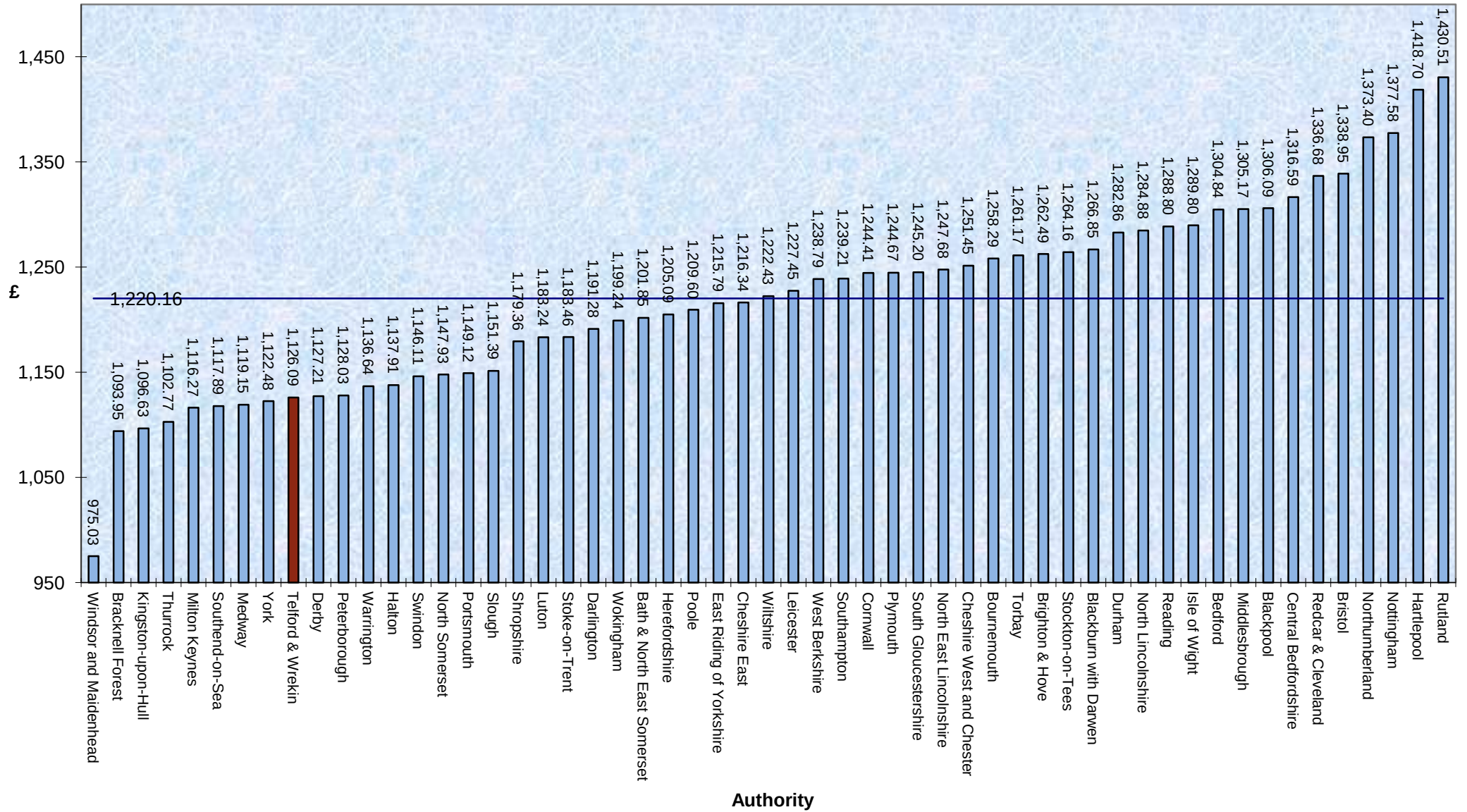
Report prepared by Stephanie Jones, Scrutiny Officer, telephone 01952 383114.

**Midlands Authorities 2012/13 Band D Council Tax for Equivalent Unitary Services
(Excluding Police, Fire* and Parish Precepts)**



Authority
* includes fire expenses

Unitary Authorities 2012/13 Band D Council Tax (Excluding Police, Fire and Parish precepts)



Appendix 9a

TELFORD & WREKIN COUNCIL
REVENUE BASE BUDGET

Service Delivery Unit	<u>2013/14</u> <u>GROSS</u> <u>EXPENDITURE</u> <u>£</u>	<u>2013/14</u> <u>GROSS</u> <u>INCOME</u> <u>£</u>	<u>2013/14</u> <u>NET</u> <u>EXPENDITURE</u> <u>£</u>
Public Health	10,616,000	10,616,000	0
Law, Democracy & Public Protection	6,187,680	4,153,630	2,034,050
Neighbourhood & Leisure Services	47,844,630	17,903,470	29,941,160
Business Development & Housing	20,565,450	19,240,030	1,325,420
Customer & People Services	96,485,530	91,863,160	4,622,370
Finance, Audit & Information Governance	5,785,530	5,785,530	0
Care & Support (Adults & Children)	71,364,610	20,445,030	50,919,580
Family & Cohesion Services	32,633,550	9,885,660	22,747,890
Children's Safeguarding	19,158,820	530,940	18,627,880
Education, Culture & Skills	122,581,930	117,786,530	4,795,400
Co-operative Council	4,104,800	2,634,770	1,470,030
Council Wide Items	41,798,350	35,904,170	5,894,180
Netting off of Internal Recharges included above	(32,930,430)	(32,930,430)	0
Total	446,196,450	303,818,490	142,377,960

Analysis of Base Budget Position

2013/14
£'000

2012/13 Base Budget **124,864**

Add back one off impact of using balances in 2012/13 1,390

126,254

Impact of grant transfers 12,133

Base Pressures

Safeguarding Net Pressure/Cost Reductions	602
Re-instate cost of single status	-400
Impact of one off grant funding used in 12/13	305
Inflation	1,381
Pensions - Impact of auto enrolment	100
LABGI grant - benefit ceases	100
New Homes Bonus	-699
Additional New Homes Bonus	-286
Loss of WMS Dividend	262
Local Support for Council Tax Scheme	735
Funding earmarked from CTB £1.4m above to fund discretionary pymts	65
Council tax support subsidy deletion of net budget	82
Reduced Housing/Council Tax Benefit Admin Grant	110
Leakage on Savings	386
Continuing Health Care - net pressure	80
Additional NHS Contribution (Lansley Funds)	-371
Operational Properties - NNDR revaluations etc.	501
Procurement costs - recycling and waste	300
ICT - Additional Maintenance costs associated with systems	70
Revenues & Benefits - court fee shortfall	60
PIP Rental Shortfall	250
Planning Fee Income Shortfall	300
Building Control Fee Income shortfall	100
Home Improvement Service Surplus	-50
Winter Maintenance	150
Adult and Community Learning Skills	300
Adult Care Client Contributions shortfall	235
Cost of Capital Programme	129
Shropshire & Telford Joint Adoption Service	100
School Meals	300
Schools ICT	100
Other	290

Base Contingency used to fund ongoing pressures -1,596

2013/14 Base Budget **142,378**

Less Funding:

Council Tax Income (adjusted for CTS)	-48,532
Revenue Support Grant	-50,871
Top Up Payment from Central Government	-2,037
Retained Business Rates	-31,548
Parishes Council Tax Support Funding	516
Collection Fund	-300
Existing services eligible for Public Health Grant	-2,500

Base Funding Gap **7,106**

Appendix 10 - Analysis of Usable Balances at 1 April 2013

		Estimated balance at 1 April 2013 £m
Total Reserves and Balances		20.97
Less Commitments/Earmarked Funds:		
School Funds	Balances held on behalf of schools; therefore not available to the Council	5.54
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	0.71
Building Schools for the Future Funds	Procurement, capital and lifecycle costs which are fully committed to delivering the BSF programme	0.89
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.	2.74
Insurance Reserves	Required to cover policy excesses and other potential costs such as MMI liabilities and claims prior to 1998 (unitary)	1.85
Severance Fund	Funds set aside to meet one off severance costs associated with service redesign which delivers ongoing savings	1.04
Hadley PFI Sinking Fund	Based on funding model; fully committed equalisation fund	1.27
Environmental Fund	Committed to Environmental improvements	0.10
Invest to Save Fund	Available for ITS schemes which will deliver future savings	0.46
Capacity/Training Fund	Committed to initiatives to build capacity in the organisation	0.16
Other Corporate Items	For example, Collection Fund and WMS equalisation account	0.50
Specific Earmarked Service Balances	Residual balances held by services following a rigorous review of balances undertaken during 2012/13	1.65
Add:		
Uncommitted balance identified following risk assessment	An assessment of financial risks compared to balances was undertaken as part of the budget strategy.	0.01
Residual General Working Balances		3.67

Summary of Reserves & Balances Position

Telford & Wrekin Council Total Value of Reserves & Balances at 1 April 2013 £20.9m																																																	
Balances held with Specific Commitments £9.9m (47%) <table><tr><td>Capital Funding for BSF</td><td>£0.2m</td></tr><tr><td>School Funds</td><td>£4.4m</td></tr><tr><td>PFI Sinking Fund</td><td>£1.2m</td></tr><tr><td>Self Insurance Fund</td><td>£1.1m</td></tr><tr><td>Regulatory Funds (S 38)</td><td>£0.5m</td></tr><tr><td>Council Tax Collection Account</td><td>£0.5m</td></tr><tr><td>Early Retirement Fund</td><td>£1.0m</td></tr><tr><td>LPSA Reward Grant - LSP</td><td>£0.3m</td></tr><tr><td>Other</td><td>£0.7m</td></tr><tr><td>Total</td><td>£9.9m</td></tr></table>		Capital Funding for BSF	£0.2m	School Funds	£4.4m	PFI Sinking Fund	£1.2m	Self Insurance Fund	£1.1m	Regulatory Funds (S 38)	£0.5m	Council Tax Collection Account	£0.5m	Early Retirement Fund	£1.0m	LPSA Reward Grant - LSP	£0.3m	Other	£0.7m	Total	£9.9m	General Working Balances £3.7m (18%) <table><tr><td>General / Special Fund Balances</td><td>£2.0m</td></tr><tr><td>Other General Balances</td><td>£1.7m</td></tr><tr><td colspan="2"> </td></tr><tr><td>Total</td><td>£3.7m</td></tr></table>		General / Special Fund Balances	£2.0m	Other General Balances	£1.7m			Total	£3.7m	Balances held to mitigate Specific Risks (linked to the Strategic Risk Register) £5.7m (27%) <table><tr><td>Bad Debt Provision</td><td>£2.7m</td></tr><tr><td>Insurance Fund</td><td>£0.7m</td></tr><tr><td>Environmental Fund</td><td>£0.1m</td></tr><tr><td>Invest to Save Fund</td><td>£0.5m</td></tr><tr><td>Education Risk Areas</td><td>£1.5m</td></tr><tr><td>Capacity</td><td>£0.2m</td></tr><tr><td colspan="2"> </td></tr><tr><td>Total</td><td>£5.7m</td></tr></table>	Bad Debt Provision	£2.7m	Insurance Fund	£0.7m	Environmental Fund	£0.1m	Invest to Save Fund	£0.5m	Education Risk Areas	£1.5m	Capacity	£0.2m			Total	£5.7m	Specific Earmarked Service Balances £1.6m (8%) Specific balances retained by Service Areas following the detailed review undertaken during 2010/11; including elections equalisation account, social care reserves and connexions balances £1.6m Total£1.6m
Capital Funding for BSF	£0.2m																																																
School Funds	£4.4m																																																
PFI Sinking Fund	£1.2m																																																
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Capacity	£0.2m																																																
Total	£5.7m																																																
Estimated Usage in 2013/14 £3.3m		Estimated Usage in 2013/14 £0.0m		Estimated Usage in 2013/14 £1.0m																																													
Estimated Usage in Future Years £1.4m		Estimated Usage in Future Years £0.0m		Estimated Usage in Future Years £0.3m																																													
Estimated Balance at 1 April 2015 £5.2m		Estimated Balance at 1 April 2015 £3.7m		Estimated Balance at 1 April 2015 £4.4m																																													
Telford & Wrekin Council Total Value of Reserves & Balances at 1 April 2015 £13.7m																																																	

Schedule of Provisions, Reserves and Balances												
Assistant Director	Balance Sheet Structure	Description	Type	April 2012 Opening Actual Closing Balance 31/3/12	Estimated Change during 20012/13 (additions/withdrawals)	April 2013 Opening Estimated Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)	April 2014 Opening Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	April 2015 Opening Estimated Closing Balance 31/3/15	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
	General / Special Fund Balances											
Corporate	Reserves	General Reserve	2	(629,000.00)		(629,000.00)		(629,000.00)		(629,000.00)	Supplementary reserve	
Corporate	Special Fund Bals	Special Fund Balance	2	(360,444.61)		(360,444.61)		(360,444.61)		(360,444.61)	Working balance	
Corporate	General Fund Bals	General Fund Balance	2	(3,326,917.32)	1,640,000.00	(1,686,917.32)		(1,686,917.32)		(1,686,917.32)	General Fund Working Balance	Sufficient Forms part of minimum level of balances required; budgeted use in the Medium Term Financial Strategy
Corporate	Reserves	Budget Strategy Reserve	2	(823,976.60)		(823,976.60)		(823,976.60)		(823,976.60)	Available for budget strategy	
Corporate	Reserves	General Balances	2			0.00		0.00		0.00	General Balances	
Corporate	Reserves	LABGI	2	(103,099.00)	100,000.00	(3,099.00)		(3,099.00)		(3,099.00)	Local Authority Business Growth Incentive Grant	Committed to the budget strategy
Corporate	Reserves	Additional Contingency	2	(1,130,010.30)	1,100,000.00	(30,010.30)		(30,010.30)		(30,010.30)	One Off budget contingency for 12/13	
Corporate	Reserves	Additional Contingency	2	(2,145,000.00)	2,145,000.00	0.00		0.00		0.00	One Off contingency for 12/13	
Corporate	Fund Balances	Corporate	2	(122,001.66)		(122,001.66)		(122,001.66)		(122,001.66)	Available for budget strategy	
	Total General / Special Fund Balances			(8,640,449.49)	4,985,000.00	(3,655,449.49)	0.00	(3,655,449.49)	0.00	(3,655,449.49)		
	Specific Commitments not Available											
Corporate	Collection Fund	Council Tax Coll Fund Rev Acc	1	(802,810.25)	300,000.00	(502,810.25)	300,000.00	(202,810.25)	202,810.25	0.00	Collection fund surplus	T&W element of Collection fund balance; strategy for 12/13 uses £0.3m; use also in the strategy for subsequent 2 years.
Corporate	Reserves	Capital Funding Reserve for BSF	1	(245,425.68)		(245,425.68)		(245,425.68)		(245,425.68)	Fully committed for the capital programme	
Corporate	Reserves	LPSA - Reward Grant - Revenue	1	(59,149.07)	59,149.07	0.00		0.00		0.00	LPSA PRG - balance to be passed over to third party organisation per original agreement	Fully committed
Corporate	Reserves	Severance Fund	1	(2,040,095.96)	1,000,000.00	(1,040,095.96)	1,000,000.00	(40,095.96)		(40,095.96)	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	Severance Provision	1	(3,160,695.24)	3,160,695.24	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 12	Fully committed
Corporate	Reserves	Insurance - Self Insurance Fund	1	(1,182,308.08)	100,000.00	(1,082,308.08)		(1,082,308.08)		(1,082,308.08)	Self insurance fund to cover insurance excesses - established in 2008/09 following decision to increase excesses.	Regularly reviewed - requirement depends on claims.
Corporate	Reserves	WMS Equalisation Reserve	1	(166,109.00)	166,109.00	0.00		0.00		0.00	Residual WMS dividend committed in 12/13	
Cooperative	Reserves	LPSA Reward Grant LSP element - revenue	1	(343,726.59)	113,782.30	(229,944.29)	36,300.00	(193,644.29)	36,300.00	(157,344.29)	Committed to fund Community Engagement Team	
Corporate	Reserves	LPSA Reward Grant LSP element - capital	1	(54,732.24)		(54,732.24)		(54,732.24)		(54,732.24)	Not required for original purpose - will fund capital spend currently funded by revenue therefore releasing a saving in 12/13	
Education & Skills	School Bals	School Balances	1	(6,984,403.06)	2,100,000.00	(4,884,403.06)	1,600,000.00	(3,284,403.06)	1,000,000.00	(2,284,403.06)	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.)	This is partly offset by the LEA's borrowing from these balances.
Education & Skills	School Bals	LEA - loan from school balances	1	600,052.00	(55,090.00)	544,962.00	(55,090.00)	489,872.00	55,090.00	544,962.00	Overdrawn balance-loan from School balances	Repayment arrangement in place-should accelerate if funding allows to reduce risk of exposure should schools call more heavily on balances.
Education & Skills	Reserves	Schools' Supply Insurance Fund	1	(415.69)	415.69	0.00	0.00	0.00	0.00	0.00	Self Insurance Fund for supply teacher cover in Schools including maternity pay.	LA administered insurance fund to limit the additional costs incurred by schools resulting from contracted staff absence due to sickness. The premiums have been reviewed for the period 2011/12 to enable the fund to become self- financing. This is a fund constantly reviewed to ensure premiums are appropriate for the level of cover and claim

Schedule of Provisions, Reserves and Balances												
Assistant Director	Balance Sheet Structure	Description	Type	April 2012 Opening Actual Closing Balance 31/3/12	Estimated Change during 20012/13 (additions/withdrawals)	April 2013 Opening Estimated Closing Balance 31/3/13	Estimated Change during 20013/14 (additions/withdrawals)	April 2014 Opening Estimated Closing Balance 31/3/14	Estimated Change during 20014/15 (additions/withdrawals)	April 2015 Opening Estimated Closing Balance 31/3/15	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
Education & Skills	Reserves	Theft & Vandalism Fund	1	(19,754.40)	5,000.00	(14,754.40)	5,000.00	(9,754.40)	4,754.40	(5,000.00)	Self Insurance fund to cover schools costs re theft and vandalism - would expect to hold small variance	
Education & Skills	Reserves	Schools Workforce	1	(65,827.14)	65,827.14	0.00	0.00	0.00	0.00	0.00	Balance used to support school workforce and ongoing provision of supply agency-budgeted commitment	
Education & Skills	Reserves	Other Schools Balances	1	(140,699.37)	40,000.00	(100,699.37)	40,000.00	(60,699.37)	40,000.00	(20,699.37)	Balances held by schools for specific projects - not available for general fund use.	Balance held on behalf of schools.
Family & Cohesion	Reserves	Youth Offending	1	(139,924.96)	50,000.00	(89,924.96)	89,924.96	0.00	0.00	0.00	T&W share of Partnership reserve for YOS - this will be required initially for new Trust arrangements - part of current discussions and agreement.	
Safeguarding		Local Safeguarding Board		(60,486.26)	25,000.00	(35,486.26)	20,000.00	(15,486.26)	5,000.00	(10,486.26)	T&W Share of Partnership reserve to support the work of the Local Safeguarding Board	
Education & Skills	Reserves	SDG Balances	1	(149,898.39)	100,000.00	(49,898.39)	20,000.00	(29,898.39)	20,000.00	(9,898.39)	School Development Group Fund - monies used to support development of Learning Communities by schools	Balance held on behalf of schools.
Education & Skills	Reserves	Burton Borough Cnty Use	1	(48,529.35)	10,000.00	(38,529.35)	10,000.00	(28,529.35)	10,000.00	(18,529.35)	Monies derived from schools operation of their own community use facilities (provision funded by school)	Balance held on behalf of schools.
Family & Cohesion	Specified	Early Years	1	(88,043.86)	55,000.00	(33,043.86)	25,000.00	(8,043.86)	8,043.86	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	1	(560,852.64)	450,000.00	(110,852.64)	110,852.64	0.00		0.00	combination of 3 items - 251k committed for Adults and Children's Service Review ICT Transformation , 231k 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. £54 k for Schools Sports Partnership - Phoenix School	
Finance, Audit & IG	Reserves	Match Funding Provision	1	(159,583.24)	50,000.00	(109,583.24)	50,000.00	(59,583.24)	50,000.00	(9,583.24)	Government grant - committed for match funding	
Neigh. & Leisure	Reserves	Arthog Trading Provision	1	(196,033.75)	96,033.75	(100,000.00)		(100,000.00)		(100,000.00)	Working balance for trading operation	Trading balance
Neigh. & Leisure	Reserves	Section 38 Income	1	(649,457.85)	200,000.00	(449,457.85)		(449,457.85)		(449,457.85)	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.
Dvpt. Bus & Hsg	Reserves	Hadley PFI Sinking Fund	1	(1,273,435.24)		(1,273,435.24)		(1,273,435.24)		(1,273,435.24)	Equalisation account relating to Hadley PFI	Based on the funding model - fully committed
Dvpt. Bus & Hsg	Specified	TE Energy Advice Centre Balances	1	(22,137.08)	22,137.08	0.00		0.00		0.00	Specific funding to support regional costs of energy advice service including staffing and accommodation	Committed in 12/13
	Total Specific Commitments			(18,014,482.39)	8,114,059.27	(9,900,423.12)	3,251,987.60	(6,648,435.52)	1,431,998.51	(5,216,437.01)		
	Specific Earmarked Balances Identified as Risks											
Corporate	Debtors	Bad Debt Provision	3	(2,742,941.28)		(2,742,941.28)		(2,742,941.28)		(2,742,941.28)	To cover bad debts	Level based on formula
Neigh. & Leisure	Reserves	Corporate Environmental Fund	3	(400,000.00)	300,000.00	(100,000.00)	100,000.00	0.00		0.00	Committed to Environmental works	
Corporate	Reserves	Invest to Save Account Balance - catering system approval	3	(1,111,853.72)	656,000.00	(455,853.72)	416,853.72	(39,000.00)	39,000.00	0.00	Committed to ITS schemes which will generated future savings	
Corporate	Reserves	Corporate Capacity & Training Fund	3	(330,000.00)	174,000.00	(156,000.00)	156,000.00	0.00		0.00	Various initiatives to build capacity. Spend agreed by cabinet on 11.07.12.	
Corporate	Reserves	Insurance Funds	3	(513,893.16)		(513,893.16)		(513,893.16)		(513,893.16)	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	3	(250,378.05)		(250,378.05)		(250,378.05)		(250,378.05)	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.

Schedule of Provisions, Reserves and Balances

Assistant Director	Balance Sheet Structure	Description	Type	April 2012 Opening	April 2013 Opening		April 2014 Opening		April 2015 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
				Actual Closing Balance 31/3/12	Estimated Change during 20012/13 (additions/withdrawals)	Estimated 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		
Education & Skills	Reserves	Stop Loss Provision	31	(1,058,143.44)	150,000.00	(908,143.44)	150,000.00	(758,143.44)	150,000.00	(608,143.44)	Stop Loss Insurance - Self insurance to cover fire policy excesses on school buildings and other adhoc costs including lead roof theft and flooding - payments already made in 12/13	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		(322,353.20)		(322,353.20)		(322,353.20)		(322,353.20)	The reserve reflects the Council's agreed approach to delivering FM & Lifecycle at secondary schools in line with EFA specifications - this will be reviewed during 12/13 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	31	(513,864.82)	190,000.00	(323,864.82)	190,000.00	(133,864.82)	133,864.82	0.00	Reserve set aside for procurement costs associated with BSF	
Total Specific Earmarked Balances Identified as Risks				(7,243,427.67)	1,470,000.00	(5,773,427.67)	1,012,853.72	(4,760,573.95)	322,864.82	(4,437,709.13)		
Specific Earmarked Service Balances												
Law, Democ & PP	Reserves	Elections Equalisation Provision	4	(34,656.61)	(50,000.00)	(84,656.61)	(50,000.00)	(134,656.61)	134,656.61	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	4	(239,674.51)	71,000.00	(168,674.51)	159,000.00	(9,674.51)	9,674.51	0.00	Required to fund single status project work (including legal and consultancy costs) and preparation for implementation	
Education & Skills	Fund Balances	E&T Balance Cwfd	4	(4,213.89)	4,213.89	0.00	0.00	0.00	0.00	0.00		To cover possible deficits of schools which close in the future.
Education & Skills	Reserves	Balance Control Mechanism / Residual balances from closed schools	4	(141,968.97)	50,000.00	(91,968.97)	50,000.00	(41,968.97)	41,968.97	0.00	Balances clawed back from schools through the balance control mechanism plus residual balances from closed schools	
Care & Support	Reserves	Health Watch	4	(5,000.00)	5,000.00	0.00	0.00	0.00	0.00	0.00	Specific funding for transition to health watch	
Safeguarding	Reserves	Connexions Balance	4	(13,381.64)	13,381.64	0.00	0.00	0.00	0.00	0.00	Committed for the CATE project used to support costs in 12/13	
Safeguarding	Specified	CYP Plan Priorities	4	(90,000.00)	90,000.00	0.00	0.00	0.00	0.00	0.00	Identified as offset to current Safeguarding position including CATE project	
Family & Cohesion	Reserves	Joint Commissioning Balance	4	(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	4	(114,918.62)	114,918.62	0.00	0.00	0.00	0.00	0.00	Combination of two reserves - this money will be required to fund impact of delay in restructure in Cohesion agreed to enable all appropriate candidates to be considered. In addition some one off funding required for offset of lost grants and income within 12/13 position.	
Family & Cohesion	Reserves	SIS - One vision	4	(26,634.06)	26,634.06	0.00	0.00	0.00	0.00	0.00	Given by One Vision Charity to support children with vision impairment - committed	
Family & Cohesion	Reserves	Youth Projects Support	4	(214,941.42)	100,000.00	(114,941.42)	75,000.00	(39,941.42)	25,000.00	(14,941.42)	Balance fluctuates - to fund external projects	
Family & Cohesion	Reserves	Stafford Park Pooled Fund	4	(61,786.96)	20,000.00	(41,786.96)	20,000.00	(21,786.96)	21,786.96	0.00	Pooled budget arrangement with PCT - our proportion reflected here.	
Family & Cohesion	Reserves - from creditors	Education Welfare Balance	4	(32,449.52)	24,449.52	(8,000.00)	4,000.00	(4,000.00)	4,000.00	0.00	Income from fixed penalty notices re Truancy etc - held to fund training and resources costs associated with this process.	Funds committed to specific posts - reflects 4 for 3 years
Education & Skills	Reserves	SMDS Reserve	4	(31,772.61)	31,772.61	0.00	0.00	0.00	0.00	0.00	Committed in 12/13 to offset trading income target in first full year of full trading	
Care & Support	Reserves	Personalisation Reserve	4	(310,231.18)	155,000.00	(155,231.18)	155,231.18	0.00	0.00	0.00	To fund emergency respite contracts and tender work	
Care & Support	Reserves	Enablement	4	(49,756.34)	49,756.34	0.00	0.00	0.00	0.00	0.00	Committed to ICT Transformation work - Adult and Children's Project	
Care & Support	Reserves	Trainee Social Worker Reserve	4	(247,586.84)	111,663.64	(135,923.20)	111,664.78	(24,258.42)	24,258.42	0.00	To support a bursary scheme for trainee social workers	Funds committed to specific posts - reflects 4 for 3 years
Care & Support	Reserves	Access &Social Inclusion Pump Priming Fund	4	(21,036.36)	21,036.36	0.00	0.00	0.00	0.00	0.00	will be spent - already in receipt of invoices for this amount.	

Schedule of Provisions, Reserves and Balances												
Assistant Director	Balance Sheet Structure	Description	Type	April 2012 Opening	April 2013 Opening		April 2014 Opening		April 2015 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
				Actual Closing Balance 31/3/12	Estimated Change during 20012/13 (additions/withdrawals)	Estimated 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		
Care & Support	Reserves	Supporting People Reserve	4	(52,341.64)	52,341.64	0.00		0.00		0.00	To support Extra Care schemes at Parkwood and Lightmoor	Will be required over the next 3 years to support various initiatives not covered in the base budget.
Care & Support	Reserves	Provision for Care Costs	4	(488,000.00)	488,000.00	0.00		0.00		0.00	Funding for reablement work - part of the overall transformation strategy and required to match fund PCT contribution	
Care & Support	Reserves	PCT monies	4	(290,735.47)	290,735.47	0.00		0.00		0.00	PCT Projects - monies paid to Council by PCT.	
Law, Democ & PP	Reserves	Civil Resilience	4	(19,127.00)	18,730.00	(397.00)		(397.00)		(397.00)	To purchase a new generator	
Law, Democ & PP	Reserves	Legal Reserve	4	(50,135.83)		(50,135.83)		(50,135.83)		(50,135.83)	£34k grant received for personal search fees potential liability; balance for standards investigations	Fully committed
Customer & People	Reserves	R&B General Staffing	4	(254,872.21)	204,100.00	(50,772.21)	50,772.21	0.00		0.00	To support additional staffing costs to meet Pis.	
Customer & People	Reserves	Register Office	4	(6,303.50)	6,303.50	0.00		0.00		0.00	To implement a scanning system in 2011/12. Final payments due in 2012/13.	
Neigh. & Leisure	Reserves	Leisure Sponsorship Fund	4	(39,725.06)		(39,725.06)		(39,725.06)		(39,725.06)	Sponsorship income	Third party income, so cannot be released
Customer & People	Reserves	Galaxy Software Upgrade	4	(17,273.21)	17,273.21	0.00		0.00		0.00	System implemented - awaiting charges from ICT. Balance will also fund Self Service	
Dvpt. Bus & Hsg	Reserves	Inward Investment & Marketing	4	(43,030.16)	0.00	(43,030.16)	43,030.16	0.00		0.00	To meet outstanding liabilities from Transforming Telford	This is dependent upon the timing of the wind up of TT, which is likely to be delayed until 13/14 financial year.
Education & Skills	Reserves	Student Awards	4	(18,274.34)	18,274.34	0.00		0.00		0.00	To offset shortfall of grant in Education Business Partnership	
Neigh. & Leisure	Reserves	Wheels to Work	4	(90,271.68)	90,271.68	0.00		0.00		0.00	Committed to fund costs associated with the scheme	Not aware of any commitments against this reserve
Neigh. & Leisure	Reserves	Granville House Improvements	4	(89,743.93)	40,000.00	(49,743.93)	49,743.93	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.
Neigh. & Leisure	Reserves	Area Based Grants	4	(143,262.70)	143,262.70	0.00		0.00		0.00		Not aware of any commitments against this reserve
Customer & People	Fund Balances	Education Catering provision	4	(136,007.93)	136,007.93	0.00		0.00		0.00	Trading Balance - will be committed to meeting the costs of school catering management	Committed in 12/13 for cashless
Dvpt. Bus & Hsg	Reserves	Feasibility, implementation and pump priming for property and land use	4	(200,000.00)	200,000.00	0.00		0.00		0.00		Committed in 12/13
Dvpt. Bus & Hsg	Reserves	Railfreight terminal - interim arrangements April - July 2012	4	(50,000.00)	50,000.00	0.00		0.00		0.00		Committed in 12/13
Dvpt. Bus & Hsg	Reserves	Development of the planning system	4	(100,000.00)	100,000.00	0.00		0.00		0.00		Committed in 12/12
Dvpt. Bus & Hsg	Reserves	R&M Leasehold properties	4	(52,421.03)	52,421.03	0.00		0.00		0.00	Repairs and Maintenance on Leasehold properties to improve standards (Telford Housing Company and Homeswap scheme)	Committed in 12/13
Dvpt. Bus & Hsg	Reserves	Home Improvement Agency	4	(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 12/13
Dvpt. Bus & Hsg	Reserves	Provision for Planning Fees	4	(2,676.64)	2,676.64	0.00		0.00		0.00		Committed in 12/13
Family & Cohesion	Reserves	Preventing Repossessions	4	(74,463.00)		(74,463.00)		(74,463.00)		(74,463.00)		
Dvpt. Bus & Hsg	Reserves	Local Plan Enquiry	4	(50,000.00)	50,000.00	0.00		0.00		0.00	support for costs of development, waste, minerals and other plans as part of the LDF process	Committed to the public inquiry process.
Neigh. & Leisure	Fund Bal	Landfill Allowance Trading Scheme	4	1,626.50	(1,626.50)	0.00		0.00		0.00	Will be used in 11/12	
Neigh. & Leisure	Reserves	Waste procurement project	4	(270,000.00)	270,000.00	0.00		0.00		0.00	R9408 EWAQ - already drawn down	
Neigh. & Leisure	Reserves	Transport - routing and scheduling	4	(123,000.00)	123,000.00	0.00		0.00		0.00	R9408 ETAM - already drawn down	
Neigh. & Leisure	Reserves	Smart Card ticket machines	4	(65,000.00)	65,000.00	0.00		0.00		0.00	R9408 ETAA - already drawn down	
Neigh. & Leisure	Reserves	Car Parking Enforcement	4	(60,000.00)	30,000.00	(30,000.00)	30,000.00	0.00		0.00		Intention still to introduce parking enforcement
Neigh. & Leisure	Reserves	S 143 Highways Appeals Reserve	4	(45,860.00)	45,860.00	0.00		0.00		0.00	Commitments in 11/12 - costs of dealing with enforcement of a Highways Planning Order.	Hold for Kynnersley Barn appeal
Finance, Audit & IG	Reserves	New Technology	4	(140,009.92)	70,009.92	(70,000.00)	70,000.00	0.00		0.00	Committed to Financial Management system	
Customer & People	Reserves	PCT contribution to health hub	4	(75,000.00)	75,000.00	0.00		0.00		0.00	PCT contribution For Health Hub	
Cooperative	Reserve	Employability Project Reserve	4	(10,000.00)	10,000.00	0.00		0.00		0.00		

Schedule of Provisions, Reserves and Balances

Assistant Director	Balance Sheet Structure	Description	Type	April 2012 Opening		April 2013 Opening		April 2014 Opening		April 2015 Opening		Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
				Actual Closing Balance 31/3/12	Estimated Change during 20012/13 (additions/withdrawals)	Estimated 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			
Customer & People	Creditor	Organisational Improvement Fund	4	(491,421.19)	350,421.19	(141,000.00)	141,000.00	0.00		0.00	To fund Organisational Improvement Programme; £210k non committed at present	Requirement will be monitored through 12/13	
Cooperative	Reserves	Cooperative Council Initiatives	4	(14,553.15)	14,553.15	0.00		0.00		0.00	To support Co-Operative Council initiatives/schemes		
Cooperative	Reserves	Telford & Ironbridge Festival	4	0.00	(50,000.00)	(50,000.00)		(50,000.00)		(50,000.00)	Set up at year end by Richard Partington. Being managed by Katherine Kynaston		
Customer & People	Reserves	Mystery Shopper	4	(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	Self Service Facility at Madeley	4	(15,000.00)	15,000.00	0.00		0.00		0.00	Funding for the implementation of the self-service facility at Madeley/Oakengates and Stirchley in 2012/13.		
Finance, Audit & IG	Reserves	Finance capacity reserve	4	(70,000.00)		(70,000.00)	18,000.00	(52,000.00)		(52,000.00)			
Neigh. & Leisure	Reserves	Leisure	4	(88,000.00)		(88,000.00)		(88,000.00)		(88,000.00)	Provision for any income shortfall at TIR arising from the refurbishment.		
Customer & People	Reserves	Equality & Diversity - NEETS	4	(24,000.00)	24,000.00	0.00		0.00		0.00	No commitments for equality, however Angie has made a request to use this to cover R&B staffing - not agreed		
Law, Democ & PP	Reserves	Member Services Equipment Reserve	4	(20,618.00)	20,618.00	0.00		0.00		0.00	To provide replacement PC's for members		
Education & Skills	Reserves	T&W Leadership Conference	4	(5,855.97)		(5,855.97)		(5,855.97)	0.00	(5,855.97)	Used to offset costs of the schools annual Leadership conference		
Family & Cohesion	Reserves	J/A Special Support Services	4	(3,967.00)	3,967.00	0.00	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.		
Family & Cohesion	Reserves	Clusters	4	(125,263.53)	96,000.00	(29,263.53)	25,000.00	(4,263.53)	4,263.53	0.00	£56k built in revenue budget as funding in 12/13 for continuation of Relateen work - further Early Intervention projects/ strategies to be funded		
Neigh. & Leisure	Reserves	Tennis Centre Sinking Fund	4	(13,022.02)		(13,022.02)		(13,022.02)		(13,022.02)		Committed	
Dvpt. Bus & Hsg	Reserves	Procurement Advice Reserve	4	(23,561.00)	23,561.00	0.00		0.00		0.00			
Family & Cohesion	Reserves	Young Persons Substance Misuse	4	(74,891.17)	45,000.00	(29,891.17)	25,000.00	(4,891.17)	4,891.17	0.00	Planned use to offset loss of Drugs funding		
Family & Cohesion	Reserves	Community Safety Fund	4	(57,245.10)	57,245.10	0.00		0.00	0.00	0.00	Funding used for projects agreed by the Community Safety Board		
Corporate	Reserves/Specified	Capacity Building/Organisational Development	3	(422,671.25)	422,671.25	0.00		0.00		0.00	To recognise capacity issues within the organisation/ in addition to capacity fund	available for intended use/no known commitments	
Total Specific Earmarked Service Balances				(6,181,954.09)	4,545,471.36	(1,636,482.73)	977,442.26	(659,040.47)	270,500.17	(388,540.30)			
	Overall Total			(40,080,313.64)	19,114,530.63	(20,965,783.01)	5,242,283.58	(15,723,499.43)	2,025,363.50	(13,698,135.93)			
						(20,965,783.01)		(15,723,499.43)		(13,698,135.93)			
						0.00		(0.00)		(0.00)			

Provisions, Reserves and Balances / Major Risk Areas

Summary of Reserves and Balances		£
Total Projected Reserves and Balances at 1 April 2015		13,698,136
Less specific Commitments not available		-5,216,437
Less specific Earmarked Service Balances identified		-388,540
Less Net Financial Impact of Risks identified- see below		-4,052,941
Less Surplus Balances within the Education ring-fence		-370,497
Balance available for Medium Term Financial Strategy		3,669,720
General/Special Fund Balances		-3,655,449
Specific Earmarked Balances (after risks deducted)		-14,271
Balance Available for Strategy		-3,669,720

H	1.00
L	0.10
L/M	0.20
M	0.50
M/H	0.75

0

	1 April 2012	Estimated Use 2012/2013	1 April 2013	Estimated Use 2013/14	1 April 2014	Estimated Use 2014/15	1 April 2015
Total Reserves and Balances	-40,080,313.64	19,114,530.63	-20,965,783.01	5,242,283.58	-15,723,499.43	2,025,363.50	-13,698,135.93
Less Specific Commitments / External Funds	-18,014,482.39	8,114,059.27	-9,900,423.12	3,251,987.60	-6,648,435.52	1,431,998.51	-5,216,437.01
Balance Remaining	-22,065,831.25	11,000,471.36	-11,065,359.89	1,990,295.98	-9,075,063.91	593,364.99	-8,481,698.92

Major Risk Areas

Area of Risk	Description	Link to Key Strategic Risks	Estimated Exposure	Risk Level - H, M, L	FACTOR	Mitigation	Financial Impact of Mitigation	Net Exposure
			£				£	£
Winter Maintenance/Flooding	Based on previous years costs of gritting key principle routes and bus routes and incidence of flooding. Risk of not being able to react to adverse weather conditions	1	200,000	M/H	0.75	Additional funds included in base budget in 13/14; budget contingency	-150,000	0
Hosting Contract	If de-minimus on highways work not reached T&W in danger of losing discount included in the contract. As LTP reduces the risk is higher.	1	50,000	L	0.10	capital programme	-5,000	0
Waste Contract	Risk that procurement process is delayed/new contract is not implemented on time	1	800,000	M	0.50	One off funds included in 14/15 budget as contingency for any delays	-400,000	0
ERDF Project - possibly railfreight and AWM grant - outputs not being met	Risk of clawback on Council-led elements of the project; risk on £22m grant @ 10% = £2.2m.	1	2,200,000	L	0.10	Investment in programme management team carrying out rigorous control/review; use of prudential borrowing to fund and meet cost of servicing from revenue contingency, maximum exposure £40 k p.a.	-220,000	0
Insurance Stop Loss (Education)	Education insurance excess £0.250m. Per incident, risk of more than one major fire plus theft and vandalism	1	500,000	H	1.00			500,000
Loan from School Balances	Risk of loan being recalled sooner than budgeted repayment	1	600,000	L	0.10	is low the correct risk level with schools transferring to academies?		60,000
Building Schools for the Future	Risk of not being able to deliver all elements of the Building Schools for the Future Programme	1, 5	4,000,000	L/M	0.20	BSF programme under continual review and close monitoring is undertaken to manage spend within resources available	-800,000	0
Emergency Planning/ Health & Safety	Risk of a major disaster/health and safety incident occurring and having to meet immediate costs of incidents such as major flooding, land stability and other emergencies	1, 5, 6	2,000,000	L/M	0.20	Capital programme resources, land stability investment in the Gorge plus contingency	-400,000	0
Children in Care / Safeguarding	highly volatile area of care provision; risk based on historic information and costs (2012/13 monitoring shows a projected overspend on £2.6m).	1, 2, 3, 5	2,600,000	M/H	0.75	Revenue budget increased in 2013/14 .Action plan in place focussing on Early Intervention ; use of revenue budget contingency	-1,950,000	0

Bad Debts provision		1	2,742,941	H	1.00	based on formulae		2,742,941
Area of Risk	Description	Link to Key Strategic Risks	Estimated Exposure £	Risk Level - H, M, L	FACTOR	Mitigation	Financial Impact of Mitigation £	Net Exposure £
Treasury Management	Risk of volatile interest rates; £47m investment at 1% and £113m borrowing	1, 6	1,600,000	M/H	0.75	strategy to reduce borrowing by using maturing investments; general fund balances and contingency; monitoring credit ratings and counterparty exposure; govt. backing for key banks; advice from Treasury Advisors; current economic climate of flat interest rates	-1,200,000	0
Buildings	Immediate response needed to urgent repairs and maintenance issues in council owned buildings and major equipment	1, 7	300,000	M	0.50	comprehensive rolling programme of maintenance to tackle back-log; in line with AMP and capital programme; rationalisation of office accommodation	-150,000	0
Income	Failure of major facility due to investment needs, leading to closure and loss of income - risk of not meeting income targets in year, including PIP income, Leisure income, Car Parking, Markets - based on 1% variance from budget	1, 4, 5, 6, 8	1,100,000	H	1.00	Close monitoring giving early indication of issues and corresponding action plans to address/switch budget. This together with the AMP investment programme, use of service balances and the corporate contingency would act as mitigation.	-1,100,000	0
Insurance	Self Insurance Fund to meet potential costs arising from: increased premiums, public liability excesses, environmental warranties, property excesses, any residual costs relating to pre SCC disaggregation; MMI liability	1	1,000,000	M/H	0.75	Insurance policies and provisions for any residual financial exposure		750,000
Data Security	Abuse of sensitive data/breaking confidentiality / failure to manage public information / IT information security and confidentiality	1, 3, 6, 7	100,000	M	0.50	Corporate Contingency	-50,000	0
Partnership Working	Deterioration in partnership working impacts on the Council's ability to delivery outcomes	5		L	0.10	Working through LSP and cooperative council approach		0
Business Continuity/Systems Failure/Supplier Issues/Partner issues	Failure to have in place a robust corporate business continuity plan and related operational procedures. Including major systems failure damaging the ability to provide essential duties and the risk of a major supplier defaulting on a contract and failing to perform.	1, 3, 6, 7	1,000,000	L/M	0.20	Corporate Business Continuity Plan; new infrastructure and use of corporate contingency together with the capital programme	-200,000	0
Potential Litigation	Risk of litigation with financial consequences	1, 8	200,000	M	0.50	Effective inhouse/external legal advisors; negotiation; contingency	-100,000	0
Insufficient resources	Insufficient capacity to deal with increased workloads and significant public sector funding cuts - this is an overarching risk addressed by the Service & Financial Planning Strategy	1		M	0.50	Budget contingency available; continuous review of capital programme; service review programme; close monitoring of specific and other grant funding		0
Social Care (Adults & Childrens)	Death or serious harm of a vulnerable child or vulnerable adult (breach of duty of care)	2		L	0.10	Effective management controls and insurance policies and provision and service prioritising process for budget pressures.		0
Total Identified Risks			20,992,941					4,052,941
Balance Remaining after setting aside for Risks								-4,428,758
Less Specific Earmarked balances								388,540
Less residual balances within the Education Ring fence								370,497
Balance Remaining for Medium Term Budget								-3,669,720

TELFORD & WREKIN COUNCIL

Pay Policy Statement – 2013/14

1. Introduction and Purpose

- 1.1 Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘Statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.
- 1.2 The purpose of this Statement is to provide transparency about the Council’s approach to setting the pay of its employees (excluding those working in local authority schools and/or employed under the School Teachers’ Pay and Conditions Document) by identifying:
 - the methods by which salaries of all employees are determined;
 - the detail and level of remuneration of its most senior staff i.e. ‘chief officers’, as defined by the relevant legislation
 - the Board responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.
- 1.3 Once approved by the Council, this policy statement will come into immediate effect and will be subject to review.

2. Legislative Framework

- 2.1 In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. With regard to the equal pay requirements contained within the Equality Act, the Council is taking steps to ensure there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality-proofed job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

3. Pay Structure

- 3.1 Based on the application of the job evaluation process, the Council uses the nationally negotiated pay spine (further details can be found at www.lge.gov.uk - [Local government pay and conditions](#)) as the basis for its local grading structure. This determines the salaries of the large majority of the non school-based workforce, together with the use of other nationally-defined rates where relevant. There have been no increases in the national pay spine since April 2009.

- 3.2 The Council adheres to national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated in the pay spine.
- 3.3 All other pay-related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
- 3.4 New appointments will normally be made at the minimum of the relevant grade, although this can be varied in exceptional circumstances, but having regard to the need for equal pay. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

4. Senior Management Remuneration

- 4.1 For the purposes of this statement, senior management means 'chief officers' as defined within S.43 of the Localism Act. The posts falling within the statutory definition are set out below, with details of their basic salary as at 1st April 2013:
- a) Managing Director
The salary of the post is £137,000 per annum. The salary is a single 'spot' salary. There is no incremental range.
 - b) Directors
The salaries of the posts designated as Directors are £109,600 per annum. The salaries are single 'spot' salaries and have no incremental range.
 - c) Assistant Directors
The salaries of the posts designated as Assistant Directors have six incremental points ranging from £74,220 to £82,304 per annum. Incremental progression will take place on 1st April each year

5. Recruitment of Chief Officers

- 5.1 The Council's policy and procedures with regard to recruitment of chief officers is set out within the Officer Employment Procedure Rules as set out in Part 4, Section 8 of the Constitution. When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Recruitment and Redeployment Policies. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies. At this time there are no market forces supplements paid to any Chief Officers.
- 5.2 Where the Council remains unable to recruit chief officers under a contract of employment, or there is a need for interim support to provide cover for a vacant substantive chief officer post, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. The Council does not currently have any chief officers engaged under such arrangements.

6. Additions to Salary of Chief Officers

- 6.1 The Council does not apply any bonuses or performance-related pay to its chief officers.
- 6.2 In addition to the basic salary set out above, details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfillment of duties are as follows:

Post / Tier of Post	Payment Details:
Managing Director	Details of Returning Officer Fees are attached at Appendix A
Managing Director, Directors and Assistant Directors	Casual Car User Mileage Rates are attached at Appendix B
Managing Director, Directors and Assistant Directors	Personal protection of pay within defined parameters will apply where an individual is downgraded as a result of a re-structuring process for a period of up to 5 years.

7. Payments on Termination

- 7.1 The Council's approach to statutory and discretionary payments on termination of employment of chief officers, prior to reaching normal retirement age, is set out within its policy statement in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.
- 7.2 Any other payments falling outside the provisions or the relevant periods of contractual notice shall, in respect of the Managing Director, Directors and Statutory Officers, be subject to a decision made by the Personnel Board which has otherwise delegated authority to approve such payments to other Chief Officers to the Managing Director.
- 7.3 The Council's policy is not to re-employ, for a period of at least 12 months after their employment with Telford & Wrekin Council ends, anyone who has been made redundant or who has left the Council in the interest of the efficiency of service where a severance payment has been made in accordance with the Council's policy under the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 or under Regulation 30 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, as amended. The re-engagement of an individual on a consultancy, agency or private service provider basis is also prohibited in circumstances where this arrangement could have reasonably been foreseen at the time the individual left.
- 7.4 Flexible retirement under Regulation 18 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, as amended, will be permitted only where savings to fund the cost of such release are achieved.

8. Publication

- 8.1 Upon approval by the full Council, this statement will be published on the Council's Website. In addition, for members of the Council's Senior Management Team where the full time equivalent salary is at least £50,000, the Council's Annual Statement of Accounts will include a note setting out the total amount of:
- salary, fees or allowances paid to or receivable in the current and previous year;
 - any bonuses so paid or receivable in the current and previous year (nb the Council does not operate a bonus system);
 - any sums payable by way of expenses allowance that are chargeable to UK income tax;
 - any compensation for loss of employment and any other payments connected with termination;

- any benefits received that do not fall within the above
- 8.2 This information will be listed individually by job title where the salary is £50,000 or more. Persons whose salary is £150,000 or more will be identified by name.

9. Lowest Paid Employees

- 9.1 The lowest paid persons employed under a contract of employment with the Council are employed on full-time (37 hour per week) equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. As at 1st April 2013, this is £12,312 per annum. The Council employs Apprentices who are not included within the definition of 'lowest paid employees' as they are employed under a Training Contract
- 9.2 The statutory guidance under the Localism Act 2011 recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation.
- 9.3 The pay levels within the Council as at 1st April 2013 define the multiple between the lowest paid (full time equivalent) employee and the Managing Director as 1:11 and; between the lowest paid employee and average Chief Officer as 1:7. The Council's pay multiples therefore fall well below Lord Hutton's public sector threshold set out in 9.2.
- 9.4 As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information as appropriate.

10. Accountability and Decision Making

- 10.1 In accordance with the Constitution of the Council, the Personnel Board is responsible for decision-making in relation to the recruitment, pay, terms and conditions and severance arrangements for employees of the Council.

Statement to be agreed by full Council Meeting held on 7th March 2013

APPENDIX A**LOCAL GOVERNMENT ACT 1972****Unitary Council – Electoral Fees**

Scale of Fees and Disbursements for Elections with effect from 1st April 2009.

PART A – RETURNING OFFICER’S FEES

Fee for conducting the election and generally performing the duties required by an enactment relating to the election or poll and including all expenses other than those specifically mentioned in Part ‘C’ below.

		£
1.	<u>Uncontested Elections</u> For each ward	134.00
2.	<u>Contested Elections</u> For each ward	234.00
3.	<u>Declaration of Results</u> To the Deputy Returning Officer in charge of counting the votes and declaring the result (or where this function is performed by the Returning Officer personally, to the Returning Officer) For each ward	99.00

Parish Councils – Electoral Fees

Scale of Fees and Disbursements for Parish Council Elections and Polls with effect from 1 April 2009. Fees for Parish Elections are paid by Parish Councils.

PART A – RETURNING OFFICER’S FEES

		£
1.	<u>Uncontested Parish Elections</u> (i) For each parish or where the parish is divided into wards, for each ward	50.00
2.	<u>Contested Parish Elections</u> (i) For each parish or where the parish is divided into wards, for each ward	100.00
3.	<u>Polls Consequent on a Parish Meeting</u> (i) Where official notice of a poll has been received but no poll is taken in consequence of the withdrawal of a	23.00

	candidate or otherwise	
	(ii) For every poll taken for the election of the chairman of a parish meeting or for an appointment to any other office	54.00
	(iii) For every poll taken consequent on a parish meeting on any question other than as mentioned in paragraph 3(ii)	54.00
	(iv) In the case of a poll to which either paragraph 3(ii) or (iii) applies, for each additional polling station after the first	11.00
	Notes: 1. If a poll is taken on the same date in any parish on more than one question then only one fee shall be charged under paragraph 3(iii) 2. If polls are taken on the same day in any parish for the election or appointment of persons to more than one office, then separate fees shall be payable under paragraph 3(ii) for each poll 3. Where polls are taken in any parish on the same day for the election or appointment of persons to any office <u>and</u> on any other questions consequent on a parish meeting, separate fees shall be payable under paragraphs 3(ii) and (iii) but only one fee shall be payable under paragraph 3(iv) in respect of each additional polling station	

APPENDIX B

Car user Allowances

Nationally there are three bands of allowance paid to employees required to use their private vehicle for Council business. Telford & Wrekin Council only applies the highest band to the few remaining employees on Wrekin conditions if they drive vehicles above 1200cc. The allowances paid are the same for all employees whatever their level in the organisation.

	<u>451 - 999cc</u>	<u><1199cc</u>	<u>1200cc +</u>
<u>Essential Users</u>			
Lump sum per annum	£846	£963	£1239
per mile first 8,500	36.9p	40.9p	50.5p
per mile after 8,500	13.7p	14.4p	16.4p
<u>Casual Users</u>			
per mile first 8,500	46.9p	52.2p	65p
per mile after 8,500	13.7p	14.4p	16.4p

Care & Support Budget Savings Update and Proposals

This appendix provides an update on the financial position of care and support in respect of the cumulative savings now required of the service from 2013/14 onwards. It describes the implications of the actions being taken in respect of the existing savings requirements and proposals for addressing the additional target including the ongoing £1.365m overspend from the current year.

The further savings required of the service are summarised in the table below:

	<u>2013/14</u>	<u>2014/15</u>	<u>Total</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
2012/13 budget strategy savings	1.901	1.102	3.003
Ongoing overspend from 2012/13	1.365		1.365
Additional target 2013/14 budget	<u>0.317</u>	<u>1.957</u>	<u>2.274</u>
Total	3.583	3.059	6.642

In addition the service is facing funding pressures from demography and inflation which effectively means that further savings are required in order for the council to be able to meet its statutory duty to provide care for eligible unmet needs. The delivery of the above savings together with the current in year savings detailed below represents 27% of the service budget and inevitably will, if implemented in full, result in a reduction in the care provided to individuals.

Context – Current Year 2012/13 Savings

In the current financial year the service is delivering £2.546m of non staff savings and £2.251m of staff savings, a total of £4.797m.

These savings are being delivered through a complete remodelling of service delivery. The new personalised model of service delivery is based on 4 key actions:

- Establishment of enablement and reablement 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
- Utilisation of assistive technology as a preventative measure and as an alternative to personal care provision
- Development of personal budgets and self directed support by individuals as an alternative to council led service determination.
- Signposting and direction of individuals to community and voluntary sector based support as an alternative to council funded provision.

In delivering this remodelling of service delivery the service currently has the following workstreams underway:

- Business Processes - new processes to meet Personalisation and transformation agenda.

- Systems - Adult Care & Support System requirements linking to ICT Corporate Plan including equipping staff with ICT equipment .
- MyLife Portal – providing effective searching, information and guidance to enable signposting as needed through one system rather than multiple systems. Intended as alternative initial access for people which would signpost to alternative service provision as well as Council funded.
- Resource Allocation System - (RAS) -the RAS will be used to assist the council to calculate a fair and equitable allocation of Council financial resource for each service user and provide greater choice and control.
- Self Directed Support (Personal Budget Support Service) -the SDS budget management system will be used to assist the Council to monitor and manage it's financial resources effectively and provide information to service users on the application of their personal budgets
- Information and Advice – Directory of Resources to help people live their own lives as they wish without necessarily recourse to the council.
- Assistive Technology, Community Alarms & Telecare
- Enablement and Prevention - commissioning/ strategy development in partnership with Health partners
- Transition & Leaving Care Service - development of a Transition service for 16-25 yr old for young people who may need support from Adult Social Care services
- Provider Services - to consider and review the role of our in house services in future delivery of care for ALD and other service users. To agree the future purpose, structure and resources for the in house services which currently include:- Shared Lives, Residential Care, Community Support, Day Opportunities
- Market and Community Development - -development of small local care and support providers and the development of a homecare framework agreement to reduce unit costs
- Supporting People – realignment of service provision to floating support not accommodation specific provision so support is only provided to those with a clear eligibility need.
- Advocacy development
- Autism strategy and action plan implementation
- Review of meals on wheel

In addition the following specific savings actions have been implemented:

- Implementation of care cost funding calculator for all adult with learning disability residential placements
- Low level preventative Service – implementing full cost recovery rate
- Holding of inflation on existing placement contracts below level of inflation provision. However this position will not be sustainable for the forthcoming year without risk of seriously destabilising the care market.
- Implementation of charging policy revisions including: removal of maximum contribution, disability related expenses to be supported by care plan.

Whilst work is progressing on these workstreams to deliver the service savings required, three significant factors are offsetting the savings being delivered.

- Firstly the impact of the PCT's 75%+ reduction in NHS funding for Continuing Health Care since 2009/10 (funding for people with long term conditions and therefore more severe health and care needs) continues to have a huge financial impact on the service. The additional costs now being met by the reducing funds available to the Council are some £8-9m per year and rising and despite the receipt of some non recurring funding from the PCT, mean that the savings arising from the new model of service delivery are being more than offset by this pressure. These clients, by their very nature of having previously been CHC funded or being eligible for consideration, have very high level and complex needs which puts them at the top end of the cost spectrum.
- Secondly the increased rate of hospital discharges has put significant pressure on our resources. People are being discharged earlier and consequently with higher levels of need. This results in increased demand and also higher care costs for social care as well as increasingly complex health demands for care service providers to manage.

The council's average unit cost for care provision has risen and continues to rise as a consequence of the above two factors.

- Thirdly, as part of the service restructure the service area became responsible for the transition of young people in care. In taking operational responsibility for the service an overspend of £500k has also been transferred from children's to adults services.

Consequently in spite of significant savings being delivered, the service overall is currently forecast to overspend by £1.365m in 2012/13 and this has had to be addressed on a non recurring basis by the use of the remaining service reserves. These will not be available in future so the additional costs must be addressed by further ongoing savings within the service.

Actions to address the original £1.9m target for 2013/14 (rising to £3.003m in 2014/15)

It was anticipated that the completion of the Workstreams listed above would deliver the additional savings required for 2013/14. Whilst work has progressed on the Workstreams there has been slippage which reflects the impact of the 20% reduction in staffing achieved as part of the service restructure. Steps have been taken to address this through the utilisation of one off resources through the invest to save initiative in respect of implementing a framework for the domiciliary care market and the development of a health and social care economy wide assistive technology strategy to realise the full potential of savings .

In order to address the shortfall a number of further actions will be required;

- Imposition of a funding ceiling (either through the application of the RAS or through a ceiling linked to the alternative cost of residential care) for community based care packages. This will reduce the choice for some individuals who may have to go into residential provision and not be able to continue to live in their own homes unless their relatives/carers are able and wish to provide additional funding or support.
- The review of provider services currently underway will be required to deliver a savings target representing some 10% of its running costs (£500k). This is in the context of it having already contributed to the delivery of the savings targets for 2012/13.

- Review of policy provision/revision of expectation in ALD and Transition service areas to clarify that basis of future accommodation provision will be on shared basis only
- Peer review will be sought to identify potential areas for further action to deliver savings
- Additional support is being sought to accelerate and broaden the systems and process review workstream.

Actions to address the 2012/13 £1.365m ongoing overspend

As discussed above there are three key issues contributing to this overspend and actions are proposed to address these:

- An invest to save bid has been approved and advertisement is underway for two social worker posts who will focus entirely on CHC. The posts will have the required expertise and knowledge to be able to challenge the current application of the criteria locally.
- Ongoing discussions are underway with the CCG with a view to addressing on a longer term basis the impact of decisions which have already been made and to mitigate the impact of potential future decisions.
- In partnership with children's services a review of transition arrangements will be undertaken with particular focus on the nature and cost of placements made for children in the two years prior to the transfer of responsibility to Care & Support at 16. The reduction in costs which can be achieved post transfer need to be time shifted back to avoid the higher costs being incurred initially. This will require significant work by both commissioning and operational staff in both service areas in order to address the legislative constraints which would appear to be a fundamental factor in the cost of these placements (section 20 children have to be accommodated in regulated services and similarly the cost of foster placements is significantly higher than associated adult shared lives costs)
- A panel process will be introduced to review and agree all ongoing care packages to ensure consistency and utilisation of alternative less costly forms of service provision such as assistive technology.

Action to address the Additional Savings Targets £0.317m in 2013/14 rising to £2.274m in 2014/14

Implementation of all the above actions should address the original savings targets and the overspend but they will not be sufficient to meet the increased demographic demand and the full value of the additional targets now issued. Implementation of the actions outlined in the various sections above will reduce the cost and volume of care packages delivered and will enable the 20% reduction in staffing to be implemented without an adverse impact on the safe delivery of care services. They should also enable the additional saving of £317k in 2013/14 to be met. However the additional £1.957m in 2014/15 will not be deliverable without reducing even further the amount of services delivered.

This can only be achieved by reviewing and reducing the level of support currently provided. Turnover within services is not sufficient to enable this to be achieved by application to new cases alone which would also leave us open to challenge on grounds of equality. It also requires the acceptance (albeit unwillingly) of the service users of change on a legally valid basis. In order to achieve this we may have to consider consulting on a review of the level at which we set our eligibility criteria during next year.

Appendix 12b Care & Support Policy & Procedure Document

Policy & Procedure Title	:	Adult Care & Support Community Care Policy & Procedure
Policy & Procedure Ref:	:	30: Community Care
Date IIA Approved by Line Manager:	:	
Date CIA Approved by HoS	:	
Intranet Location:	:	Adult Care and Support pages (pending new Community Care Process page) and CC Handbook
Internet Location:	:	TBC
Associated Public Info Ref N^o	:	TBC
Date Established:	:	August 2004
Date Last Amended:	:	July 2012
Date of Next Review:	:	September 2014
Safeguarding & Quality Assurance Validation:	:	
Legal Sign off by	:	
Finance Sign off by	:	N/A
Owner:	:	Assistant Director: Social Care Specialist
Approver:	:	Assistant Director: Care and Support

1. POLICY STATEMENT

- This policy explains the Council's approach to the delivery of Community Care services as laid down by the NHS & Community Care Act 1990 and other relevant legislation. It also sets out our approach to meeting the recommendations and principles set out in the Think Local, Act Personal guidance for Transforming Adult Social Care and the recently published Government White Paper.
- This Policy is an overarching statement relevant to all of Adult Social Services. It explains in general terms the approach taken by the Council to meet the objectives laid down for Social Services by the Department of Health (DoH) in respect of services for adults within Caring for Our Future, Think Local, Act Personal and the wider Personalisation agenda.
- The Council has other social services responsibilities to adults that can run separately or in parallel to its community care responsibilities, including the protection of vulnerable adults (see Adult Protection, Mental Capacity and Deprivation of Liberty Safeguards policies), services for carers (see Carers policy), the delivery of mental health services (see Joint Policies produced by the Partnership Policy Committee), delivery of Drug and Alcohol Recovery Services (DARS), Continuing Health Care (CHC) arrangements, financial assessment & charging, the delivery of Supporting People Services and delivery of transition services for young people from the age of 14 prior to moving into adult services at the age of 18.
- A range of other policies & procedures flow out of this policy and are either part of the Community Care process or are stand alone policies and procedures. Although these

sit outside of the community care process, they do, and will continue to contribute to the community care process where an individual's needs are assessed as requiring input from these services e.g. Drug & Alcohol Recovery Services (see **Appendix 3: Adult Care & Support Process**).

- The Government White paper 'Caring For Our Future: Reforming Care and Support' published in July 2012 supports the approach set out within this policy with the key principles of :-
 - **Health, wellbeing, independence and rights** so that individuals are at the heart of care and support including timely and effective interventions
 - People are treated with **dignity and respect** and are safe from abuse and neglect
 - **Personalisation** is achieved where individuals have real choice and control over the care and support they need to achieve their goals
 - **Skills, resources and networks** in every community are harnessed and strengthened to support people to live well and contribute to their communities where they can
 - **Carers** are recognised for their contribution to society and are supported to reach their full potential
 - A **caring, skilled and valued workforce** delivering high quality care and support in partnership with individuals, families and communities
- It should be noted that the approach set out within the Government White Paper is a long term vision with some initiatives not due until 2015 or beyond. It is recognised that the detail of some of these initiatives e.g. introduction of a national minimum eligibility threshold, Government start up funding for online care and support information, Social Impact Bonds, Care & Support Housing Fund, legislation giving entitlement to a personal budget are not yet known, but will have a potential significant impact on this and other operational policies. Similarly, a comprehensive modernisation of care and support law is proposed by the draft Care & Support Bill. Therefore, an unscheduled review of this policy will be undertaken to take account of any significant changes emerging from these developments over the coming months/years.

2. PURPOSE OF THE POLICY

2.1 This policy sets out a high level overview of the community care process which has recently been significantly reviewed and updated to reflect key changes in legislation and best practice issued by the Department of Health with a focus on delivering preventative services to ensure individual's needs do not escalate unnecessarily to on-going, high level support needs. This demonstrates the Councils shift in focus to enabling as many people as possible to live independently, stay active and healthy with an active involvement in their communities for longer, and delaying or avoiding the need for targeted services whilst ensuring that those individuals who do need targeted support are given the appropriate information, means and confidence to direct their own support. For most people, enablement will be a key process to determine what on going support needs are required. **Where people choose not to engage with the enablement process, on going services will not normally be provided by the council.**

2.2 Telford and Wrekin endorse the 7 key principles set out in the Government Vision For Social Care document required for a modern social care system (see section 7.1) and the following key themes highlighted in the 'Making It Real' and the Government White Paper 'Caring for Our Future' - it is these principles which underpin our overall approach:-

1. **Information & Advice** – access to easy to understand, consistent, accurate and up to date information in order that individuals feel able to make well informed decisions and enabling individuals to help themselves
2. **Active and Supportive Communities** – access to a range of support networks including carers, family, friends and the wider community to help them live the life they want and continue to be a contributing member of society (this is covered in more detail within our My Community Policy & Procedure (ref 31))
3. **Flexible and Integrated Care & Support** – ability to exercise maximum choice over how they are supported
4. **Workforce** – support is delivered by a competent workforce
5. **Risk Enablement** – supported to manage risks and plan for crisis before it occurs whilst maintaining choice and independence
6. **Personal Budgets and Self Funding** – Individuals know the amount of money available to them and can determine how this is used, with support where necessary, regardless of the source of funding or whether the individual pays for their own services in full.

2.3 The procedure set out below is based on the above principles which are endorsed by Telford & Wrekin Council. In following these principles, the Council aims to:-

- Secure greater co-operation and better use of **resources** across public services to improve individuals and their families' experiences. This includes housing, leisure, culture, transport, health, welfare benefits, employment support, social care and community safety throughout the community care process and in particular as part of the 'My Community' aspect of the community care process (see process map at **Appendix 2**) and the 'My Community' Policy & Procedure (ref 31).
- As a Co-operative Council, we will encourage and help local communities, groups and external providers to work in **partnership** with us to provide networks of support, to help people improve their health and well-being, and to reduce their need for more acute care and health services
- Actively **involve** people, carers, families and communities in the design, development, delivery and review of innovative care and support arrangements to maximise choice and independence and utilise the widest range of resources
- Ensure that the general public, service users, carers and their families have the **information and advice** they need to make informed care and support decisions which work for them, regardless of who is paying for the care. This includes helping them to make the best use of their own resources to support their independence and reduce their need for long-term care
- Provide everyone who may need to access social services the opportunity to receive **Reablement & Prevention services** according to their need. This may be from a few days up to a maximum of 28 days free of charge, in order that they can receive short term support with the aim of maintaining their own independence in the long term and preventing their needs escalating to the point of requiring acute or on-going services
- Ensure that access to **low level and preventative services** is easily accessible without the need for assessment wherever possible
- Facilitate a broad range of **choice** in the local care and support market, including housing options, and personalise the way in which care and support services are delivered wherever people live

- Wherever possible, individuals are given **choice and control** on how their finances are managed as well as receiving transparent information in relation to their financial contributions and the cost of services, allowing real choice and control over their services and finances.
- Ensure those people eligible for ongoing council social care funding receive this via a **personal budget** (either as a direct payment or a managed account or a mixture of both) allowing them to exercise the same amount of choice and control as those who pay for their own care.
- It should however be noted that the Council aims to secure the most cost effective package of services that meets the users needs whilst taking account of service user preferences wherever possible. This must be within available resources which may sometimes involve difficult decisions where a balance has to be struck between meeting identified needs within available resources and meeting the care preferences of the individual service user. Although each individual's circumstances will be considered on a case by case basis, the following principle will be applied:-
 - The maximum cost to Telford & Wrekin Council for community based care packages should in all but exceptional cases, be no more than the cost of a care home placement per week to Telford & Wrekin Council (excluding Funded Nursing Care or other NHS contribution)

Where an individual who is subject to the above principle wishes to remain in the community but they or their family does not want to top up the care package to the level of that recommended as result of the assessment, a risk assessment must be carried out to ensure we do not fund or part fund a care package that puts the service user or care staff an unacceptable risk (please refer to our risk assessment policy and procedure).

It is recognised that there may be exceptional circumstances where alternatives will be considered but this must be agreed by the budget holder. Social Services reserve the right to review all care packages and provide a cheaper alternative so long as this will continue to meet the needs of the service user.

- Enable individuals who pay for their own care to have access to the services described in this policy though there may be a charge made for these services depending on individual circumstances (see guiding principles above).

These key principles underpin our Personalisation model (see **Appendix 1**) which was developed in conjunction with service users as part of our Putting People First (PPF) Project and forms the basis of this policy and associated procedure.

2.4 How will we meet these objectives?

Our approach has an emphasis on effective prevention and intervention with a greater focus on enabling self-help and self service for those individuals who are able to do so. Where long-term support is required, the Council will aim to deliver it in a way that is cost effective and will enable the people who use services to remain in their home, wherever possible.

In order to meet the principles set out above, a significant restructure has been undertaken following extensive consultation to ensure that resources are appropriately organised to enable a focus on Reablement & Prevention rather than resources being organised by

client group. This allows more flexibility and cross working in order to deliver a personalised service. The process that community care services will be delivered through is known as, the “Community Care Process”. There are a number of stages in this process that are illustrated in the high level process map (**Appendix 2**) and medium level process maps (**Appendix 4**) and described in more detail at section 5 of this policy. Operational policies and procedures apply to each of these stages (see section 7.1).

The list below highlights the key stages of the community care process as well as which team/s are responsible for each stage. However, it should be noted that not everyone will pass through every stage and neither will the stages necessarily occur in this order as this will very much depend on the individual’s needs and circumstances:-

- 1) Information and advice** (delivered by the wider community, Access Team and wider Council Services e.g. Contact Point, Customer Services etc)
- 2) Referral and access** (delivered by the Access Team and the Home From Hospital Team)
- 3) Reablement and prevention** (delivered by the Reablement & Prevention Teams)
- 4) Personal Budget support** (delivered by the Personal Budget Support Team (PBS) (and Assessment & Case Management Teams)
- 5) Assessment and eligibility** (undertaken by the Assessment & Case Management and Financial Case Management Teams)
- 6) On-going care and review** (undertaken by the Assessment & Case Management teams)

Ultimately, our ambition is that everyone is able to:-

- ❖ Live independently
- ❖ Stay healthy and recover quickly from illness
- ❖ Exercise maximum control over their own life and where appropriate the lives of their family members
- ❖ Participate as active and equal citizens both economically and socially
- ❖ Have the best possible quality of life irrespective of illness or disability and;
- ❖ Retain maximum dignity and respect

3. POLICY INFORMATION

3.1 Who does the policy apply to?

- Telford and Wrekin Council is the Authority responsible for the delivery of community care services for adults (people aged 18 years and over) normally resident in the Borough.
- The following people may require community care support as a result of illness, frailty or substantial disability:
 - Older People (65 years +)
 - People with a Physical Disability
 - People with a Sensory Disability
 - People with a Learning Disability
 - People who have mental health problems
 - People who have problems resulting from excessive misuse of drugs and/or alcohol
 - Young people in transition who will bring community care needs into adulthood
 - Carers
 - Children who are carers of adults

This policy applies to all adult care and support service delivery units as follows:

- Access & Enablement
- Assessment & Case Management
- Personalisation Support & Service Provision
- Adult Safeguarding
- Commissioning Services

3.1 Service-Specific Information

This policy applies to all Care and Support Services.

4. PROCEDURE STATEMENT

This procedure provides a consistent, transparent and equitable approach to the delivery of social services as part of the community care process and is supported by operational policies and procedures in relation to each aspect of the overarching process e.g. information and advice, referral and access, reablement & prevention, personal budget support, assessment and eligibility & on-going care and review.

It should be noted that where an individual has primarily health care needs, these will be assessed by the local health services and not via the Council's Community Care Process. These health care needs may be eligible for full Continuing Health Care (CHC) funding by the NHS or where the individual is placed in nursing home care, Free Nursing Care (FNC) funding from the NHS can pay a proportion of the cost. Some health related needs should also be met by the NHS as part of a joint package of care – further details of the CHC & FNC process are available within the CHC & FNC Process Guides.

5. PROCEDURE DETAILS

5.1 The overarching Community Care process consists of five key stages through which most individuals will pass (see **Appendix 2**). It is recognised that not every individual who contacts our services will pass through every stage – the advice, information and support provided will be tailored to individuals' needs dependent upon the nature and level of need. It is the Council's aspiration to ensure that wherever possible, individuals' needs are addressed at first point of contact with recognition that where this is not appropriate, referral to the Rehabilitation and Prevention Team will prevent the individuals' needs from escalating and encourage independent living wherever possible.

Despite not all stages of the process being appropriate for every individual, each stage is delivered in such a way as to ensure that every individual is dealt with in a transparent, efficient way. Every individual receives a personalised service which meets their own needs whilst aiming to give every individual as much choice and control over their own care and support as possible throughout the process. It is the Council's aspiration that individuals will maintain real choice and control over their own lives and decisions around their care and support throughout the Community Care process.

5.2 The key stages below will be delivered by corresponding teams with timely intervention and support from the Financial Case Management and Personal Budget Support teams. It is recognised that any team playing a part in the community care process may contribute to an individual's care and support particularly those teams who do not directly form part of the community care process but whose services are inextricably linked e.g. Drug and Alcohol Rehabilitation Services (DARS) (See diagram at **Appendix 3**).

The following sections give a brief breakdown of the services provided at each stage of the community care process by team. However, it should be noted that for each stage of this process, there is a more detailed operational policy and procedure (see section 7.1). In addition, for each stage, there is a medium level process map at **Appendix 4:-**

5.3 Referral and Access

5.3.1 **Information and Advice** – ensure that accurate, easy to understand information about community resources and social services care & support is easily available to citizens to give them real autonomy and choice whilst enabling them to make informed choices about their care and support. This information will be made available on the Council's website through the My Life portal which will be accessible by members of the public and professionals alike. This will enable individuals to decide whether or not they need to contact Social Services for further help, advice and guidance. This links closely to the Council's Co-operative Council approach, encouraging local communities to play a significant role in contributing to and planning services for the Borough (this aspect of the process is referred to as 'My Community' on the process map at **Appendix 2** and is covered by an operational 'My Community' Policy & Procedure).

5.3.2 **Access** -Where information is not available or further support is required, contact can be made with our Access team which provides a single point of contact for all adult care and support services – this provides the public with a single point of contact for all queries. The Access team aims to resolve as many enquiries as possible at the first point of contact by providing high quality information and advice and signposting citizens to sources of community support such as community/ voluntary organisations and community groups. The role of the access team is to:-

- Receive all initial enquiries made to social services whether from carers, service users or members of the public
- Receive vulnerable adult referrals
- Screen information and establish if a referral is appropriate
- Where appropriate, offer information and advice, signpost queries to other agencies, community resources
- Ensure that individuals are signposted to appropriate services when discharged from hospital (this is undertaken by the Home from Hospital Team)
- Where queries cannot be resolved at first point of contact, undertake a contact assessment to determine whether the query can be resolved through appropriate advice & information and/or signposting to a low level service
- Where appropriate, make a referral to the Reablement & Prevention Service (See para 5.4.1 below) and the Financial Case Management Team for further intervention/assessment
- In emergency situations or where the individual clearly has high level needs, also make a referral into the Assessment & Case Management service (see 5.5.1 below)

For more detailed information on the Referral and Access process, please refer to the 'Referral and Access' Policy & Procedure (see Section 7.1) and the process map shown at **Appendix 4**.

5.4 Reablement & Prevention

5.4.1 Referral to the Reablement and Prevention Team will be made by Access or Assessment & Case Management in order to maximise and increase the individual's independence before identifying and putting in place arrangements to maintain independent living. Reablement covers a range of short-term interventions which help people recover their skills and confidence after an episode of poor health, admission to hospital, or bereavement. Reablement can help people to continue to live independently in their own homes without the need for an ongoing social care support package. During this time, the Financial Case Management Team will also help to maximise income and establish an individual's assessed contribution to the cost of any on going care required. Where an individual (following reablement) still requires longer-term care, the individual will be referred into the Assessment & Case Management Team (See 5.5 below). The role of the enablement team is to:-

- Receive referrals from the Access Team where basic low level services will not meet their needs
- Receive referrals from the Assessment & Case Management team where an individual is assessed as requiring reablement or prevention services
- Undertake and co-ordinate full assessment of the individual which could include Occupational Therapy assessment, Nursing Assessment, Social Work Assessment and/or Physiotherapy assessment to inform the individuals reablement plan
- Identification of carers and offer carers assessments
- Deliver free short term (up to 28 days) reablement, rehabilitation and preventative services in order to help individuals return to live independently in their own home
- Where on-going need is identified and longer term services are required undertake a Fair Access to Care Services (FACS) assessment to determine eligibility
- Co-ordinate and produce a support plan with the individual taking account of provisional funding arrangements
- With the assistance of the Personal Budget Support Team identify, agree and arrange services with the individual to meet their individual support plan requirements
- Once a support plan is in place and services arranged, handover case to Assessment & Case Management for on-going monitoring/assessment (see Section 5.5 below).

For more detailed information on the Reablement and Prevention process, please refer to the 'Reablement and Prevention' Operational Policy & Procedure (see Section 7.1) and process map shown at **Appendix 4**.

5.5 Assessment & Case Management

5.5.1 Assessment and Case Management will deal with those individuals whose needs cannot be met through Reablement, Rehabilitation or Prevention services and who require longer term care. This team consists of social workers and other professional staff who will focus on assessment of need, determination of eligibility, case management and review of services. The role of Assessment and Case Management includes:-

- Receiving referrals where individuals require on-going services past the initial reablement service provision

- Arranging specialist assessments when required e.g. Mental Health Act assessments, capacity assessments, best interest assessments and DoLS assessments
- Where individuals have primarily Health needs, refer them to health for an assessment in accordance with the Continuing Health Care process
- Case management role, providing support and advice to individuals based on their individual needs (which may change over a period of time)
- Working with individuals to understand and manage any known risks
- Acting as Investigating Worker in cases referred into the adult protection process
- Identification of carers and offer carers assessments
- Evaluate assessment information to determine eligibility against FACS (See Assessment & Eligibility Operational Policy & Procedure at section 7.1)
- Work closely with the Personal Budget Support (PBS) Team to ensure the individual continues to manage their own budgets effectively and that when their needs change, options are explored with the individual in terms of services available to them and the cost of those services.
- Consider the need for further assessment by the Reablement and Prevention team to maximise independence
- Support planning by working with the individual, their carers and other relevant professionals to discuss and arrange an appropriate support plan that the individual feels will best meet their needs
- Working with the PBS team to arrange services where required to meet agreed needs set out in the support plan
- Identify changes in needs and any resulting change in services (with referral to the Personal Budget Support Team where service changes are required - see 'Personal Budget Support' Policy at section 5.7 below).
- Undertake the first initial review following the set up of care arrangements in line with the On-going Care & Review Policy as well as undertaking regular (at least annual) reviews of individuals care and support in liaison with other relevant professionals, the individual, carers and family members to re-assess on-going care needs and eligibility for services and ensure that services remain essential and appropriate.

5.6 Personal Budget Support Team and Financial Case Management

5.6.1 An individual will require involvement from the Financial Case Management Team as soon as it seems likely they will need on going services to establish how much they will need to contribute to their personal budget to pay towards on-going services to meet FACS eligible needs. The Personal Budget Support Team will use the support plan developed between the individual and the enablement / assessment teams to help them set up these services. The Personal Budget Support Team will also provide the same support for individuals who fund their own care services using a personal budget, however, there may be a charge for this service depending on the individual's circumstances and nature of the support required (see para 2.3 above).

5.6.2 The Financial Case Management Team

A referral will be made to the Financial Case Management Team by Access Services at the same time that the individual is referred to Reablement & Prevention Services. The Financial Case Management Team will then continue to work with the individual past their reablement phase if they have on-going support needs.

The Financial Case Management team will undertake:-

- Financial assessments
- Highlight any opportunities for individuals to follow up to maximise their income
- Determine the individual's personal financial contribution to the cost of services (this is undertaken during the reablement phase as a provisional contribution and re-assessed/confirmed during assessment and case management phase if the individual does require on-going care and support see Charging policy and procedure at section 7.1)
- Arranging income collection from service users
- Where there is no one else able or appropriate to take on the role, to take on appointeeship or Court of Protection roles
- Undertake annual reviews of the individual's financial assessment to ensure it remains accurate
- Share information with the Personal Budget Support Team to support the setting up of services

5.6.3 The Personal Budget Support Team

Referral to this service may be made by Reablement & Prevention Services or the Assessment & Case Management Team.

The Personal Budget Support Team will assist service users to find the personalised services they need to meet their assessed needs and make sure they are delivered effectively and efficiently. They will:-

- Provide a Direct Payment service to include assisting people to set up care arrangements, payroll support, audit of use of budget
- Provide a brokerage service and help service users to set up services (service agreements) following the establishment of a personal budget to meet detailed support plans produced by Reablement or Assessment teams and brokerage support to the Enablement Team in setting up interim services
- Where the outcome of the support plan is nursing home care, ensure that a referral has been made to the NHS for an assessment for eligibility for Free Nursing Care in line with the FNC process Guide
- Where appropriate/possible, work with Commissioning and Contracts Services to negotiate contract costs, contracts with service providers and set up contracts with the chosen provider on behalf of the Council whilst seeking the best possible rates for the service user
- Monitor service delivery against individual care contracts and payment of bills from service providers
- Support the service user to make changes to their care arrangements within the agreed support plans and budget commitment (this will include reduction of care costs but not increases)
- Refer individuals back to the Assessment and Case Management Team for unscheduled review where changes require reassessment or increased budget commitment
- Arranging timely payment to providers for services provided to meet contract obligations
- Monitor service provision and trends in order to assist Commissioning Services in planning for future demand

For further information and detail in relation to each of the areas outlined above, please refer to the Financial Case Management and Personal Budget Support Team Policies and Procedures as listed at section 7.1 of this policy and reflected within the process maps at **Appendix 4**.

5.7 Commissioning Services

It is also recognised that although not part of the Community Care Process, Commissioning Services have a significant role to play in developing and encouraging services which are flexible, responsive and person centred in order to meet the needs of individuals as part of our new ways of working. It is crucial that there are services available within the community which can be tailored to meet the needs of individual service users to meet the expectations of our new approach. In order to achieve this, Commissioning will link particularly closely with the Personal Budget Support Team who will act as brokers for individuals and will therefore be aware of services required by service users, gaps in the current provider market and preferences expressed by service users. This information will be used by commissioners in order to develop, shape and encourage service provision to meet any gaps in the market as well as developing micro markets of smaller providers who may be able to provide more specialist services not currently available. Commissioning Services are described in more detail within the Commissioning and Contracting Policy & Procedure.

6 POLICY IMPLICATIONS

6.1 Legal Implications

This policy outlines the Authorities obligations for provision of social services in line with the NHS & Community Care Act 1990 and other relevant legislation. It is recognised that the Government's draft Care & Support Bill may place further/amended obligations on Local Authorities in due course. Once this is finalised, this policy will be amended accordingly.

6.2 Finance and Value for Money Implications

The aim of this procedure is to reduce individuals' need for high level intensive care and support (which can be high in cost) by providing preventative services which aim to rehabilitate and reable the individual to live independently wherever possible and avoid their care needs escalating to high dependency care. Although this may result in a reduction in the use of high intensity, expensive care packages, the anticipated savings are being re-diverted into investing in the Authority's Reablement and Preventative services as well as into community developments and encouraging/enabling development of support mechanisms within the community.

6.3 Economic Impact

It is anticipated that the personalised approach being implemented via the Community Care process will ensure that each individual is able to continue to play an active part in their own community as well as achieving their own personal goals and outcomes which for those of working age, may include gaining employment or training which in turn will support and develop their own local community and economy.

In order to provide a wide range of services which allow a flexible approach to meeting individuals' needs, the Council is committed as part of its Co-operative Council approach to investing in, encouraging and shaping a varied market of providers including smaller social enterprises in order to meet the needs of the community as a whole.

6.4 Environmental Impact

There are no environmental impacts associated with this policy.

6.5 Other Impacts

There are no other impacts associated with this policy.

7. CROSS REFERENCE INFORMATION

7.1 Standards

- General Social Care Council (GSCC) Codes of Practice see the following link:
<http://www.gsccl.org.uk/codes/Get+copies+of+our+codes>

7.2 Legislation

Assessment

- National Health Service & Community Care Act 1990
<http://www.legislation.gov.uk/ukpga/1990/19/contents>
- Disabled Persons (Services Consultation and Representation) Act 1986
<http://www.legislation.gov.uk/ukpga/1986/33>
- Mental Health Act 1983
http://www.dh.gov.uk/en/Publicationsandstatistics/Legislation/Actsandbills/DH_4002034
- Mental Capacity Act 2005 <http://www.legislation.gov.uk/ukpga/2005/9/contents>

Carers

- Carers (Recognition and Services) Act 1995
<http://www.legislation.gov.uk/ukpga/1995/12/contents>
- Carers (Equal Opportunities) Act 2004
<http://www.legislation.gov.uk/ukpga/2004/15/contents>

Service provision

- Disabled persons (Employment) Act 1944 <http://www.legislation.gov.uk/ukpga/Geo6/7-8/10>
- National Assistance Act 1948 <http://www.legislation.gov.uk/ukpga/Geo6/11-12/29>
- Health Service and Public Health Act 1968
<http://www.legislation.gov.uk/ukpga/1968/46>
- Chronically Sick and Disabled Persons Act 1970
<http://www.legislation.gov.uk/ukpga/1970/44>
- National Health Service Act 2006 <http://www.legislation.gov.uk/ukpga/1977/49> -
- Health and Social Services and Social Security Adjudications Act 1983
<http://www.legislation.gov.uk/ukpga/1983/41>
- Community Care (Direct Payments) Act 1996
<http://www.legislation.gov.uk/ukpga/1996/30/contents>
- Health and Social Care Act 2012
<http://www.legislation.gov.uk/ukpga/2012/7/contents/enacted>
- LAC (2002) 13 - Fair Access to Care Services – guidance on eligibility criteria for adult social care
http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Localauthoritysocialservicesletters/DH_4004734

7.3 Systems Implications

Please refer to the CareFirst user guide for guidance on recording the Community Care process onto the CareFirst system. Also refer to the CareAssess guidance when recording on CareAssess. All information and guidance relating to Adult Social Services Systems can be found on the following intranet page:-

<http://ecouncil/AdultSocialCareDelivery/AdultSocialCareSystems/Pages/default.aspx>

7.4 Other Relevant Documents

- Adult Care & Support Directory
http://www.telford.gov.uk/info/100010/health_and_social_care/1160/adult_care_and_support_directory
- Making It real
<http://www.thinklocalactpersonal.org.uk/library/Resources/Personalisation/TLAP/MakingItReal.pdf>
- Think Local Act Personal
http://www.thinklocalactpersonal.org.uk/library/PPF/NCAS/Partnership_agreement_easy_read_1_November_2010.pdf
- Caring for our Future White Paper
http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/@pg/documents/digitalasset/dh_130455.pdf
- The Commission on Funding of Care and Support
<http://www.dilnotcommission.dh.gov.uk/our-report/>
- A Vision for Adult Social Care: Capable Communities and Active Citizens
http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/@ps/documents/digitalasset/dh_121971.pdf

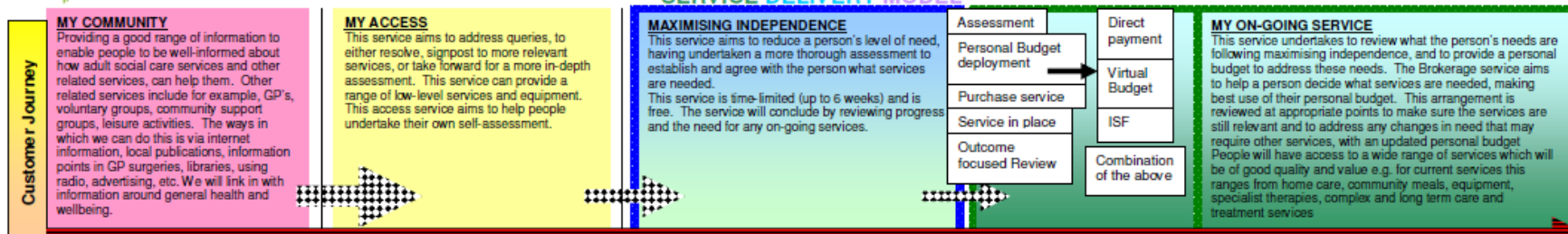
7.5 Linked Policies

- Adult Protection Policy & Procedure
<http://ecouncil/SafeguardingAndCorporateParenting/SafeguardingAdvisory/Pages/SafeguardingandAdultProtection.aspx>
- Joint Mental Health Policies & Procedures
<http://ecouncil/AdultSocialCareDelivery/Pages/default.aspx>
- In-house Provider Policies & Procedures (TBC)
- Supporting People Policies & Procedures
- Fairer Charging Policy
<http://extranet/CommunityCareHandbook/CommunityCareHandbook/Chapter%207%20Charging.doc>
- My Community Policy & Procedure (TBC)
- Referral and Access Operational Policy & Procedure (TBC)
- Reablement & Prevention Operational Policy & Procedure (TBC)
- Assessment & Eligibility Operational Policy & Procedure (TBC)
- Personal Budget Support Team Operational Policy & Procedure (TBC)
- Financial Case Management Operational Policy & Procedure (TBC)
- On-going Care and Review Operational Policy & Procedure (TBC)
- Risk Assessment & Management Policy & Procedure (TBC)
- Commissioning & Contracting Policy & Procedure (TBC)

APPENDIX 1: PUTTING PEOPLE FIRST SERVICE DELIVERY MODEL

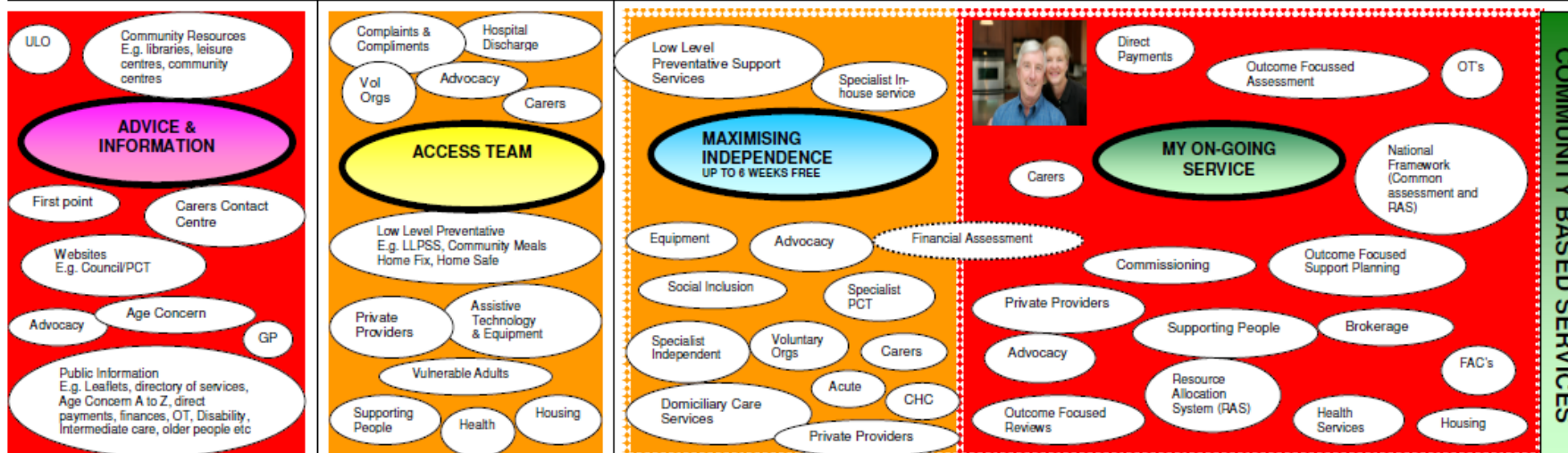


PRINCIPLES OF THE MODEL



Service Delivery Model – A person's journey may take their pathway straight into care management, i.e. complex needs, emergency intervention, crisis situation

THIS MODEL IS ILLUSTRATIVE OF SOME OF THE CONNECTIONS.....



SYSTEMS (Critical factor)

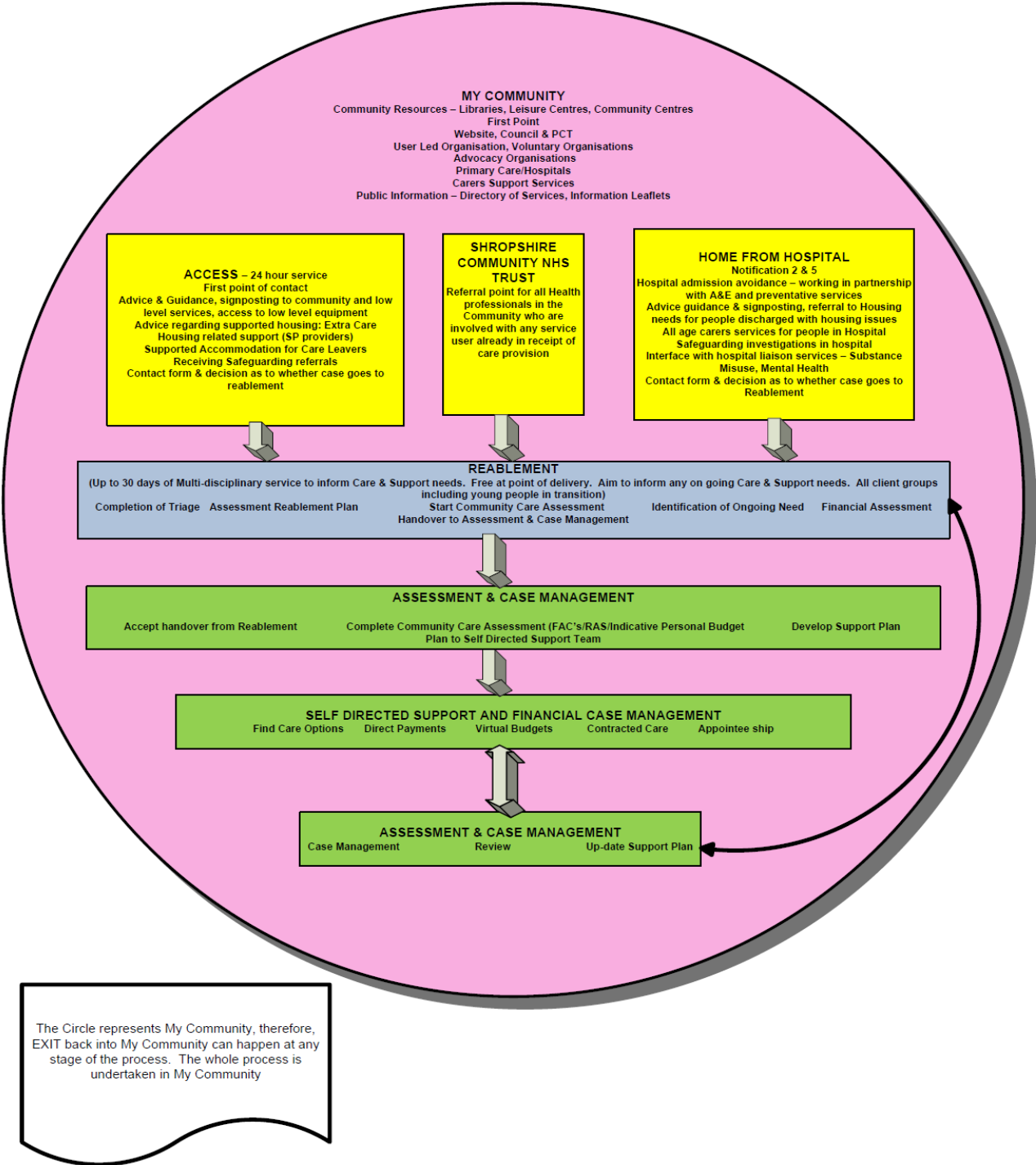
WORKFORCE (Critical factor)

ACTIONS

- Use the PPF framework document to progress the information and advice strategy (task and finish group)
- Further development of public information especially web-based
- Implement ULO (this is already launched)
- Links to the Corporate Centre
- Develop links to PCT, i.e. single referral points
- Extend to other adult client groups
- IT systems development (e.g. electronic directory of services)
- Development of retail model of equipment including assistive technology – small task and finish group already establish to take this forward.
- Need to develop IT reporting system
- Need to consider future investment to meet additional capacity
- Need to secure health funding
- Workshop programme to consider operational model
- Service review and findings
- Detailed project plan
- Consider FACE and OLM systems to decide which RAS options preferred
- Progress business process mapping
- Review of finance system to reflect personal budgets
- ICT transformation workshop to be progressed
- Recruitment to ESCR post

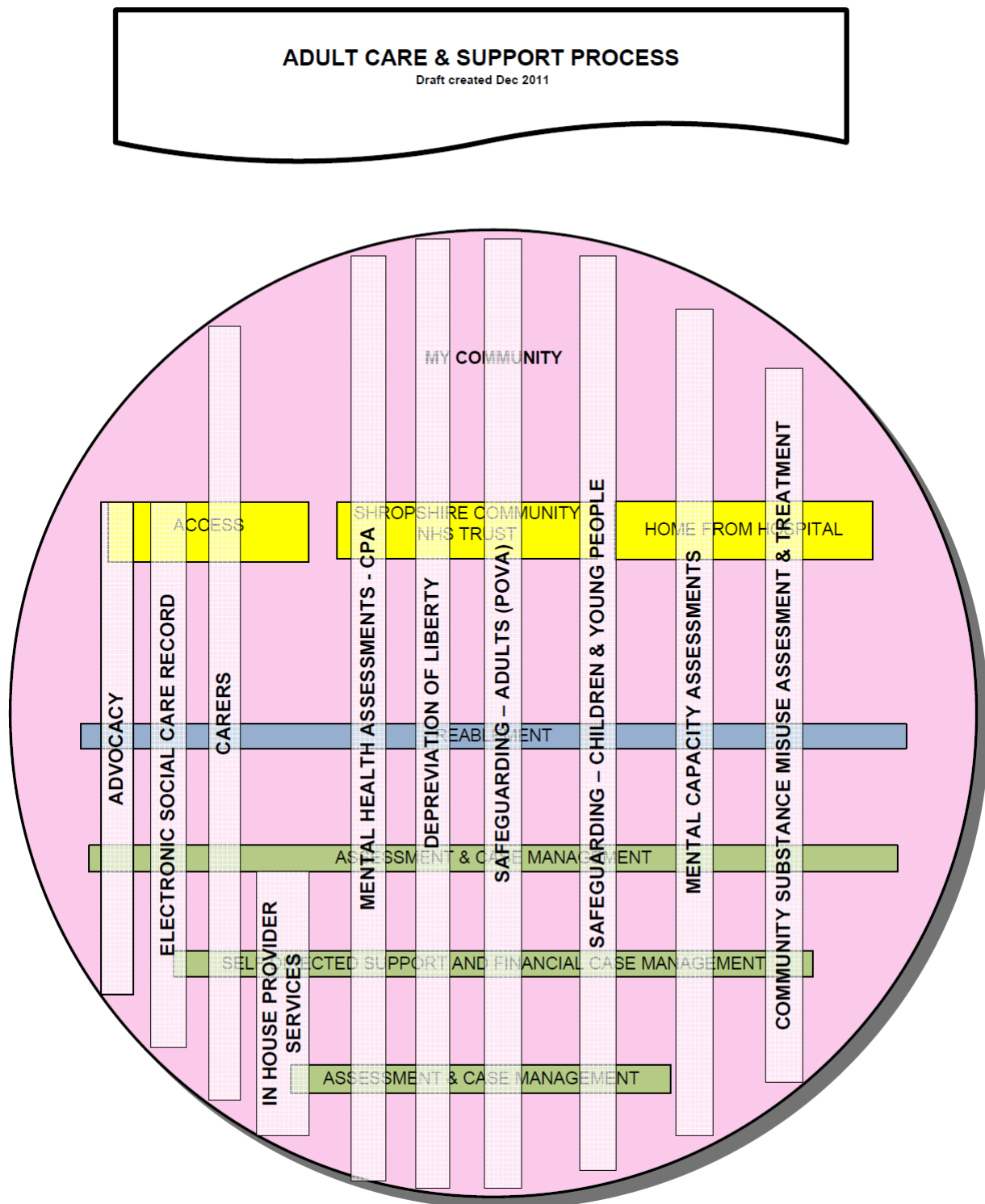
Appendix 2: Adult Care & Support High Level Flow Chart Business Process

1

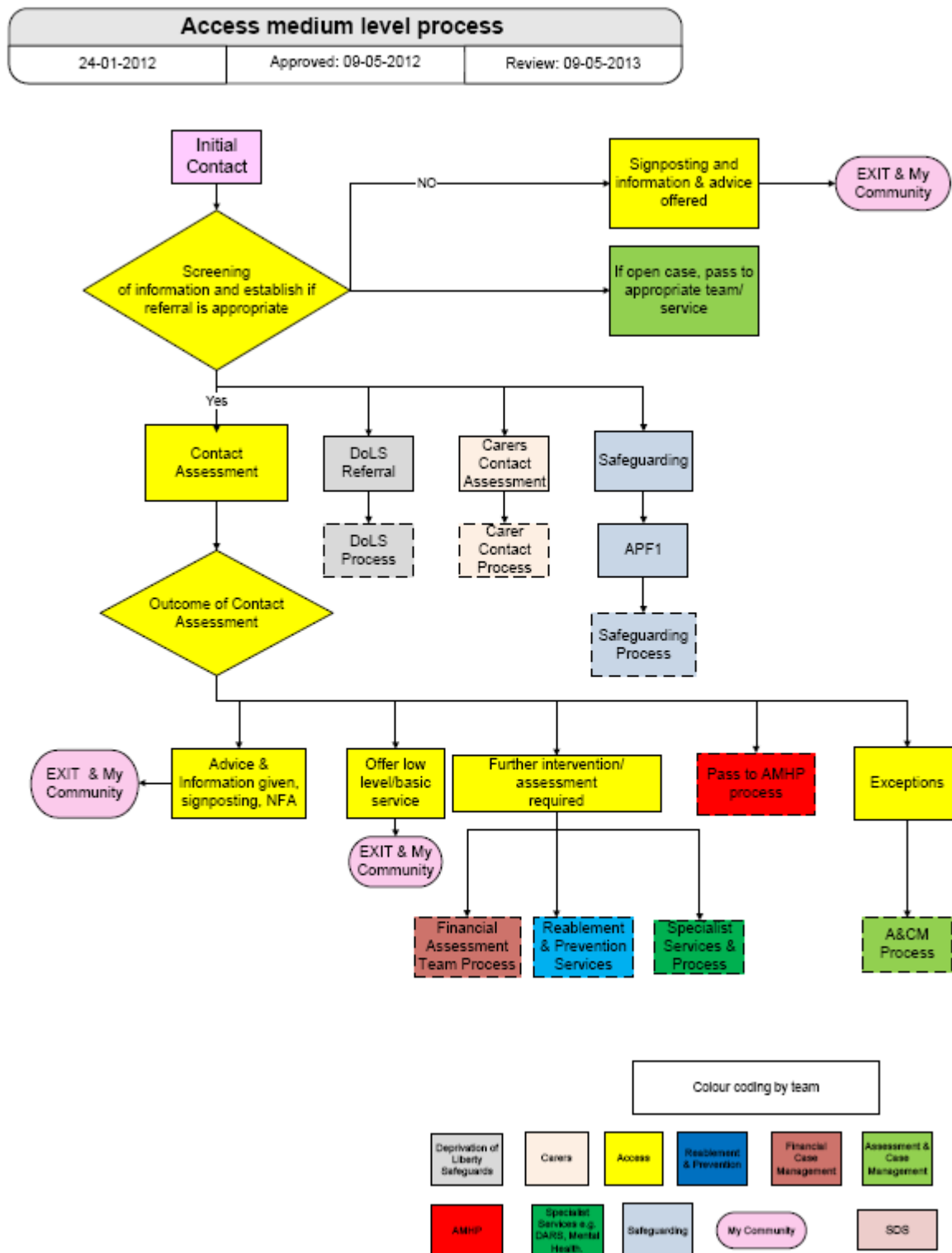


Appendix 3: Adult Care & Support Processes: Linkages

The diagram below illustrates the core processes associated with the Community Care process as well as those processes which sit outside of the community care process but will contribute to an individuals journey through the community care process:-



Appendix 4: COMMUNITY CARE MEDIUM LEVEL PROCESS MAPS

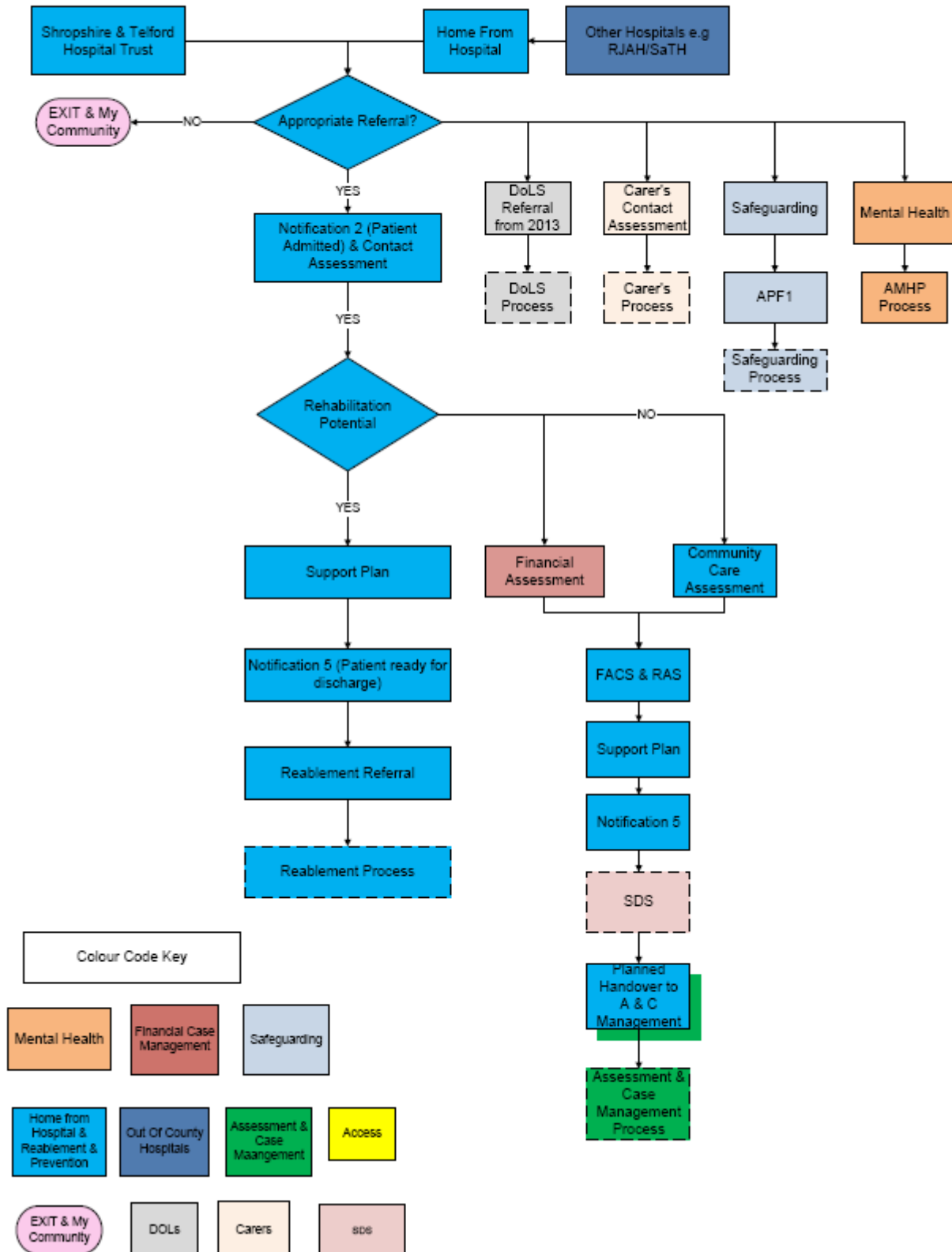


Home from Hospital medium level process

06/03/2012

Approved: 09-05-2012

Review: 09-05-2013

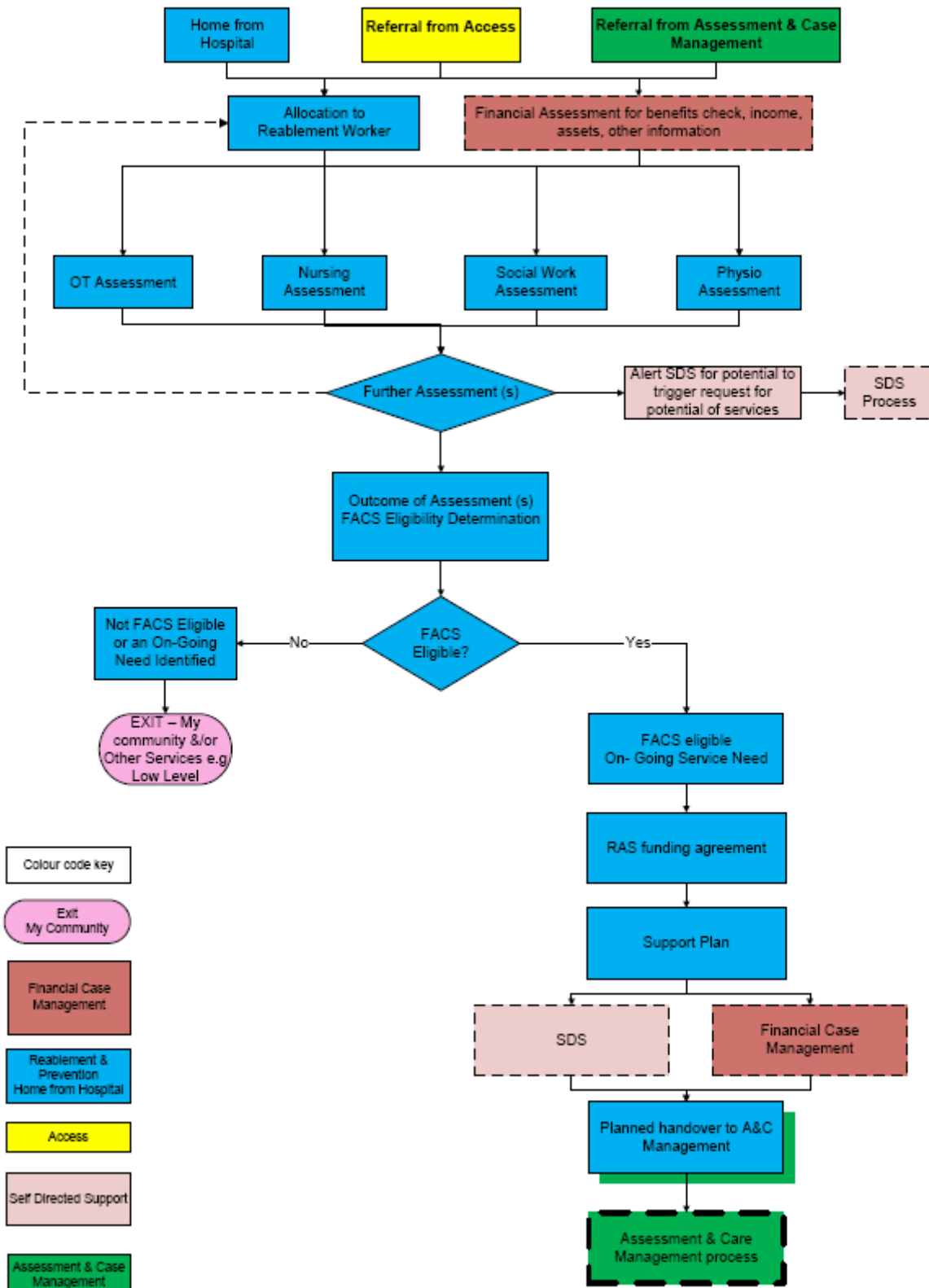


Reablement Rehabilitation & Prevention medium level process

24-01-2012

Approved: 09-05-2012

Review: 09-05-2013

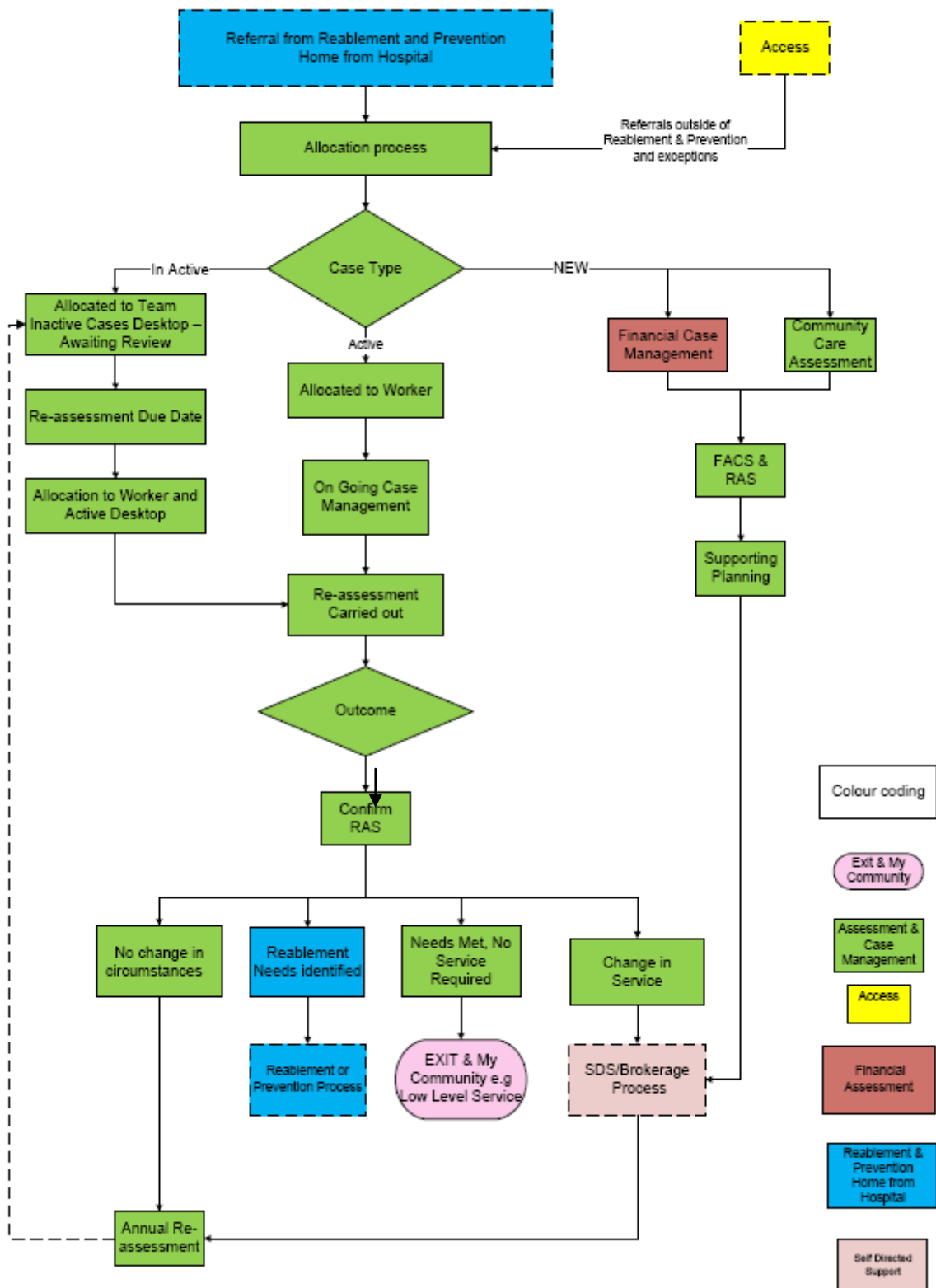


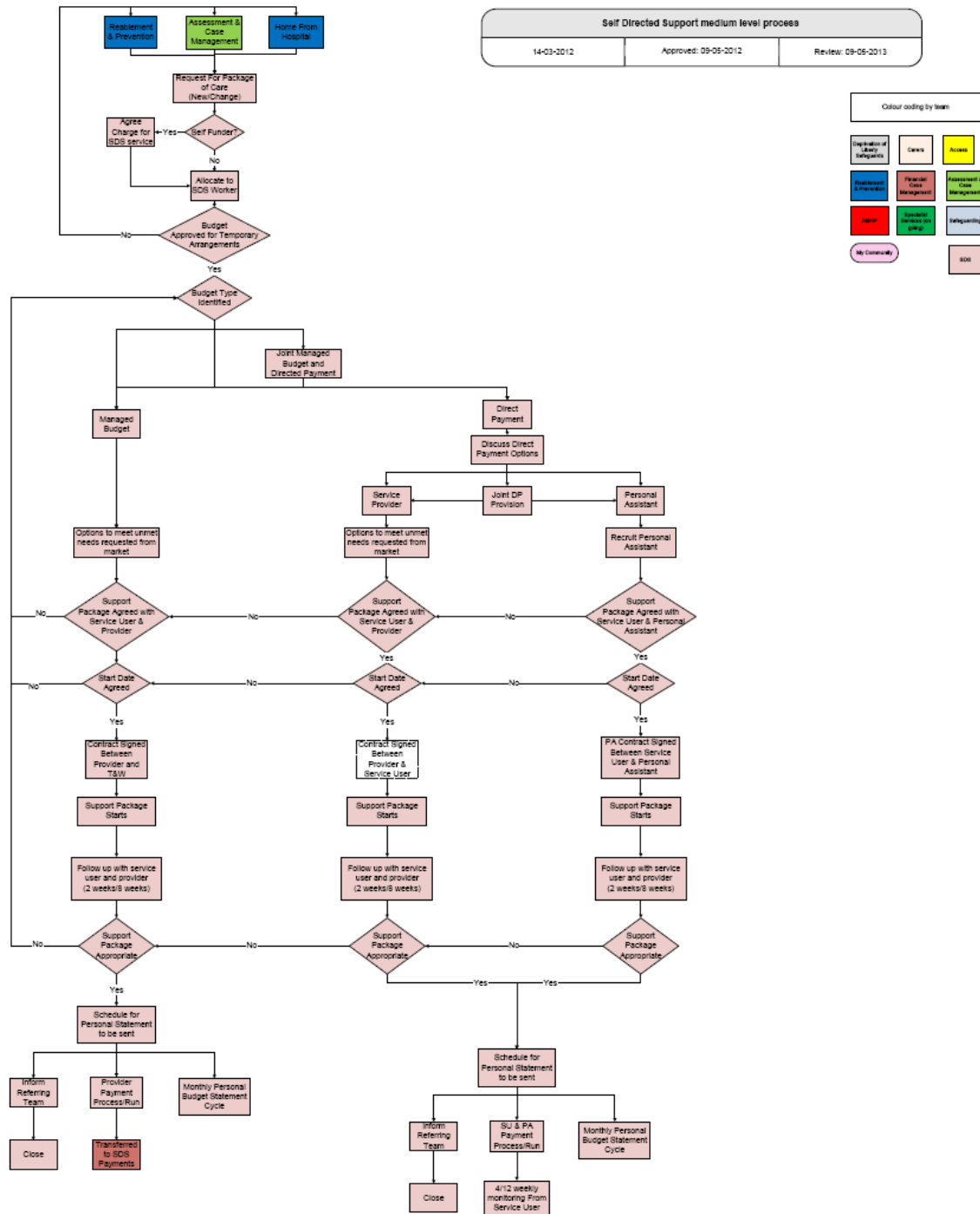
Assessment & Case Management medium level process

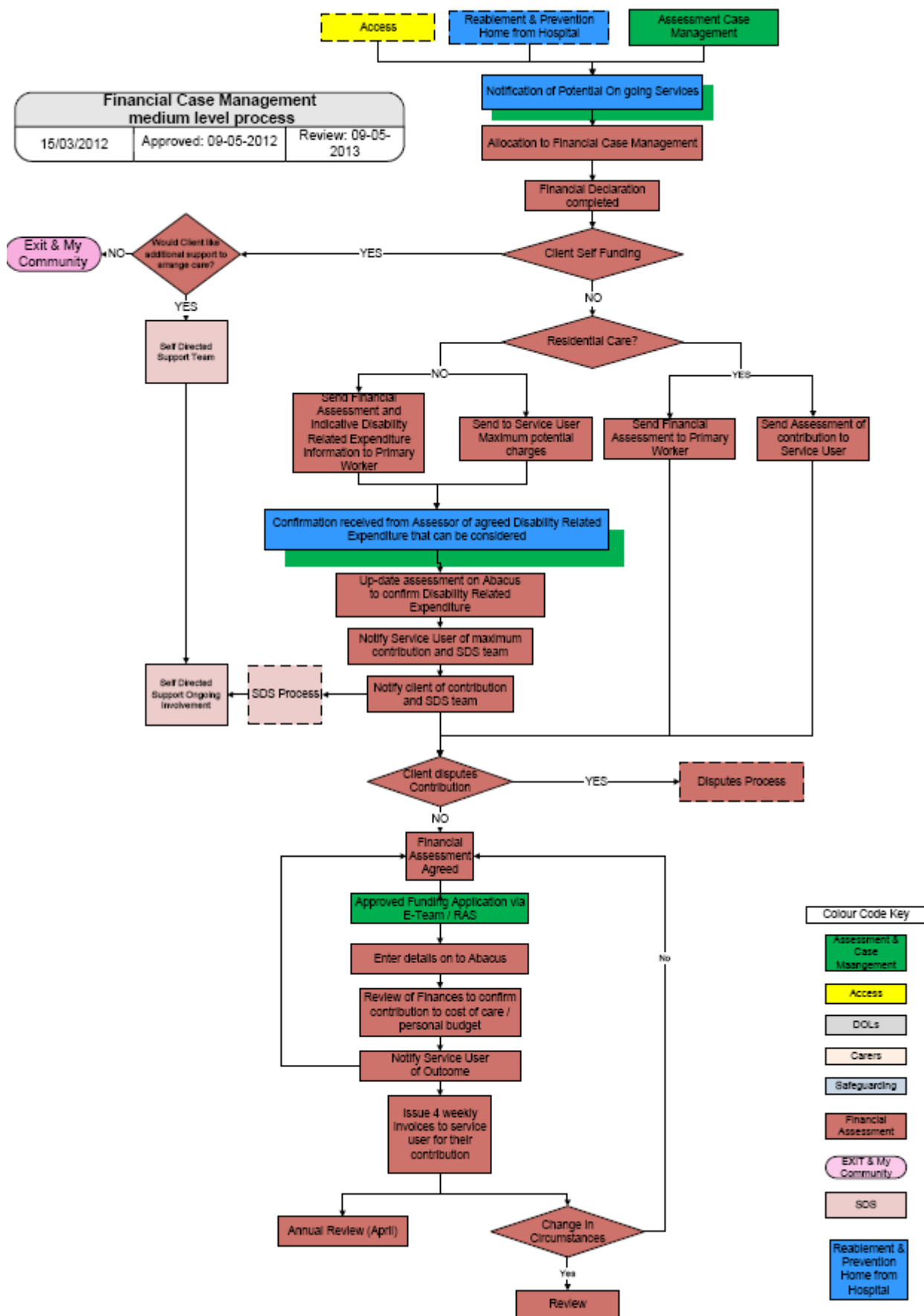
24-01-2012

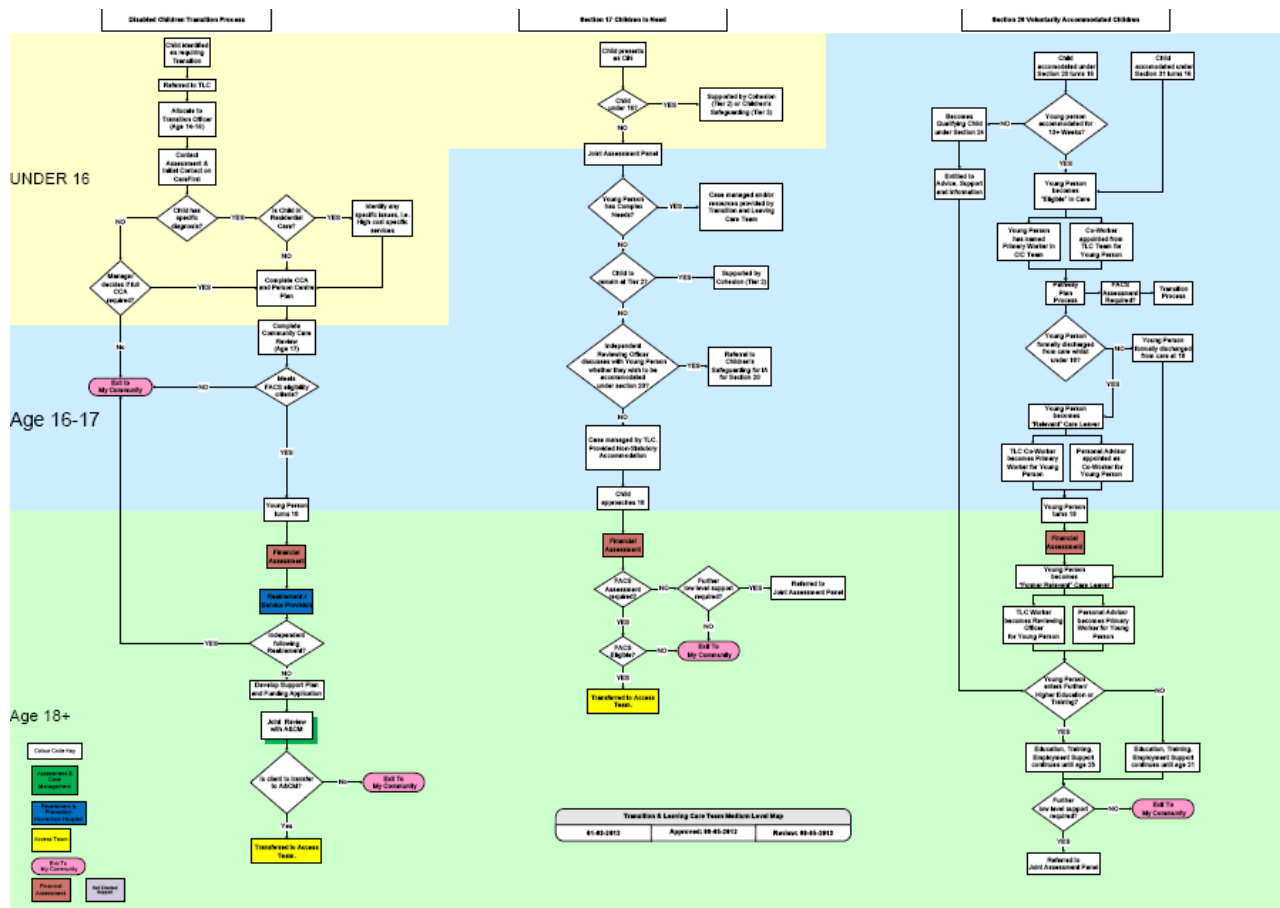
Approved: 09-05-2013

Review: 09-05-2013









TELFORD & WREKIN HEALTH AND WELLBEING BOARD 23RD JANUARY 2013**PUBLIC HEATH TRANSITION:UPDATE REPORT****REPORT OF THE DIRECTOR OF ADULT & COMMUNITY SERVICES AND THE DIRECTOR OF PUBLIC HEALTH****1.Summary**

As part of the NHS reforms, responsibility for key elements of the PCT's Public Health function transfer to Councils from 1st April, though they will receive less than half the funding available for Public Health spending nationally. Other elements will transfer to Public Health England (PHE) and the National Commissioning Board and once we move into running the new arrangements post 1st April, how the relationships and responsibilities between the 3 elements will actually work at an operational level should hopefully become clearer. Maximising the benefits of this change are intrinsic to the delivery of another new responsibility for the Council-taking leadership on Health & Wellbeing through the Health & Wellbeing Board. The Council and PCT Public Health staff have been working on the transfer arrangements for some months now though late delivery of key pieces of financial information –particularly the grant allocation-have hampered progress. There is still much to do but a successful transition should be achieved by April. Work stream updates are as follows:

2. Finance & Resources

2.1 A clearer view of the PCT's spend on the range of Public Health responsibilities coming to the Council was achieved in December and the delayed grant allocations were finally released on 10th January. At £10.6m for 2013/14 and £10.9m for 2014/15 the announced grant levels were above the projections used in formulating the overall budget strategy. While this area's allocations are still well above PHE target levels and will be brought closer to target every year, this has still generated a minimum increase from current budget levels rather than the reduction anticipated.

Following that late announcement of Public Health grants for the next 2 years, the savings proposals for Public Health have thus been revisited. Discussions with the Director of Public Health on the original proposals highlighted areas of concern underpinned by the evidence of local need and inequalities from the JSNA, relevance to the agreed Health and Wellbeing priorities and some local poor performance indicators in the recently published Public Health Outcomes Framework (PHOF) which the Council will be monitored against from April 2013. In summary this review resulted in a reduction in the proposed savings to protect investment in the following areas:

- Smoking cessation services, given high smoking-related mortality rates and early death rates from cardiovascular disease and cancer, which are key local

causes of reduced life expectancy and related inequalities (relevant to numerous national Public Health indicators PHOF)

- Adult weight management programmes given the scale of the obesity challenge and impact on chronic disease (obesity prevalence will be tracked through the national Public Health indicators PHOF)
- Breastfeeding programme in light of marked inequalities and significantly poor breastfeeding rates (breastfeeding will also be monitored through the PHOF)
- Alcohol misuse services, specifically prevention programmes given the high mortality rates from preventable liver disease (a new liver disease indicator has been included in the PHOF)

2.2 Budget Summary

The overall proposals are outlined below :

	2013/14 (£000)	2014/15 (£000)
Current Spending commitments	9.0	9.0
Additional responsibilities not in current spend including Infection Control and PH Emergency Planning	0.2	0.2
Support services- PR/Engagement/legal/finance/CSU for Public Health and Health & Wellbeing(no ongoing capacity yet created to support new H&W role/Board)	0.2	0.2
Contingency	0.1	0.2
Investment Priorities to be developed (year1 Flex card)	0.1	0.8
Funding allocated to protect existing Council services delivering the wider determinants of Public Health	2.5	2.5
Savings (see below)	(1.5)	(2.0)
Grant allocation	10.6	10.9

2.3 Savings

The reduced savings proposals now put forward can be summarised as follows:

Area of Activity	2013/14 Savings (£000)	2014/15 Saving (full year effect) (£000)
Public Health staff (mandated)	0	0
Nutrition, Obesity & Physical Activity	186	239
Smoking cessation	113	113
Children 5-19	111	188
NHS Health Check Programme (mandated)	49	49
Misc Health Improvement & Wellbeing	354	471
Drugs & Alcohol Support (treatment)	347	547
Sexual Health (mandated/treatment)	323	373
TOTAL	1,483	1,980

A more detailed analysis of these proposals by area, provider and associated risks is set out below.

Service Area	Savings Proposals	Risks	Saving £000
Nutrition, Obesity & Physical Activity:	1. Specialist weight management activities– (SCT £30k +yr2 £10k) 2. Physical activity brief interventions – (SCT £76k+yr2 £25k) 4. Walking & Cycling – (SCT £20k+yr2 £7k) 5. Community Food – (SCT	Will be a reduction in general health promotion initiatives but we will look to mitigate through directing current Council services and capacity	

	£34k + yr2 £11k) 6. Breastfeeding – (SCT £26k)		£186k – 13/14 £239k – 14/15
Smoking Cessation:	1. Promotion work (£8k) 2. Saving built into Integrated Service tender (£105k)	1. Can be provided through Council's own specialist resources. 2. Reliant on procurement process but is achievable with little risk .	£113k – 13/14 £113k – 14/15
Children 5-19:	1. Health Promotion & Prevention for young people – (SCT £111k+yr2 £37k) 2. School Nursing Service – 10% reduction in overall cost by 2014/15 through contract re-negotiation/workforce review (SCT yr2 £40k)	1. Reduced program for children and young people, including targeted groups. Mitigate through role of School Nurse/other Council services. 2. Minimal impact if it can be delivered through efficiencies	£111k – 13/14 £188k – 14/15
NHS Health check programme:	1. Pharmacy Project with Lloyds (£48k) 2. Telehealth – cardiopod (<£1k)	No significant impact.	£49k
Misc Health Improvement & Wellbeing:	1.Mental Wellbeing – (SCT £46k+yr2 £15k) 2. General Health Promotion – (SCT £259k+yr2 £86k) 3 Workplace & men's' health – (SCT £49k+yr2 £16k)	Will be a reduction in general health promotion initiatives but use of existing Council resources to mitigate impacts	£354k – 13/14 £471k – 14/15

Tier 1, 2, 3 & 4 Drugs and Alcohol support and treatment services	1. Various lower level activities/initiatives (£147k-day visit rehab services) 2. DARS Treatment Service- efficiencies available to deliver current level of service with deletion of unfilled posts (£200k in 2013/14, Further £200k in 2014/15 following full service review)	No significant Treatment risks. All service users will continue to have a service. Small risk of not meeting recovery KPI Risks will require closer monitoring in 14/15	£347k – 13/14 £547k – 14/15
Sexual Health Commissioned Services	1. GP Lead for Sexual Health (- £23k) 2. Sexual Health Tender – Contract savings and improved services (£215k + additional savings to be discussed with new contractor £50k) 3.Review of LES arrangements for 14/15 (£50k) 3. GUM out of area (35k)	No significant risks.	£323k – 13/14 £373k – 14/15
TOTAL Saving			£1.483m 13/14 £1.980m 14/15

3.Contracts

Given uncertainties around the financial position and level of services commissioned this has been the most complex area to deal with. As previously reported there is currently (before savings) around £7.9m spent on contracted services broken down as follows by area of activity:

Area of Activity	Estimated 2012/13 Spend (£000)
Nutrition, Obesity & Physical Activity	812
Smoking cessation	827
Children 5-19	583
NHS Health Check Programme (mandated)	506
Misc Health Improvement & Wellbeing	985
Drugs & Alcohol Support (treatment)	2,910
Sexual Health (mandated/treatment)	1,335
TOTAL	7.9m

Activity by Provider:

Provider	Estimated Spend £000
Shropshire Community NHS Trust	4,100
SATH NHS Trust	460
SSS NHS Foundation Trust	40
GP Practices	610
Pharmacies	370
T&W Council	1,260
Voluntary Organisations – Social Enterprises	700
Other	360
TOTAL	7.9m

As all contracts (other than Sexual Health and Smoking Cessation which have been retendered) come to an end on 31 March 2013, then as part of the national wind up process for PCTs we need to put forward onto the PCT transfer schedules which contracts we want extending, for what value and length of time. This will allow them to be transferred to the Council. It is intended to ask for extensions of no longer than 12 months on the basis that we will want to review every contract within this first year, consider synergies with existing Council services and where appropriate enter a new procurement process

Providers have already received a general letter jointly signed on behalf of the Council and PCT by the Director of Adult & Community Services and Director of Public Health. However more specific letters need to be sent as soon as possible and meetings arranged by provider to confirm our intentions, start the decommissioning process where necessary and the phased review of all transferring contracts.

4 Workforce, HR & Accommodation

Our respective HR officers have worked together to ensure that all information about transferring staff is up to date and available to the Council. Andy Griffiths (Council's HR) has had regular meetings with staff in the Public Health unit to keep them up to date and answer any questions

Within the unit there are a number of vacant posts, but on transfer the staff will initially stay together as a PH unit based at Halesfield (existing base) or in Joint Commissioning as now, with facilities to hot desk with other social care commissioners at Darby House. The structure and location of the PH team will be reviewed subsequently once senior management arrangements are in place, working arrangements settle down and accommodation management and charging arrangements for Halesfield are clarified. Senior Managers responsible for the Public Health unit will be based at Addenbrooke House alongside the rest of the senior management team. The proposed senior management structure will be announced shortly.

ICT requirements have been established and work is under way to ensure access as required to both Council and NHS systems.

5. Governance, Information Systems & Assurance:

There is still work to clarify the arrangements for information access ,particularly how this fits with the role of the new Commissioning Support Unit, with which there has been no contact so far...a similar concern exists around social care joint commissioning. Similarly there are areas of Council responsibility not undertaken by the current PCT Public Health team such as emergency planning and late changes such as responsibilities around infection control where we still need to clarify the exact Council role and resource requirements-hence the need for some resource contingency in the budget. There will also be a need to review PH support requirements within the Council and capacity given staff cuts over the last 2 years and the assimilation of Health & Wellbeing responsibilities with no additional capacity so far-not a sustainable position.

There is also work to do in finalising a Memorandum of Understanding with the Clinical Commissioning Group for mandatory provision of a service from the Council's PH unit and a reciprocal support on clinical governance expertise.

6. Communication and Engagement:

The Council's PR and Engagement units are now involved but as in other areas capacity is currently an issue. Attached is a statement to outline our approach to our new Public Health responsibilities which we will use as part of our communications.

7 Formal Transfer

A Paper will be prepared for 28th March Cabinet to approve the transfer of staff, contracts etc. by acknowledging the sign off of the formal Transfer Scheme by "appropriate officers" –Managing Director, Chief Finance Officer, Monitoring Officer

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Our Approach to Public Health in Telford and Wrekin

Our Ambition

Telford and Wrekin Council is committed to improving the health and wellbeing of our communities and addressing health inequalities by creating the conditions for residents to take greater control over improving their own lives.

Our Approach

Public Health services are an integral part of delivering our health & wellbeing ambitions and health and wellbeing strategy. To help make these ambitions a reality, we will develop an 'Assets Based Approach' to Health and Wellbeing priorities –this being one which focuses on the people and skills already in our community and what they can offer rather than seeing our local community just in terms of needs. We will work co-operatively and collaboratively with residents, communities and partners to address the wide range of factors which impact on health and wellbeing in Telford and Wrekin. This focuses on building on the significant improvements we have already made to health and wellbeing to develop innovative and new ways of delivery.

Equity and Fairness

People in different social circumstances experience different levels of health. In Telford and Wrekin we will focus on reducing these differences as a matter of fairness. To tackle inequalities the provision, uptake and outcomes of services will be equitable i.e. proportional to need, and proactively targeted towards the areas and groups within the community where they are most needed.

Integration: Health in All Policies

A broad range of issues have a significant impact on health. This means that building a healthier Telford and Wrekin will hinge on what is done to change policies that influence wider factors, such as economic opportunity, early childhood development, schools, housing, workplaces and the living environment. The current economic challenge to Telford and Wrekin means that social value must be created from investments to have a positive impact on health and wellbeing. Everyone has a role to play in promoting health and we expect everyone to play their part, including individuals and communities as well as the public, private and voluntary sectors. Services should be joined up, with all relevant partners working together to ensure patients, clients, service users and carers experience seamless journeys of support, care and treatment.

Public Health Functions

Health Improvement – such as nutrition, obesity and physical activity, smoking cessation, dental public health, children's health, health check for older adults and wider health and wellbeing.

Health Protection – planning to protect the local population against a range of threats and hazards to health and life.

Public Healthcare advice – providing a core offer of public health advice to the NHS locally. In addition two largely treatment related functions – sexual health and drug and alcohol treatment.

Mandated Services

Some of the above functions are mandatory. These include sexual health services, over 45's health check, weighing and measuring children; ensuring plans are in place to protect the health of our communities and provision of Public Health advice to the Clinical Commissioning Group.

Early Intervention and Prevention

There will be a strong focus on prevention, rather than treatment, to deliver greater overall increases in both life expectancy and quality of life, including an early intervention approach to supporting families, sustained lifestyle behaviour change, awareness raising of symptoms and early detection and treatment of risk factors which cause ill-health. We will extensively promote increasing social and physical participation and healthy, active lifestyles.

Empower Individuals and Communities: Engagement

We will put the public at the heart of service design. We will work in co-operation with residents to empower individuals and communities to be active in improving the health of people in our borough. This means that we will work with people to co-produce priorities and build on community assets to improve health. Information about the state of health and wellbeing in Telford and Wrekin and the ways that health can be improved will be made available to the public.

Quality and Financial Sustainability

Services will be safe and evidence based, providing value for money. We will focus on action which is supported by strong evidence as delivering real improvements to the health of people in Telford and Wrekin. This will help us to ensure that public money is spent on actions which will achieve good quality health and social care, empowered individuals and communities, and a reduction in health inequalities. Public resources will be used responsibly to deliver and develop services which demonstrate financial sustainability and value for money when we look at health impact outcomes.

Working Together

We will work together with the healthcare, voluntary and community sectors to support each other in achieving our health and wellbeing priorities, focusing on the potential of primary care services to support community wellbeing and work with partners to deliver services. We will work co-operatively to support the commissioning and delivery of effective and efficient health and social care services.

Protection

We will protect the Telford and Wrekin population from threats to health by ensuring that preparedness for emergencies, immunisation, screening and early detection and infection control programmes are in place.

Safeguarding

At the core of our approach to service design and delivery is the protection of vulnerable adults and children. This challenge will be overseen by our Adult and Children's Safeguarding Boards.

Our Resources

We will maximise the value that we can achieve with our resources, shaping and directing existing Council services to deliver improving public health outcomes-this includes our investments in driving local economic growth, sport, leisure, culture, regeneration, education, training and skills, public protection, social care and a host of other services. We will make effective use of the Public Health budget itself, and we will look at how our services can best work together with those of our partners to achieve better health and wellbeing in Telford and Wrekin.

We will work co-operatively and collaboratively with councils and partners across the West Midlands to share Public Health capacity to greater effect, achieve greater impact in public health actions, and advocate changes to national policies in order to achieve local improvements in health and wellbeing.

DRAFT

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 2003 – Regulation 5 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 10 of this report.

ROBUSTNESS OF ESTIMATES

Overview

The Comprehensive Spending Review announcements in October 2010 covered the period 2011/12 to 2014/15 and announced significant cuts to local authority funding – after allowing for inflation, the cuts amount to around £40m for Telford & Wrekin Council over this period. The Autumn Statement on 5 December 2012 highlighted that the UK's national deficit isn't reducing as the Government had anticipated and public services (other than those protected i.e. health, education and overseas aid) could expect further reductions on a similar trend line over the period through to 2017/18. There will be a spending round in the first 6 months of 2013 to update spending allocations through to 2015/16 which will be critical in determining what services the council will be able to deliver in the medium term.

It is also important to note there is 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.

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, entrepreneurial approach to income generating opportunities which includes promoting business/economic growth and assessing the viability and risks and potential rewards of new commercial ventures.

The funding mechanism for local government is also changing in April 2013 with the Business Rates Retention Scheme replacing the current Formula Grant System. Under the new system, authorities will 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 up to a threshold where growth is deemed to be disproportionate by the Government and until the system is "reset" in 2019/10. This is a marked change which 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. Significant changes to Welfare Benefits, with local Council Tax Support schemes replacing the national Council Tax Benefits system and Housing Benefit being incorporated into the new national Universal Credit are also being implemented in 2013/14. Close monitoring will need to be undertaken in 2013/14 to assess the impact of these changes on the Council's overall financial position.

The financial outlook is clearly challenging and the Council continues with its structured programme of delivering savings. Over the past 4 years £42m of ongoing savings have been delivered through: service restructures, improved

procurement, reductions to the number of council buildings and back-office efficiencies. Work will continue to develop additional proposals to deliver the savings targets set out in the Service & Financial Planning strategy for future years.

Overall therefore, given the continued delivery of savings, the long-term service redesign, particularly in relation to Adults and Children's services, and the commercial approach being adopted, 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 and the transfer of costs relating to Continuing Healthcare cases from the PCT.

The 2013/14 Service & Financial Planning Strategy has been informed by:

1. Council Wide 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. The review of key risks by relevant Members of the Cabinet and of the senior management Team is thus important to ensure we put in place a level of mitigation wherever possible.

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, where numbers of Children in Care and costs are increasing.

We have set aside a one-off general contingency of £2.5m next year; in addition a further £1.3m one off contingency has also been set aside specifically for Safeguarding (including £0.37m earmarked for Care & Support in respect of care leavers). A risk based review has also been carried out of all reserves and balances to inform the budget strategy. There has also been an assessment of key service risk exposure resulting in deletion of £0.3m assumed reduction in adult social care services.

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.

A strategic review of budgets was undertaken as part of this budget process to ensure budgets are realistic and achievable in the medium term. As a result of this review a number of budgets were adjusted to reflect ongoing pressures which has resulted in more sustainable budgets going forward. This exercise increased the base budget gap but results in a more robust budget. 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.

2013/14 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 additional one-off general contingency of £2.5m, a risk assessed review of reserves and balances which identifies uncommitted balances of £3.67m.

<u>Inflation</u>	
Pay Award	There is no allowance included for pay awards. The planning assumption is that service areas would meet this cost within cash limited budgets if this was the case through making further cuts or vacancy management. No increases are planned for teachers pay.
Employer's Pension Contribution	The Council agreed with pension fund officers and the fund's actuaries the maintenance of its contribution rate of 16.3% for the 3 years 2011/12 to 2013/14. Recommended changes from the triennial valuation of the fund will impact in April 2014 and following early discussions with the fund actuaries an estimate of 1.5% p.a. increase in the contribution rate has been included for this. Further, £0.1m has been included in 13/14, rising to £0.3m in 15/16 as an initial estimate of the impact of changes to the pensions regulations regarding auto enrolment for new starters. However, the council is recommended to take advantage of the option to defer auto enrolment for existing staff until 30th September 2016. Nil increase
Employer's National Insurance Contribution	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.
Non-Pay budgets	There is one-off general contingency of £2.5m plus a further £1.3m contingency specifically for Safeguarding (with £0.37m of this earmarked for care leavers who become the responsibility of Care & Support).

Contingencies	
Service Pressures	The difficult economic situation has an impact on the community and results in an increase in demand for council services. The key service pressures identified for the medium term relate to Care & Support and Children's Safeguarding. Children's Safeguarding– there are currently 317 Children in Care and financial monitoring shows a projected overspend of £3.1m in the current year. To recognise the considerable pressure this area is facing, no additional savings have been taken from Childrens Safeguarding in 2013/14 and an investment of £0.6m is being made into the budget. This still leaves a considerable financial challenge to bring spend back in line with the available funding and an action plan is included at Appendix 2 to do this. The action plan will be rigorously monitored. The 13/14 strategy includes a £1.3m specific one-off contingency for Safeguarding (with £0.37m of this earmarked for care leavers who become the responsibility of Care & Support). Care & Support – budget pressures arising from the reduction in PCT Continuing Health Care funding and an increased rate of hospital discharges are evident. In the current year one off resources have been used to meet the costs. Savings are anticipated through a complete remodelling of service delivery and procurement. An action plan is included at Appendix 12a and progress against this will be monitored very closely.
Central Government Funding / Local Government Resources Review	The Business Rates Retention Scheme replaces the current system for funding Local Government from 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 13/14 has been prudently 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.
Council Tax	Telford & Wrekin's Local Council Tax Support Scheme was

Support	approved by Council on 22 November 2012. The shortfall due to the Government's reduction in funding has been met through a combination of changes to council tax exemptions and discounts and by applying a percentage global reduction in support given to less vulnerable claimants. A one-off £0.065m has been earmarked 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 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 2013/14 to assess whether the assumptions on losses on collection and growth in the tax base were appropriate.
Interest Rates	Base rates have remained at 0.5% all year; the next rise is expected to be upwards but not until there are signs that the economy is recovering – perhaps 2015/16. The Bank of England has extended its Quantitative Easing programme to £375bn. Our investment and borrowing strategies for 2013/14 are set within this context. The assumptions for new borrowing are 1.75%, 3% and 4.5% in 13/14, 14/15 and 15/16 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 5.54% in 13/14 (due to long-term fixed rate investments placed when market rates were much higher), 3.94% in 14/15 and 4.5% in 15/16. 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 2013/14 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.
Treasury Management	The Treasury Strategy for 2013/14 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 2013/14 Treasury Strategy was presented to Audit Committee on the 29 January for their consideration and comments and was supported by them. The Committee will monitor progress during the year.
Dedicated	The figure estimated for Dedicated Schools Grant was

Schools Grant (DSG)	£120.350m (including academies) at the time of writing this report. The final DSG allocation to the Council will not be known until June 2013 when all adjustments for academies and pupil numbers are finalised. Compared to Local Authority funding, school funding has been comparatively protected. From April 2013 a new school funding regime is being implemented and Telford & Wrekin has developed a local formula to comply with the changes which was agreed by Cabinet in November 2012. 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. Going forward, any transfers to academy status are likely to have an adverse impact on Council funding.
Estimates on the level and timing of capital receipts	The revenue budget and capital programme assume around £112.8m anticipated future capital receipts over the medium term planning period. The sale of Civic Offices represents a large receipt and at the time of drafting this comment the proceeds from this sale are expected imminently. Also at the time of preparing this report the inquiry in to the possible sale of land at Station Road in Newport is in progress. The receipt from this sale is included in the capital receipts target and if nothing is received from the sale of this site there would be a revenue impact of £0.184m in 2013/14 rising to £1.575m in a full year. Any such 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.
Prudential Borrowing / Prudential Indicators	The use of prudential borrowing is in line with the capital programmes approved by full Council. The 100 day review of the 2011/12 budget reduced outstanding debt significantly and generated ongoing savings of £2.9m. Given the overall financial position faced by the Council it is important that any further significant prudential borrowing commitments are not entered into unless matched by additional savings/income

	flows or clear plans for the funding of the debt repayments have been identified. 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. 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 2013/14 budget strategy. The policy in relation to MRP is set out in the Treasury Management Strategy Report.
Single Status	The Single Status process is underway with a planned implementation date of April 2014. 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 around 20%. There is possible exposure to liabilities from back pay and equal pay claims and the authority will seek to identify the possible range of liability at similarly structured authorities though this is limited especially at present. Possible application for a capitalisation direction can be made for meeting backdated one off costs when there is any information available to support a claim, but the success of this is likely to be limited by strict controls on the total available nationally and under the regulations.
Savings	Over the past 4 years savings totalling £41.7m 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. Savings of £8.6m are planned for 2013/14, rising to £15.6m by 2015/16. There is a reserve set aside to meet redundancy costs with a recommendation that this is increased by £1.219m and 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 further underspend against the 2012/13 budget.
Financial Risks inherent in any new	There are a number of major capital projects that have been identified which require careful project management and monitoring during 2013/14 and beyond to ensure

funding partnerships, major outsourcing deals or major capital developments	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, accommodation project, Gorge instability project and Building Schools for the Future.								
The availability of other funds to deal with major calls on contingencies	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 £3.67m is available to use in the overall budget strategy at the start of 2013/14; there is no proposed use of general balances in the strategy for 2013/14.								
The overall financial standing of the authority (level of borrowing, debt outstanding, collection of council tax etc.	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 2013 is £96.7m; net additional prudential borrowing anticipated in 13/14 is £3.4m. The total reliance on capital receipts in the medium term strategy is £112.8m 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 new placement rates are low. The assumed council tax collection rate for 2013/14 onwards is 98%. This has been reduced 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 £0.495m 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. Cumulative collection rates to date for recent years are <table> <tr> <td>2008/09</td><td>99.39%</td></tr> <tr> <td>2009/10</td><td>99.36%</td></tr> <tr> <td>2010/11</td><td>99.26%</td></tr> <tr> <td>2011/12*</td><td>98.32%</td></tr> </table> Recovery for all years is projected to be well over 99% finally. *to-date	2008/09	99.39%	2009/10	99.36%	2010/11	99.26%	2011/12*	98.32%
2008/09	99.39%								
2009/10	99.36%								
2010/11	99.26%								
2011/12*	98.32%								

	Close monitoring of the impact of CTS on collection rates will be undertaken during 2013/14.
The authority's track record in budget and financial management	The Council continues to demonstrate strong financial management with outturn being very close to the net budget set: • 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) This demonstrates continued strong financial management, despite considerable pressure on service budgets, notably children's social services.
Virement and Contingencies	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. 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.
The adequacy of the authority's insurance arrangements to cover major unforeseen risks	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. The insurance section work closely with the Council's Risk Officer to identify insurance related risk areas and recommend ways of mitigating future risk.

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 year end 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 risk register. 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. A report on the annual review of reserves and balances will also be made to Council at the same time.

TELFORD & WREKIN COUNCIL

**CABINET - 28 FEBRUARY 2013
COUNCIL - 7 MARCH 2013**

SERVICE & FINANCIAL PLANNING 2012/13 – 2015/16: CAPITAL PROGRAMME

REPORT OF THE MANAGING DIRECTOR, CHIEF FINANCE OFFICER (ASSISTANT DIRECTOR: FINANCE, AUDIT & INFORMATION GOVERNANCE), THE ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING AND THE ASSISTANT DIRECTOR: ENVIRONMENTAL & LEISURE SERVICES

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

The report details the revised capital programme for 2012/13 and the proposed capital programme for 2013/14 to 2015/16, together with the Capital Strategy (including the proposed Asset Management Plan and related Building Maintenance Plan and the Highways and Transport capital investment programme).

2. RECOMMENDATIONS

Members are asked to approve the report and associated capital estimates and variations for 2012/13 and 2013/14 – 2015/16, 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).

Members are asked to delegate authority to the Assistant Director: Development, Business & Housing to deliver the planned programme of works within the Asset Management Plan and to the Assistant Director: Environmental & 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 priorities?
Yes/No All priorities are covered by the report.
Will the proposals impact on specific groups of people?*

	<i>Yes/No</i>	<i>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.</i>
TARGET COMPLETION / DELIVERY DATE		<i>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.</i>
FINANCIAL/VALUE FOR MONEY IMPACT	<i>Yes/No</i>	<i>Where appropriate these are detailed in the body of the report.</i>
LEGAL ISSUES	<i>Yes/No</i>	<i>all proposals are covered by the legislative framework within which the Council operates</i>
OTHER IMPACTS, RISKS AND OPPORTUNITIES	<i>Yes/No</i>	<i>The Council's current Strategic Risk Register has been considered as part of allocating resources in the overall programme</i>
IMPACT ON SPECIFIC WARDS	<i>Yes/No</i>	<i>Proposals affect all wards in the Borough</i>

PART B – ADDITIONAL INFORMATION

4.0 SUMMARY

- 4.1 This report presents the Council's Capital Strategy for 2012/13 – 2015/16 and later years and a capital programme of £287.306m 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 2013/14 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 2013/14 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.
- 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 2013/14. The building maintenance programme has been set in accordance with the proposed budget 2013/14 – 2015/16.

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 of £40m over a three-year period 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.
- Becoming a Co-operative Council and ultimately a Co-operative Borough to reshape the relationship between the Council, its employees, the community and partners to:
 - **Improve and bring services together;**
 - **Deliver the things that matter to local people;**
 - **Strengthen and develop our communities;**

Our Co-operative Council “adopter programme” sets out our pathway to becoming a Co-operative Council.

Both of these challenges have required the Council to review its ‘priorities’ which have been adopted as:

As a Co-operative 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 and 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:

- Improvements to roads, pavements and street lighting;
- Redevelopment of the local centres
- Development of new ‘state of the art’ schools commencing with Abraham Darby Academy and Woodlands Primary

6.0 CAPITAL STRATEGY: 2012/13 – 2015/16

- 6.1 During 2013/14, we are planning to invest **£107.199m** as part of a **£287.306m** 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	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Later Years £m
Protect and create jobs as a ‘Business Supporting, Business Winning Council’	33.958	14.769	17.496	1.693	0.000	0.000
Improve local people’s prospects through Education and Skills Training	157.663	34.904	60.007	51.303	10.048	1.401
Protect and support our vulnerable children and adults	6.111	4.012	2.099	0.000	0.000	0.000
Ensure that neighbourhoods are safe, clean and well maintained	55.209	10.019	16.352	19.588	9.250	0.000
Improve the health and well being of our communities and address health inequalities	7.298	4.435	1.690	0.223	0.950	0.000
Regenerate those neighbourhoods in need and work hard to ensure that local people have access to housing	16.100	9.174	5.985	0.941	0.000	0.000
Managing the Organisation	10.967	2.357	3.570	2.270	2.270	0.500

	287.306	79.670	107.199	76.018	22.518	1.901

- 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 detailed in Annex I. Many of these 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, the development of key planning documents such as Priority Plans, 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:

- The LSP's Vision 2026, Community Strategy and Local Area Agreement;
- The Council Plan/Priority Plans;

- 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 a business case 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, financial planning and value-for-money process;

- Consideration of appropriate procurement strategies and potential funding regimes.
- 'Pay back'/Invest to Save potential, such as for example investment in Waste Recycling facilities to reduce the future impact of Landfill Tax increases.

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 2013/14 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 business 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 2012/13 – 2015/16 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 and corporate levels. The Asset Management Plan ensures that relevant property performance indicators (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 2012 /2016 has identified a condition backlog of £8.7million for Operational Properties (excluding schools) and £30.6m 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 2013/14 is £1.2m for Educational Assets and £1m 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
Schools	P1-P3	£25,277,205	£27,657,372	£29,352,678	£28,593,580	£30,652,623
Operational	P1-P3	£11,984,120	£10,134,790	£11,080,659	£12,766,526	£8,770,020

*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 2013/14 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 Over the past few months, 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 22 December 2012. 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:

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Later Years £m
Improve local people's prospects through Education and Skills Training	1.684	0.000	0.000	0.000	0.000
Ensure that neighbourhoods	0.372	0.257	0.000	0.000	0.000

are safe, clean and well maintained					
Total	2.056	0.257	0.000	0.000	0.000

In the comprehensive spending review the government announced that no new allocation would be issued for 2013/14 or 2014/15.

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 new allocations have been built into the overall resources position: This takes into account the reduction in grant for Sports and Learning Communities discussed in 6.3 above.

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Later Years £m
Protect and create jobs as a 'Business Supporting, Business Winning Council'	3.394	1.496	0.000	0.000	0.000
Improve local people's prospects through Education and Skills Training	32.815	50.489	35.447	4.317	2.258
Protect and support our vulnerable children and adults	2.093	0.882	0.000	0.000	0.000
Ensure that neighbourhoods are safe, clean and well maintained	6.064	9.255	15.390	1.325	0.000
Improve the health and well being of our communities and address health inequalities	0.280	0.565	0.146	0.556	0.000
Regenerate those neighbourhoods in need and work hard to ensure that local people have access to housing	1.866	1.400	0.000	0.000	0.000
Total	46.512	64.087	50.983	6.198	2.258

11.3 Capital Receipts

The capital programme places a significant reliance on future capital receipts, totalling £112.774m 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.

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Later Years £m
Total	33.139	39.127	11.813	12.350	16.345

11.4 Prudential Borrowing Regime

Within the budget strategy for 2012/13 to 2015/16 the level of Prudential Borrowing assumed is as follows:

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Later Years £m
Protect and create jobs as a 'Business Supporting, Business Winning Council'	7.430	-11.720	-1.545	0.000	0.000
Improve local people's prospects through Education and Skills Training	-0.808	0.000	10.386	-2.169	-8.107
Protect and support our vulnerable children and adults	1.357	1.177	0.000	0.000	0.000
Ensure that neighbourhoods are safe, clean and well maintained	-5.040	0.993	-9.295	7.925	0.000
Improve the health and well being of our communities and address health inequalities	4.067	-0.177	0.077	0.394	0.000
Regenerate those neighbourhoods in need and work hard to ensure that local people have access to housing	6.537	4.105	0.441	0.000	0.000
Managing the Organisation	-16.599	9.001	11.300	-2.180	-8.595
Total	-3.056	3.379	11.364	3.970	-16.702

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	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	Later Years £m	Total £m
Government Allocations						
Improve local people's prospects through Education and Skills Training	1.684	0.000	0.000	0.000	0.000	1.684
Ensure that neighbourhoods are safe, clean and well maintained	0.372	0.257	0.000	0.000	0.000	0.629
	2.056	0.257	0.000	0.000	0.000	2.313
Grant Allocations						
Protect and create jobs as a 'Business Supporting, Business Winning Council'	3.394	1.496	0.000	0.000	0.000	4.890
Improve local people's prospects through Education and Skills Training	32.815	50.489	35.447	4.317	2.258	125.326
Protect and support our vulnerable children and adults	2.093	0.882	0.000	0.000	0.000	2.975
Ensure that neighbourhoods are safe, clean and well maintained	6.064	9.255	15.390	1.325	0.000	32.034
Improve the health and well being of our communities and address health inequalities	0.280	0.565	0.146	0.556	0.000	1.547
Regenerate those neighbourhoods in need and work hard to ensure that local people have access to housing	1.866	1.400	0.000	0.000	0.000	3.266
	46.512	64.087	50.983	6.198	2.258	170.038
Other Resources						
Capital Receipts	33.139	39.127	11.813	12.350	16.345	112.774
Revenue/External	1.019	0.349	1.858	0.000	0.000	3.226
Prudential Borrowing	-3.056	3.379	11.364	3.970	-16.702	-1.045
	31.102	42.855	25.035	16.320	-0.357	114.955
Total	79.670	107.199	76.018	22.518	1.901	287.306

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.**

Background Papers

Funding notifications, investment proposals, cabinet reports on various schemes, previous Capital Strategy documents and capital programmes.

Report prepared by

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Capital Programme - 2012/13 - 2015/16 & Later Years

Policy Area	Total £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	Later Years £'000
Protect and Support Our Vulnerable Children & Adults	6,111	4,012	2,099	0	0	0
Protect and Create Jobs as a 'Business Supporting, Business Winning Council'	33,958	14,769	17,496	1,693	0	0
Improve the Health and Well Being of our Communities and Address Health Inequalities	7,298	4,435	1,690	223	950	0
Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	16,100	9,174	5,985	941	0	0
Ensure That Neighbourhoods are Safe, Clean and Well Maintained	55,209	10,019	16,352	19,588	9,250	0
Improve Local People's Prospects through Education and Skills Training	157,663	34,904	60,007	51,303	10,048	1,401
Managing the Organisation	10,967	2,357	3,570	2,270	2,270	500
	287,306	79,670	107,199	76,018	22,518	1,901
Resources						
Borrowing Approval	2,313	2,056	257	0	0	0
Government Grant	170,038	46,512	64,087	50,983	6,198	2,258
Prudential	(1,045)	(3,056)	3,379	11,364	3,970	(16,702)
Capital Receipts	112,774	33,139	39,127	11,813	12,350	16,345
Revenue	53	(67)	80	40	0	0
External	3,165	1,078	269	1,818	0	0
S106	8	8	0	0	0	0
Total funding	287,306	79,670	107,199	76,018	22,518	1,901

**Capital Programme - 2012/13 - 2015/16 & Later Years
Scheme Summary showing major schemes separately**

		Expenditure						Funding					
Priority Area	Scheme	Total £'000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	Later Years £'000	Grant £'000	Prudential £'000	Receipts £'000	Borrowing £'000	S106 £'000	Revenue/External £'000
Protect and Support Our Vulnerable Children & Adults													
	Social Care Capital Grant	702	518	184	0	0	0	702	0	0	0	0	0
	ICT Social Care Review	1,233	943	290	0	0	0	731	250	0	0	0	252
	Supported Independent Living - Disabled Facilities Grant (e	2,822	1,397	1,425	0	0	0	1,542	1,280	0	0	0	0
	Social Education Centre	350	350	0	0	0	0	0	0	350	0	0	0
	Extra Care	1,004	804	200	0	0	0	0	1,004	0	0	0	0
Total		6,111	4,012	2,099	0	0	0	2,975	2,534	350	0	0	252
Protect and Create Jobs as a 'Business Supporting, Business Winning Council'													
	Town Centre - Phase 1 & Accommodation Strategy	33,958	14,769	17,496	1,693	0	0	4,890	-5,835	34,903	0	0	0
Total		33,958	14,769	17,496	1,693	0	0	4,890	-5,835	34,903	0	0	0
Improve the Health and Well Being of our Communities and Address Health Inequalities													
	Parks for People	2,303	279	851	223	950	0	1,452	326	525	0	0	0
	Telford Ice Rink	3,780	3,691	89	0	0	0	0	3,003	777	0	0	0
	Newport Fitness facility	791	41	750	0	0	0	0	791	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	324	324	0	0	0	0	95	141	80	0	8	0
Total		7,298	4,435	1,690	223	950	0	1,547	4,361	1,382	0	8	0
Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing													
	Housing Related Schemes	2,698	2,066	632	0	0	0	238	2,349	75	0	0	36
	Sutton Hill	368	368	0	0	0	0	0	93	275	0	0	0
	Hadley Local Centre Phase 1 & 2	3,651	1,951	1,700	0	0	0	2,666	985	0	0	0	0
	Woodside	1,571	1,571	0	0	0	0	0	1,341	230	0	0	0
	Brookside	6,148	1,554	3,653	941	0	0	362	4,651	1,135	0	0	0
	Oakengates	1,664	1,664	0	0	0	0	0	1,664	0	0	0	0
Total		16,100	9,174	5,985	941	0	0	3,266	11,083	1,715	0	0	36
Ensure That Neighbourhoods are Safe, Clean and Well Maintained													
	Transport & Highways Schemes	36,291	8,713	14,283	10,970	2,325	0	20,026	12,801	0	629	0	2,835
	Borough Towns Initiative	1,109	574	535	0	0	0	5	-24,024	25,128	0	0	0
	Ironbridge Gorge Stability	17,603	526	1,534	8,618	6,925	0	12,003	5,600	0	0	0	0
	Wellington Market Towns Initiative	0	0	0	0	0	0	0	0	0	0	0	0
	Ensure That Neighbourhoods are Safe, Clean and Well Ma	206	206	0	0	0	0	0	206	0	0	0	0
Total		55,209	10,019	16,352	19,588	9,250	0	32,034	-5,417	25,128	629	0	2,835
Improve Local People's Prospects through Education and Skills Training													
	Building Schools For The Future	144,319	28,871	55,542	48,457	10,048	1,401	113,872	-1,165	30,670	1,268	0	-326
	Modernisation & Condition - Various Schemes	4,640	0	2,320	2,320	0	0	4,640	0	0	0	0	0
	Devolved Formula Capital	1,574	522	526	526	0	0	1,574	0	0	0	0	0
	Improve Local People's Prospects All Other Schemes	7,130	5,511	1,619	0	0	0	5,240	467	586	416	0	421
Total		157,663	34,904	60,007	51,303	10,048	1,401	125,326	-698	31,256	1,684	0	95
Managing the Organisation													
	ICT/ eGov	2,873	773	700	700	700	0	0	2,873	0	0	0	0
	Asset Management Plan - General Works & Surveys	3,438	1,038	1,000	700	700	0	0	3,438	0	0	0	0
	Managing the Organisation Other Schemes	4,656	546	1,870	870	870	500	0	-13,384	18,040	0	0	0
Total		10,967	2,357	3,570	2,270	2,270	500	0	-7,073	18,040	0	0	0
Total All Schemes		287,306	79,670	107,199	76,018	22,518	1,901	170,038	-1,045	112,774	2,313	8	3,218

Capital Programme - 2012/13 - 2015/16 & Later Years

Priority Area	Scheme		Total £'000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £'000	Later Years £'000
Protect and Support Our Vulnerable Children & Adults								
	Social Care Capital Grant	Gov Grant	663	479	184	0	0	0
	ICT Social Care Review	Prudential	250	0	250	0	0	0
		Gov Grant	731	731	0	0	0	0
		Revenue	252	212	40	0	0	0
	Supported Independent Living - Di	Gov Grant	1,542	844	698	0	0	0
		Prudential	1,280	553	727	0	0	0
	Extra Care	Prudential	0	0	0	0	0	0
		Prudential	1,004	804	200	0	0	0
	Social Education Centre	Cap Receipts	350	350	0	0	0	0
	Donnington House	Gov Grant	39	39	0	0	0	0
Total			6,111	4,012	2,099	0	0	0
Protect and Create Jobs as a 'Business Supporting, Business Winning Council'								
	Town Centre - Phase 1	Prudential	3,728	-447	5,720	-1,545	0	0
		Gov Grant	4,890	3,394	1,496	0	0	0
		Cap Receipts	17,063	3,945	9,880	3,238	0	0
Total	Sub Total Town Centre - Phase 1		25,681	6,892	17,096	1,693	0	0
	Town Centre - Accommodation St	Prudential	-9,563	7,877	-17,440	0	0	0
		Cap Receipts	17,840		17,840	0	0	0
Total	Sub Total Town Centre - Accommodation Strategy		8,277	7,877	400	0	0	0
Total			33,958	14,769	17,496	1,693	0	0
Improve the Health and Well Being of our Communities and Address Health Inequalities								
	Lawn Tennis Academy	Prudential	14	14	0	0	0	0
	Sub Total - Lawn Tennis Academy		14	14	0	0	0	0
	Telford Ice Rink	Cap Receipts	777	0	777	0	0	0
		Prudential	3,003	3,691	-688	0	0	0
	Sub Total - Telford Ice Rink		3,780	3,691	89	0	0	0
	Parks for People	Prudential	326	94	-239	77	394	0
		Cap Receipts	525	0	525	0	0	0
		Gov Grant	1,452	185	565	146	556	0
	Sub Total - Parks for People		2,303	279	851	223	950	0
	Upgraded Tennis Facilities	Gov Grant	95	95	0	0	0	0
	AFC Telford	Prudential	-93	-93	0	0	0	0
	AFC Telford	Cap Receipts	80	80	0	0	0	0
	Crazy Golf in the Town park	Prudential	100	100	0	0	0	0
	Newport Fitness facility	Prudential	791	41	750	0	0	0
	Brindleyford	S106	8	8	0	0	0	0

Capital Programme - 2012/13 - 2015/16 & Later Years

Priority Area	Scheme	Total £'000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £'000	Later Years £'000
	Parks & Play Areas Prudential	220	220	0	0	0	0
	Sub Total Other Schemes	1,201	451	750	0	0	0
Total		7,298	4,435	1,690	223	950	0
Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing							
	Works In Default Cap Receipts	0	0	0	0	0	0
	Loan Contingency grant Prudential	5	5	0	0	0	0
	Loan Contingency grant External	36	36	0	0	0	0
	Housing Prudential	360	210	150	0	0	0
	Housing Strategy & Enabling Prudential	1,984	1,502	482	0	0	0
	Housing Strategy & Enabling NGP , Gov Grant	238	238	0	0	0	0
	Sub Total Housing Schemes	2,623	1,991	632	0	0	0
	Youth Cap Receipts	75	75	0	0	0	0
	Oakengates Prudential	1,664	1,664				
Total	Sub Total Oakengates	1,664	1,664	0	0	0	0
	Sutton Hill Prudential	284	284	0	0	0	0
	Gov Grant	0	0	0	0	0	0
	Sutton Hill Local Centre Prudential	-191	-191	0	0	0	0
	Gov Grant	0	0	0	0	0	0
	Cap Receipts	275	275	0	0	0	0
Total	Sub Total Sutton Hill & Local Centre	368	368	0	0	0	0
	Hadley Local Centre Phase 1 & 2 Prudential	985	685	300	0	0	0
	Gov Grant	2,666	1,266	1,400	0	0	0
Total	Sub Total Hadley Local Centre	3,651	1,951	1,700	0	0	0
	Woodside Prudential	1,311	1,311	0	0	0	0
	Woodside Local Centre & Project Cap Receipts	230	230	0	0	0	0
	Woodside Local Centre & Project Prudential	30	30	0	0	0	0
Total	Sub Total Woodside	1,571	1,571	0	0	0	0
	Brookside Prudential	4,651	1,037	3,173	441	0	0
	Gov Grant	362	362	0	0	0	0
	Cap Receipts	1,135	155	480	500	0	0
Total	Sub Total - Brookside	6,148	1,554	3,653	941	0	0
Total		16,100	9,174	5,985	941	0	0

Ensure That Neighbourhoods are Safe, Clean and Well Maintained

Wellington Civic Works	Prudential	-4,459	-4,459	0	0	0	0
	Cap receipts	4,605	4,605	0	0	0	0
Wellington Street Works	Prudential	32	32	0	0	0	0

Capital Programme - 2012/13 - 2015/16 & Later Years

Priority Area	Scheme		Total £'000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £'000	Later Years £'000
Total	Sub Total - Wellington BTI		178	178	0	0	0	0
	Dawley		0					
	Dawley Ground works	Prudential	-7,455	3,495	-3,650	-7,300	0	0
	Dawley	Cap Receipts	18,550	2,000	5,250	11,300	0	0
	Dawley-Town Park Access section	Prudential	-11,350	-5,650	-1,700	-4,000	0	0
	Dawley-Project Management cost	Prudential	300	200	100	0	0	0
	Dawley-MUGAS	Prudential	500	0	500	0	0	0
Total	Sub Total Dawley		545	45	500	0	0	0
	Newport Feasibility	Prudential	3	3	0	0	0	0
	Victoria Park	Prudential	3	3	0	0	0	0
	Canal	Prudential	39	39	0	0	0	0
Total	Sub Total Newport		45	45	0	0	0	0
	BTI Small Grants	Prudential	47	47	0	0	0	0
	Ironbridge	Prudential	16	16	0	0	0	0
	Malinslee Local Centre	Cap Receipts	623	0	288	335	0	0
		Prudential	-350	238	-253	-335	0	0
	Ironbridge CIPS	Gov Grant	0	0	0	0	0	0
Total	Sub Total Other BTI		336	301	35	0	0	0
	Ironbridge Gorge Stability	Gov Grant	12,003	526	1,534	8,618	1,325	0
	Ironbridge Gorge Stability	Prudential	5,600	0	0	0	5,600	0
Total	Sub Total Ironbridge Gorge Stability		17,603	526	1,534	8,618	6,925	0
	Leegomery Local Centre BTI	Prudential	-1,350	-1,350	0	0	0	0
		Gov Grant	5	5	0	0	0	0
		Cap Receipts	1,350	1,350	0	0	0	0
Total	Sub Total Leegomery Local Centre BTI		5	5	0	0	0	0
	Integrated Transport	Borrow App	130	130	0	0	0	0
		Prudential	588	55	533	0	0	0
		Gov Grant	3,345	1,086	939	1,320	0	0
	Integrated Transport	External	196	196	0	0	0	0
	Street Lighting Energy Programme	Prudential	1,300	325	325	325	325	0
	Highways & Bridges Capital Maint	Borrow App	499	242	257	0	0	0
		Gov Grant	2	2	0	0	0	0
		Gov Grant	8,462	3,121	3,142	2,199	0	0
	Highways / Footpaths	Prudential	8,226	1,682	2,544	2,000	2,000	0
	Highways Maintenance	External	55	55	0	0	0	0
	Box Road	Revenue	120	40	40	40	0	0
	Box Road	Gov Grant	6,544	199	3,202	3,143	0	0
	Box Road	External	2,464	377	269	1,818	0	0
	Box Road	Prudential	2,687	78	2,594	15	0	0

Capital Programme - 2012/13 - 2015/16 & Later Years

Priority Area	Scheme	Total £'000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £'000	Later Years £'000
	Local Sustainable Transport Fund Gov Grant	1,578	1,030	438	110	0	0
	Road Safety Schemes Gov Grant	95	95	0	0	0	0
	Sub Total Transport & Highways Schemes	36,291	8,713	14,283	10,970	2,325	0
	Wellington Cemetery Prudential	125	125	0	0	0	0
	Stoney Hill Prudential	81	81	0	0	0	0
	Sub Total - Other Schemes	206	206	0	0	0	0
Total		55,209	10,019	16,352	19,588	9,250	0

Improve Local People's Prospects through Education and Skills Training

	Building Schools for the Future Prudential	-1,165	-1,275	0	10,386	-2,169	-8,107
	Gov Grant	113,872	28,354	46,342	32,601	4,317	2,258
	External	7	7	0	0	0	0
	Revenue	-333	-333	0	0	0	0
	Cap Receipts	30,670	850	9,200	5,470	7,900	7,250
	Borrow App	1,268	1,268	0	0	0	0
	Sub Total - Building Schools for the Future	144,319	28,871	55,542	48,457	10,048	1,401
	Capital Maintenance - Various Scl Gov Grant	4,640	0	2,320	2,320	0	0
	Sub Total - Modernisation & Condition	4,640	0	2,320	2,320	0	0
	Devolved Formula Capital Gov Grant	1,574	522	526	526	0	0
	Burton Borough Roof Borrow App	11	11	0	0	0	0
	Grange Park Remodelling Cap Receipts	0	0	0	0	0	0
	John Fletcher / Madeley Infant An Gov Grant	74	74	0	0	0	0
	Millbrook Primary Library Gov Grant	19	19	0	0	0	0
	Millbrook Primary - Roofing Works External	6	6	0	0	0	0
	Meadows Primary Gov Grant	492	92	400	0	0	0
	Meadows Primary Borrow App	45	45	0	0	0	0
	Meadows Primary Prudential	16	16	0	0	0	0
	Meadows Primary/Burton Borough Cap Receipts	1	1	0	0	0	0
	Muxton Primary Classbase Extensic Gov Grant	450	15	435	0	0	0
	Muxton Primary Classbase Extensic Borrow App	84	84	0	0	0	0
	Muxton Primary Classbase Extensic Prudential	34	34	0	0	0	0
	Muxton Primary Classbase Extensic Cap Receipts	32	32	0	0	0	0
	Muxton Primary - 3 Classbase exte External	96	96	0	0	0	0
	Muxton Primary - 3 Classbase exte External	14	14	0	0	0	0
	Newdale Primary Cap Receipts	241	104	137	0	0	0
	Newdale Primary Gov Grant	413	0	413	0	0	0
	Newdale Primary Borrow App	70	70	0	0	0	0
	Newdale Primary - classbase exte External	156	156	0	0	0	0
	Redhill Demountable Cap Receipts	-10	-10	0	0	0	0
	Redhill Demountable External	5	5	0	0	0	0
	St Georges - 3 New Classbases Gov Grant	396	396	0	0	0	0

Capital Programme - 2012/13 - 2015/16 & Later Years

Priority Area	Scheme	Total £'000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £'000	Later Years £'000
	Charlton Car Park	Prudential	0	0	0	0	0
	Charlton PRU Bungalow	Cap Receipts	0	0	0	0	0
	Charlton PRU Bungalow	External	0	0	0	0	0
	Newport Girls	Cap Receipts	-17	-17	0	0	0
	Newport Girls demountable phase	External	17	17	0	0	0
	Southall Primary - Demountable W	Gov Grant	108	108	0	0	0
	Mount Gilbert School - Gas Works	Gov Grant	3	3	0	0	0
	Hadley LC - Notices of Change	Gov Grant	30	30	0	0	0
	Dothill Primary - Asbestos /Phase 2	Gov Grant	15	15	0	0	0
	Asbestos Surveys	Gov Grant	33	33	0	0	0
	Asbestos Surveys	Cap Receipts	0	0	0	0	0
	Asbestos Surveys	Borrow App	16	16	0	0	0
	Various Schools - Asbestos Removal	Gov Grant	100	100	0	0	0
	Sustainability schemes	Gov Grant	32	32	0	0	0
	Energy Sustainability Schemes	Borrow App	118	118	0	0	0
	Fly Screens	Gov Grant	5	5	0	0	0
	Schools Tree Works	Gov Grant	60	60	0	0	0
	Various Schools - Asset Management	Gov Grant	30	30	0	0	0
	Various Schools - Security Measures	Gov Grant	25	25	0	0	0
	Various Schools - Kitchen Planned	Gov Grant	60	60	0	0	0
	Various Schools - External Painting	Gov Grant	75	75	0	0	0
	Various Schools - Capital Enhancement	Gov Grant	180	180	0	0	0
	Contingency for Reactive Works	Borrow App	27	27	0	0	0
	Contingency for Reactive Works	Prudential	8	8	0	0	0
	Contingency for Reactive Works	Cap Receipts	1	1	0	0	0
	Contingency for Reactive Works	External	50	50	0	0	0
	Contingency for Reactive Works	Gov Grant	61	61	0	0	0
	Donnington Wood Infants Main Bldg	Cap Receipts	91	91	0	0	0
	Donnington Wood Infants Main Bldg	Gov Grant	180	180	0	0	0
	Hollinswood Infant - Curtain Wall -	Gov Grant	35	35	0	0	0
	Newport Infants - Toilet refurbishment	Gov Grant	17	17	0	0	0
	Aqueduct Primary - Roof Works	Gov Grant	10	10	0	0	0
	Sir Alexander Flemming Primary - C	Gov Grant	7	7	0	0	0
	Crudgington Primary Car Park	Gov Grant	33	33	0	0	0
	Crudgington Primary - External Works	External	7	7	0	0	0
	Crudgington Primary - External Works	Gov Grant	33	33	0	0	0
	Crudgington Primary -New Biomass	Gov Grant	7	7	0	0	0
	Captain Webb - Intercom & fencing	Gov Grant	25	25	0	0	0
	Hollinswood Junior - Kitchen Works	Gov Grant	60	60	0	0	0
	John Fletcher roof works	Gov Grant	45	45	0	0	0
	John Fletcher roof works	External	5	5	0	0	0
	John Fletcher - Rewiring Phase 1	Gov Grant	39	39	0	0	0

Capital Programme - 2012/13 - 2015/16 & Later Years

Priority Area	Scheme	Total £'000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £'000	Later Years £'000
	John Randal - Electrical Installation Gov Grant	90	90	0	0	0	0
	Lilleshall Primary - Roofing / Windows External	4	4	0	0	0	0
	Lilleshall Primary - Roofing / Windows Borrow App	13	13	0	0	0	0
	Lilleshall Primary - Roofing / Windows Gov Grant	103	103	0	0	0	0
	Meadows Primary - Electrical Installation Gov Grant	80	27	53	0	0	0
	Newport Junior Heating Gov Grant	0	0	0	0	0	0
	Newport Junior - Boiler Gov Grant	100	100	0	0	0	0
	Old Park Primary - Roof Works Gov Grant	4	4	0	0	0	0
	Queenswood - Curtain Walling Gov Grant	30	30	0	0	0	0
	Redhill Primary Remodelling Gov Grant	29	29	0	0	0	0
	St Lawrence Primary - Demountable Gov Grant	19	19	0	0	0	0
	St Patricks - Drainage Gov Grant	4	4	0	0	0	0
	Short Wood - Pot Holes Gov Grant	1	1	0	0	0	0
	Teagues Bridge Primary Gov Grant	345	345	0	0	0	0
	Tibberton Primary - Roofing Main B Gov Grant	123	123	0	0	0	0
	Wombridge Primary - Roof works Gov Grant	17	17	0	0	0	0
	Wombridge Primary - Curtain Walling Gov Grant	15	15	0	0	0	0
	Wombridge Primary - Boiler Gov Grant	100	100	0	0	0	0
	Wombridge Primary - New Entrance External	17	17	0	0	0	0
	Wrekin View Primary - Chimney Work Gov Grant	7	7	0	0	0	0
	William Reynolds Jnr - Amalgamate Borrow App	6	6	0	0	0	0
	William Reynolds Jnr - Amalgamate Gov Grant	242	242	0	0	0	0
	William Reynolds Jnr - Amalgamate Gov Grant	56	56	0	0	0	0
	William Reynolds Jnr - Amalgamate Cap Receipts	25	25	0	0	0	0
	Lord Silkin - Perimeter Roof Gov Grant	14	14	0	0	0	0
	Sutherland School - Roofing Works Gov Grant	12	12	0	0	0	0
	Haughton Special School - Main School External	8	8	0	0	0	0
	Haughton Special School - Main School Gov Grant	90	90	0	0	0	0
	Leegomery Changing Rooms Showers Gov Grant	45	45	0	0	0	0
	Charlton School - Yellow lining for Windows Gov Grant	1	1	0	0	0	0
	Admaston Tuition Centre - ICT External	10	10	0	0	0	0
	Admaston Tuition Centre - Capital Expenditure cont, school facilities	4	4	0	0	0	0
	Pupil Services DDA Access works & Revenue	14	14	0	0	0	0
	Cleaning Equipment Gov Grant	23	23	0	0	0	0
	Schools Access Initiative Gov Grant	46	46	0	0	0	0
	Schools Access Initiative Borrow App	26	26	0	0	0	0
	Aqueduct Primary - DDA Gov Grant	6	6	0	0	0	0
	Apley Wood DDA Works Gov Grant	10	10	0	0	0	0
	Crudgington Primary DDA Works Gov Grant	8	8	0	0	0	0
	High Ercall Primary - DDA Works Gov Grant	1	1	0	0	0	0
	Lilleshall Primary - DDA Gov Grant	25	25	0	0	0	0
	Newport Juniors - DDA Works Gov Grant	6	6	0	0	0	0

Capital Programme - 2012/13 - 2015/16 & Later Years

Priority Area	Scheme	Total £'000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £'000	Later Years £'000
	Newport Juniors - 2 x Disabled Bay Gov Grant	1	1	0	0	0	0
	Redhill Primary - DDA works includi Gov Grant	20	20	0	0	0	0
	Short Wood Primary - Ceiling Track Gov Grant	5	5	0	0	0	0
	Haughton Special School - Ramps Gov Grant	7	7	0	0	0	0
	Woodlands Primary Prudential	409	409	0	0	0	0
	Short Breaks for Disabled Children Gov Grant	399	399	0	0	0	0
	Short Breaks for Disabled Children Cap Receipts	1	1	0	0	0	0
	Windmill Children Centre - Phase 2 Gov Grant	3	3	0	0	0	0
	King Street Pru External	8	8	0	0	0	0
	Madeley Court Demolition Cap Receipts	-10	-10	0	0	0	0
	Dothill Jnr / Inf Co-location Gov Grant	1	1	0	0	0	0
	Teagues Bridge Primary Cap Receipts	231	50	181	0	0	0
	Sub Total - Other Schemes	7,130	5,511	1,619	0	0	0
Total		157,663	34,904	60,007	51,303	10,048	1,401
Managing the Organisation							
	ICT/ eGov Prudential	2,873	773	700	700	700	0
	Revenue	0	0	0	0	0	0
	Sub Total - ICT / eGov	2,873	773	700	700	700	0
	Asset Management Plan - Genera Prudential	3,438	1,038	1,000	700	700	0
	Aggresso Project Prudential	55	55	0	0	0	0
	Stirchley Training Centre Prudential	-9	-9	0	0	0	0
	Finance Fees Prudential	510	0	170	170	170	0
	Property & Design Fees Prudential	600	0	200	200	200	0
	Commercial & Business Fund Cap Receipts	1,000	0	1,000	0	0	0
	Capital Receipts Site Preparation Prudential	500	500	0	0	0	0
	Capital Receipts Site Preparation Cap Receipts	2,000	0	500	500	500	500
	Use of Additional Capital Receipts Prudential	-15,040	-18,956	6,931	9,530	-3,950	-8,595
	To Reduce Prudential Borrowing Cap Receipts	15,040	18,956	-6,931	-9,530	3,950	8,595
	Sub Total - Other Schemes	8,094	1,584	2,870	1,570	1,570	500
Total		10,967	2,357	3,570	2,270	2,270	500

TELFORD & WREKIN COUNCIL**CABINET
COUNCIL****28 FEBRUARY 2013
7 MARCH 2013****PLANNED BUILDING MAINTENANCE PROGRAMME 2013/14****REPORT OF ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS
HOUSING****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

To identify the proposed planned building Maintenance programme for financial year 2013/14, in accordance with Service & Financial Planning strategy for 2013/14 to 2015/16.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve the planned building capital maintenance programme for 2013/14 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: • 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 2013/14. Larger projects may cover more than one financial year.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Budgetary provision for the planned programme of works £1.2 million Educational and £1 million Operational (as

		detailed in Appendix 1) is included within the proposed Service and Financial Planning Report 2013/14 to 2015/16. Confirmation of the Education capital allocations for 2013/14 have not been received and are expected to be notified in February 2013 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 and 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 2011/2014 has identified a condition backlog of approximately £8.7m for operational properties (excluding schools) and £30.6m for school/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. The operational property backlog has reduced in 2012/13 due to the corporate property rationalisation and investment (i.e. ice rink) by circa £4m. There has also been a 34% delivered and planned reduction in office accommodation space.

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 2013/14 is £1.21m for

Educational assets and £1.0m for all other operational assets. The budget allocations do not take into account the capital investment relating to amalgamation 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 are also included as part of the scheme.

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 2011/2014 (refreshed 2013)

Report prepared by Matthew Taylor, Team Leader, Property Management & Design, 01952 384305

APPENDIX A - Education Planned Building Capital Works Programme 2013/14

Asset	Description of Works	Estimated Budget	Corporate Priorities	Ward
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 being extended in 2013/14 to increase numbers and the proposals would be included within the main contract.	£250,000	Putting Children & Young People first.	Wrockwardine Wood & Trench
Aqueduct Primary	Phase 1 rewire - the proposals are to replace the sub distribution boards and incoming cables to the school as a phase 1 to rewiring the property.	£30,000	Putting Children & Young People first.	Dawley Magna
Dothill Primary	Phase 2 Heating installations - The boilers to the main school were replaced in 2011/12 and the proposals are to replace the remaining heat emitters in the class bases. This will provide a more efficient heating system and reduce energy usage.	£75,000	Putting Children & Young People first.	Dothill
Dothill Primary	The existing kitchen in the infant building was not refurbished as part of the amalgamation of the Infant and Junior Schools. The area needs to be refurbished to bring the space back into operation. The space would provide a support base for local residents and improve links between the community and the school.	£50,000	Improve prospects through education & skills training. Improving health and wellbeing of communities.	Dothill
Southall Primary	Re-roofing to main school and electrical installation upgrades. The budget allocated will form part of the BSF proposals and remove a condition problem. The proposals for the BSF project include provision of a new sports hall and class base extension. The allocation allows for the BSF funding to be committed to improving education as opposed to dealing with elements of the condition backlog.	£90,000	Putting Children & Young People first.	Dawley Magna
John Fletcher of Madeley Primary	The building fixed wiring test has reported a number of issues with the condition of the system. The property has been recommended for a full rewire.	£75,000	Putting Children & Young People first.	Madeley
KS1, 2 & 3 Short Stay School (Admaston Pupil Referral Unit)	The building fixed wiring test has reported a number of issues with the condition of the system. The property has been recommended for a full rewire.	£30,000	Putting Children & Young People first.	Dothill

Annex II of Budget Strategy

Meadows Primary	Electrical installation replacement - The power and lighting at the school will be replaced. The work will form part of the proposals to extend the building to accommodate additional pupil places.	£60,000	Putting Children & Young People first.	Ketley & Oakengates
Moorfield Primary	The boiler installation has failed a number of times 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.	£100,000	Putting Children & Young People first.	Newport West
Wrockwardine Wood Infant	The boiler plant is not easily maintained and is inefficient. It is proposed to replace the system with an energy efficient solution to reduce carbon emissions and help reduce running costs.	£100,000	Putting Children & Young People first.	Wrockwardine Wood & Trench
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.	£30,000	Putting Children & Young People first.	Various
Various Schools	Checks are undertaken annually but this year it is proposed to undertake new Asbestos Management Surveys on all school properties. Where removals are required these will be prioritised using the Asbestos Management survey data.	£100,000	Putting Children & Young People first.	Various
Various Schools	Adaptations to automated gates - the HSE have released legislation regarding the safety of automated gates. A survey has been undertaken of all the school installations and a list of works has been produced.	£50,000	Putting Children & Young People first.	Various
Various Schools	External decoration and preventative maintenance - It is vital to carry out a programme of preventative planned maintenance to minimise future capital expenditure. The proposed programme is to carry out work at approximately 15 schools per year based on a 4 year rolling programme.	£75,000	Putting Children & Young People first.	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.	£100,000	Putting Children & Young People first.	Various
	TOTAL	£1,215,000		

Corporate Planned Building Capital Works Programme 2013/14

Asset	Description of Works	Estimated Allocated Budget	Corporate Priorities Contributed to proposals	Ward
Various Properties	Emergency works/unforeseen works - A reserve budget to cover landlord responsibilities for major unplanned replacements (i.e. boiler failure).	£200,000	- 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.	Various
Various Properties	External Painting - It is vital to undertake preventative planned maintenance to minimise future capital expenditure, it is proposed to repaint approximately 15 properties per year	£65,000	- Ensuring neighbourhoods are safe, clean and well maintained. - Regenerating neighbourhoods in need, and ensuring access to suitable housing	Various
Various Properties	Although checks are undertaken annually it is proposed to undertake new Asbestos Management Surveys on all operational properties. Where removals are required these will be prioritised using the Asbestos Management survey data.	£150,000	- Ensuring neighbourhoods are safe, clean and well maintained. - Regenerating neighbourhoods in need, and ensuring access to suitable housing	Various
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	- 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
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.	£30,000	- Ensuring neighbourhoods are safe, clean and well maintained. - Regenerating neighbourhoods in need, and ensuring access to suitable housing	Various

Madeley Ski Centre	The condition report identifies that the electrical installations in the centre are in need of replacement.	£40,000	- Ensuring neighbourhoods are safe, clean and well maintained. - Regenerating neighbourhoods in need, and ensuring access to suitable housing - Improving health and wellbeing of communities.	Madeley
Oakengates Leisure Centre	Internal Refurbishment - Works are required to the internal fabric of the building which could include wet side changing rooms, toilets, sports hall floor, lighting and decoration, this funding will form part of the overall BSF proposals and invest to save funding.	£200,000	- Ensuring neighbourhoods are safe, clean and well maintained. - Regenerating neighbourhoods in need, and ensuring access to suitable housing - Improving health and wellbeing of communities.	Ketley & Oakengates
Brookside Community Centre	The community centre is being refurbished as part of Brookside Regeneration programme of works. It makes economic sense to undertake the condition related work at the same time as the main regeneration scheme.	£100,000	- 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
Downing House	Internal redecoration / refurbishment - The centre has not been internally redecorated since its construction in 2006. The proposal is to internally decorate all main corridors and replace some internal fire doors which are damaged.	£25,000	- Regenerating neighbourhoods in need, and ensuring access to suitable housing - Improving health and wellbeing of communities.	Dothill
Addenbrooke House	The replacement roof covering was not included within the original refurbishment project due to time constraints, the original survey identified that it is at the end of its economic life. The works will not require scaffolding of the property and it will improve the energy efficiency/running costs.	£100,000	Ensuring neighbourhoods are safe, clean and well maintained.	Lawley & Overdale

Annex II of Budget Strategy

The Place	Part internal redecoration - the property has not been internally decorated since its refurbishment.	£15,000	• Regenerating neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities.	Ketley & Oakengates
	TOTAL	£1,000,000		

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

2013/2016

FOREWORD by Councillor Bill McClements, Cabinet Member for Resources



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.

2012/13 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 Abraham Darby Sports and Learning Community in the south of Telford. A multi million pound development to replace the original Abraham Darby secondary school, Madeley Court Leisure Centre and Woodlands Primary school. All three elements opened in September and the building offers a fantastic facility to both pupils and the wider community.

Abraham Darby Sports and Learning Community



The other most significant development has been the move of the Council offices combined with the Southwater Regeneration. With Telford Town Centre we are delivering a mixed use

development linking the shopping centre with the Telford International Centre and Telford Town Park. The infrastructure and enabling works are now complete and the extension to the Telford International Centre was completed in the Summer of 2011. The refurbishment of the Ice Rink was completed in time for the first game of the Telford Tigers Ice Hockey team in November 2012 and construction of a Community Hub Building to focus public sector services at the Heart of our town centre including a new Library starts in February 2013. The multi storey car park development started November 2012 with completion scheduled for February 2014.

Part of the Southwater redevelopment includes the sale of the former Council offices at Malinslee House to Asda who plan to redevelop the site in March 2013 with a new supermarket and petrol filling station development. The Council accommodation needs was developed around the purchase of Addenbrooke House which adjoins Darby House our other main office building in the centre which was completely refurbished over the summer. Staff started moving out of Civic Offices in November and all the moves were completed by Christmas. This acquisition has been a key part of our Property Rationalisation strategy which has seen the main office accommodation consolidated in 6 buildings down from 19. A number of the original buildings such as The Mount, Highfield House and 62 Wrekin Road are now being sold to realise capital receipts. Overall over 1,300 staff have been moved and have adopted 'New Ways of Working' where they will 'hot desk' and share desks in a flexible way of working. When all moves are completed the accommodation will have reduced from over 28,500 square metres down to around 18,600 square metres, a reduction of around 34% bringing £2 million of ongoing savings through reduced running costs.

Image of proposed Cinema and Hotel Southwater Way



The mixed use development of a Cineworld, Premier Inn and seven restaurants started on site in December 2012 and is planned for completion in February 2014.

The Regeneration of our Borough Towns, local centres and Telford Town Centre is a key priority. The Borough Towns are being developed in partnership with local communities, businesses, Town and Parish Councils and our Regeneration Partnerships. The built environment will play an important role and whenever possible, property is used as a catalyst for change. Wellington Civic Offices and Leisure Centre also completed in spring 2012 and was opened by Lord Grocott in June 2012. This scheme involves a new library, registry office and co located Council services for up to 220 staff as part of our approach to rationalising property with all located at the refurbished Civic and Leisure facility. The co location of services has improved the service to customers and also reduced costs. The new building links well into the commercial heart of Wellington and has contributed towards the local economy.

The Dawley Regeneration Programme has continued, following the re opening of High Street, Dawley to traffic and high quality public realm improvements, major infrastructure works on the brown field 90 acre site were completed in January 2012. Construction of the new Phoenix School started in the summer of 2012 and is due for completion in September 2013.

At Hadley District Centre the first phase of the demolition of the 1970s precinct and flats started in June. This is a £3.5 million scheme and is due for completion in March 2013. This includes six new retail units including a Tesco Express and Greggs as well as 24 houses and new public spaces.

Brookside will be the next Local Centre to be rebuilt and following extensive consultation with the community a planning application for a new local centre together with refurbished Community Centre and road alterations was approved in December 2012 with a start on site planned for April 2013. 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.

A robust Asset Management Plan will inform decisions relating to Service Delivery, and bring major benefits to the local communities.

Demolition of Madeley Court Leisure Centre (relocated to Abraham Darby Learning Community)



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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. 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 the Council was re structured to incorporate the traditional Planning and Economic Development roles within the other property functions under a new service area of Business, Development and Housing. This will provide a single point of contact for business, investors and developers and provide a seamless service from initial enquiry through identifying land/premises, planning permission to finished development. This is a key element of the Council's budget strategy going forward seeking to take advantage of the governments initiatives to give local authorities greater control of their areas through New Homes Bonus and retention of increased rateable values. As a New Town with approximately 100 hectares zoned for commercial development plus zoned residential development land as yet undeveloped Telford is well placed and these changes will facilitate growth as part of the budget strategy.

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)

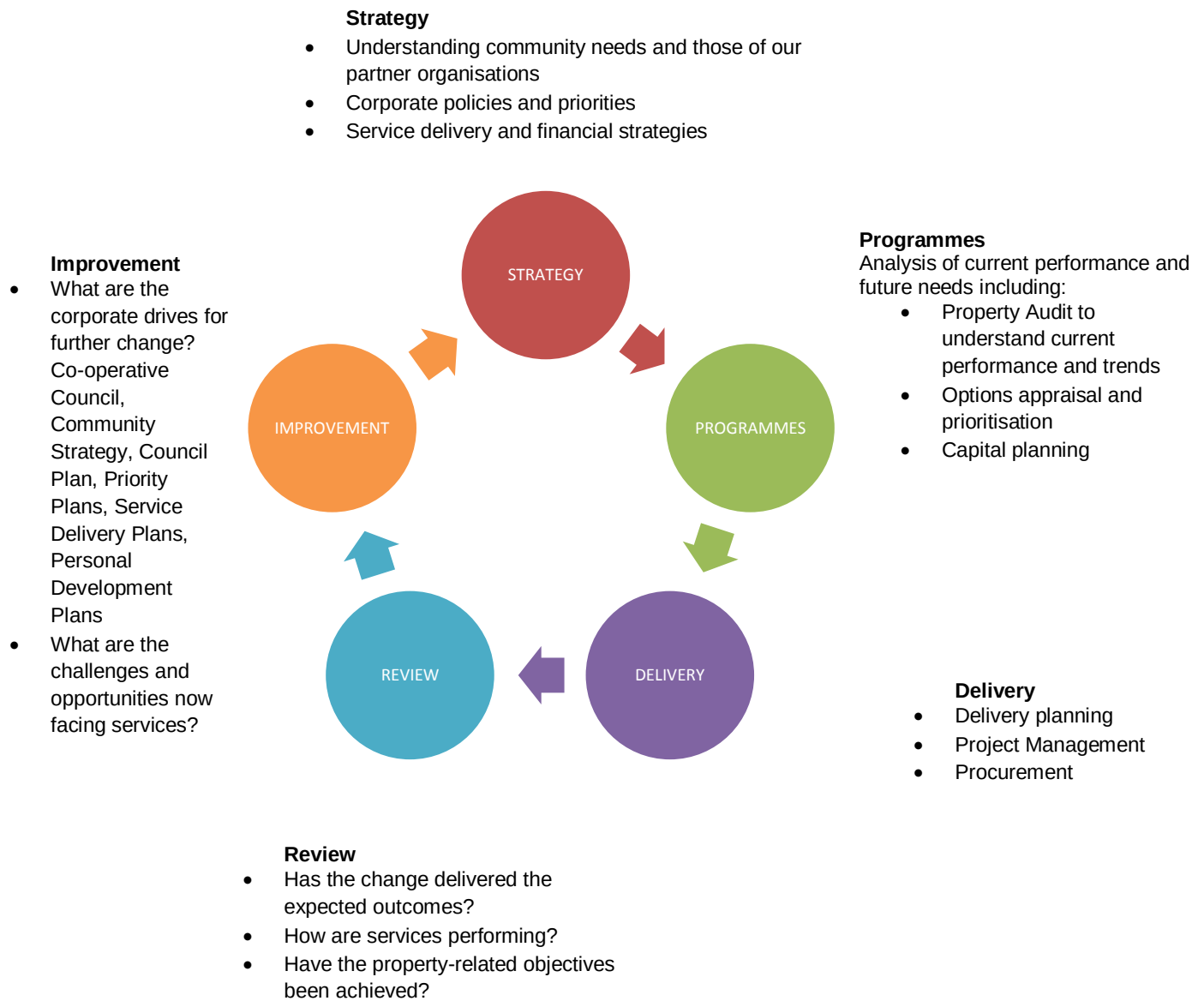
The Land Strategy, Operational Property Strategy and PIP Strategy all inter link to form a comprehensive approach to Asset Management covering Council property assets within Telford.

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 and outline objectives
- Ensure Asset Management decisions are co-ordinated and consistent with council priorities
- Ensure we invest in Property to protect income from services, providing a commercial approach
- Manage 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" agenda 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:



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 software 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 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 targets available resources at 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 ensuring 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 as part of 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. 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 BSF and Property Rationalisation programmes continue.

The first use of photovoltaics, taking advantage of the attractive feed in rates, has been completed with a private operator as part of the Wellington Civic & Leisure development. Whether further agreements will be viable under the revised feed in rates will require careful analysis. Also at Wellington, the photovoltaics have been combined with a ground source heating system, which is another first for the Council. 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 Councils carbon footprint.

- Measured Surveys

Accurate, comprehensive, measured Building Surveys are available on AutoCAD for all properties.

4.0 Programme Development and Implementation

The Decision Making Process

The information contained in the Asset Management System allows informed, property related decisions. This corporate planning process identifies requirements for the Property Portfolio. The Council utilises data detailing condition, suitability, access, sufficiency and asbestos, in 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 2013/14 has been submitted to Cabinet for approval in February 2013. The Planned Maintenance Programme details the priorities set in accordance with the framework described in the Asset Management Plan.

Formulating the Property Related Capital Programme and Key Issues

Option appraisal processes take account of the different outputs required. They will include examining 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 first 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 results in 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.

Telford & Wrekin Council actively considers sustainability as part of asset provision, use and management. Sustainable Procurement Strategy is part of our commissioning approach, and we are innovative in ensuring sustainability is part of all new-build and refurbishment schemes.

Key Issues Addressed in finalising the 2013/14 Capital Investment Programme include:

- The delivery of the 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 to all Regeneration Projects
- Repair and Maintenance Programmes for the PIP will maintain income levels
- Climate Change/Energy Efficiency/ CRC

5.0 Operational Assets

Property Rationalisation/ New Ways Working

Changing Work Patterns and Culture

Whilst 2011/12 was primarily a year for formulating policy and identifying buildings which no longer met the Councils operational needs through a combination of suitability or condition purposes 2012/13 has been a year of significant implementation. Following restructures across all Service Areas and the agreement of the New Ways of Working policy with Hot Desking and a separate designated file storage facility. There is now a range of office options such as “hot-desking”, touchdown, open plan offices and the creation of flexible team or group-working places that support and encourage a flexible workforce. Many staff are completely mobile and increasingly reliant on ICT whilst all office accommodation delivers flexible space and maximises use. With the sale of the 1970s Civic Offices as part of the Southwater redevelopment it was agreed to re-locate into as smaller number of purpose built offices as possible. As a result Addenbrooke House was acquired as a key part of our accommodation strategy and the Councils’ offices concentrated in Darby House, Addenbrooke House, Southwater One (SW1) and Wellington Civic. Smaller buildings closed throughout the year and staff started moving out of Civic Offices in November 2012. All the moves were completed by Christmas 2012. Overall over 1,300 staff have moved and adopted New Ways of Working; as a result buildings have been freed up for either disposal or release from their lease (listed below). Overall, this has reduced the number of buildings we use and the floor area has reduced from 28,415m² to 18,820m² which is circa 34%. A number of the original buildings such as The Mount, Highfield House and 62 Wrekin Road are now being sold to realise capital receipts. The tables below list the retained, new and disposed of buildings.

Disposed Buildings:

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:	
Disposed	17,650
New	7,901
Retained	10,919
Total for New & Retained	18,820
Reduction in Space	9,749

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 is 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 and create a Town Centre responding to the needs of the community. Outline planning consent, obtained in March 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 more planned for 2013.

During 2012, works have been completed on a brand new visitor centre for Telford Town Park and associated landscaping works. This highly sustainable building is located at the heart of the park's leisure offer and provides visitors with an excellent multifunctional facility comprising of a cafe, public toilets, a visitor information point and a class base for use by all schools in The Borough.

Meanwhile, Telford Ice Rink has undergone a significant refurbishment and extension to deliver a modern and vibrant regional attraction. Extensions to the building will house a "soft play" facility, catering for infants and juniors. In addition, a new standalone 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 (November 2012)



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 200 new jobs.

Also in December 2012 works commenced on the construction of a new multi storey car park, with 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 to be 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. Works are due to commence on Southwater One in February 2013, with the building opening in spring 2014. Landscaping work as part of the scheme will create new squares, a Main Street and a new Southwater Lake will provide high quality linkages between these developments.

Southwater One



Within the Town Park itself the new visitor centre opened in April 2012. A single storey structure of structural panel construction incorporating 'Passivhaus' principles of energy efficiency the building will provide a cafe, bike hire, meeting rooms and exhibition space .

Town Park Visitor Centre



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 completion of the school amalgamation of two Primary Schools at Old Park Primary in September 2009 together with the opening of the new public realm in High Street, Dawley during November 2010. This is combined with a proposed new retail, health facilities and housing. Another significant contribution will be the reclamation of spoil mounds and land fill on the edge of Dawley. 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. Birse were procured through an OJEU tender and finished the works in January 2012. The first phase of the re development of this reclaimed land started in April 2012 with the new Phoenix Secondary School. This is on about 25 acres with an adjacent retail development linking into the existing High Street. 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



Malinslee Local Centre

Malinslee was a typical local parade of shops constructed in the 1970's. A fire destroyed two of the four shops in 2010. An option appraisal was undertaken to explore alternative forms of redevelopment. Cabinet approved the construction of the new centre with the intention of residential development once the housing market returns. Construction started in November 2011 and was completed in May 2012. The completed development will include a new Primary School, PCT learning facility, play areas and shops.

Wellington

The Wellington scheme combines the existing leisure centre with a new library, registry offices and Council office accommodation which started in March 2010 and completed Spring 2012. This has partly been funded through Property Rationalisation. It will support the Regeneration of Wellington by consolidating a significant number of staff in a purpose built, central, land mark building, in partnership with the Town Council thus providing increased footfall to support the local economy. Spurred on by this investment several long term empty shops including the former Barley Mow Pub in Crown Street and the Fox & Hounds Pub in Duke Street are now being renovated and occupied using Private Investment. The former Library and Edgbaston House in nearby Walker Street are being marketed as a redevelopment opportunity. Further Properties such as The Mount, Highfield House and 62 Wrekin Road are also being marketed as part of the Property Rationalisation process. A number are now under offer and the sale of the former Registry Office on Bridge Road has already completed.

Views of Wellington Civic & Leisure Centre



Randlay Local Centre

Randlay local shops were identified as having a structurally unsafe roofing system. Additionally the adjoining Community Centre required substantial investment to bring it up to a suitable modern standard. Again, rather than simply rebuilding or repairing these faults which would have been very costly, the possibility of potential redevelopment was explored. An Outline Planning Consent was obtained and the site put to the market to include new shops and importantly a new Community Centre attached to Randlay Primary School. A residential care operator has purchased the site and construction of the new shops was completed in October 2012. The original shops are due for demolition in Spring 2013 and the care home construction will follow on.

Hadley Local Centre

A multi million scheme to partly demolish (Phase 1 work) the 1970s shopping precinct and provide new retail and high quality public spaces has secured Planning Consent and started on site in Summer 2012. The Phase 1 scheme will remove a number of flats and apartments and retail units and replace with new retail provision including a Tesco Express and 5 smaller units including a Gregg's. Completion is set for March 2013 and phase two will follow on immediately with the remaining flats being demolished and a further 3 retail units including a veterinary surgery due later in 2013.

Hadley Centre Pre Demolition



Site Ready for Development



Hadley Centre – New Retail Units Under Construction



Brookside Local Centre

As part of the Council's co-operative approach, Brookside has been identified as a key area of focus and investment. The Centre is 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 shops and refurbish the Community Centre to include the Youth provision and make major improvements to the road access and public realm spaces as well as changing the residential provision. A Planning Application was submitted in October 2012 and approval received in December 2012. The first phase of the contract is being tendered with the target of an April 2013 start on site.

Sketch of Brookside Local Centre



Building Schools for the Future

The Council was awarded funding for Wave 4 of the Governments Building Schools for the Future (BSF) Programme. This is a one off chance to completely transform secondary education and community buildings within the Borough. Property & ICT lead and advise on all 'Technical' aspects of this Project and are responsible for delivery of the programme.

In order to deliver transformational change, the Council has considered co locating Secondary Education with Primary Schools and Leisure/Community facilities. In certain cases this will involve closing facilities, disposing of the sites and re locating elsewhere.

In October 2009 after an extensive evaluation process Kier Construction were appointed for the first phase and work started at Abraham Darby in Spring 2010. This included a 420 place Primary School which opened in January 2012, a new leisure provision with 4 court sports hall and 6 lane swimming pool which also opened in January 2012 together with a 900 place Academy opened Summer 2012. In November 2011 Kier were appointed to further deliver the following schemes:

- New 900 place Phoenix Secondary School together with 8 court sports hall, community sports provision and BMX track. Site setup started in February 2012 and completion is September 2013.
- 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. Combined with this and as part of the Government Regulations the BSF contract has to be retendered using Framework 2 as the new format. Using Ercall Wood as the sample school, the process of selecting a new contractor started on the 9 January 2012 with the successful bidder Shepherds appointed in the summer of 2012. They will now deliver Ercall Wood followed by the other schools listed below. Some are still out for consultation but will broadly consist of the following programme across the Borough.

- 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)



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 £6.2 million.

A survey of the UK Commercial Market undertaken in the third quarter of 2012 by the Royal Institution of Chartered Surveyors (RICS) reported that in general occupier demand had weakened whilst supply had continued to edge upwards. A more recent overview by the RICS undertaken January 2013 titled The UK Economy & Property Market, confirmed economic activity in both manufacturing and service sectors had declined in the final quarter and advised 'as far as the commercial market is concerned, headline capital values and rents will be broadly flat over the course of the year'. Looking at the sector breakdowns, demand for offices fell whilst supply increased along with the level of inducements awarded to secure new lettings. The retail sector meanwhile shows the greatest fall in tenant demand and rental expectations. The contrast is provided by the industrial sector which is broadly stable. Financial analysts, Deloitte forecast in their Real Estate Predictions report 'although improvement will not be seen until the later part of the year, 2013 is expected to herald the beginning of the long awaited recovery in UK commercial property markets'.

The Regeneration & Investments Team has continued, via a range of measures, to provide effective support to local businesses during this difficult economic climate. These have included stepped or incentivised rents, deferred rent payment arrangements, and re-gearing of existing lease agreements. This in turn, has helped maintain revenue income for the Council, limited costs associated with holding empty property, in particular Business Rates and safeguarded jobs within the Borough. The Estates & Investments Team continued to enjoy particular success in 2012, despite challenging economic conditions, completing 130,000ft² of new lettings and undertaking a significant number of lease renewals retaining the majority of the Council's tenant's base.

Regeneration & Investments continued throughout 2012 to implement its Property Disposal Programme. Completed in November 2010, the comprehensive portfolio review identified a number of assets that were underperforming in terms of income generation and those which were a significant drain on a reducing repair and maintenance budget. The proceeds from these sales have been used to reinvest in modern buildings which are capable of providing income/capital growth, with reduced maintenance liabilities and those that will help deliver new employment opportunities for the Borough. Examples include the sale of The Glebe

Centre, Wellington, a detached office block constructed during the 1970's, sale of Stafford Park 15 industrial estate, acquisition of new Industrial premises at Queensway and development of new retail facilities at various local centres. The acquisition at Queensway increases the number of properties owned by the Council on the high quality business park to six. Such investments will maintain the balanced mix across the property sectors, spreading the overall risk to the Council.

The Glebe Centre, Wellington (sold)



Industrial units on Queensway Business Park (acquisition)



Key Achievements of the Investment Portfolio in 2012

- Achieved the income target set for the Property Investment Portfolio
- Completion of quality new retail facilities at Malinslee Centre (see 6 Borough Town Regeneration)

Malinslee Centre (new retail facilities)



- 6 Borough Town Regeneration)

- Completion of quality new Community Centre and retail facilities at Randlay Centre (see

Randlay Centre (new retail facilities)



- Commencement of Phase 1 Regeneration works at Hadley Local Centre, delivering six new retail units, and securing Tesco Express as an anchor tenant (see 6 Borough Town Regeneration)

Phase 1 Hadley Centre (under Construction January 2013)



- Energy Performance Certificates now held for all industrial properties
- Disposal of poor performing assets, including The Glebe Centre and Stafford Park 15
- Acquisition of new industrial premises at Queensway Business Park
- All properties previously identified as having asbestos containing materials re-surveyed as part of a the Council's duty to manage

- Assisted customers during the economic downturn, via stepped rents, payment arrangements, deferred payment arrangement and re-gearing of leases. This will ensure progress towards achieving income target, and safeguard jobs within the Borough
- External refurbishments of industrial workshop premises at Bradley Road, Donnington Wood, Cuckoo Oak, Halesfield 18, and Commercial Way, Oakengates.

Plans and Developments 2013

- Achieving the Investment Portfolio income target whilst being proactive in assisting clients in the continued economic downturn
- Continue to implement the Property Disposal Programme, reinvesting in assets such as the new restaurant and cafe units at Southwater One that are capable of delivering revenue and capital growth, have reduced liabilities, ensuring the long term sustainability of the PIP.
- Obtain an independent assessment of the PIP performance for the financial year 2012/13
- Refresh the Estates & Investments website as a means of continuing to attract new business and establish a strong working relationship with Telford Business Partnership
- Develop and implement a planned programme of repair and maintenance works, and enforcement of lease covenants. The programme will ensure that the overall condition of assets within the Investment Portfolio is effectively managed
- Re-establish revenue and void targets for each asset
- Devolve the repair and maintenance budget down to asset level
- Complete Phase 1 Regeneration works at Hadley Local Centre to deliver new high quality retail stores, and Tesco Express as anchor tenant
- 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.
- Continue the use of conditional break options linked to repayment of rent free incentives, surrender premiums, rent deposits and guarantees at a time of on-going market uncertainty.
- Development of new properties capable of achieving the highest possible energy rating and conforming to national policies regarding sustainability and energy performance.
- Submit Full Application to secure ERDF Funding with which to refurbish and rebrand The Business Development Centre, at Stafford Park 4.
- Continue to reduce both current and former tenant debt following the introduction of Agresso, the Council's new accounting and financial monitoring system.
- Set and effectively manage Rent, Repair and Maintenance and Service Charge budgets for individual assets.
- 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.
- A business like approach to managing the PIP with ownership and responsibility. Strong improvements through financial management and property management in the proactive approach to managing the PIP
- Performance Management embedded within the approach to managing the PIP covering a range of areas such as rental income, repair and maintenance, voids, debt management, investment

- Undertake external refurbishment programmes of offices at Bishton Court, and Tweedale Court industrial estate with a view to improving their marketability, and securing new lettings
- Install new shop front to retail units at Limes Walk, Oakengates, and complete improvement works to cladding and lighting.

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). Specifically, the area excludes the site area of built Operational and Non-Operational Assets (which extends to some 700Ha). The aim of the Land Strategy has been to undertake 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 key information:-

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 has been made to the adopted Local Development Framework and the sites 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

The Assets identified for disposal (red) have obtained Council approval for sale and have been marketed. Utilising both private treaty and auction, terms have been agreed for 13 of the 17 assets and are currently with solicitors for legal completion of the sales. Upon completion of the 13 sales a capital receipt of over £100,000 will be generated for the Authority. The remaining red assets will be marketed over the coming twelve months.

The Land Strategy has identified some 107 “Amber Sites” that could be suitable for disposal but where further studies/investigations are required before the assets can be sold e.g.

Engineering studies, ecological surveys, Planning applications etc. A programme has been established to investigate these Amber Sites. To date some 25 of these sites have been reviewed leading to an additional 5 sites being identified for disposal (subject to the necessary approvals).

Assets categorised as Green (land to be retained) will continually be reviewed on a rolling 5 year programme (20% per annum) 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

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 will provide the opportunity to complete the New Town in line with the original vision as set out 40 years ago. A Stewardship Agreement signed in September 2012 appointed TWC to market, promote and sell HCA's commercial sites. The sale of a 5 Ha site at Hortonwood completed in December will deliver a 7,500 sq m meat processing plant to be completed by July 2013. This is estimated to create around 160 jobs. A number of substantial enquiries are currently being processed at Hortonwood, Hadley Park East and Halesfield.

8.0 Asset Details & Performance

The Statement of Assets is found in Appendix 1.

A raft of Performance Indicators are collected and compared with other similar Local Authorities via the Octopus Benchmarking Group. Three key measures against condition, energy use and space utilisation are contained in Appendix 2.

In summary, with reducing budgets maintenance/refurbishment has been kept to a minimum across both Operational Property and Schools. This has led to a rise in condition back log. However, BSF will substantially reduce the School back log as new and refurbished schools are delivered. On the Operational side, Property Rationalisation will reduce the backlog of outstanding maintenance as services and Staff are concentrated in key modern buildings and old out dated buildings are disposed of.

Energy use as we have seen in Chapter 5 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).

Appendix 1
Fixed Assets Utilised by the Council

Category	Quantity	Total Values*
Emergency Planning Centre	1	£160,000
Bus Stations	4	£889,000
Cemetery Building	1	£1
Changing Rooms & Pavilions	11	£1041,000
Community Centres	6	£1,981,000
Travellers' Sites	2	£1,070,000
Hostels, Homeless & Sheltered Accommodation	2	£1,825,000
Ice Rink	1	£1,500,000
Leisure Centres	6	£16,989,000
Libraries	8	£2,788,000
Nursery Schools	1	£305,000
Offices	11	£11,923,000
Outdoor Activity Centre	1	£617,000
Primary/Infants/Junior Schools	51	£93,599,100
Public Conveniences	3	£136,800
Secondary Schools	8	£33,791,000
Academy Schools	5	£5
Ski Slope	1	£367,000
Special Schools	3	£6,140,000
Swimming Pools	1	£645,000
Theatres	1	£1,780,000
Training/Day Centres & Residential Care	4	£2,255,000
Youth Projects	5	£654,000
Pupil Referral Units	1	£430,000
Children Centres	2	£1,631,000
TOTAL	140	£182,516,906

Operational Property Leased in from Property Investment Portfolio

Property Type	Quantity	Total Values
Offices	4	See PIP table for asset value
Training / Day Centre	2	See PIP table for asset value

Operational Property Leased in from Private Sector

Property Type	Quantity
Offices	2
HLC Learning Community (Private Finance Initiative – PFI)	1
Jigsaw (PFI)	1
TOTAL	4

Property Investment Portfolio - Details

Property Investment Assets	Quantity	Total Values
Smallholdings	1	£400,000
Offices	27	£14,021,831
Retail	32	£7,144,000
Industrial	31	£30,137,650
Miscellaneous/Ground Rents/rationalisation	166	£40,834,600
TOTAL	257	£92,538,081

Indicator 1Bi : Required maintenance by cost expressed as a total cost in Priority levels 1–3 Telford & Wrekin Property Performance Indicators for 2012.

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 £39,422,643. The average for the previous Benchmark Group in 2011 which comprises similar sized authorities is £62,232,762.

T&WC figure is split as follows:

School Property	£30,652,623
Operational Property	£8,770,020

Previous year comparisons

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

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%. The figures here include assumptions for new buildings which have been acquired and do not currently have condition surveys – these will be undertaken during 2013-14.

School Condition Surveys do not show the reduction due to the investment of circa £1.5m in 2012/13. Surveys are due to be updated 2013/14 which will reflect this investment. With this in mind, the condition liability for Schools shows an increase this year, however within the next 2 years, a number of secondary schools are due to convert to Academy status, which is expected to reduce the overall condition backlog circa £8m.

Indicator 2A : Energy costs/consumption

The running cost for all Operational Buildings (gas/electric) including schools is:

£ spend per m2 GIA **£10.38**

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

It is encouraging to see that energy consumption has fallen. There continue to be awareness campaigns targeted at staff to switch off lights, electrical equipment and reduce heating levels. We are undertaking audits of all operational buildings to review performance to identify and implement appropriate energy efficiency measures. The Low Carbon Schools Service, a programme providing energy saving advice and support to schools was launched during 2011/12 and has enabled schools to make significant reductions to their energy

consumption. Against this, the increasing use of computers and ICT across Buildings has and will continue to increase consumption.

Whilst we are already under the benchmark average, the extensive property rationalisation that has taken place recently, combined with the Building Schools for the Future programme, are expected to reduce energy consumption costs further in the period 2012/13 and beyond. New Schools will be built to modern standards and refurbished Schools will have their efficiency improved via better insulation and heating systems.

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TELFORD & WREKIN COUNCIL -

CABINET
COUNCIL

28 FEBRUARY 2013
7 MARCH 2013

HIGHWAYS & TRANSPORT CAPITAL INVESTMENT PROGRAMME 2013-2015

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 2013/14 – 2014/15, in accordance with the Proposed Budget Strategy.

2. RECOMMENDATIONS

2.1 That Cabinet:

- i. Approve the planned Highways and Transport investment programme for 2013/14-2014/15 as identified in Part B
- 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 & Cooperative Council

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: • 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.

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TARGET COMPLETION/DELIVERY DATE	Projects will be delivered during the financial years 2013/14 – 2014/15	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Budgetary provision for the Highways and Transport Capital Programme is £14.283m for 2013/14 (including capital grants from the DfT Local Sustainable Transport Fund), and funding for future years is outlined in Part B of this report. The programme will be delivered using target cost contracts to ensure value for money. J.A Copus 08/02/13
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. The Council's Transport Asset Management Plan is currently being updated, but analysis undertaken to date shows that even with the recent and planned additional investment the overall condition of the carriageways network is likely to remain the same, and will deteriorate without additional investment from 2014/15 onwards. Other assets such as street lights, signs and road markings are likely to continue to deteriorate without further investment.
IMPACT ON SPECIFIC WARDS	No	This report outlines schemes to be delivered in 2013/14. The list of schemes approved by Cabinet in 2012 has been updated based on condition surveys and community feedback.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

The Council's draft Transport Asset Management Plan (TAMP) identifies that the value of the highway assets (including roads, footpaths, bridges, street lights and other highway infrastructure) the Council is responsible for managing and maintaining is around £1bn at present. 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

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for 2013/14 covers year 2 of the agreed programme. Table 1 sets out the funding allocations until 2015 and Appendix A sets out the list of schemes for 2013/14.

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. Due to the pressures on resources there may be a degree of reprioritisation which means that it may not be possible to deliver all the schemes identified. Any schemes not delivered in 2013/14 will be prioritised for delivery in 2014/15. Table 1 identifies the available capital resources in the approved capital programme to 2015. In addition the Council has allocated a minimum of £2m from Council Capital funds 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 moving some emphasis from reactive to planned maintenance.

Table 1 – Highways and Transport – Available Capital Resources 2013/14 – 2014/15

Source	2013-14 £'000	2014-15 £'000	Total Two-Year Approved Budget (£) £'000
Council Capital Funding			
Maintenance	2,250	2,000	4,250
Local Sustainable Transport Fund-Box Road	2,594	15	2,609
Local Sustainable Transport Fund-Box Road(Developer Contribution)	269	1,818	2,087
Street Lighting Invest to Save	325	325	650
Slippage from 12/13 for committed projects	1,084*		1,084
Total Council Capital	6,522	4,158	10,680
DfT Funding			
Maintenance	2,661	1,942**	4,603
Additional Highways Maintenance Funding as per December-12 Autumn Statement	481	257	738
Integrated Transport	939	1,320**	2,259
Local Sustainable Transport Fund-Small Scheme	438	110	548
Local Sustainable Transport Fund-Box Road	3,242	3,183	6,425
Total Dft Capital	7,761	6,812	14,573
All Funding	14,283	10,970	25,253

*There will be further slippage from 12/13 which will be finalised at the year-end.

**DfT funding for 2014/15 is unconfirmed

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Table 2 summarises the draft programme for 2013/14 to 2014/15 based on currently approved resources (which includes indicative allocations for 2014/15 from DfT).

Table 2 – Summary of Highways & Transport Capital Programme 2013/14 – 2014/15

	2013-14	2014-15	Total Two Year Programme
Highway Programme Area	£'000	£'000	£'000
Maintenance of Existing Assets			
Carriageway Maintenance (including safety maintenance schemes)	3,691	3,089	6,780
Footway maintenance	396	400	796
Lighting and illuminated signs/bollards	270	370	640
Barriers & Guard Rail Maintenance	20	20	40
Drainage Maintenance	160	160	320
Structures: Maintenance	640	640	1,280
Signing & Lining: renewal & maintenance	130	150	280
Annual Condition Surveys	85	85	170
Improving and Amending the Highway Network	5,392	4914	10,306
New / Upgraded Infrastructure	386	100	486
Sustainable Travel (Public Rights of Way / Safer Routes)	59	70	129
Safety Schemes	59	70	129
Public Realm & Street Scene Projects	200	220	420
Local Sustainable Transport Fund Smaller Projects	673	255	928
Local Sustainable Transport Fund Box Road	6,105	5,016	11,121
Street Lighting Upgrades	325	325	650
Schemes carried forward from 12/13	7807	6056	13,863
To be funded from slippage	1,084		1,084
Total	14,283	10,970	25,253

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

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of the network that are not considered to be in the worst condition. A detailed report on the TAMP will be brought to Cabinet during 2013/14.

The Capital Programme includes a number of improvement schemes including projects that are funded by the 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 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.

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, education, accessing services and for leisure activities. The condition of the highway and its surroundings can have a significant influence on the overall perception of the quality of the physical environment. 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. 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.

Environmental Impact

Environmental improvements are incorporated into schemes where appropriate to support the recognition that highway and footpath condition can have a significant bearing on the perceived environmental quality of an area. 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 23 February 2012
Highways & Transport Capital Investment Programme 2012 - 2015

7. **BACKGROUND PAPERS**

Local Transport Plan 3
Draft Transport Asset Management Plan

Report prepared by Amanda Roberts – Highway Capital Programme Team Leader & Keith Harris, Interim Highways Service Delivery Manager

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Appendix A: Proposed Maintenance Schemes for 2013/14

Arleston

Location	Scheme Type	Associated Wards
Arleston Lane	Patching - DfT additional funding	Wrockwardine
High Street	Re-texturing	Haygate, College
Mill Bank	Re-texturing	College
Bayley Road	Surface Dressing	
Churchill Road	Surface Dressing	
John Broad Avenue	Surface Dressing	

Brookside

Location	Scheme Type	Associated Wards
Brookside Avenue	Minor Scheme	
Grange Avenue (North)	Major Scheme	The Nedge
Stirchley Road	Surface Dressing	The Nedge
Burford	Footway Maintenance	

Church Aston & Lilleshall

Location	Scheme Type	Associated Wards
A518 Sheep Roundabout	Safety Scheme	
Littlehales Road	Patching - DfT additional funding	
A41 Woodhouse Lodge	Safety Scheme Signage	
Church Road	Surface Dressing	
The Crescent	Micro Asphalt	

College

Location	Scheme Type	Associated Wards
Apley Avenue	Major Scheme	Dothill
Victoria Road	Major Scheme	Haygate
Park Street	Major Scheme	
Urban Gardens	Minor Scheme	
High Street	Re-texturing	Haygate, Arleston
Mill Bank	Re-texturing	Arleston
Ladycroft	Footway Maintenance	

Cuckoo Oak

Location	Scheme Type	Associated Wards
Brockton Roundabout	Safety Scheme	
Hills Lane/Hills Lane Drive	Patching - DfT additional funding	
Halesfield 16	Safety Scheme Signage	
Stonedale	Surface Dressing	
Sutton Way	Surface Dressing	
Kemberton Road	Patching - DfT additional funding	Madeley
Cuckoo Oak Green	Minor Scheme	

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Dawley Magna

Location	Scheme Type	Associated Wards
Holly Road	Patching - DfT additional funding	Horsehay & Lightmoor
New Road	Patching - DfT additional funding	
St Lukes Road	Patching - DfT additional funding	Horsehay & Lightmoor
Dawley Green Way	Re-texturing	Malinslee
Purbeck Dale	Surface Dressing	
Willow Bank/Gittens Drive	Surface Dressing	
Malvern Crescent	Footway Maintenance	
Mendip Close	Footway Maintenance	
Dawley Road	Footway Maintenance	
Southall Road	Footway Maintenance	

Donnington

Location	Scheme Type	Associated Wards
Furnace Lane	Patching - DfT additional funding	
A518 near Hortonwood Roundabout	Safety Scheme Signage	Wrockwardine Wood & Trench
Jubilee Avenue/Winston Drive	Surface Dressing	
Station Road	Surface Dressing	
Barclay Court	Micro Asphalt	
Church Walk	Micro Asphalt	
Wrekin Drive	Micro Asphalt	
Hayward Avenue	Minor Scheme	
Morris Drive	Patching - DfT additional funding	
Church Walk	Footway Maintenance	
Granville Roundabout	Footway Maintenance	Muxton, Priorslee
Furnace Lane	Footway Maintenance	Wrockwardine Wood & Trench
Hayward Avenue	Footway Maintenance	
Oakengates Road	Footway Maintenance	Wrockwardine Wood & Trench
St Georges Road	Footway Maintenance	Priorslee
Barclay Court	Footway Maintenance	
Wrekin Drive Access	Footway Maintenance	
Church Road	Footway Maintenance	

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Dothill

Location	Scheme Type	Associated Wards
Apley Avenue	Major Scheme	College
Whitchurch Road	Major Scheme	Park

Edgmond

Location	Scheme Type	Associated Wards
Caynton Mill Road	Patching - DfT additional funding	
Cherrington Road	Patching - DfT additional funding	
B5062 to Sheep Bridge	Surface Dressing	
Old Smithy Road	Minor Scheme	
Cherrington Road	Footway Maintenance	
Maslan Crescent	Footway Maintenance	
Old Smithy Road	Footway Maintenance	
Sambrook Footpath	Footway Maintenance	

Ercall

Location	Scheme Type	Associated Wards
Holyhead Road	Patching - DfT additional funding	
Wrekin Road	Major Scheme	Haygate

Ercall Magna

Location	Scheme Type	Associated Wards
Park Lane	Patching - DfT additional funding	
River Lane	Patching - DfT additional funding	
Middle Lane/Shop Lane/Stars Lane	Surface Dressing	
Rodington to Roden	Surface Dressing	
Ridgway, High Ercall	Footway Maintenance	

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Hadley & Leegomery

Location	Scheme Type	Associated Wards
Church Street	Micro Asphalt	
Crescent Road (East)	Minor Scheme	
Crescent Road (West)	Minor Scheme	
Grainger Drive	Joint Sealing	
Haybridge Avenue	Patching - DfT additional funding	
Haybridge Road	Patching - DfT additional funding	
Horton Lane	Micro Asphalt	
Mafeking Road	Minor Scheme	
Manse Close	Minor Scheme	
Manse Road	Minor Scheme	
Parkdale	Micro Asphalt	
Pool Meadow	Micro Asphalt	
Sunningdale	Minor Scheme	
Hortonwood 30	Safety Scheme	Wrockwardine Wood & Trench
Church Street/ Hadley Road	Footway Maintenance	
Haybridge Avenue	Footway Maintenance	
Near Vallens	Footway Maintenance	
Sunningdale	Footway Maintenance	
Acacia Drive	Footway Maintenance	
Camarthen Green	Footway Maintenance	
Cheltenham Court	Footway Maintenance	

Haygate

Location	Scheme Type	Associated Wards
Victoria Road	Major Scheme	College
Bridge Road	Safety Scheme	
High Street	Re-texturing	Arleston, College

Horsehay & Lightmoor

Location	Scheme Type	Associated Wards
Lawley Common Roundabout	Safety Scheme	
Frame Lane	Patching - DfT additional funding	
Holly Road	Patching - DfT additional funding	Dawley Magna
St Lukes Road	Patching - DfT additional funding	Dawley Magna
Woodhouse Lane	Patching - DfT additional funding	
Pool View	Surface Dressing	

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Ironbridge Gorge

Location	Scheme Type	Associated Wards
Woodside Avenue	Major Scheme	Madeley, Woodside
Woodside Avenue	Safety Scheme	Madeley, Woodside
Coalport High Street	Patching - DfT additional funding	
Sutton Bank	Patching - DfT additional funding	
Buildwas Road	Surface Dressing	
Jiggers Bank	Surface Dressing	
Wesley Road/Jockey Bank	Micro Asphalt	
Jiggers Bank	Footway Maintenance	
Cherry Tree Hill	Footway Maintenance	

Ketley & Oakengates

Location	Scheme Type	Associated Wards
Woodside Road	Major Scheme	
The Incline	Minor Scheme	
B5061/A442 Slip Rd	Safety Scheme	
Holyhead Road	Safety Scheme	
Mossey Green Way	Safety Scheme Signage	
Severn Hills Place	Micro Asphalt	
East Road	Footway Maintenance	
Fifth Avenue	Footway Maintenance	
Sixth Avenue	Footway Maintenance	
Main Road	Footway Maintenance	
Woodside Road	Footway Maintenance	
The Incline	Footway Maintenance	
Sinclair Gardens	Footway Maintenance	
Riddings Close	Footway Maintenance	
Orchard Close	Footway Maintenance	
Mountside	Footway Maintenance	St Georges, Priorslee
Severn Hills Place	Footway Maintenance	
Sandway	Footway Maintenance	
Sandbrook	Footway Maintenance	
Margaret Close	Footway Maintenance	

Lawley & Overdale

Location	Scheme Type	Associated Wards
Old Park Roundabout	Safety Scheme	
Damson Drive	Footway Maintenance	
Elderberry Close	Footway Maintenance	

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Madeley

Location	Scheme Type	Associated Wards
Mound Way	Patching - DfT additional funding	Woodside
Woodside Avenue	Major Scheme	Woodside, Ironbridge Gorge
Woodside Avenue	Safety Scheme	Woodside, Ironbridge Gorge
Parkway	Safety Scheme Signage	
Kemberton Road	Patching - DfT additional funding	Cuckoo Oak

Malinslee

Location	Scheme Type	Associated Wards
St Leonards Place	Patching - DfT additional funding	
Dawley Green Way	Re-texturing	Dawley Magna
Buxton Road	Surface Dressing	
Chesterfield Road	Surface Dressing	
Lancaster Avenue	Surface Dressing	
Matlock Avenue/Mount Road	Surface Dressing	
Oxford Road / Eyton Road	Surface Dressing	
Stone Row	Micro Asphalt	
Bank Road	Footway Maintenance	
Park Road/Cemetery Road	Footway Maintenance	
Powis Place	Footway Maintenance	
Drayton Way	Footway Maintenance	
Peveril Bank	Footway Maintenance	
Cecil Parry Close	Footway Maintenance	

Muxton

Location	Scheme Type	Associated Wards
Granville Roundabout	Footway Maintenance	Donnington, Priorslee
Saltwells Drive	Footway Maintenance	

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Newport South

Location	Scheme Type	Associated Wards
Wellington Road	Re-texturing	Newport West
Granville Avenue	Surface Dressing	
Shuker Close	Minor Scheme	

Newport East

Location	Scheme Type	Associated Wards
Fishers Lock	Micro Asphalt	

Newport North

Location	Scheme Type	Associated Wards
Forton Road	Footway Maintenance	
Hallcroft Gardens	Footway Maintenance	

Newport West

Location	Scheme Type	Associated Wards
Hawkstone Avenue	Patching - DfT additional funding	
Upper Bar	Re-texturing	
Wellington Road	Re-texturing	Newport (S)
Roddam Court/ /Sandiford Crescent	Micro Asphalt	
New Street	Footway Maintenance	

Park

Location	Scheme Type	Associated Wards
Whitchurch Road	Major Scheme	Dothill

Shawbirch

Location	Scheme Type	Associated Wards
Glade Way	Footway Maintenance	
Harrington Heath	Footway Maintenance	
Shawbirch Road	Footway Maintenance	

Priorslee

Location	Scheme Type	Associated Wards
Castle Farm Way	Minor Scheme	
Granville Roundabout	Footway Maintenance	Donnington, Muxton
Checkley Lane	Footway Maintenance	
Mountside	Footway Maintenance	Ketley & Oakengates, St Georges
Priorslee Road	Footway Maintenance	St Georges
St Georges Road	Footway Maintenance	Donnington
Moss Road	Footway Maintenance	St Georges

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St George's

Location	Scheme Type	Associated Wards
Church Street	Minor Scheme	
Freeston Avenue	Major Scheme	
Gower Street	Re-texture	
Grove Street	Major Scheme	
London Road	Minor Scheme	
Priorslee Road	Minor Scheme	
Stafford Street	Major Scheme	
Moss Road	Footway Maintenance	Priorslee
Fox Avenue	Footway Maintenance	
Freeston Avenue	Footway Maintenance	
London Road	Footway Maintenance	
Regent Drive	Footway Maintenance	
Priorslee Road	Footway Maintenance	Priorslee
Willows Road	Footway Maintenance	
Mountside	Footway Maintenance	Ketley & Oakengates, Priorslee
Middle Road	Footway Maintenance	Wrockwardine Wood & Trench

The Nedge

Location	Scheme Type	Associated Wards
Grange Avenue (North)	Major Scheme	Brookside
Stafford Park 6	Major Scheme	
Arundel Close	Patching - DfT additional funding	
Churchway	Surface Dressing	
Churncote	Surface Dressing	
Stirchley Road	Surface Dressing	Brookside
Grange Avenue (South)	Surface Dressing	
Queen Elizabeth Avenue	Surface Dressing	
Stirchley Avenue	Surface Dressing	
Naird Lane	Micro Asphalt	
Randlay Avenue	Major Scheme	
Arundel Close	Footway Maintenance	
Long Meadow	Footway Maintenance	
Culmington	Footway Maintenance	
Stirchley Centre	Footway Maintenance	
Churchway Cul de sacs	Footway Maintenance	

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Woodside

Location	Scheme Type	Associated Wards
Woodside Avenue	Major Scheme	Madeley, l'bridge Gorge
Woodside Avenue	Safety Scheme	Madeley, l'bridge Gorge
Mound Way	Patching - DfT additional funding	Madeley

Wrockwardine

Location	Scheme Type	Associated Wards	
Allscot Loop	Patching - DfT additional funding		
David's Bank	Patching - DfT additional funding		
Arleston Lane	Patching - DfT additional funding	Arleston	
Marsh Green to Sugden	Surface Dressing		
Walcot B4394 (N)	Surface Dressing		
The Dell	Micro Asphalt		
Clee Rise	Footway Maintenance		
Wrekin View	Footway Maintenance		
B5063 Longdon-u- Tern	Footway Maintenance		
Allscott Loop	Footway Maintenance		
Broomfield Road	Footway Maintenance		
Station Road	Footway Maintenance		

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Wrockwardine Wood & Trench

Location	Scheme Type	Associated Wards
Trench Road	Major Scheme	
Hortonwood 30	Safety Scheme	Hadley & Leegomery
Hortonwood 7	Safety Scheme + Re-texturing	
Church Rd/New Rd	Minor Scheme	
A518 near Hortonwood Roundabout	Safety Scheme Signage	Donnington
Trench Lock	Safety Scheme Signage	
Gibbons Road	Surface Dressing	
Pool Road	Surface Dressing	
Juniper Dr/Newfield Dr	Micro Asphalt	
Lennock Road	Patching - DfT additional funding	
Furnace Lane	Footway Maintenance	Donnington
Broadway Avenue	Footway Maintenance	
Henley Drive	Footway Maintenance	
Oakwood Drive	Footway Maintenance	
Pinewood Avenue	Footway Maintenance	
Richmond Avenue	Footway Maintenance	
Sunbury Drive	Footway Maintenance	
Tenbury Drive	Footway Maintenance	
Woodhouse Crescent	Footway Maintenance	
Hortonwood 1	Footway Maintenance	
Hortonwood 7	Footway Maintenance	
Wombridge Road	Footway Maintenance	
Oakengates Road	Footway Maintenance	Donnington
Middle Road	Footway Maintenance	St Georges
Wombridge Way	Footway Maintenance	

Borough Wide

Scheme Type	Notes
A442 Annual Clean and Routine Maintenance	Traffic Management, patching and investigations
Joint-Sealing Programme	Schemes on main routes - to be identified
Routine Patching	Monthly rolling programme

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Projects to Improve and Upgrade the Highway Network 2013-14

Scheme	Wards
Infrastructure	
Strategic Signing ITS upgrades and UTC Disabled pedestrian access Barriers and Guard Rails New footway links	Various
Sustainable Travel	
Safer Routes to School Public Rights of Way	Various
Safety	
Local Safety Scheme	As required
Speed Indication Devices	Various
Local Sustainable Transport Fund Match Funding	
LTSF Large project (Telford Town Centre)	Malinslee Lawley & Overdale The Nedge
Telford Central Interchange Project	Lawley & Overdale
Telford - Stafford cycle route (NCN55) Low Carbon Life Skills Co-operative Area Travel Plans	Various

2013/14 TREASURY STRATEGY AND TREASURY UPDATE REPORT

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

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

The report updates members on Treasury Management activities during 2012/13 and details the Treasury Strategy recommended to be adopted for 2013/14

2012/13 Treasury Management Update

The treasury portfolio at the end of December showed overall net indebtedness of £79.8m (borrowing: £126.2m less investments: £46.4m). Base rates have remained at 0.5% all year with the next move expected to be upwards but not for some time, perhaps until 2015/16.

The borrowing strategy for 2012/13 is to use maturing investments to reduce borrowing where possible. To date, one PWLB loan has 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 2012/13 is to gain maximum benefit with security of capital being the primary consideration. The weighted average return on internal investments at the end of December 2012 was 3.9% compared to a benchmark return for the period of 0.51%. 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 expected to be required to borrow up to £3.4m in 2013/14 and will adopt a flexible approach to borrowing. 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 is unchanged from 2012/13 and sets the Prudential Indicators associated with Treasury for 2013/14.

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 2013/14 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. 12/13 TREASURY MANAGEMENT UPDATE

4.1 CURRENT PORTFOLIO POSITION

	31 March 12	31 Dec 12
	Principal	Principal
	£m	£m
Fixed Rate Borrowing - PWLB	56.523	51.022
Fixed Rate Borrowing - LOBO	60.000	60.000
Variable Rate Borrowing - LOBO/market	<u>31.146</u>	<u>15.200</u>
Total Debt	147.669	126.222
Investments - in-house	<u>53.027</u>	<u>46.422</u>
Total Investments	53.027	46.422
Net Indebtedness	94.642	79.800

4.2 INTEREST RATES

Base rates began the year at 0.5% and have remained unchanged all year. The Bank of England extended its Quantative Easing programme in July by £50bn to £375bn. The next move in the base rate is expected to be upwards, but not for some time, perhaps until 2015/16 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 2012/13 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 1 PWLB loan matured in May for £5m.

Between the period 1 June 2012 (previous Member update) and 31 December 2012, £17.2m of temporary loans have been raised in order to fund short-term cash flow requirements at various points. Interest rates have ranged from 0.26% to 0.29% - interest rates have remained fairly low during this time. £15.2m of this temporary borrowing was outstanding at 31 December 2012.

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 £1,052m 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 4 days. £21.422m in house temporary investments were held at 31 December 2012.

Longer Term Investments

A number of internally managed deposits have been made previously. This has not been added to during 2012/13 and a number of investments have matured during the year totalling £25.0m. A full list of longer term investments is shown below.

		£m	%
Fixed Deposit	02/10/08 – 02/10/13	5.0	6.80
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		25.0	

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.

Overall the weighted average return on all internal investments for the year to date was 3.90% compared to a benchmark return for the period of 0.51%.

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, which was agreed when we had 3 fund managers, Counterparty limits will be reviewed when our long term investments mature in 2014. At the end of December the greatest exposure with a single counterparty was £20.0m with Barclays (43% 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.

No lease drawdowns have been made so far this year, however one is anticipated in March.

5.	<u>PREVIOUS MINUTES</u>
	Audit Committee 31 January 12 Council 1 March 12 Audit Committee 26 June 12

6. TREASURY STRATEGY FOR 2013/14 to 2015/16

6.1 BACKGROUND

6.1.1 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 2013/14
- Annual Investment Strategy for 2013/14
- Prudential Indicators for 2013/14, 2014/15, 2015/16 and 2016/17
- 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 Code at a meeting of Full Council on 4 March 2010.

All treasury activity will comply with relevant statute, guidance and accounting standards.

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).

6.1.2 Context

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's current level of debt and investments is set out at Appendix B.

The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2016/17. 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.

6.1.3 Balance Sheet and Treasury Position

The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with Balances and Reserves, are the core drivers of Treasury Management Activity. The estimates, based on the current Revenue Budget and Capital Programmes, are:

	31/03/13 Estimate £m	31/03/14 Estimate £m	31/03/15 Estimate £m	31/03/16 Estimate £m	31/03/17 Estimate £m
Capital Financing Requirement	241.734	237.879	242.081	239.262	215.771

6.1.4 Interest Rate Forecast

The economic and interest rate forecast provided by the Authority's treasury management advisor is attached at Appendix D. The Authority will reappraise its strategies from time to time in response to evolving economic, political and financial events.

6.1.5 Borrowing Strategy

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.

The Authority has a gross and net borrowing requirement and will be required to borrow up to £3.4m in 2013/14. The Authority will adopt a flexible approach to this borrowing in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:

- Affordability;
- Maturity profile of existing debt;
- Interest rate and refinancing risk;
- Borrowing source.

6.1.6 Sources of Borrowing and Portfolio implications

In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Authority will keep under review the following borrowing sources:

- PWLB
- Local authorities
- Commercial banks
- European Investment Bank
- Money markets
- Capital markets (stock issues, commercial paper and bills)
- Structured finance
- Leasing

The cost of carry has resulted in an increased reliance upon shorter dated and variable rate borrowing. This type of borrowing injects volatility into the debt portfolio in terms of interest rate risk but is counterbalanced by its affordability and alignment of borrowing costs with investment returns. The Authority's exposure to shorter dated and variable rate borrowing is kept under regular review by reference to the difference or spread between variable rate and longer term borrowing costs. A narrowing in the spread by 0.5% will result in an immediate and formal review of the borrowing strategy to determine whether the exposure to shorter dated and variable rates is maintained or altered.

The Authority has £60m exposure to LOBO loans (Lender's Option Borrower's Option) of which £45m of these can be "called" within 2013/14. A LOBO is called when the Lender exercises its right to amend the interest rate on the loan, at which point the Borrower (i.e. the Council) can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the Authority since the decision to call a LOBO is entirely at the lender's discretion.

Any LOBOs called will be discussed with the treasury advisers prior to acceptance of any revised terms. The default position will be the repayment of the LOBO without penalty i.e. the revised terms will not be accepted.

6.1.7 Debt Rescheduling

The Authority's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs.

The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertaken meaningful debt restructuring although occasional opportunities arise. The rationale for undertaking any debt rescheduling would be one or more of the following:

- Savings in risk adjusted interest costs
- Rebalancing the interest rate structure of the debt portfolio
- Changing the maturity profile of the debt portfolio

Borrowing and rescheduling activity will be reported to the Audit Committee in the Annual Treasury Management Report and the regular treasury management reports presented to the Audit Committee.

6.2 Annual Investment Strategy

In accordance with Investment Guidance issued by the CLG and best practice this Authority's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yields earned on investments are important but are secondary considerations.

Credit markets remain in a state of distress as a result of the excessive and poor performing debt within the financial markets. In some instances, Greece and Italy being the most notable examples, the extent and implications of the debt it has built up have lead to a sovereign debt crisis and a banking crisis with the outcome still largely unknown. It is against this backdrop of uncertainty that the Authority's investment strategy is framed.

Investments are categorised as "Specified" or "Non-Specified" within the investment guidance issued by the CLG.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the "high credit quality" as determined by the Authority and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

The types of investments that will be used by the Authority and whether they

are specified or non-specified are as follows:

Table 2: Specified and Non-Specified Investments

Investment	Specified	Non-Specified
Term deposits with banks and building societies	✓	✓
Term deposits with other UK local authorities	✓	✓
Investments with Registered Providers	✓	✓
Certificates of deposit with banks and building societies	✓	✓
Gilts	✓	✓
Treasury Bills (T-Bills)	✓	x
Bonds issued by Multilateral Development Banks	✓	✓
Local Authority Bills	✓	x
Commercial Paper	✓	x
Corporate Bonds	✓	✓
AAA rated Money Market Funds	✓	x
Other Money Market and Collective Investment Schemes	✓	✓
Debt Management Account Deposit Facility	✓	x

Registered Providers have been included within specified and non-specified investments for 2013/14. These investments will be analysed on an individual basis and discussed with Arlingclose prior to investing.

In September the Council changed its counterparty policy to rely on the list produced and monitored by Arlingclose. Their current criteria for counterparties is as follows. The minimum credit rating for non-UK sovereigns is AA+ (or equivalent). For specified investments the minimum long term rating for UK counterparties is A- (or equivalent). As detailed in non-specified investments in Appendix E, the Chief Finance Officer will have discretion to make investments with counterparties that do not meet the specified criteria on advice from Arlingclose.

The Authority and its advisors, Arlingclose Ltd, select countries and financial institutions after analysis and ongoing monitoring of:

- Published credit ratings for financial institutions
- Credit Default Swaps (where quoted)
- Economic fundamentals (for example Net Debt as a percentage of GDP)
- Sovereign support mechanisms
- Share Prices
- Corporate developments, news, articles, markets sentiment and

- momentum
- Subjective overlay – or, put more simply, common sense.

Arlingclose provide the authority with a list of approved counterparties on a weekly basis, counterparties are always checked before making an investment to ensure they are still on the list of approved counterparties directly with Arlingclose. This list details both the approved counterparties and the maximum duration for any investment.

Any institution can be suspended or removed should any of the factors identified above give rise to concern.

The countries and institutions that currently meet the criteria for term deposits, Certificates of Deposit (CDs) and call accounts are included in Appendix E.

In the current financial climate the policy adopted will be that as investments mature they will not be reinvested, but be used to minimise borrowing.

Authority's Banker – The Authority banks with HSBC. At the current time, it does meet the minimum credit criteria. Even if the credit rating falls below the Authority's minimum criteria HSBC will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

6.3 Investment Strategy

With short term interest rates low for even longer, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.

In order to diversify an investment portfolio largely invested in cash, investments will be placed with a range of approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.

Money market funds (MMFs) can be utilised, but good treasury management practice prevails and whilst MMFs provide good diversification the Authority will also seek to diversify any exposure by utilising more than one MMF. The Authority will also restrict its exposure to MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF. We currently have no funds with MMF's, however this will be reviewed when our longer term investments have matured.

6.4 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.

6.5 The Use of Financial Instruments for the Management of Risks

Currently, Local Authorities' legal power to use derivative instruments remains unclear. Consequently, the authority does not intend to use derivatives.

Should this position change, the Council may seek to develop a detailed and robust risk management framework governing the use of derivatives, but this change in strategy would require full Council approval.

6.6 Balanced Budget Requirement

The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

6.7 2013/14 MRP Statement

6.7.1 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.

6.7.2 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.

6.7.3 MRP in 2013/14: 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).

6.7.4 The MRP Statement will be submitted to Council before the start of the 2013/14 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.

6.7.5 The Council will apply Option 1 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure.

And

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.

6.8 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.

7 Other Items

7.1 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.

7.2 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.

8. 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

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(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	%	31/3/13 Estimate £m	31/3/14 Estimate £m	31/3/15 Estimate £m	31/3/16 Estimate £m	31/3/17 Estimate £m
External Borrowing:							
Fixed Rate – PWLB	51.0	27	50.5	39.5	28.5	27.5	26.5
Fixed Rate – Market	60.0	32	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	15.2	8	11.2	10.8	23.2	28.2	12.4
Total External Borrowing	126.2	67	121.7	110.3	111.7	115.7	98.9
IFRS Long Term Liabilities:							
PFI	62.4	33	62.4	61.0	59.7	58.0	56.9
Finance Leases	0.7	0	0.7	0.7	0.7	0.7	0.7
Total Gross External Debt	189.3	100	184.8	172.0	172.1	174.4	156.5
Investments: <i>Managed in-house</i>							
Short-term monies (Deposits/ monies on call /MMFs)	21.4	46	15.0	10.0	0.0	0.0	0.0
Long-term investments (maturities over 12 months)	25.0	54	10.0	0.0	0.0	0.0	0.0
Total Investments	46.4	100	25.0	10.0	0.0	0.0	0.0
(Net Borrowing Position)/ Net Investment position	(142.9)		(159.8)	(162.0)	(172.1)	(174.4)	(156.5)

Appendix C

Prudential Indicators 2013/14 – 2016/17

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 2012/13, 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	12/13 Approved £m	12/13 Revised £m	13/14 Estimate £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m
Total	95.919	79.670	107.199	76.018	22.518	1.901

**if applicable*

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	12/13 Approved £m	12/13 Revised £m	13/14 Estimate £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m
Capital receipts	34.203	33.139	39.127	11.813	12.350	16.345
Government Grants	47.158	46.512	64.087	50.983	6.198	2.258
Revenue / External contributions	0.212	1.019	0.349	1.858	0.000	0.000
Total Financing	81.573	80.670	103.563	64.654	18.548	18.603
Supported borrowing	0.138	2.056	0.257	0.000	0.000	0.000
Unsupported borrowing	14.208	-3.056	3.379	11.364	3.970	-16.702
Total Funding	14.346	-1.000	3.636	11.364	3.970	-16.702
Total Financing and Funding	95.919	79.670	107.199	76.018	22.518	1.901

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	12/13 Approved %	12/13 Revised %	13/14 Estimate %	14/15 Estimate %	15/16 Estimate %	16/17 Estimate %
Total	3.15	2.87	3.11	3.40	3.00	2.70

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	12/13 Approved £m	12/13 Revised £m	13/14 Estimate £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m
Total CFR	256.922	241.734	237.879	242.081	239.262	215.771

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 31/03/12	£m
Borrowing	147.669
Other Long-term Liabilities	63.408
Total	211.077

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	12/13 Approved £	13/14 Estimate £	14/15 Estimate £	15/16 Estimate £	16/17 Estimate £m
Increase in Band B Council Tax	-0.53	-3.71	10.31	26.53	25.83

7.2 The increase in Band B council tax reflects the increases in the provision for Capital Financing Charges of £0.987m by 2019/20 to undertake additional borrowing of £14.149m 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 £17.76.

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	12/13 Approved £m	12/13 Revised £m	13/14 Estimate £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m
Borrowing	169	169	145	146	150	135
Other Long-term Liabilities	67	67	65	64	63	62
Total	236	236	210	210	213	197

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	12/13 Approved £m	12/13 Revised £m	13/14 Estimate £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m
Borrowing	149	149	125	126	130	115
Other Long-term Liabilities	65	65	63	62	61	60
Total	214	214	188	188	191	175

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	12/13 Estimated £m	13/14 Authorised £m	14/15 Authorised £m	15/16 Authorised £m	16/17 Authorised £m
Outstanding Borrowing (at nominal value)	123.833	110.303	111.667	115.637	98.935
Other Long-term Liabilities (at nominal value)	63.100	61.742	60.432	58.756	57.605
Gross Debt	186.933	172.045	172.099	174.393	156.540

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 31/03/12 %	12/13 Approved %	12/13 Revised %	13/14 Estimate %	14/15 Estimate %	15/16 Estimate %	16/17 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure	25	25	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)	80	80	80	60	60	60	60

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 31/03/12) %	Lower Limit for 13/14 %	Upper Limit for 13/14 %
under 12 months	12 (25)	0	40
12 months and within 24 months	9 (7)	0	25
24 months and within 5 years	10 (9)	0	50
5 years and within 10 years	3 (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	4 (3)	0	100
40 years and within 50 years	22 (19)	10	100
50 years and above	40 (34)	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	12/13 Approved £m	12/13 Revised £m	13/14 Estimate £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m
	95	95	95	95	95	95

Appendix D – Economic & Interest Rate Forecast (Sections 4.1 & 5.1)

	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16
Official Bank Rate													
Upside risk			0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
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	-0.25	-0.25
3-month LIBID													
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75
Central case	0.40	0.40	0.40	0.45	0.45	0.50	0.50	0.50	0.55	0.55	0.55	0.60	0.60
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
1-yr LIBID													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75
Central case	0.90	0.90	0.95	0.95	1.00	1.00	1.00	1.00	1.10	1.10	1.10	1.10	1.10
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
5-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
Central case	0.80	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.10	1.10	1.10	1.20	1.20
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
10-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.75	1.00	1.00	1.00	1.00
Central case	1.90	1.90	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.20	2.20	2.20	2.20
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
20-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00
Central case	2.80	2.80	2.80	2.80	2.90	2.90	2.90	2.90	3.00	3.00	3.00	3.00	3.00
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
50-yr gilt													
Upside risk	0.50	0.50	0.50	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00
Central case	3.30	3.30	3.30	3.40	3.40	3.40	3.50	3.50	3.50	3.50	3.60	3.60	3.60
Downside risk	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25

Underlying Assumptions:

- Consumer Price Inflation is 2.7% having fallen from a peak of 5.2%. Near term CPI is likely to be affected by volatility in commodity prices and its decrease towards the 2% target is expected to be slower than previously estimated.
- Strong Q3 growth data has provided encouragement with the larger than expected 1% rise in GDP. Consumers are yet to loosen purse strings and businesses are still reticent to make long-term investments. The momentum in growth is unlikely to be sustained whilst uncertainty over the economic outlook persists.
- In the absence of large, unexpected decline in growth, QE is likely to remain on hold at £375bn for now. The availability of cheaper bank borrowing and subsequently for corporates through the Funding for Lending Scheme (FLS) is a supporting factor.
- The US Federal Reserve's shift in its rate guidance from a date-based indication to economic thresholds (6.5% unemployment, inflation 1 – 2 years out projected to remain below 2.5%, longer term inflation expectations remain well anchored) is likely to increase market uncertainty around the highly volatile US employment data releases.
- A last minute agreement on 1st January between the US President and Congressional Republicans to increase taxes on higher earning Americans partly averted the fiscal cliff (which would have meant automatic tax hikes and spending cuts). However the issues of spending cuts, cutting the budget deficit and raising the country's debt ceiling remained unresolved. A failure to address these by March 2013 could lead to a similar showdown and risks a downgrade to the US sovereign credit rating by one or more agencies.

- The Eurozone is making slow headway (the European Stability Mechanism is now operational, announcements on the OMT programme, slow progress towards banking union) which has placated markets and curtailed some of the immediate risks although peripheral countries continue to struggle. Full-fledged banking and fiscal union is still some years away.

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 31/12/12 £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	7.4
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	12
Term Deposits / CDs / Call Accounts	UK	Standard Chartered Bank	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	20	20	0
Term Deposits / CDs / Call Accounts	France	BNP Paribas	20	20	0
Term Deposits / CDs / Call Accounts	France	Credit Agricole CIB (Credit Agricole Group)	20	20	0
Term Deposits / CDs / Call Accounts	France	Credit Agricole SA (Credit Agricole Group)	20	20	0
Term Deposits / CDs / Call Accounts	France	Societe General	20	20	0
Term Deposits / CDs / Call Accounts	Germany	Deutsche Bank AG	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	Sweden	Svenska Handelsbanken	20	20	0

Accounts					
Term Deposits / CDs / Call Accounts	Switzerland	Credit Suisse	20	20	0
Term Deposits / CDs / Call Accounts	US	JP Morgan	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 9 January 2013.*

TOTAL RISK PER COUNTERPARTY AS AT 31 DECEMBER 12

	CREDIT RATING				TOTAL £000
<u>Fixed Deposits</u>					
Barclays	UK AAA	F1+AA-	B	1	20,000
HSBC	UK AAA	F1+AA	B	1	7,422
Royal Bank of Scotland	UK AAA	F1+AA-	C/D	1	12,000
Santander	UK AAA	F1+AA-	B	1	7,000
TOTAL- FIXED TERM AND CASH DEPOSITS					46,422

<u>SUMMARY BY SOVEREIGN RATING</u>	<u>£000</u>	<u>%</u>
UK AAA	46,422	100
Total	46,422	100

Credit Ratings – A Guide.

Long-term credit ratings and Sovereign Ratings

Fitch Rating's 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 Debt Management Office , 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 – 28 FEBRUARY 2013
COUNCIL - 7 MARCH 2013**

PRUDENTIAL INDICATORS

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

1. Purpose

- 1.1 To approve the prudential indicators for 2013/14 to 2015/16 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 2013/14.

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 2013/14. In most cases indicators have to be set for 3 financial years ahead, so figures are also provided for 2014/15 and 2015/16. 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 2013/14 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(2013/14)	3.11%
Year 2(2014/15)	3.40%
Year 3(2015/16)	3.00%

- 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 before it begins to fall. This drop continues into 2016/17 (This broadly matches the expected prudential borrowing which is noted in 5.10.2).

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 (43,216.7). It also assumes that the only Government Approvals agreed at this stage are those for 2013/14, 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 2013/14 and 2014/15, 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>Government Supported Borrowing</u> £	<u>Total</u> £
2013/14	-3.71	0.00	-3.71
2014/15	10.31	0.00	10.31
2015/16	26.53	0.00	26.53

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 The table 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
31/3/2013	£241.7m
31/3/2014	£237.9m
31/3/2015	£242.1m
31/3/2016	£239.3m

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
31/3/2013	£123.8m	£63.1m	£186.9m
31/3/2014	£110.3m	£61.7m	£172.0m
31/3/2015	£111.7m	£60.4m	£172.1m
31/3/2016	£115.6m	£58.8m	£174.4m

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 2013/14 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
2013/14	0.257	3.379	64.087	0.349	39.127	107.199
2014/15	0.000	11.364	50.983	1.858	11.813	76.018
2015/16	0.000	3.970	6.198	0.000	12.350	22.518

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 (2013/14) is £145m for borrowing and £65m for other long term liabilities

Year 2 (2014/15) is £146m for borrowing and £64m for other long term liabilities

Year 3 (2015/16) is £150m for borrowing and £63m 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 (2013/14) is £125m for External debt for and £63m for other long term liabilities

Year 2 (2014/15) is £126m for External debt for and £62m for other long term liabilities

Year 3(2015/16) is £130m for External debt for and £61m 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
	%
2013/14	30
2014/15	30
2015/16	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. For the purposes of this local indicator supranational bonds are treated as fixed investments as they are accounted for as such. The limit proposed would be as follows;

	Upper Limit
2013/14	60%
2014/15	60%
2015/16	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
2013/14	100%	70%
2014/15	100%	70%
2015/16	100%	70%

In principle, it may be necessary / desirable for all borrowing at a point in time to be at a fixed rate, although in practice this would be unusual. 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;

Period (years)	Lower Limit %	Upper Limit %
Under 12 months	0	40
1-2 years	0	25
2-5 years	0	50
5-10 years	0	75
10-20 years	0	75
20-30 years	0	75
30-40 years	0	100
40-50 years	10	100
over 50 years	15	100

5.14.2 Whilst these are the proposed limits, as a broad longer term strategy, in any financial year borrowing would normally be managed to end the year with the maturity profile broadly as follows;

Maturity	Broad Indicative Range	Actual % for 31/03/12
Under 12 months	0-30% of all borrowing	25%
1-2 years	0-15%	7%
2-5 years	5-15%	9%
5-10 years	5-20%	2%
10-20 years	5-20%	0%
20-30 years	5-20%	0%
30-40 years	5-20%	3%
40-50 years	10-40%	19%
Over 10 years	20-90%	35%

5.14.3 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
2013/14	95%
2014/15	95%
2015/16	95%

6. Financial Implications

- 6.1 The prudential indicators provide a framework for 2013/14 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

TELFORD & WREKIN COUNCIL

CABINET - 28 FEBRUARY 2013

DRIVING DELIVERY OF THE COUNCIL'S PRIORITIES: 9 MONTH POSITION

REPORT OF MANAGING DIRECTOR

LEAD MEMBER – COUNCILLOR BILL MCCLEMENTS

PART A) – SUMMARY REPORT

1. PURPOSE

1.1. To present progress against delivery of the outcomes measures for the Council's priorities.

2. RECOMMENDATIONS

2.1. That the performance analysis presented in this report is reviewed to identify areas where further information or a greater emphasis on performance is required.

3. SUMMARY IMPACT ASSESSMENT

Community Impact	Yes	Achievement of the Priorities set out in the Council Plan will deliver many community benefits.
Financial & Value for Money Impact	Yes	Any financial implications arising from delivery or non delivery of the priority outcomes will need to be considered alongside the Council's budget strategy and met from within resources available.
Legal Issues	Yes	Under s.3 Local Government Act 1999 (as amended) the Council is under a duty (the Best Value duty) to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Statutory Guidance issued in September 2011 by the Department for Communities and Local Government makes it clear that overall value including economic, environmental and social value should be considered.
Other impacts, risks and opportunities	Yes	The ongoing and development programme of work to deliver the Council's Priorities will be evaluated to ensure risks are identified and managed and any associated opportunities are maximised. Delivering the Council's Priorities provides real opportunity to develop new arrangements and partnerships to improve the lives of local people.
Environmental	Yes	A number of the Council's Priorities will deliver environmental improvements – " <i>ensure that neighbourhoods are safe, clean and well maintained</i> " and " <i>regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing</i> " As new initiatives are developed they will be assessed for environmental impacts as the proposals are developed.
Impact on specific wards	Yes	Borough-wide impact.

PART B) – ADDITIONAL INFORMATION

4. DRIVING DELIVERY OF THE COUNCIL'S PRIORITIES

4.1. To deliver its vision of 'Telford & Wrekin – the Place of Partnership, Enterprise and Innovation', the Council has adopted 7 priorities:

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

4.2. 'Put our children and young people first' is a cross-cutting priority which will be achieved through delivery of the Council's other priorities.

4.3. Appendix one sets out progress at '9 months' (April to December) against the outcome measures which have been adopted for each priority. At this point in the year, a significant number of the indicators do not have data as this is only available at the end of the year. Headline performance messages for each priority are set out below where new data is available.

4.4. Ensure that neighbourhoods are safe, clean and well maintained:

- ***Crime and anti-social rates continue to improve:***
 - Crime continues to fall – the annual outturn is forecast to be 58.2 (rate per 1,000 population) compared to 67.6 in 2011/12.
 - Anti-social behaviour continues to fall – we are forecasting a year rate of 59.1 (rate per 1,000 population) compared to 66.0 in 2011/12. Although an improving picture we will remain above the national rate at year end.
- The Borough's household recycling rate is forecast to match last year's outturn (40.1%) – at this point in the year it is 'ahead of schedule' (44.2%) but the rate will fall as a result of a reduction in the collection of green waste in the winter months.

4.5. Improve local people's prospects through education and skills training:

- Educational attainment results for 2012 have now been confirmed and demonstrate the progress that students and schools together have made:
 - Early Years Foundation Stage - has improved from 52% in 2011/12 to 55% 2012/13 - however we still remain below the national rate of 64.0%.
 - KS2 – 79.7% of pupils achieved Level 4 or above in both English and Maths, compared to 73.7% in 2011/12. We are 'comparable' to the national rate 80%.
 - GCSE – 61.3% of pupils achieved 5 A*-C GCSEs, up from 57.9% in 2011/12. We are now above the national rate of 59.0%

- Narrowing the gap in the educational attainment of pupils entitled to free school meals and Pakistani pupils to their peers has been adopted as the Council's Equality Objectives:
 - For pupils in receipt of free school meals the gap at KS2 Level4 English & Maths has increased from 17% points in 2011/12 to 23%. The gap marginally narrowed for 5 A*-C GCSEs from 29.0% points to 28.8% points.
 - For Pakistani pupils, the gap at KS2 remained the same from 2011/12 at 26.1% points and at GCSE improved from 11.4% points to 10.4% points.

4.6. Improve the health and wellbeing of our communities and address health inequalities:

- New data for this priority is only available for teenage pregnancy. The latest data shows continuing improvement – the rate is currently 45.8 down from 47.5 in 2011/12.

4.7. Protect and create jobs as a 'Business Supporting, Business Winning Council':

- Unemployment has continued to fall and at 8% is below the regional rate (8.6%) and has significantly narrowed the gap to the national rate (7.9%).
- Youth unemployment continues to be a concern, however, the latest data shows a small marginal improvement – the rate is now 26.2% compared to 26.3% at 6 month monitoring. The rate remains above the regional (21.8%) and national rates (20.9%)
- The current rate for Young people not in education, employment or training is 6.6% or 375 young people - at this point in the year, showing improvement against the 2011/12 rate of 8.5%.

4.8. Protect and support our vulnerable children and adults:

- Performance is good for a number of key children's social care measures:
 - 74.0% of children in care have been in the same placement for 2+ years. Although this is a small decrease from 79.2% in 2011/12 (equivalent to 5 children) the rate remains above the national rate.
 - Numbers of children subject to child protection plans have reduced so that our performance is now similar to national averages – down from 58.6 in 2011/12 to 38.0.
- In a number of areas performance is poor and detailed work is being undertake to understand trends and add to/amend current activity to improve:
 - Repeat child protection plans – currently 17.8% from 16.2% in 2011/12
 - Rate of children in care 79.6 per 10,000 - which has stabilised after a period of admissions affected by 3 large families
- Educational outcomes for children in care have improved for 2011/12:
 - 5 A*-C GCSEs has risen to 35.7% from 20.0% in 2011/12
 - 61.5% of children in care attained KS2 Level 4 Maths and Level 4 in English, up from 29.0% and 14.0% in 2011/12 respectively
- For adult social care:
 - The proportion of people using social care who receive self directed support is 37.0% which is a marginal increase against 2011/12 performance of 36.2%. We are forecasting to achieve 46% by end of year.
 - The proportion of people using social care who receive direct payments at 5.1% is lower than for 2011/12 (5.8%).
 - There has been a reduction in delayed transfers of care from hospital – this is down from 8.6 in 2011/12 to 4.7. The rate for delayed transfers from

hospital as a result of or partially attributable to adult social care has also fallen from 4.2 in 2011/12 to 2.8.

4.9. Regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing:

- Progress continues to be made to manage housing pressures:
 - We are projecting to see a small reduction in the number of homeless acceptances: we are currently on 97 and expect to be on 130 by year end compared to 136 in 2011/12. This is as a result of our focus on preventative work.
 - There were 77 16 to 24 year olds accepted as homeless in 2011/12. This year to date, there have been 51.
 - Since 6 months performance monitoring, B&B has not been used for temporary accommodation. Reflecting this, there are currently no 16-17 year olds in B&B accommodation.

Report Prepared by Jon Power, Delivery & Planning Manager, Ext 80141.

Appendix One: Nine Month Performance By Council Priority

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
Ensure that neighbourhoods are safe, clean and well maintained											
CM039	Overall Crime rate per 1,000 population	69.8	67.6	Getting better	70.6 (England & Wales)	Better	24.6	38.8	58.2	Getting Better	Data based on only 8 months data
CM040	Overall ASB rate per 1,000 population	80.9	66.0	Getting better	49.0 (England & Wales)	Worse	26.4	44.4	59.1	Getting Better	
CM041	% of resident with a fear of crime	54.0%	45.0%	-	38.1% (West Mercia average)	Worse	44.8	45.5	-	No change	
CM029	% of residents who feel that their neighbourhood is one where people of different backgrounds get on well together	75.0%	Data not available	-	-	-	-	-	-	-	Progress against these measures will be benchmarked through January 2013 Community Panel Survey. It is expected that the data will be available early March.
CM050	Resident satisfaction with recycled and household waste collections	81.0%	Data not available	-	-	-	-	-	-	-	
CM051	Resident satisfaction with cleanliness of local neighbourhood	61.0%	Data not available	-	-	-	-	-	-	-	
CM052	Resident satisfaction with the conditions of roads	34.0%	Data not available	-	-	-	-	-	-	-	
CM053	Resident satisfaction with the conditions of pathways	38.0%	Data not available	-	-	-	-	-	-	-	

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CM054	Resident satisfaction with borough parks	82.0%	Data not available	-	-	-	-	-	-		
CM055	Resident satisfaction with Town Park	88.0%	Data not available	-	-	-	-	-	-		
CM089	Rate of recycling within the borough	43.0%	43.0%	No change	40.1%	Better	48.1%	44.2%	43.0%	No change	Performance ahead of anticipated outturn. Expected to fall over the next two months due to the reduction in green collected over winter months.
Improve local people's prospects through education and skills training											
CM007	% of workforce with level 3 qualifications	15.6%	16.3%	Getting better	17.1%	Worse	-	-	-	-	Annual measure - update due in April
CM008	% of workforce with level 4 qualifications	28.4%	29.7%	Getting better	30.4%	Worse	-	-	-	-	Annual measure - update due in April
CM082	Achievement of at least 78 points across EYFS with at least 6 in each of Personal, Social and Emotional Development, Communication, Language and Literacy	52.0%	52.0%	No change	59.0%	Worse	-	-	55.0%	Getting better	England average 64% for 2012/13. Gap to national performance has widened.
CM083	Achievement rate of level 4 or above in both English and Maths at KS2	71.0%	73.7%	Getting better	74.0%	Comparable	-	-	79.7%	Getting better	The national comparator for 2012/13 is 80%.(The nationally reported SFR excludes Ladygrove School maths results giving a rate of 78.0%)
CM084	Achievement rate of 5 A*-C GCSE's or equivalent including English and Maths	55.9%	57.9%	Getting better	58.4%	Comparable	-	-	61.3%	Getting better	The national comparator for 2012/13 is 59.0%.

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CM085	The attainment gap between FSM and their peers at KS2 (% point)	22.0	17.0	Getting better	17.0%	Worse	-	23.0	23.0	Getting Worse	60% of FSM pupils achieved this target compared to 83% for other pupils. For England 66% of FSM against 83% of non FSM pupils.
CM086	The attainment gap between FSM and their peers at KS4 (% point)	27.0	29.0	Getting worse	-	-	-	28.8	28.8	Getting Better	37.3% of FSM pupils achieved this target compared to 66.1% of their peers.
CM087	The attainment gap between Pakistani children and their peers at KS2 (rolling 3-year average % point)	14.1	26.1	Getting worse	-	-	-	26.1	26.1	No change	68.4% of Pakistani pupils achieved this target compared to 80.6% of their peers.
CM088	The attainment gap between Pakistani children and their peers at KS4 (rolling 3-year average % point)	23.0	11.4	Getting better	-	-	-	10.4%	10.4%	Getting better	45.5% of Pakistani pupils achieved this target compared to 54.7% for their peers.
CM091	Achievement rate of a level 2 qualification by the age of 19	74.0%	77.0%	Getting better	82.0%	Worse	80.0%	-	80.0%	Getting better	
CM092	Achievement rate of a level 3 qualification by the age of 19	51.0%	53.0%	Getting better	60.0%	Worse	57.0%	-	57.0%	Getting better	
Improve the health and wellbeing of our communities and address health inequalities											
CYP016	Hospital admissions caused by unintentional and deliberate injuries in under 18s	137.4	117.0	Getting better	124.0	No significant difference to National	-	-	-	-	

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CM009	% of reception children who are obese	10.6%	10.4%	Getting better	9.4%	No significant difference to National	-	-	-	-	Data reported on annual basis, in-year performance assessment not available
CM010	% of year 6 children who are obese	20.1%	18.7%	Getting better	19.0%	No significant difference to National	-	-	-	-	
CM011	Mortality from all cardiovascular diseases (including heart disease and stroke, rate per 100,000 population under 75, annual trend)	77.8	80.3	Getting worse	64.7	Significantly worse than National	-	-	-	-	
CM012	Premature mortality from all cancers (rate per 100,000 population under 75 years)	122.9	122.6	Getting better	110.0	Significantly worse than National	-	-	-	-	
CM013	Male life expectancy at birth (years)	77.4	77.5	Getting better	78.6	Significantly worse than National	-	-	-	-	
CM023	The under 18 conception rate per 1,000 girls aged 15-17 years	52.7	47.5	Getting better	35.4	Significantly worse than National	46.5	45.8	-	Getting better	Rolling quarterly average data as at Sept 2011 (latest available nationally published data Dec 12)
CM024	Smoking related deaths (rate per 100,000 population)	248.8	238.0	Getting better	211.0	Significantly worse than National		-	-		Data reported on annual basis, in-year performance assessment not available
CM025	Hospital admissions attributable to smoking (rate per 100,000 population)	1,381	1,579	Getting worse	1,417	No significant difference to National		-	-		

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CM026	Smoking in pregnancy (% of mothers smoking at delivery)	23.6%	22.7%	Getting better	13.1%	Significantly worse than National	22.3%		-	Getting better	Target set for 2012/13 = 20% 2012/13 performance Q1 = 20.0% Q2 = 22.5% Q1-Q2 = 22.3%
CYP001	Breast feeding (% of infants breastfeeding at 6 to 8 weeks)	33.2%	32.9%	No change	47.0%	Significantly worse than National	33.9%		-	Getting better	Target set for 2012/13 = 34.5% 2012/13 performance Q1 = 32.9% Q2 = 34.8% Q1-Q2 = 33.9%
CYP003	Hospital admissions as a result of self-harm (rate per 100,000 population, all ages)	238.0	203.0	Getting better	212.0	No significant difference to National		-	-	-	Data reported on annual basis, in-year performance assessment not available
CM066	Smoking cessation rate (rate of successful quitters, per 100,000 pop)	1,452	1,482	Getting better	944	Significantly better than National		-	-	-	
CM065	Successful four week smoking quitters (as a % of estimated adult smokers)	4.9%	6.3%	Getting better	4.1%	Significantly better than National	-	-	-	-	
Protect and create jobs as a 'Business Supporting, Business Winning Council'											
CM001	Number of Jobs within Borough	77,900	75,800	Getting worse	-	-	-	-	-	-	No new data available until September 2013
CM002	Unemployment rate	9.4%	8.6%	Getting better	8.1%	Worse	8.4%	8.0%	-	-	West Midlands (8.6%) England (7.9%) figures for year Oct 2011 to Sept 2012
CM004	Youth unemployment rate	27.3%	23.1%	Getting better	21.1%	Worse	26.3%	26.2%	-	-	West Midlands (21.8%) England (20.9%) figures for year Oct 2011 to Sept 2012

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CM090	Young people not in education, employment or training	-	8.5%		6.1%	Worse	9.4%	6.6%	6.8%	Getting better	
Protect and support our vulnerable children and adults											
CM028	% of children now aged 19 who were looked after in their 17th year who were in education, training or employment in the four months around their 19th birthday	41.6%	52.6%	Getting better	64.0%	Worse	0% (zero)	30% (3/10)	-	Getting worse	Non-validated data based only on the children who have reached the end of their 4 month window for recording activity. Ongoing collection of data for the remaining 11 in the cohort
CYP015	Number of children in care (rate per 10,000 population under 18)	68.3	79.5	Getting worse	59.0	Worse	80.4	79.6	79.6	No change	The rate per 10,000 has stabilised after a period of admissions affected by 3 large families. However it remains high compared to the national average. Statistical neighbour average was 72.1 at year end and half year West Midlands was 71, both closer to our own figures.
CYP021	Children subject to a Child Protection Plan (rate per 10,000 population)	54.3	58.6	Getting worse	37.8	Better	56.2	37.8	38.0	Getting better	Reduction in numbers is due to a range of factors including more effective support or protection through redesign of CP plans and the style of CP conferences, more sophisticated approach to which children need child protection investigations and plans

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CYP018	% of children with a Child Protection Plan who had previously had a Plan	12.4%	16.2%	Getting worse	13.8%	Worse	16.7%	17.8%	17.0%	Getting worse	Our performance remains poor in terms of numbers of subsequent plans, neglect being the predominant category of abuse. New model of working in development with Sheffield University and applying some learning arising from recent case audits
CYP050	% of children who were in care for 2.5 years with the same placement for 2 years	73.3%	79.2%	Getting better	68.0%	Better	80.4%	73.1%	74.0%	Getting worse	This is a drop in 5 children. Still better than All England and Statistical Neighbours
CM027	% of children in care who get 5 GCSEs A*-C including English and Maths	10.5%	20.0%	Getting better	15.1%	Better	-	35.7%	35.7%	Getting better	Information taken from Statistical First Release
CYP052	% children in care reaching level 4 in maths at KS2	50.0%	29.0%	Getting worse	56.0%	-	-	61.5%	61.5%	Getting better	These are provisional figures
CYP053	% children in care reaching level 4 in English at KS2	50.0%	14.0%	Getting worse	48.0%	Worse	-	61.5%	61.5%	Getting better	These are provisional figures
CYP054	% of care leavers at 19 in suitable accommodation	79.2%	68.4%	Getting worse	88.0%	Worse	75.0%	80% (8/10)	80.0%	Getting better	Non-validated data based only on the children who have reached the end of their 4 month window for recording activity. Ongoing collection of data for the remaining 11 in the cohort

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CM073	Proportion of people using social care who receive self-directed support	30.2%	36.2%	Getting better	43.0%	Worse	37.3%	37.0%	46.0%	Getting better	The 46% represents 100% of eligible clients. As part of the transformation of services and new reporting requirements that will be introduced nationally, we expect this to be closer to 60% at year end.
CM074	Proportion of people using social care who receive direct payments	5.4%	5.8%	Getting better	13.7%	Worse	4.4%	5.1%	5.1%	Getting worse	The drop in direct payments needs looking at in more detail.
CM075	Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into re-ablement/rehabilitation services (Those offered Intermediate Care)	77.9%	74.3%	Getting worse	82.6%	Worse	-	-	-	-	The sample is identified for the period October to December with follow-up 91 days later in January to March. A drop in success can be attributed to more people going through re-ablement and not limiting it to those who would only be successful.
CM076	People receiving re-ablement service who need no support at the end of their service	-	37.0%	-	-	-	-	36.0%	36.0%	No change	Although the proportion of people leaving re-ablement with no support has decreased, it actually represents an increase in numbers from 270 in 2011/12 to projected 340 in 2012/13.
CM077	Delayed transfers of care from hospital	-	8.6	-	9.8	Better	3.4	4.7	4.7	Getting better	Although our Delayed Transfer of Care numbers have reduced to below national, we are working with a regional project to gain a better understanding of these numbers.

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CM078	Delayed transfers of care from hospital which are fully or partially attributable to adult social care	-	4.2	-	3.8	Worse	2.4	2.8	2.8	Getting better	Although our Delayed Transfer of Care numbers have reduced to below national, we are working with a regional project to gain a better understanding of these numbers.
CM079	Carer-reported quality of life	-	-	-	-	-	-	-	-	-	This will come from the Carer Survey which has been carried out for the first time this year. It is due for completion in March.
CM080	The proportion of carers who report that they have been included or consulted in discussion about the person they care for	-	-	-	-	-	-	-	-	-	This will come from the Carer Survey which has been carried out for the first time this year. It is due for completion in March.
CM081	The proportion of people being assessed who feel they were treated with dignity and respect	91.2%	95.3%	Getting better	-	-	96.0%	95.8%	95.8%	Getting better	
Regenerate those neighbourhoods in need and work hard to ensure the local people have access to suitable housing											
CM060	Number of homeless acceptances per 1,000 households	1.6	2.3	Getting worse	2.0	Better	0.8	1.4	1.9	Getting Better	There were 136 homeless acceptances in 2011/12. There have currently been 97 in 2012/13 and we are projecting to end the year with 130 acceptances.

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CM061	% of all homeless households which were of 16 to 24 year olds	68.5%	56.6%	Getting better	35.0%	Worse	55.0%	56.4%	56.3%	No change	There were 77, 16 to 24 year olds accepted in 2011/12. There have been 51 this year and we are projecting to finish in a similar position to last year. We anticipate that those figures will reduce further as a result of the various interventions and joined up working relationships with partner agencies.
CM062	The number of nights that B&B are used per annum	5,107	6,139	Getting worse	-	-	2,543	2,543	2,600	Getting Better	Every effort is being made to avoid B&B and reduce the numbers through creative use of property and prevention programmes and in house mediation being undertaken in partnership with our colleagues in other agencies. This work will continue where we will strive to maintain low numbers wherever possible.
CYP010	% of homelessness cases prevented or relieved	68.3%	69.3%	Getting better	-	-	72.3%	66.9%	65.8%	Getting worse	There were 306 homeless cases prevented or relieved during 2011/12. There have currently been 192 during 2012/13 and we are projecting to finish the year at about 250.

Code	Indicator Title	2010-11	2011-12	Annual Direction of Travel	National Comparator 2011-12	Comparison to national position 2011-12	6 month performance 2012/13	9 month performance 2012-13	Estimate of 2012-13 outturn	Direction of travel compared to 2011-12	Commentary on 9 month performance
CYP013	% of 16 -17 year olds accepted as homeless	25.4%	21.3%	Getting better	-	-	10.7%	18.6%	19.2%	Getting Better	This is a local measure that shows a continual decline in the number of 16 - 17 year old accepted as homeless over the last 3 years. There were 29 accepted during 2011/12 and we are predicting this to fall to 25 this year. (Currently 18).
CYP014	% of 16-17 year olds in B&B	50.0%	18.7%	Getting better	-	-	-	-	-	Getting Better	B&B is only used as a last resort, with very low numbers over the last 3 months. There are currently no 16-17 year olds in B&B.
CM072	Number of new homes built per annum (gross)	687	776	Getting better	-	-	-	-	-	-	The figures for 2012/13 will come from the end of year planning applications study. A study is done on a yearly cycle after 31 March each year.

BOROUGH OF TELFORD & WREKIN

CABINET – 28 FEBRUARY 2013

CO-OPERATIVE COUNCIL UPDATE

REPORT OF THE MANAGING DIRECTOR

LEAD CABINET MEMBER – CLLR SHAUN DAVIES

1. SUMMARY

- 1.1 In July 2011, the Council made a clear commitment to become a Co-operative Council and became a founder member of the Co-operative Council Network (www.councils.coop).
- 1.2 We stated that as a Co-operative Council we would work together with the community to build a new partnership where power and responsibility were more balanced and where our employees, local people and organisations would be more actively involved in shaping services and decision-making.
- 1.3 A programme of work was agreed to translate this vision into action. Over the last 18 months, we have regularly reported progress to Cabinet on the delivery of this work programme. This report provides an update about what has been achieved over the last 6 months and illustrates that we have made further progress in putting co-operative working into practice. The report also sets out how we plan to develop our approach in future.

2. RECOMMENDATIONS

- 2.1 **That Cabinet notes progress in delivering the Co-operative Council Work Programme;**
- 2.2 **That Cabinet approves the launch of the Telford Loyalty Card, as set out in Section 4.1 of this report.**

3. SUMMARY IMPACT ASSESSMENT

Community Impact	Yes	This programme of work contributes to the Council's priority to be a Co-operative Council. Many of the projects/initiatives in the work programme are already delivering community benefits. Other initiatives will be assessed for community impacts as the proposals are developed.
Financial & Value for Money Impact	Yes	The draft Service & Financial Planning Strategy for 2013/14 to 2015/16 was presented to Cabinet on the 10 January 2013. The strategy is set in the context of severe financial pressures facing the Council, including significant reductions in Central Government funding and service

		pressures due to the difficult economic climate which is having an impact on the community and increasing demand for council services. A clear priority in our strategy is adopting a Co-operative Council approach, working with residents, partners and local organisations to collectively deliver services to the area within the resources available. This report highlights areas of work which have developed co-operative working. There is a small co-operative council budget of £15k, available to be used to pump-prime monies for community projects. Given the financial constraints, the scope for any additional investment is very limited and progress has been achieved, in the main, using existing resources. Telford Loyalty Card is a current project and the financial implications are set out in paragraphs 4.1.7-4.1.9.
Legal Issues	Yes	The General Power of Competence under the Localism Act 2011 provides that councils are specifically empowered to do anything not prohibited by legislation and subject to public law principles and due process. In addition, the provisions regarding Community Right to Challenge are being implemented. Legal Services' advice will be sought on specific projects and any necessary legal arrangements such as property documentation, appropriate partnership agreements or any appropriate contract documentation will be put in place.
Other impacts, risks and opportunities	Yes	The ongoing programme of work will be evaluated to ensure risks are identified and managed and any associated opportunities are maximised. Mainstreaming the Co-operative Values and ways of working throughout the authority amongst officers and members remains key to becoming a Co-operative Council.
Impact on specific wards	Yes	Borough-wide impact.

4.0 Progress Update

4.1 Adopter Projects

4.1.1 One of the main ways that we have embedded co-operative working across the Council is through the delivery of a range of practical 'Adopter Projects'. In the current phase of work there is at least one project in each of our service areas.

4.1.2 Over the past 6 months, achievements include:

- **The Co-operative Values and Priorities** - have been developed by the Co-operative Commission (see section 4.2) and are based on what residents and council employees told the Commission about the sort of council and borough they would like to see in Telford and Wrekin. The Values which are detailed in Appendix 1 have been adopted and widely promoted. The work of the Co-operative Commission contributes to the delivery of the Council's priorities and work continued at the Commission 'State of the Borough' Event on 15 February 2013 (see section 4.2.5).
- **Family Connect (single point of contact for Children and Family Services)** - Police, Community Health, Child and Adolescence Mental Health Services and Probation Services systems are all now operating from the Family Connect Hub at Darby House. This is providing a more joined-up service for customers, better information sharing and quicker decision-making.
- **Brookside** – an Employment and Skills Partnership covering Brookside has been established and plan developed. The Lifelong Learning Team has made over 300 contacts in Brookside; 16 clients have secured employment and 30 residents have come forward as volunteers to establish a community cafe within the Community Centre.
- **Apprenticeships and Internships** - the Council currently has 86 apprentices in post with numbers expected to exceed our target of 100 within the next month. The Apprentice Forum is now working well and the apprentices are preparing activities and events for Apprenticeship Week in March 2013. A new award of 'Apprentice of the Year' was included as part of Customer Service Awards in November 2012 with 9 apprentices gaining awards. We have also employed 6 interns through a pilot programme who have all successfully completed project work. Three internships have been extended in order to complete additional assignments and we have recently appointed a trainee solicitor in Legal Services.
- **Wi-Fi** -.Members of the public and visitors can now access free Wi-Fi at 19 Council buildings across the Borough. The next phase of the roll-out is to look at possible high street areas as part of regeneration projects.
- **Small Business Loans Fund** – Since its launch in May 2012, £230k of funds have been loaned to 7 businesses who were originally unable to access finance through the main stream lenders, enabling business development to take place that would otherwise have stalled. In one case, the availability of the loan fund has helped secure a new business investment in Telford. In addition, 4 loans are at the application stage.
- **First Point for Business** – the 'Business & Planning First Point' reception service opened on 4 February 2013 based in Wellington Civic offices at the heart of the Council's business support environment. It will offer a single point of contact and provide greater opportunities to support investment, business,

planning and property enquiries than the existing telephone service can provide.

- **Parish Environmental Teams (PET)** – working in conjunction with Town and Parish Councils, we are continuing to increase the number of Parish Environmental Teams (PET). Hadley & Leegomery Parish PET went live on 2 January 2013 with an apprentice position to be recruited to imminently. Hollinswood & Randlay Parish Council will be going live shortly with a PET+ scheme which uses their existing officer with enhanced hours. It will also include a Council apprentice. Discussions are ongoing with Wrockwardine Wood & Trench and with Stirchley & Brookside Parish Councils and there are also discussions around having a shared Rural PET for the north rural Parishes. To date, 7 apprenticeships have been secured through PETs and over 5 years, 35 apprentices will be trained and supported. External funding associated with these PETs over 5 years is £600k.

4.1.3 One of the adopter projects that we have developed over the last 6 months is to introduce a new **Telford Loyalty Card (TLC)**. There are two main aims in introducing TLC:

- To promote health and well-being by encouraging greater participation in sport and leisure activities, a key element of our plans to build an Olympic legacy in the Borough;
- As a 'Business-Winning, Business-Supporting Council', to encourage more people to 'shop local'. For example, if every household in the Borough spent an additional £5 per week with local businesses, this would generate an additional £18m a year for the local economy, helping to protect and support local jobs.

4.1.4 TLC will replace and enhance the Council's existing Flex card and will offer card-holders discounts on Council leisure activities and at participating businesses. Key differences between TLC and Flex are:

- TLC will offer discounts at a much wider range of local businesses (currently 25 businesses offer discounts via Flex cards, mainly in Wellington and Oakengates; the target is to increase this to a minimum of 75 at launch with a better geographical spread across the Borough);
- TLC will be free to all in order to encourage everyone who lives, works or visits Telford & Wrekin to use shops, services and leisure facilities in the Borough (there is currently a charge for Flex cards);
- TLC cards will be available through a wider network of Council services, such as all First Points, Libraries and Community Centres (Flex cards are currently only available at leisure centres);
- The TLC card will improve the Council's customer services offer through enhanced online functions.

- 4.1.5 We are now seeking approval to launch TLC in April 2013 to coincide with the transfer of Public Health to the Council. Cards will be distributed via Your Voice to every household in the Borough, significantly increasing access to and potential uptake of discounted leisure activities. Cards will be available on request for non-residents, although residents will get a bigger discount on Council leisure activities than non-residents. To encourage card-holders to participate in leisure activities, there will be regular marketing and promotions through the year. Usage data from the TLC card will help inform future service planning and will enable targeted initiatives to increase physical activity in more sedentary areas or groups, contributing to our Health and Well-being Priority and helping to reduce health inequalities.
- 4.1.6 TLC will be launched in partnership with 2 main sponsors; AFC Telford and Telford College of Arts and Technology (TCAT). Businesses based in the Borough will be able to join TLC free of charge, although the Council reserves the right to refuse or discontinue a business' participation, for example if a business is subject to legal action by the Council. The Council will actively market the 'shop local' aspect of TLC to card-holders.
- 4.1.7 There are both one off and ongoing costs associated with the proposed Telford Loyalty Card scheme. The one-off costs of introducing Telford Loyalty Card are estimated to be £40,000:

	£'000
Production of Cards	18.0
Distribution	4.5
Marketing & Registration Forms	16.0
Other	1.5
Total	40.0
Note: any staffing costs will be accommodated within current Cooperative Council budgets	

- 4.1.8 The two sponsors will contribute a total of £10,000, which will go towards these costs. The balance will be funded from existing Cooperative Council budgets (£8,000) and the Public Health grant payable to the council from April 2013.
- 4.1.9 There is also an ongoing financial impact on Leisure income. Currently there is a charge for the purchase of Flex cards which generates £0.075m per annum; this will be covered from the new Public Health Grant in future. Leisure currently generates income from both non-Flex card-holders (i.e. not discounted) and Flex card-holders. Given the new cards are to be free and distributed to all households, it is likely that there will be an increase in income generated from Telford Loyalty Card holders (i.e. discounted) which will have an impact on total sales income. It is, however, anticipated that the wider distribution and marketing campaign will increase overall uptake of leisure activities which would help to offset the reductions in income and may exceed them. Leisure income will be closely monitored and any variances highlighted through the corporate financial monitoring process following implementation.

4.1.10 Appendix 2 sets out an overview of all Adopter Projects.

4.2 Co-operative and Employee Commissions

4.2.1 We have also established and been working with two Commissions; the Co-operative Commission involving community and business leaders, and an internal Employee Commission. The Commissions were asked to make recommendations for new ways of working based on co-operative principles.

4.2.2 Both Commissions set up five task-finish working groups to look at specific topics, chosen by members of the Commissions. The working groups made recommendations to Cabinet in May 2012. Since then, we have worked alongside Commissioners to deliver significant progress in implementing the working groups' recommendations. Achievements include:

Co-operative Commission

- Launching the **automotive excellence campaign**, including brochure and Invest in Telford Website (7,000 companies contacted);
- Piloting a **partnership approach to recruitment** with Morrisons, TCAT and Job Centre plus, resulting in work experience placements and guaranteed interviews for 16/17 year olds and encouraging learners to attend the Morrisons **Skills Based Work Academy** at TCAT, resulting in 16 learners gaining employment;
- Developing, adopting and widely promoting **Co-operative Values**;
- Introducing a Telford & Wrekin **phone application** for members of the public, providing easy access to information about Council services;
- Launching **Facebook community notice boards** in priority wards to improve understanding of the Council's work and a **community newsroom** which brings together information about council initiatives and latest news in one place;
- Promoting **volunteering**, for example through a single point of access to volunteering opportunities on the Council's Website and a volunteering event at Telford Town Park;
- Developing a draft **commissioning framework** in partnership with the voluntary sector and a 'one stop shop' web page of information to the voluntary sector.

Employee Commission

- Introducing a council **volunteering policy** and promoting a range of community projects and events for employees to get involved with;
- Developing and successfully piloting a **mentoring scheme** in Leisure Services. The scheme will now be expanded and available for new starters and re-deployees across the Council;
- Procuring an **e-learning** system to provide cost-effective learning and development for employees (delivering £50k savings in 2013/14). A number of volunteers are currently piloting the system before it is launched;

- Enabling employees who do not have permanent access to a Council computer to access the Intranet and staff communications from their home computer or in any Council building using a **personal 'Cloud' account** (to date, more than 280 employees have requested a personal account);
- Launching annual **customer service awards** in November 2012 with over 200 employees receiving awards;
- Running **social responsibility campaigns**, for example collecting over 1,400 donations of food and other items from employees for the Telford & Wrekin Crisis Help Network.

Commissions - Next Steps

- 4.2.3 As the Commissions' original recommendations have now been implemented or are in progress, we have been reviewing with Commissioners what should happen next.
- 4.2.4 For the Co-operative Commission, the Commissioning and Procurement Group will meet twice again this year to monitor progress and contribute to the continuing work around the recommendations. The Employment and Skills Group will continue as a Skills Task Force with a particular focus on the 16-24 year old agenda. The Economy and Image Group's recommendations will continue to be delivered through the Development, Business and Housing Service Area Delivery Plan. All other groups have agreed that they do not need to continue to meet as much of the work around the original recommendations has been delivered.
- 4.2.5 The last Co-operative Commission Assembly meeting took place in October 2012 where we asked for views on a proposal for the future working of the Commission. It was clear from the feedback we received that the Commission was keen to continue to build on the success of the work completed to date. Based on Commissioners' feedback, we held a Commission 'State of the Borough' Event on 15 February 2013, which will raise awareness of the key issues and challenges facing our community in order to identify future areas for targeted co-operative working in 2013/14.
- 4.2.6 For the Employee Commission, the Social Responsibility Group will continue to meet regularly throughout the year to raise awareness and support social responsibility campaigns. In addition, some members of the Employee Volunteering Group will meet every six months to monitor uptake of volunteering by employees. The other three groups have agreed that they do not need to continue to meet, however, will receive progress updates about any work that is still in progress.
- 4.2.7 Looking ahead, we have also considered how we engage and get employees involved in how we run the organisation on an ongoing basis. Based on feedback from employees, we will be launching 'Employee Voice' in February 2013. This will offer a range of ways for employees to get involved, including online surveys, discussion forums, focus groups and in some cases, task-finish employee working groups (similar to the Employee Commission

working groups). The first topic will focus on raising awareness of and encouraging employees to get involved in **charitable giving and various charity/fund-raising events** including the Mayor's Charity. Employees will be encouraged to suggest future topics for discussion and action.

4.3 Partnership Working

4.3.1 We continue to strengthen partnership working, latest developments include:

- The **Health & Wellbeing Board** will be formally constituted in April 2013. It has responsibility for developing the provision of health and social care services in the Borough commissioned by the Council and the new Clinical Commissioning Group led by GPs. The Board's Health & Wellbeing Strategy identifies the priorities the Board will focus on delivering to improve the health and wellbeing of the Borough - this will be signed-off by the Board in March. In developing its Strategy and the delivery of its priorities, the Board continues to engage with stakeholders. The latest event on 30 January included 80 representatives from health and social care providers, commissioners and service users and their representatives.
- The **'Strengthening Families' Task Force** brings together partner agencies to improve the outcomes for those families with very complex needs which need multi-agency support through better co-ordinated support. We have now identified 145 families who we intend to work with in the first year of the programme. As well as directly supporting families, a core element of this project is rethinking how we design our services to meet the needs of families. The Citizen Engagement Company (CEC), a local Social Enterprise have been appointed to work with us to develop, pilot and implement a community action research programme including:
 - Reaching out to people who don't currently use our family support services and may benefit from using them;
 - Exploring opportunities for joint working with statutory and voluntary organisations to meet unmet need;
 - Explore community / or voluntary organisation provision within the community.
- A lack of preparedness for work and the necessary skills has been identified as a core barrier to employment in the Borough. To address these, an **'Employment & Skills' Task Force** has been established focusing on ensuring better communication between employers, training providers (including schools) and those seeking work. Due to the challenges facing 16 to 24 year olds, it now has a specific focus to develop and enhance pathways to work for this age group through training, apprenticeships and volunteering.
- A **Homelessness & Resettlement Task Force** has been established to relieve significant budget pressures, manage the impact of Government benefit reforms, improve the quality and use of accommodation and develop more effective contractual arrangements with Private and Registered Social Landlords. As a result we have seen a significant reduction in the use of bed

and breakfast accommodation as emergency accommodation for families in need.

- 4.3.2 We have commenced development of a new Community Strategy '**Shaping Our Future: Our Journey to 2020**' – this will set out a shared view of the challenges and opportunities facing the Borough and what the Council together with partners will focus on achieving to 2020. This will be presented for approval at the March Cabinet meeting.

5.0 Next Steps – Co-operative Commercial Projects

- 5.1 Moving forward, a key element of our approach to co-operative working will be to deliver a programme of **Co-operative Commercial Projects**. The aim is to benefit the Council and the community, financially and socially. As well as looking at income potential for the Council which has to be a paramount aim, we will also take account of the broader non-financial benefits of potential commercial ventures and how these can contribute to the delivery of our Co-operative Priorities. This work forms part of our draft Service and Financial Planning Strategy for 2013/14.

6. PREVIOUS MINUTES

- 6.1 Minute number CB23-26 July 2011
- 6.2 Minute number CB89 - 26 January 2012
- 6.3 Minute number CB25 – 26 July 2012

7. BACKGROUND PAPERS

- 7.1 None.

Report prepared by Felicity Mercer, Policy & Strategy Manager, Tel: (01952) 380136.

Appendix 1 – Co-operative Values

- **Ownership**

We will – be accountable for our own actions and empower others with the skills to help themselves

We would like everyone to the best of their abilities to – take action and responsibility for themselves and their community

- **Openness & Honesty**

We will – be open and honest in the way we work and make decisions and communicate in a clear, simple and timely way

We would like everyone to – be open and honest about what they want to improve in their community

- **Involvement**

We will – work together with our communities, involving people in decisions that affect their lives and be prepared to listen and take on new ideas

We would like everyone to – work with and support others, get involved and share their views to help us develop the way we do things

- **Fairness & Respect**

We will – respond to people's needs in a fair and consistent way

We will and would like everyone to – respect and care for themselves and others, valuing the different ideas and skills that people bring and treating each other as equals

Appendix 2 – Co-operative Council Adopter Projects Update

Adopter Project - High Level Action	Progress Update (February 2013)
Develop 'Family Connect', a new single point of contact that will allow members of the public, schools and other professionals to access services for children and families via one user-friendly telephone number at flexible times. There will also be a Family Connect one stop shop reception area for face to face enquiries	• Triage process now operational for Police, Community Health, Child and Adolescence Mental Health Services and Probation services. Wrekin Housing Trust System due to be installed. • This has resulted in swifter information sharing processes between partners and is enabling improved decision making and appropriate support to be identified. There has also been an increased call rate and use of email contact. • Communication Strategy commenced: newspaper adverts, inclusion in Your Voice, publication across all schools via LCD displays, posters and post cards made available to all community buildings. Presentations completed across partnership agencies and some GP practices. Radio presentation planned which will involve the full partnership. • Educational Psychology service is now receiving all referrals via Family Connect.
Continue to work with partners to bring Dawley Town Hall back into community use	• Friends of Dawley Town Hall established. Local people elected and collectively have a voice in making decisions about development of the Hall. One of the primary aims of the Group is to raise awareness of the Town Hall and gain more supporters. • A Face book site has been set up and has over 100 friends. The group has attended a number of local events and interviewed many people to find out what they would use the hall for. • A bid to Wolves Aid (Wolverhampton Wanderers Community Trust) was submitted in December 2012. If successful this will enable a fully accessible kitchen area allowing people of all abilities to learn catering skills and provide a refreshment service to customers. • Basic refurbishment is underway: new double glazing, re-commissioning the heating system and painting exterior frontage. • Capgemini continuing to develop business plan for management of the Hall. A small working group has been set up to get this work produced. • In September 2012 Great Dawley Parish Council committed £20,000 towards the appointment of a Project development Officer to support the Town Hall development. This post will be appointed to at the end of February 2013. • Planned launch/opening to public is September 2013.
Brookside – continue co-operative working pilot and develop proposals for physical and social regeneration	• Central Telford Employment and Skills Partnership covering Brookside has been established and an employment, skills and training plan has been developed. • The Lifelong Learning Team has made 311 contacts in Brookside, 16 clients secured employment. 30

Adopter Project - High Level Action	Progress Update (February 2013)
of Brookside	residents come forward as volunteers to establish a community cafe within the Community Centre. • We plan to appoint an external consultant to lead on the design of the Community Centre refurbishment/ extension and design of public realm. Four architects will be asked to quote. As part of the appointment process we will be arranging for the architect/s who submits the most competitive quotation to do a presentation to the resident design group and to young people from the Youth Centre. This is to ensure they have necessary skills to work effectively with the community. Appointment planned for late February 2013.
Develop proposals for a borough wide Telford Loyalty Card for residents, offering discounts on Council services and with other local organisations and businesses.	• Subject to Cabinet approval, TLC will be launched and new cards will be distributed to every home in the Borough in April (see Paragraphs 4.1.3-4.1.9 in main report).
Increase the number of apprenticeships and internships offered by the Council and encourage other organisations within the Borough to offer more apprenticeships and internships	• As at end December 2012, 57 new starter apprentices had been recruited so far this financial year compared to 38 for same period last year. • Together with existing employees who are following an apprenticeship framework, this means we now have 86 apprentice employees. Several more have been appointed for January starts and we have 6 current vacancies. • Over 5 years (up to Sept 2012) we have had 179 employees following the apprenticeship programme. Of these 179, 125 initially secured permanent, temporary or casual posts within the Council and 67 are still employed by the Council. • 18 apprentices have attended mentee training and the organisation now has 35 trained mentors. More sessions are planned for February and will be actively promoted to the apprentice new starters. The mentor scheme to be promoted more widely from April 2013, when face-to-face training will be supplemented by e-learning. • Apprentices are working collectively on a number of projects including: planning a Mayor's charity event, completing a charity fun-run in the Town Park and preparing activities and events for Apprenticeship Week in March 2013 • A new award of 'Apprentice of the Year' was included as part of Customer Service Awards 2012. One apprentice received a gold award as 'Apprentice of the Year', four were awarded silver and 4 achieved bronze awards in Nov 2012. • 6 interns were recruited during May-Aug 2012 and successfully completed project work. 3 internships have been extended (2 of which are working on a part time basis) in order to complete additional

Adopter Project - High Level Action	Progress Update (February 2013)
	assignments. • We continue to promote apprenticeships at every opportunity. This has resulted in an increased awareness of apprenticeships for employers and the identification that 16-19 apprenticeships still need to increase. The age grant is also being promoted. A discussion with members of the HR Forum has resulted in an improved employability course which can include this age group. Funding resulting from the UK Commission for Employment & Skills bid is still awaited, recruitment for an apprentice will start as soon as funding comes through. Further skills research has now been commissioned and started. This seeks to engage with all employers across Telford. • Two employers have requested further information on apprenticeships; this does not include those contacting the National Apprenticeship Scheme or the Education and Skills team. An enhanced apprenticeship programme has been developed within the UK Commission for Employment & Skills bid which will mean a more intensive programme resulting in more experienced and qualified apprentices.
Investigate providing free and filtered wireless Internet access to members of the public's personal devices when they are in the vicinity of a publicly accessible Council owned building or site in priority areas	• Members of the public and visitors to the following Council buildings can now access Wi-Fi, using their Council Flex/Library Card or a 'Wi-Fi code' issued by a Council Officer. - Addenbrooke House - AFC Telford Learning Centre - Business Development Centre - Darby House - Dawley Parish Council - Downing House - Edward James House - Granville House - Leegomery Community Centre - Madeley Library - Meeting Point House/Telford Library - Newport Library - Oakengates Tennis Centre - Portico House - Stafford Park 11 - Sutton Hill Community Centre - The Place @ Oakengates - West Road

Adopter Project - High Level Action	Progress Update (February 2013)
	- Whitechapel House The next phase is to look at possible high street areas as part of regeneration projects.
Develop a new Community Hub (Southwater One)	• First Point successfully moved from Civic Offices to Addenbrooke House on 17 December 2012. This is a temporary home for First Point until it moves to Southwater One in March 2014. • The contractor for Southwater One started on site on 28 January 2013.
Launch a pilot co-operative small business loans fund	• £230k of funds has been loaned as at the beginning of January 2013 to 7 businesses. • 4 loans are currently in application stage with £85k set aside if these are successful. • Impetus (the loan company) are attending business exhibitions and networking events to continue to promote the scheme which runs until 31 March 2013. • TWC are delivering the marketing campaign for the scheme which includes promoting it via the council's business networks (e.g. Telford Business Board), investintelford website, business events and other routes such as social media. Case studies will be developed shortly to showcase this success. • 7 businesses that were originally unable to access finance through the main stream lenders have been supported by the Small Business Loans Fund. This has enabled business development to take place that would otherwise have stalled. In one specific case, the availability of the loan fund has helped secure a new business investment in Telford (Aceon). • Outputs will continue to be monitored as job creation impacts for example will be secured once the business projects have been delivered. The scheme is due to end in March 2013 and we are exploring opportunities to extend the provision of loans to businesses.
Hold an event to promote Fair-trade in the Borough and to agree how the Council can work with others to promote Fair-trade in the future	• Terms of reference and an action plan now developed. Main focus in short term is promoting awareness during Fair-trade Fortnight 2013 (25 February - 10 March 2013). • A formal launch of the Fair-trade Partnership took place at Harper Adams University on 22 February 2013 to kick start this work. • The longer-term aim of the Partnership is to achieve Fair-trade Status for the Borough.
Develop a 'First Point' for business in conjunction with local businesses - to provide a single point of contact and more co-ordinated support for businesses	• The 'First Point' for business officially opened on 4 February 2013 offering a single point of contact and providing for greater opportunities to support all investment, business, planning and property enquiries.

Adopter Project - High Level Action	Progress Update (February 2013)
Promote joint investment opportunities with Town and Parish Councils to encourage environmental improvements e.g. Town and Parish Councils fund materials, Council provides labour	• Hadley & Leegomery Parish PET went live on 2 Jan and the Apprentice position is to be interviewed for imminently. • Hollinswood & Randlay PC are shortly going live with a PET+ scheme which utilises their existing officer with enhanced hours and will include a BTW Apprentice. • Discussions are ongoing with Wrockwardine Wood & Trench and Stirchley & Brookside Parish Councils and we are also in discussions for a shared Rural PET for the north rural Parishes. • 7 Apprenticeships have been secured through these PET's to date. External funding over 5 years is £600k associated with these PET's to date. Over 5 years these PET's will have supported and trained 35 Apprentices.
Leisure – implement freedoms and flexibilities agreed in Phase 1	• New ways of working are to be piloted at Telford Ice Rink building upon the Co-operative Council principles. Model will be reviewed after a period of 12 months. • The Ice Rink Steering Group first met in January and looked at developing a joint 'Vision' and Terms of Reference. The group are currently focussing on a joined up approach to the 'showcase opening event' of the Ice Rink with a view to hold a weekend of events enabling all stakeholders to showcase their particular sport. This is scheduled to take place on 6/7 April. It is hoped that this event will lead to an increase in footfall and improved partnership and co-operative working. • In considering the future management arrangements at the Ice Rink, wider leisure services and other income generating frontline service areas, the opportunity also exists to review historic working practices and policies and explore new and alternative ways of working. It is considered that these be explored to enable the Ice Rink and other services to be more innovative, creative and to support an entrepreneurial spirit amongst management, staff and stakeholders. • A standalone website for leisure services is being developed, with its own branding. It is planned that this will go live before the end of March 2013.
Pilot project in Dawley to give the community more involvement in the running of Dawley Park, to include devolving the additional works budget	• Further meetings have taken place with local residents to discuss delivering the original ideas. • A funding application for a trim trail in the park to the Post Code Lottery fund was unsuccessful. • An application made for horticultural improvements was also unsuccessful. However it is still planned to undertake planting in the spring with the community involved. • The group have been working on obtaining additional costs for the events programme and an Application Awards for All bid was submitted in January 2013.

Adopter Project - High Level Action	Progress Update (February 2013)
Work in partnership with organisations in the Ironbridge area to provide activities and support packages for Children in Care or on the edge of care and their families. This will provide targeted support for children and families with complex needs	• We commissioned Kreative Kids as part of our short breaks offer for Disabled Children. They based themselves in the visitor centre at Ironbridge in the summer to do arts and crafts and the children worked with the stone mason to produced sculptures which will be situated in the new town park development.
Develop 'early intervention' support to prevent homelessness and work with private landlords to improve the quality and management of private rented accommodation	• Task Group set up, workstreams established and review underway. • Needs Analysis being developed and Homelessness Strategy being revised. • Outcomes of the review and the strategy scheduled to go to Cabinet in March 2013.
Pilot a 'Community Ambassador' scheme where volunteers provide early intervention peer support to families in the very early stages of difficulties	• A review of Children Centre provision is underway and due to report in April 2013. This will include recommendations around the most effective and efficient ways to deliver universal services. The Community Ambassador scheme will be central to this. • Visits are planned to Bradford MDC who have an established Community Ambassador scheme in place. • Exercise completed by group managers and their teams to map opportunities for engaging volunteers and extending our work to voluntary partners. • The Strengthening Families Task Force has appointed a local Community Interest Company to develop a community action research model. The model will allow us to reach out to people who don't currently use the services and explore opportunities for voluntary/community provision within the community. • Two events have taken place where partners, staff and parent/service users were consulted on how we could work collaboratively to improve Children Centre services; the event was facilitated by 4 Children (a national and families charity). • Five researchers from the community have been recruited and are a third of the way through their training which is ASDAN accredited (a charitable social enterprise with awarding body status).
Investigate the Council's Legal Services providing free legal advice sessions for local community and	• CVS have been holding discussions with local businesses relating to providing support services to VCS organisations as part of their development of a Voluntary Sector Hub at the Glebe Centre in Wellington. A meeting took place with CVS to discuss this further on 20 February 2013.

Adopter Project - High Level Action	Progress Update (February 2013)
voluntary organisations	
To develop a Food Bank facility for the residents of Telford & Wrekin and to address the underlying issues associated with food poverty and other crisis situations.	• Group first met in May 2012, consisting of a mix of private, public and voluntary organisations. We agreed there was a need to work together to provide a more holistic emergency provision for Telford and Wrekin. • Since that first meeting, the group has increased its membership, has developed a business plan/memorandum of understanding, and in December it recruited a project co-ordinator. • The first priority for the co-ordinator is to identify some suitable premises to open up a central food depot. • The Group is also working with the Benefits Team to see how it can link in to the work of the local social fund which is also launched in April 2013.
Review of Meals on Wheels Service	• Current mapping of the service is taking place i.e. number of people using the service, service costs, number of meals delivered, frequency of the service etc. • Research is also being undertaken to inform future options. • Initial discussions held with Women's Royal Voluntary Service (WRVS) regional manager as to other initiatives being developed within other regions with the support of WRVS. • Draft questionnaire to seek customer perspective is being developed. • Additional resource to support review has been secured from corporate procurement.
Review of directly provided Adult Care Services	• Engagement with service users, their parents, carers and employees has been completed and the feed back and comments received has been reviewed and collated into 8 common 'themes'. These themes and responses will now be presented to the working group for further evaluation to inform the service review as to potential areas of change and/or improvement for consideration. • To provide feedback on the responses received a newsletter to all concerned is being prepared. The newsletter will also detail the next steps and timescales. • An initial outline of a number of available options to the future provision of in-house services has been drafted. These are now being reviewed as part of an appraisal of options prior to being put forward to Senior Management.
Review of Markets – to look at whether alternative service delivery options could offer additional benefits – scope and commence	• Re-structure of Business, Development & Housing is now complete and the Service Delivery Manager who is now responsible for markets will commence the scoping of this review, taking account of the recommendations of a recent audit review.

Adopter Project - High Level Action	Progress Update (February 2013)
review	
Review of Lifelong Learning Provision - to look at opportunities to join up statutory school age education and lifelong learning and to consider alternative service delivery options	• Review of lifelong learning has been completed and report presented to Children and Families Senior Management Group. All recommendations fully supported.
Review of Oakengates Theatre (The Place) with the aim of improving the efficiency of the organisation and delivery of services and involving local people more in the planning and running of the Theatre	• Phase 2 (engagement/information gathering) is now well underway. • A customer survey was carried out in December/January. • Visits have taken place at other Theatres and research/benchmarking is being carried out. • A meeting is taking place at the end of January with the sponsor lead, to review everything so far and start forming the draft report. • The review is scheduled to be completed by end of March 2013.
Review of Employment Services (to include Payroll, PSE support, Recruitment and Contract Administration and Employment Checks) with the aim of improving cost- effectiveness whilst maintaining an accurate and good quality service.	• Scoping document completed and phase 2 (engagement/information gathering) is nearly complete. • Final report and recommendations to be completed by April 2013.

TELFORD & WREKIN COUNCIL

CABINET - 28 FEBRUARY 2013

INVEST IN TELFORD – A PROGRAMME OF CHANGE

REPORT OF THE ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING

LEAD CABINET MEMBER – COUNCILLOR CHARLES SMITH

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 Having a competitive offer to deliver development and growth is key to the Borough's future and a fundamental part of the budget strategy. This report sets out proposed actions to establish Telford as the destination of choice for development and business investment in the region.
- 1.2 This report highlights the unique opportunities for investors and the interventions that are being taken to implement the Business & Development Charter and which have already placed Telford in Building Magazine's top 10% of Local Authorities in terms of positive planning and economic conditions for investors. Recognising the tough economic conditions which continue to impact on development viability, this report sets out further changes proposed to support investors, including the development management process to speed up the determination of planning applications. This report also highlights the opportunities for investors from the Council's management of all employment land assets across the Borough and marks the launch of the Council's Business Support Programme.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve all the measures and changes as set out in the report
- 2.2 That Cabinet commend that Plans Board approve the changes to powers of delegation in relation to determination of planning applications as set out in the report
- 2.3 That Cabinet delegate approval to the Assistant Director: Development, Business & Housing in consultation with the Cabinet Member for Housing, Regeneration and Economic Development, to further expand the Business & Development Charter and introduce a Development Management Guidance Note for Planning Obligations as described in this report
- 2.4 That Cabinet delegate authority to the Assistant Director: Law, Democracy & Public Protection to seal or sign any documents necessary to give effect to the above recommendations

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Business Winning, Business Supporting Council
	Will the proposals impact on specific groups of people?	
	Yes	The delivery of new homes including affordable dwellings should be maintained which benefits the whole Borough. The business community will benefit from certainty in decision making.
TARGET COMPLETION/ DELIVERY DATE	March 2013 - Implementation of refreshed Business & Development Charter March 2013 - Implementation of Development Management Guidance Note	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The changes to processes and service enhancements proposed within this report aim to encourage business growth and property development within the Borough. This growth will have both direct and indirect financial benefits to the Council through increased Council Tax, Business Rates, New Homes Bonus and increased employment and economic activity. The enhancements to the Planning and Business Support functions will be contained within existing budgets and the potential to access third party and

		grant funding to support service developments will be maximised. The budget proposals for 2013/14 include an investment of £150,000 to support the Destination Telford programme of works which is another key theme in becoming a Business Supporting, Business Winning Council. Full financial support and advice will be provided as the business cases for the initiatives outlined within this report are developed. Any financial implications will be reported as necessary. JAC 1/2/13
LEGAL ISSUES	Yes	As the report makes clear, the Business Development Charter and the Development Guidance Note set out a series of positive improvements to service and do not seek to change Planning Policy. Legal advice will be provided in respect of the proposed report to Plans Board regarding powers of delegation. Legal advice will also be provided as the Council responds to the Community Infrastructure Levy (CIL) Legislation and continues to put in place appropriate Section 106 Planning Agreements to facilitate development.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The recommendations carry no inherent risks but seek to maximise the opportunity for investors to favour Telford & Wrekin as the place to invest.
IMPACT ON SPECIFIC WARDS	Yes	Borough wide impact.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

4.1 In April 2012, Cabinet approved a report entitled 'Encouraging Growth - A New Way of Working'. This recognised the challenges facing businesses and developers wishing to invest in the Borough both from global economic conditions but also those identified by investors as local barriers. The report launched a Business & Development Charter which pledged to ensure a more streamlined, consistent, personalised and supportive service to all our customers. Since its adoption in June 2012, these pledges have been embedded in new ways of working and new initiatives with a number of achievements including:

- The opening of a dedicated 'Business & Planning' First Point within our Wellington Office. The service is resourced by Business Support Officers and Planning Customer Services Officers providing a 'one stop shop' for all business, planning and property inquiries. It provides immediate access to Officers dealing with property, land, planning, development, funding for business and wide ranging business support advice all under one roof.
- Regional recognition for the Council's Strategic Application Workshop approach. This Project Team approach is available for all investors that are bringing forward planning applications covering all schemes. We offer '**free pre-planning application advice**' relating to all issues facing investors so as to provide support and explore their ideas prior to investor's spending money at risk.
- Introduction of public speaking at Plans Board.
- Implementation of a more responsive Development Management Service with faster registration, timely consultation responses and early advice on viability.
- The implementation of the 'Stewardship Agreement' with the Homes and Communities Agency (HCA) which provides that the Council is the single property agent for all Public Sector commercial land assets in Telford. The Council is able to market, negotiate terms and tailor opportunities to specific business needs, providing a flexible and responsive service. Within the first three months of the Agreement we have delivered the first commercial receipt on HCA land in many years. Delivering value to the Treasury but more importantly for Telford creating 160 jobs for the Borough. As a Council we are also acquiring land from HCA to deliver speculative development and facilitate growth. Speculative development has been a key issue with the approach of managing HCA land previously; we have negotiated the removal of this restriction with interest in development increasing significantly.
- Delivery of 800 new homes in the last year continuing a year on year increase in delivery - bucking the regional and national trend and placing the Borough in the top 10% of Authorities for growth in housing stock (2010/11) indicating yet again that confidence is returning and with national house builders showing their assurance in Telford as an investment opportunity.

- Recognition by the National Building Group and Building Magazine of the Council's performance providing a positive economic and planning environment for investment. This ranked Telford at 36 out of 379 Authorities nationally, within the top 10%, and well ahead of Shropshire (122), Herefordshire (201) and Birmingham (267). This measure is important as it provides a quick reference to investors regarding the regulatory and economic risks of investing in a particular area.

Business & Development Charter

- 4.2 Since the Charter was launched we have continued our engagement with business and investors and recognise that the economic conditions remain tough and we need to continue to improve the local offer and the Borough's competitiveness in line with our growth strategy. The Council is committed to a strategy for growth which will create more jobs, support services, regenerate our communities and deliver new investment through New Homes Bonus, Council Tax and Business Rates. To drive this agenda we propose to further strengthen the Business & Development Charter by revisiting and extending the pledges with a focus on ensuring development viability. The revised Charter is included at Appendix 1. This remains in draft form and will be finalised prior to Cabinet.

Increased Officer Delegation of Planning Decisions - It is proposed that Cabinet commend to Plans Board changes to the delegation of Planning Applications that would see all applications delegated unless:

- The application is accompanied by a S106 including financial contributions
- It is a 'major' application submitted by Telford & Wrekin Council
- Any application recommended by Officers for approval where there are significant levels of objection as determined by the Development Management Service Delivery Manager (SDM) in consultation with The Chair of Plans Board
- Any application recommended by Officers for refusal where there are significant levels of objection as determined by the Development Management SDM in consultation with The Chair of Plans Board
- Any application departing from Planning Policy or subject to a Compulsory Purchase Order
- Green carded by Parish or Town Councils or by Ward Members with a planning reason, as determined by the Development Management SDM in consultation with The Chair of Plans Board
- Applications submitted by Senior Council Officers and Councillors.

These proposed changes will improve the efficiency of the planning process and provide quicker resolution for investors.

- 4.3 **Planning Obligations** - The Charter pledges focus on ensuring the viability of development. Planning obligations play a positive role, producing quality development and creating attractive places to live, work and visit. However, nationally, the business community has delivered a clear message regarding planning obligations that they typically take too long to execute, contributions are not always transparent and policy obligations can undermine the viability of a development. The impact of this is stalled developments and homes left unbuilt impacting on communities and the loss of revenue from New Homes Bonus and Council Tax and fundamentally restricting growth.
- 4.4 **Affordable Housing** - Under our current policy for sites of fifteen or more units or 0.5 ha + developers are required to provide 38% Affordable Housing in Telford, 35% in Newport and 40% in the Rural area. The Telford figure has been revised to 20% for the Central Telford Area following adoption of the Central Telford Area Action Plan (CTAAP) reflecting an updated viability assessment.
- 4.5 Nationally levels of affordable housing delivered via S106 have been impacted by the recession. In Telford the average was closer to 25% pre 2008 and circa 15% in more recent years with specific sites on occasion attracting 0% due to extreme abnormal ground conditions and increased pressure on viability. This position was endorsed by the Council's Affordable Housing Viability Study. In response, for circa five years schemes where viability is raised as a concern, these have been subject to a viability assessment. While viability has led to a reduction in affordable homes delivered via S106, this has ensured the continued delivery of housing development locally. It also compares with Shropshire Council who use a dynamic model which currently has a 13% requirement and Herefordshire Council who require between 25% and 40% depending on area. A

robust, open and transparent viability assessment is required from the outset of scheme development so as to reflect market conditions and to ensure we deliver on our Growth aspirations.

- 4.6 **Commercial Development** - Whilst viability discussions are more common on residential development sites, speed of delivery and cost certainty at an early stage and if possible prior to land acquisition, are of equal importance on commercial developments where viability can still be undermined through large S106 contributions. An approach to calculating contributions, which also shows a direct relationship between the impact of the development and the contribution is favoured. The Central Telford Area Action Plan (CTAAP) successfully captures this approach in relation to highway contributions enabling a developer to calculate their likely contributions, even prior to land acquisition, allowing them to reflect this in land values to maintain viability. This approach has been successful in relation to the developments within Telford Town Centre.
- 4.7 It is standard for S106 agreements to contain a clause relating to indexation with contributions increasing in accordance with RPI from the point at which the S106 agreement is signed. However indexation can represent another abnormal cost for developers, especially in the prevailing economic climate and this also needs to be addressed as detailed in this report.
- 4.8 **CIL** - The Government has responded to investors concerns with planning obligations by allowing Councils to introduce the CIL. CIL is a single charge or tariff, based upon a predetermined level of contributions for education, open space and highways, intended to give both the developer and Council greater certainty when considering development proposals. Local Authorities can choose whether or not to introduce a CIL and can continue to use Section 106 Agreements. The development industry's view of CIL is mixed with some welcoming the transparency and certainty of a clear set of charges but with the majority concerned at the viability and inflexibility of tariff levels. Nationally a north/south divide has emerged with few authorities in the Midlands/North (aside from pilots such as Shropshire Council) finding a CIL viable to implement at this point. Locally, there are a number of factors which are relevant to considering the introduction of CIL. These are:
- TWC currently has around 11,000 residential plots with planning permission that are unimplemented and are CIL exempt (CIL cannot be retrospective). On current build rates that represents many years supply.
 - Recent analysis indicates that low sales values and high abnormal costs make it unviable to impose a CIL charge on the majority of development in Telford.
 - Affordable housing is not part of CIL and as such there would still be a need to negotiate an additional S106 for this contribution.
- 4.9 The introduction of CIL would require a formal change in policy. At this stage it is not considered that CIL offers a viable alternative to S106 for the summary reasons mentioned above. However this position will be kept under review and when and if it is considered to be viable CIL preparation will run in line with the work underway to prepare a new Local Plan – Shaping Places. An assessment would need to follow examination of the Local Plan anticipated in 2014/15 (see separate report on Cabinet agenda). Similarly changes to adopted affordable housing policy, including % requirements, will be considered through the preparation of the Local Plan.
- 4.10 However in the immediate term the Council wishes to be proactive in addressing investors concerns and to maintain a positive reputation with the development community and establish the Borough as an attractive, competitive investment opportunity for new investors. It is therefore proposed to publish Development Management Guidance on Planning Obligations as detailed in Appendix 2 which will support and enable the effective implementation of adopted policy and the delivery of viable development.

Development Management Guidance Note – Planning Obligations

- 4.11 A draft of the Guidance Note on Planning Obligations is included at Appendix 2. This does not replace adopted policy but aims to ensure a clear, consistent approach to considering viability, provide greater clarity on LA expectations and embed strong governance of S106 negotiations. In summary the note proposes:
- The formalisation of the process for undertaking viability assessments for any development where there is a concern that the required level of planning obligations cannot be met. Developers will submit their assessment using a standard template (Note A in Appendix 2) and the Council will review and respond to the submission of a formal viability assessment within 10 working days.

- While on-site provision remains the preference, for schemes in Telford of less than 50 units, where robust evidence through viability assessment indicates it acceptable, a commuted sum may be accepted in respect of all or part of the affordable housing requirement.
- Schedules of rates and agreed formula in relation to contributions particularly in relation to drainage, open space, leisure and education will be made available for investors to calculate anticipated obligations prior to taking forward schemes and spending money.
- A Planning Project Manager will be allocated to every scheme to lead on negotiations on behalf of the Council and to coordinate all input to respond to the investors in a timely, open, clear and transparent way and at all times providing the highest quality customer service.

4.12 **Commuted Sums** - The Guidance Note refers to a commuted sum in respect of affordable housing. In line with adopted policy and National Planning Policy Framework (NPPF) the Council will seek on site provision unless robustly justified. The Council's aim is to deliver wide ranging choice of high quality homes, to widen opportunities for home ownership and create sustainable, mixed communities. It is recognised that in Telford, on small sites (50 units or less) which lack economies of scale, a commuted sum may make the difference between a site being delivered or being left undeveloped.

4.13 The commuted sum must be applied in order to deliver affordable housing. This may be through pooling of contributions to deliver a scheme although the Council also intends to explore the potential to apply sums to bringing long term empty properties back into use.

4.14 With the reduction in delivery of affordable homes via S106 nationally, Government are channelling grant directly to Registered Providers via HCA. Our local Registered Providers are mid way through a four year programme of investment and the Council will continue to work proactively to identify sites, support delivery and create opportunities for investment. The first of the 'Small Sites Programme' of affordable homes being built through a partnership between HCA, TWC and Bromford, is on site and will deliver 200 homes over the next two years.

Supporting All Our Businesses

4.15 Adding to the pro business, pro investment changes outlined in previous sections the Borough's offer will be further enhanced by our new Business Support Service. Charged with providing effective support to all existing businesses and business start ups, building the profitability and sustainability of the business community and raising the profile of the Borough, the new service will offer:

4.16 **Account Management** - A new business facing approach which will see all Business Support Officers (BSO's) act as client or account managers for businesses ensuring a joined up, consistent, responsive approach to business needs from services across the Council. This will also add value for services across the organisation needing to engage with the business community. For example, with the rolling out of the flex card scheme to businesses, or where a service wishes to offer a service to business, BSO's will be able to advise, help promote the scheme and where appropriate make introductions to businesses or business networks who they know will be open to this type of opportunity.

4.17 **Meeting Business Needs** - Through regular contact with and market intelligence from businesses, we will determine ongoing business needs, identify barriers to growth, and working with partners, develop creative and effective solutions to enable growth and business success in the borough. As an example, skills gap analysis is already underway, with contact being made with 'every' business across the borough to determine their skills needs. This will culminate in the development of an action focussed employer's skills plan and through engagement with providers will ensure Telford's businesses have access to people with skills that meet their business needs and we are equipping our young people to find jobs in the Borough.

4.18 Face to face contact is always the preferred method of communicating with and supporting businesses, however we recognise that different methods are needed based upon business requirements and we are enhancing our approach through social media, website, e-newsletter, networking and printed materials available to the business community making it easy for them to engage with us in a method appropriate to their needs so we can provide support as needed.

4.19 **Open for Business Events** - On 29 January over 100 businesses attended the inaugural Telford Business Summit delivered in conjunction with Telford Business Board. This provides a platform to

liaise with the local business community, to communicate successes achieved in facilitating business growth, promote business networking, listen to business needs and to outline future plans.

- 4.20 In Spring/Summer 2013 a series of further events are planned to launch Telford as 'Open for Business'. The target audience for these events will be existing local businesses who we want to excite about the future of the borough but also intermediaries such as the development community who we want to bring their clients to the borough, and new businesses and investors to whom we want to showcase what Telford has to offer for them and their staff. The programme will include events in Telford and Birmingham.
- 4.21 The annual Telford Enterprise Week focuses on promoting entrepreneurship, business start up and business growth. The recent event in November 2012 engaged with and supported over 250 local businesses and won an award for 'High Impact' from the organisers of Global Entrepreneurs Week. 2013's event will build on this success and deliver even more benefit for business.
- 4.22 **Funding for Business Growth** - Access to finance remains a concern for many businesses locally. Working with the Marches Local Enterprise Partnership (LEP) we have secured ERDF funding to provide tailored business support to business and business start ups locally. In addition a range of other projects and funding opportunities are directly or indirectly enabling business growth in the borough. This includes Redundant Buildings Grant, Capacity Funding (to undertake research into the opportunities in the Advanced Manufacturing Sector), investment in tourism and Growing Places Funding which is supporting the delivery of the Box Road Project.
- 4.23 The Small Business Loan Fund delivered through Impetus and the Council will lead to the allocation of £400,000 investment into businesses in the Borough. This provides a model for future investment to support business and development locally. In addition the Council is considering how it can support business through investing in certain markets and offering direct support to businesses in preparing bids for funds.
- 4.24 Local Enterprise Partnerships (LEP) are the geography of choice for Government to channel investment to drive growth. As part of the Marches LEP T&WC, working with the Telford Business Board, will look to drive the delivery of an effective Growth Plan for the LEP that ensures that both LEP wide and Borough investment priorities are delivered.
- 4.25 Changes to Business Rates to be introduced in April 2013 could offer opportunities to attract business and investment and to raise revenue. The Council are currently exploring options to offer incentives which could be on an area or sector basis to attract and retain businesses locally ensuring we are able to compete with neighbouring Enterprise Zones. In addition a central element of our offer to investors is a commitment to consider flexible finance packages including, for example, rent free periods and deferred payment arrangements tailored to the business requirements.
- 4.26 **Destination Telford** - Success depends to a large degree on image and perception. Working with partners Destination Telford is a new Programme to promote the Borough's unique selling points and establish a new way of working for the whole Council to raise the profile and reputation of Telford to all of its audiences – businesses, potential investors, residents and visitors. This will be achieved through enhancing the promotion of Telford's strong proposition and making continual improvements to the 'product' of Telford. The later will include actions across the Council ranging from improving gateways, addressing signage, investing in our older Industrial Estates to focussed lobbying around road and rail priorities and maximising the offer from our Town Park facilities and significant events programme. Details regarding the Destination Programme will be the subject of a separate future report to Cabinet. A budget allocation of £150k has been included in the budget strategy for 2013/14.
- 4.27 Telford & Wrekin offers a complete package for investors which are unique in the West Midlands – we have the location, networks, skilled workforce, land, quality housing, education and lifestyle offer set to be further enhanced in the next 12 months with the completion of major developments such as Southwater in Telford Town Centre. Fundamentally however we offer a 'can do' and an 'open for business' approach. The changes proposed in this report strengthen that offer – removing more red tape, addressing economic conditions, ensuring we can compete for business and investment and vastly improving the quality of support to existing and new investors.

5. **PREVIOUS MINUTES**

Cabinet – 24 April 2012 - Encouraging Growth – A New Way of Working -

6. **BACKGROUND PAPERS**

None

**Report prepared by Phil Edwards, Inward Investment & Housing Group Manager, Telephone:
01952 384022**

Business & Development Charter

Invest in Telford... What we can do for you

‘One Stop Shop’ - Open for business
Through our Business & Planning First Point we offer a range of services tailored to suit your business needs. Whether you are thinking of starting up your own business, expanding your business or developing in the Borough, our team of experts in inward investment, property, regeneration, housing delivery, planning, building control, recruitment, funding, procurement, legal and marketing can help, support and advise you.

■ Personal Service

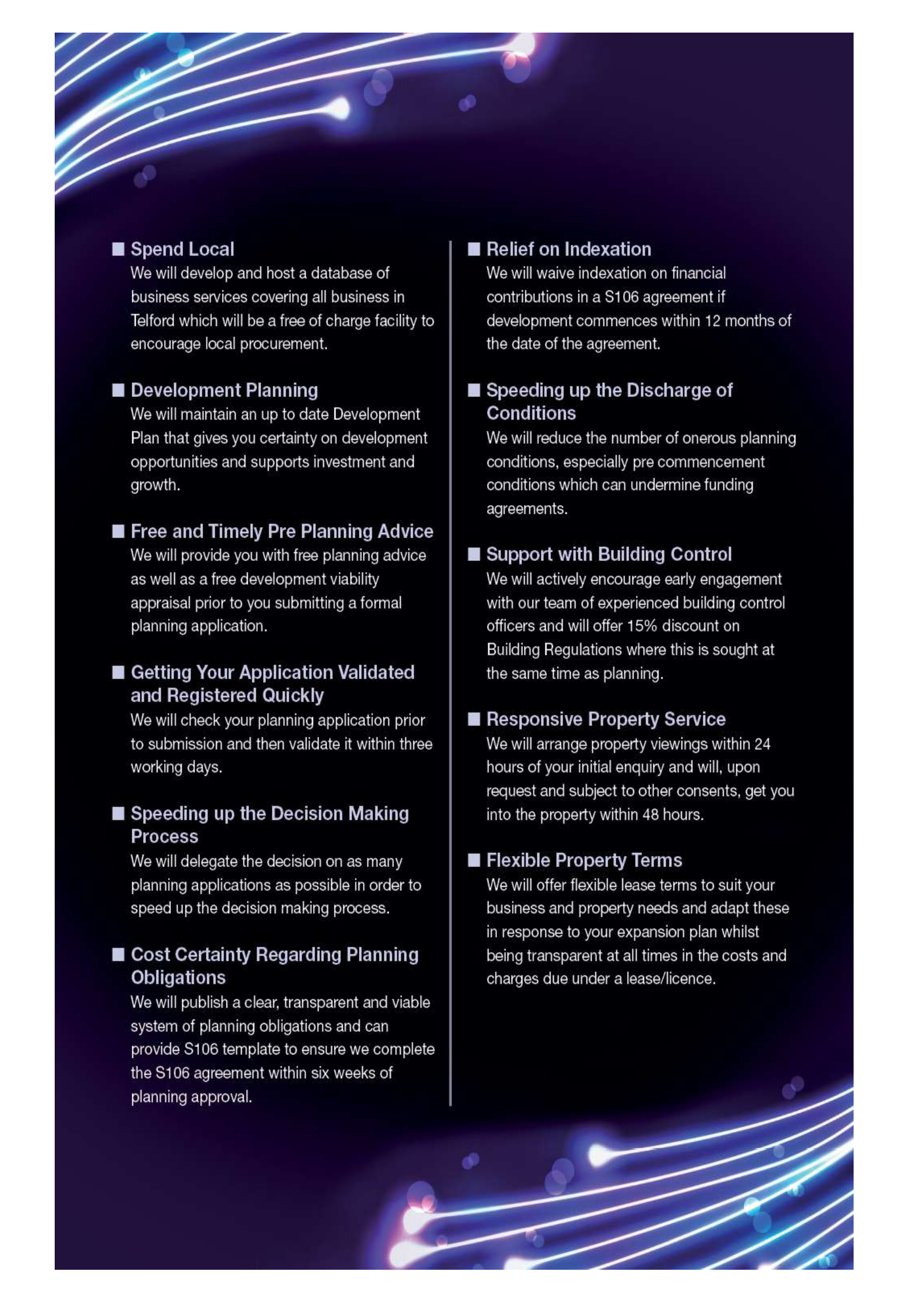
We will provide you with a dedicated point of contact to cover all your needs so as to ensure a seamless and quick response.

■ Accessing Finance

We will provide you with an in house bid writing and advisory service, as well as access to a range of funding streams, to help start up and develop your business.

■ Business to Business

We offer a regular programme of business events and introductions to networks, run by businesses for businesses to provide support, advice and networking opportunities to new and existing companies.



■ **Spend Local**

We will develop and host a database of business services covering all business in Telford which will be a free of charge facility to encourage local procurement.

■ **Development Planning**

We will maintain an up to date Development Plan that gives you certainty on development opportunities and supports investment and growth.

■ **Free and Timely Pre Planning Advice**

We will provide you with free planning advice as well as a free development viability appraisal prior to you submitting a formal planning application.

■ **Getting Your Application Validated and Registered Quickly**

We will check your planning application prior to submission and then validate it within three working days.

■ **Speeding up the Decision Making Process**

We will delegate the decision on as many planning applications as possible in order to speed up the decision making process.

■ **Cost Certainty Regarding Planning Obligations**

We will publish a clear, transparent and viable system of planning obligations and can provide S106 template to ensure we complete the S106 agreement within six weeks of planning approval.

■ **Relief on Indexation**

We will waive indexation on financial contributions in a S106 agreement if development commences within 12 months of the date of the agreement.

■ **Speeding up the Discharge of Conditions**

We will reduce the number of onerous planning conditions, especially pre commencement conditions which can undermine funding agreements.

■ **Support with Building Control**

We will actively encourage early engagement with our team of experienced building control officers and will offer 15% discount on Building Regulations where this is sought at the same time as planning.

■ **Responsive Property Service**

We will arrange property viewings within 24 hours of your initial enquiry and will, upon request and subject to other consents, get you into the property within 48 hours.

■ **Flexible Property Terms**

We will offer flexible lease terms to suit your business and property needs and adapt these in response to your expansion plan whilst being transparent at all times in the costs and charges due under a lease/licence.

Appendix 2 - Development Management Guidance Note - Planning Obligations

Responding to the economic downturn and creating the conditions for the continued growth and regeneration of the Borough is a top priority for the Authority. Planning has a key role to play in achieving these ambitions guiding development, creating attractive places to live, work and visit and enabling the provision of infrastructure to support growth. The Council is committed to providing the conditions for growth including ensuring the viability of development. For circa 5 years the Authority has successfully addressed investors concerns with the viability of delivery of sites through the use of viability appraisal. This has maintained the delivery of housing schemes in the Borough. Although this flexible approach has been in place for some time, given the continued economic downturn and reflecting the requirements of the National Planning Policy Framework (NPPF), the Authority is now formalising its approach to viability.

In addition the Council recognise the need to provide investors with as much cost certainty regarding planning obligations, at as an early stage as possible and to ensure negotiations with the Council are coordinated and decision-making is timely.

Telford & Wrekin Council is currently preparing a revised Local Plan – ‘Shaping Places’ that is anticipated to be adopted in early 2015. The introduction of a Community Infrastructure Levy remains under review. The Local Plan and any related CIL will recommend appropriate changes to policy in relation to planning obligations and affordable housing considering the viability of development. In the interim this ‘Guidance Note’ provides advice on planning obligations usually contained within a Section 106 Agreement. The guidance does not establish new planning policy. Adopted policy is set out in the Core Strategy, Central Telford Area Action Plan (CTAAP) and saved policies from the Wrekin Local Plan.

Affordable Housing

In line with adopted policy the following % of affordable housing will be sought:

- Telford – 38% or 20% for sites within CTAAP
- Newport – 35%
- Rural Area – 40%

Where viability is identified as a concern in achieving the Policy position, a viability statement will need to be provided. Information must be submitted using a standard template (Note A detailed below) and the Council will review and respond to appraisals within 10 working days.

While on-site provision remains the preference, for schemes in Telford of less than 50 units, where robust evidence through viability assessment indicates it acceptable, a commuted sum may be accepted in respect of all or part of the affordable housing requirement

Other Planning Obligations

Developers are encouraged at an early stage to access our schedule of rates and agreed formula which will be available on our web page and as part of pre application advice in order to assist with calculating anticipated obligations and to maximise cost certainty, they will cover:

- Drainage
- Open Space
- Recreation
- Education

In relation to Highways contributions these will be calculated on an open book basis. Sites within the CTAAP area will continue to have contributions determined by the adopted formula model.

Template S106 Agreements will be available on our website and through pre application discussions. Applications and the level of contributions will vary in scale, location, ground conditions and a range of other factors. All potential applicants and investors are encouraged to approach the Development Management Team at the earliest opportunity to seek free pre application advice. From pre application stage a dedicated Development Management Project Manager will be allocated who will lead on behalf of the Council in relation to all aspects of negotiation of S106 Agreements. The Project Manager will coordinate a team approach ensuring all relevant issues are addressed at the outset.

Note A - VIABILITY APPRAISAL SUMMARY - Residual Model

Site Name.....

1. REVENUE or SALES

Gross Development Value (GDV) of all units

2. TOTAL COSTS

- 2.1 Acquisition Costs inc Land or Site value, Stamp Duty, legal fees, etc
- 2.2 Construction costs including Contingency, Abnormals, S106, etc
- 2.3 Professional Fees
- 2.4 Marketing and Letting including Disposal Fees of legal & agents
- 2.5 Finance Costs

3. PROFIT (GDV less TOTAL COSTS)

- 3.1 Profit on Total Costs %
- 3.2 Profit on GDV %

Appraisal Models available:

- 1. Commercial software such as Argus Developer Version
- 2. Planning Advisory Service guidance on Viability with suggested models
<http://www.pas.gov.uk/pas/core/page.do?pagelId=575110>
- 3. HCA Development Appraisal Tool (free to download from HCA website)
<http://www.homesandcommunities.co.uk/ourwork/development-appraisal-tool>

TELFORD & WREKIN COUNCIL

CABINET -28 FEBRUARY 2013

TIMETABLE FOR SHAPING PLACES LOCAL PLAN - "LOCAL DEVELOPMENT SCHEME"

REPORT OF ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING

LEAD CABINET MEMBER – COUNCILLOR CHARLES SMITH

PART A) SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

- 1.1 Telford & Wrekin Council is preparing a new Local Plan, referred to as "Shaping Places". The new plan will bring forward planning policies to support the growth and development in the Borough and enables the Council to respond to the revised national approach to plan-making.
- 1.2 This report seeks approval to publish a document containing the timetable for this work (the "Local Development Scheme", as set out in Appendix 1). The Council has a statutory requirement to produce a Local Development Scheme and to ensure it is accessible.

2. RECOMMENDATIONS

- 2.1 That Cabinet approve the Local Development Scheme for publication (Appendix 1)
- 2.2 To delegate authority to the Assistant Director: Development, Business & Housing in consultation with the Cabinet Member for Housing, Regeneration and Economic Development, to amend the Annex to the Local Development Scheme in order to reflect minor changes in the programme

1. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	This report seeks approval of a document that sets out the timetable to put the new Shaping Places Local Plan in place. The new policies and allocations of land for development in the plan will help support action across a range of Council priorities including: - Protect and create jobs as a 'Business Supporting, Business Winning Council'; - Regenerate those neighbourhoods in need; - Work to ensure that local people have access to suitable housing; - Ensuring that neighbourhoods are safe, clean and well maintained.
	Will the proposals impact on specific groups of people?	
	Yes	The document is important for all stakeholders who wish to engage in planning as it identifies the planning policy documents the Council is preparing, when key public stages in preparation of the Local Plan are expected and when a new Plan will be in place. It will help ensure that all sectors of the community have the opportunity to

		engage in the development of planning policies.
TARGET COMPLETION/ DELIVERY DATE		To have an approved Local Development Scheme in place ahead of the next stage of consultation on the emerging Shaping Places Local Plan anticipated in June 2013.
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	The preparation, consultation, publication and examination of the Shaping Places Local Plan will be resourced and funded from existing budgets and available reserves. As part of the work to develop the Shaping Places Local Plan options for the introduction of a Community Infrastructure Levy will be evaluated and further reports brought forward as required. JAC 24/01/13.
LEGAL ISSUES	Yes	The decision to approve the Local Development Scheme is one which can be made by Cabinet. Legal advice will be provided on procedural or legal issues as required.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The document will provide greater overall clarity for customers and investors regarding the Council's expectations in preparing new planning policies, setting out when they will have opportunities to engage and when a new Plan will be in place.
IMPACT ON SPECIFIC WARDS	No	Borough wide impact.

PART B) ADDITIONAL INFORMATION

2. INFORMATION

- 4.1 Preparation of a new development plan will assist in delivering current priorities around the economy, housing, regeneration and environmental quality and will be a powerful tool in support of growth and development through:
- Providing an up-to-date planning policy framework to support investment
 - Allowing the Council to manage the location, scale and pace of development
 - Enabling delivery of the development associated with the Council's strategy and priorities including strengthening communities and the provision of services, contributing to regeneration and to the delivery of Destination Telford
 - Establishing and helping deliver the infrastructure required to support development and growth
 - Providing clarity and certainty to developers regarding development opportunities, building market confidence and helping attract investment
 - Enable housing and employment development that will attract New Homes Bonus, Council Tax, Business Rates supporting economic growth and supporting the provision of services
- 4.2 A new plan is under preparation and is referred to as the Shaping Places Local Plan. This report seeks approval to publish the Local Development Scheme which provides a public timetable for this work.
- 4.3 The Council is required to publish the "Local Development Scheme" (LDS) (Appendix 1) under the Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act). It sets out a programme covering the period 2013-2015 for the preparation of development plan documents.

- 4.4 The publication of the LDS will provide clarity to stakeholders on the Council's planning policy preparation programme and the opportunities to engage in this work. It provides a starting point for the public and businesses to find out what the planning policies are for Telford & Wrekin (existing and proposed). It can be referred to in association with the recent Statement of Community Involvement, approved by Cabinet on 20th December 2012 and which sets out the Council's standards for consultation for all planning issues.
- 4.4 The previous version of the Local Development Scheme was prepared in 2009. This is out of date as it does not reflect the Council's current development plan programme or the significant changes in national planning policies and processes including the Localism Act 2011 and the National Planning Policy Framework 2012.
- 4.5 This report seeks approval to an updated LDS that sets out a deliverable development plan programme that focuses resources on the production of the Shaping Places Local Plan and which proposes submission of this plan for examination by the Planning Inspectorate in September 2014. Subject to the capacity and findings of the Inspectorate, it is anticipated that adoption would be in January 2015.
- 4.6 The Shaping Places Local Plan will be the focus of the Council's programme for new planning documents. It will require public examination by a government-appointed inspector. To be found sound the plan must be prepared in accordance with the timetable set out in the Council's Local Development Scheme.
- 4.7 The Local Development Scheme is a two part document and is set out in Appendix 1. It describes the context for development plan preparation, the details of the documents that will be prepared and also lists the current statutory policies in place. The annex at the end of the document contains a detailed timetable chart for production of the Local Plan. Cabinet is asked to approve both parts of the Local Development Scheme, with delegation to the Cabinet Member for Housing, Regeneration and Economic Development in consultation with the Assistant Director: Development, Business & Housing to agree future minor changes to the annex. Any significant changes would however still require Cabinet approval. This would typically include the removal or addition of a document included in table 5 of the annex.
- 4.8 Following approval, the Local Development Scheme will be available for the public to access via the website; the document has been prepared with weblinks in the text in order to be as user-friendly as possible for web use.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

- 5.1 None

6. PREVIOUS MINUTES

- 6.1 Cabinet 13 October 2009 - Telford and Wrekin Local Development Scheme
Cabinet 26 July 2012 - Statement of Community Involvement

7. BACKGROUND PAPERS

- 7.1 None

Report prepared by Rachel Taylor, Environment & Planning Policy Team Leader

Local Development Scheme



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1 Introduction

1.1 Purpose of this Document

1.1.1 This document provides a starting point for the public to find out about the existing planning policies for Telford & Wrekin and, in particular, sets out the Council's programme for the preparation of new planning policies: it contains the timetable for the preparation of the new Shaping Places Local Plan.

1.1.2 This document is formally referred to as a "Local Development Scheme" and its preparation is a legal requirement.⁽¹⁾ Superseding the previous Telford & Wrekin Council Local Development Scheme of October 2009, it sets out the Council's current "development plan".

1.1.3 The term 'Development Plan' is a legal⁽²⁾ one that covers all of the statutory local land use policies and proposals in an area. This includes current development plan documents and older policies that have been "saved". Planning applications are considered against the policies contained in the development plan.

1.1.4 The Telford & Wrekin planning policy preparation programme covers a 3 year period beginning January 2013 and responds to local priorities in a streamlined and resource efficient way, with the focus being preparation of a new "Shaping Places" Local Plan.

1.1.5 As a Co-operative Council Telford & Wrekin is keen to publicise our timescales for preparation of planning documents in order to provide clarity on the Council's planning policy preparation programme and the opportunities to engage in this work and to facilitate involvement of residents, businesses and other representative organisations in the process. We will look to prepare new policies in a fair and consistent way, working together with the community, involving people in the decisions that affect their lives whilst being prepared to listen and take on new ideas. The Local Development Scheme should be referred to in association with the Telford & Wrekin Statement of Community Involvement that sets out the Council's standards for consultation for all planning issues.

1.1.6 Views on this document are welcome and should be directed to the Council at the address on the inside front cover.

1 Planning and Compulsory Purchase Act Section 15 as amended by Localism Act Section 111

2 Planning and Compulsory Purchase Act 2004, Section 38

2 Current Policy in Telford & Wrekin

2.1 Telford & Wrekin Planning Policies

2.1.1 The Council's current Development Plan is comprised of the following documents:

Core Strategy Development Plan Document: Adopted December 2007, this document and its policies set out the strategic spatial vision and development strategy for the area to 2016.

Central Telford Area Action Plan: Adopted in March 2011, this provides the planning strategy and policies for Telford Town Centre and surrounding areas.

Wrekin Local Plan (saved policies): This document provides detail that is not present in the Core Strategy. Certain policies of this plan were formally "saved" in 2007, recognising that they were consistent with national policy and up-to-date. A list of saved policies is provided in the Appendix.

Shropshire and Telford & Wrekin Joint Structure Plan 1996-2011 (saved policies): Certain policies of this plan were formally "saved" in 2007. A list of saved policies is provided in the Appendix.

Shropshire and Telford & Wrekin Minerals Local Plan 1996-2006 (saved policies): Certain policies of this plan were formally "saved" in 2007. A list of saved policies is provided in the Appendix.

For further information and explanation about saved policies please see section 5.1.

2.2 Supporting Documents

2.2.1 Sitting alongside the Development Plan are a series of supporting planning documents that provide further detail on planning policy and processes:

Supplementary Planning Documents: These are guidance documents that cover specific planning considerations in more detail but can be considered as material planning considerations in determining planning applications.

Statement of Community Involvement: This document sets out the Council's approach to community involvement in plan-making and in development management.

3 Development Plan Progress

3.1 Summary of Development Plan Programme 2009 - 2012

Summary of development plan programme 2009 - 2012

3.1.1 The following paragraphs provide a summary of the changes since the Council's previous LDS was put in place in October 2009.

3.1.2 Central Telford Area Action Plan: The Central Telford Area Action Plan (CTAAP) was adopted in March 2011. This document supports the aspirations of the Council and partners for the development of the town centre and its preparation was the focus of the Council's development plans work for much of the period of the previous LDS. It was adopted later than envisaged in the 2009 LDS after a lengthy examination. CTAAP superseded certain Wrekin Local Plan saved policies.

3.1.3 Commencement of work on new Local Plan: The 2009 LDS proposed that work should commence on the Core Strategy review. Preparation of a new plan will assist in delivering current priorities around the economy, housing, regeneration and environmental quality. After completion of the Central Telford Area Action Plan, work on a new Telford & Wrekin plan is underway. This is being referred to as the "Shaping Places Local Plan".

3.1.4 Statement of Community Involvement: A revised Statement of Community Involvement was adopted in Dec 2012 in order to reflect updated development management processes and to support the preparation of the new Shaping Places Local Plan.

3.1.5 Shopfronts and Signage Design in Conservation Areas Supplementary Planning Document: This was adopted by the Council in April 2012.

3.1.6 The 2009 LDS also included a timetable for a Land Allocations Development Plan Document. Work on this document was discontinued in order to focus resources on the Central Telford Area Action Plan. It is intended to include strategic level site allocations within the Shaping Places Local Plan. The level of detail, including associated policies will be kept under review during preparation of the new plan.

3.1.7 The 2009 LDS also envisaged Waste and Minerals Development Plan Documents. Policies for waste and minerals will be incorporated in the Shaping Places Local Plan. The need for additional waste and minerals policies or allocations in a further document will be considered during the preparation of the new plan.

3.1.8 Neighbourhood Planning: New legislation in 2011 enabled preparation of neighbourhood plans. Telford & Wrekin has four neighbourhood planning "Front Runner" parishes where preparation of a neighbourhood development plan is underway or is proposed. For further information on Neighbourhood Planning see the 4.4 section.

4 Development Plan Programme

4.1 Development Plan Programme 2013 - 2015

Development Plan Documents have a number of stages of engagement and consultation. Their preparation culminates in an independent examination. The table below sets out the Council's proposed programme for the next 3 years.

The focus will be on a new Shaping Places Local Plan to provide the development strategy and policies to take the Borough forward and help deliver growth over the plan period to 2031.

It is noted that the previous LDS had proposed a new Core Strategy but using the title "Local Plan" is considered clearer for stakeholders. It also reflects changes in terminology in government policy introduced in the Localism Act, National Planning Policy Framework and new statutory regulations. A "Core Strategy" and a "Local Plan" both set out strategic planning policies for the relevant topics and both carry the same weight in decision making.

The table below contains the outline of the programme. For full details of proposed dates please see Annex 1 - Detailed Timetable

Table 1 Planning policy preparation schedule

Document	Coverage	Details	Programme
Shaping Places: Local Plan	Borough - wide	The key Development Plan Document setting out the spatial vision, the objectives, and strategy for the Borough. Will provide development policies and proposals for development up to 2031	Early Engagement: 2012 - 2013 Draft Plan consultation and submission of the plan for examination: 2014
Policies and Proposals Map	Borough-wide	Illustrates development plan policies and proposals on a base map showing specific policy boundaries.	Preparation in conjunction with timetable of the Shaping Places Local Plan and subsequent Development Plan Documents
Site Allocations / Detailed Policies	Borough-wide	Provides detailed site allocation policies for housing, employment and other uses throughout the Borough	It is intended to include strategic level site allocations in the Shaping Places Local Plan. The need for a separate

4 Development Plan Programme

Document	Coverage	Details	Programme
		following on from the overarching content of the Shaping Places Local Plan	document setting out out site allocation policies will be kept under review during the preparation of the new Local Plan.
Community Infrastructure Levy (CIL)	Borough-wide	Local authorities can choose to apply a tariff system to certain forms of development proposals that assists the provision of infrastructure needed to deliver the development strategy for the area. If adopted the CIL would be set out in an agreed charging schedule.	Proposals for a Telford & Wrekin CIL are under review with a recommendation on whether to progress to follow.

4.1.1 As a Co-operative Council, Telford & Wrekin will engage with residents, businesses and other representative organisations in all stages of the preparation of the Shaping Places Local Plan.

4.1.2 Progress against this timetable will be kept under review and communicated via the Council's website www.telford.gov.uk.

4.1.3 The Annual Monitoring Report will also provide a yearly update and will assess the need for review of the programme in circumstances where policies are not working effectively or objectives are not being met.

4.2 Community Infrastructure Levy

4.2.1 A Community Infrastructure Levy (CIL) can assist the provision of infrastructure needed to deliver the development strategy for an area. A CIL includes a charging schedule relating to the infrastructure needed and requires the local planning authority to have in place an up-to-date adopted development plan to provide a strategy and proposals against which the infrastructure schedule is worked up.

4.2.2 The Council is keeping the feasibility of preparing a CIL under review. A CIL will only be prepared where its preparation is viable and feasible in Telford & Wrekin area. If this can be shown, it would run in line with related stages of work on the Local Plan. The target date for the CIL examination would be immediately following the Local Plan examination.

4.3 Minerals and Waste Policies

4.3.1 There are no minerals or waste policies in the Telford & Wrekin Council's 2007 Core Strategy, although there are minerals policies from the Joint Shropshire and Telford & Wrekin Minerals Plan (2000) that are still in place.

4 Development Plan Programme

4.3.2 Strategic policies for waste and minerals will be incorporated in the Shaping Places Local Plan. The need for additional waste or minerals allocations in a new Site Allocations document will be considered during the preparation of the new plan.

4.3.3 Until new policies are in place, planning applications for minerals and related development will be determined based on national policies and saved policies from the Shropshire and Telford & Wrekin Joint Minerals Local Plan, alongside other relevant policies of the Core Strategy, Wrekin Local Plan, Central Telford Area Action Plan, Shropshire and Telford & Wrekin Joint Structure Plan and Supplementary Planning Documents as appropriate. Similarly, planning applications for waste and related development will be determined based on national policies and general policies from the Core Strategy, Central Telford Area Action Plan, Wrekin Local Plan and relevant Supplementary Planning Documents as appropriate.

4.4 Localism and Neighbourhood Planning

4.4.1 The Localism Act 2011 brought about significant changes in the UK planning system. Local effects of this are detailed below.

Regional Spatial Strategies

4.4.2 Regional Spatial Strategies are being revoked and the West Midlands Regional Spatial Strategy (RSS) will no longer be part of the Telford & Wrekin development plan. Telford & Wrekin's Local Plan must no longer have regard to the policies of RSS, although the evidence upon which the West Midlands RSS phase 2 review was being prepared is still relevant.

Neighbourhood Planning

4.4.3 Town and Parish Councils (or Neighbourhood fora in other areas without parishes) can now prepare Neighbourhood Development Plans and Neighbourhood Development Orders. A Neighbourhood Development Plan can enable communities to establish general planning policies for development and use of land in their area. It can be detailed, or general, depending on what local people want and will form part of the Development Plan. To be put in place a plan needs to pass a number of tests; it must conform to national planning policies and the strategic policies of T&W council.

4.4.4 Waters Upton Parish, Ercall Magna Parish, Madeley Town Council and Newport Town Council are preparing Neighbourhood Development Plans for their respective areas as local "Frontrunner" pilots for Neighbourhood Planning. At this stage, no Neighbourhood Development Orders are proposed in Telford & Wrekin.

4.4.5 In accordance with the Localism Act and Neighbourhood Regulations the parishes, rather than Telford & Wrekin Council, are preparing these plans, although T&W Council can offer advice. T&W Council also has to co-ordinate a referendum on the final plan and will therefore need to consider the resource implications.

4.4.6 Further details of progress of the neighbourhood plans under preparation in Telford & Wrekin will be provided on the Council's website www.telford.gov.uk/neighbourhood_planning and on the relevant parishes own websites.

4 Development Plan Programme

4.5 Supplementary Planning Documents

4.5.1 Supplementary Planning Documents are guidance documents that support and elaborate upon development plan policies and cover a wide range of planning considerations in more detail. They are a material planning consideration, but do not have development plan status. No independent examination is required for their adoption although community involvement is required.

4.5.2 The Council currently has in place 3 Supplementary Planning Documents:

- Design and Community Safety Supplementary Planning Document (July 2008) to supplement policy CS15: Urban Design in the Core Strategy
- Telecommunications Development Supplementary Planning Document (May 2009) to supplement saved policy T21: Telecommunications in the Wrekin Local Plan
- Shopfront and Signage Design in Conservation Areas Supplementary Planning Document (April 2012) to supplement policy CS15: Urban Design in the Core Strategy.

4.5.3 Further Supplementary Planning Documents may be proposed. Further details of the Council's Supplementary Planning Document programme will be provided on the Council's website: <http://www.telford.gov.uk> in due course.

5 Appendices

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5.1 List of Saved Policies

5.1.1 In addition to the policies of the Core Strategy (adopted December 2007) and the Central Telford Area Action Plan (adopted March 2011) the Council has certain policies of older plans that are still in force, as agreed by the Secretary of State in September 2007, these are referred to as "saved policies".

5.1.2 The Council's schedule of saved policies subsequent to paragraph 1(3) of Schedule 8 to the Planning and Compulsory Purchase Act 2004 is as follows:

Wrekin Local Plan Saved Policies

5.1.3 The Wrekin Local Plan was adopted in February 2000. Table 2 shows only the policies from this plan that are in force, as agreed by the Secretary of State, September 2007. Several other Wrekin Local Plan policies (S1, TC1-4, TC6 and TC14) were saved policies in 2007, but these have been superseded by the adoption of the Central Telford Area Action plan in March 2011, they are now no longer in force.

Table 2 Saved policies from the Wrekin Local Plan

Wrekin Local Plan Chapter	Wrekin Local Plan Policy No.	Policy Name
Natural Resources	NR1	Location of Renewable Energy Development
	NR2	Proposals for Wind Turbines
	NR3	Energy Use
	NR6	Waste Disposal and Recycling Facilities
Environmental Health	EH7	Contaminated Land
	EH8	Remedial Action on Contaminated Land
	EH14	Land Stability
Urban Design	UD2	Design Criteria
	UD3	Urban Design Assessments
	UD4	Landscape Design
	UD5	Public Art
	UD6	Major Transport Corridors and Gateways into Telford
Employment	E2	Employment Land Allocations
	E4	Development on Unallocated Employment Sites in the Urban Area
	E6	Rural Employment General
	E9	Non Employment Uses Within Employment Areas

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Wrekin Local Plan Chapter	Wrekin Local Plan Policy No.	Policy Name
Housing	H6	Windfall Sites in Telford and Newport
	H7	Large Scale Regeneration Exceptions in Telford & Wrekin
	H9	Location of New Housing
	H10	Scale of Development
	H18	Conversion of Non-residential Buildings to Residential Use in the Rural Areas
	H22	Community Facilities
	H23	Affordable Housing
	H24	Affordable Housing Rural Exceptions Policy
Shopping & Service Centres	S5	Garden Centres in the Rural Area
	S8	Car and Caravan Sales
	S9	Retailing from Employment Areas
	S10	Wellington Primary Retail Zone
	S11	Wellington Secondary Zone
	S12	Newport Retail Frontages
	S13	Newport Secondary Zone
	S14	Madeley Primary Retail Zone
	S15	Madeley Secondary Zone
	S16	Oakengates Primary Retail Zone
	S17	Oakengates Secondary Zone
	S18	Dawley Primary Retail Zone
	S19	Dawley Secondary Zone
	S20	Hadley Primary Retail Zone
	S21	Hadley Secondary Zone
	S22	Donnington Change of Use
	S24	Changes Within Local Centres and Local Shops
	S25	New Local Centres and Local Shops

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Wrekin Local Plan Chapter	Wrekin Local Plan Policy No.	Policy Name
	S31	Shop Fronts, Advertisements and Hoardings
Town Centre	T4	Development Principles
	T8	Rail Corridors
	T21	Telecommunications
	T22	Planning Obligations
Countryside & Open Land	OL2	Designated Areas
	OL3	Green Network
	OL4	Development in the Green Network
	OL5	Extensions and Redevelopment in the Green Network
	OL6	OpenLand
	OL11	Woodland and Trees
	OL12	OpenLand and Landscape - Contributions From New Development
	OL13	Maintenance of Open Space
Leisure & Recreation	LR1	Provision of Community Facilities
	LR4	Outdoor Recreational Open Space
	LR5	Golf Courses
	LR6	Developer Contributions to Outdoor Recreational Open Space Within New Residential Developments
	LR7	Recreational Open Space on Employment Developments
Historic Environment	HE2	Demolition in Conservation Area
	HE3	New Development in Conservation Areas
	HE4	Detailed Applications
	HE7	Facadism and Amalgamation of Plots
	HE8	Change of Use and Upper Floor Conversions
	HE10	Advertisements
	HE11	Shop Fronts

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Wrekin Local Plan Chapter	Wrekin Local Plan Policy No.	Policy Name
	HE15	Demolition of Listed Buildings
	HE16	Alterations and Additions to Listed Buildings
	HE24	Historic Parks and Gardens
	HE25	Buildings of Local Interest
	HE26	Duke of Sutherland Cottages
Severn Gorge	SG1	World Heritage Site
	SG2	Area of Special Archaeological Interest
	SG4	Landscape and Nature Conservation
	SG5	Riverside Development and Works
	SG7	Tourism
	SG8	Museum Sites
	SG12	Retailing and the Role of Ironbridge Centre
	SG13	Environmental Improvements

Joint Shropshire and Telford & Wrekin Structure Plan Saved Policies

5.1.4 The Structure Plan was adopted in November 2002 and was due to expire in 2011, in September 2007 some policies were agreed by the Secretary of State as remaining in force. Table 3 shows the saved policies from the Joint Shropshire and Telford & Wrekin Structure Plan which are still in force.

Table 3 Saved policies from the Joint Shropshire and Telford & Wrekin Structure Plan

Policy Number	Policy Name
P5	Development Outside Settlements
P9	Employment Land in Shropshire
P16	Air Quality
P18	Conversion of Buildings
P31	Sustainable Transport Strategy
P32	Public Transport
P33	Safeguarding Rail Infrastructure
P35	Road Freight

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Policy Number	Policy Name
P36	The Trans-European Network (TEN)
P37	The Highway Network
P39	Public Rights of Way
P41	Air Transport
P51	Geological Sites
P58	A Sustainable Approach to Minerals Development
P59	Environmental Considerations
P60	Landbanks for Non-Energy Minerals
P61	Regional Apportionments for Aggregates
P62	Secondary Aggregates
P64	Waste Minimisation
P65	Provision of Waste Facilities
P66	Protection of Waste Management Sites
P67	Environmental Considerations
P68	Transport of Minerals and Waste
P69	Reclamation and After Use

Shropshire and Telford & Wrekin Minerals Local Plan Saved Policies

5.1.5 The Minerals Local Plan was adopted in April 2000 and was due to expire in 2006, in September 2007 some policies were agreed by the Secretary of State as remaining in force. Table 4 shows the saved policies from the Shropshire and Telford & Wrekin Minerals Local Plan which are still in force.

Table 4 Saved policies from the Shropshire and Telford & Wrekin Minerals Local Plan

Policy Number	Policy Name
M1	A More Sustainable Approach to Mineral Development
M2	The Need for Minerals
M3	Development Control Considerations
M4	Operational Considerations
M6	Protecting Archaeological Remains

5 Appendices

Policy Number	Policy Name
M7	Benefits to the Countryside and the Local Economy
M8	Planning Obligations
M10	Ancillary Development
M11	Transport of Minerals
M14	The Future Working of Sand and Gravel
M15	Sand and Gravel Working Outside the Allocated Sites and Preferred Areas
M16	The Future Working of Crushed Rock
M17	Secondary Aggregates
M18	Limestone Quarrying on Wenlock Edge
M20	Building Stone
M21	Coal and Fire Clay Working
M22	Brick Clay Working
M27	Reclamation and After-use
M29	Safeguarding Mineral
M30	Comprehensive Working of Mineral Resources

5 Appendices

5

5.2 Glossary

Annual Monitoring Report: A document which assesses the implementation of the development plan programme and the extent to which the policies in the Development Plan are being achieved.

Area Action Plan: A Development Plan Document which provides proposals and policies for a specific area (e.g. town centre or conservation area).

Community Infrastructure Levy: A levy that local authorities can choose to charge on new developments in their area. The money can be used to support development by funding infrastructure that the council, local community and neighbourhoods want - for example new or safer road schemes, park improvements or a new health centre⁽³⁾.

Core Strategy: A Development Plan Document under the Local Development Framework system that sets out the vision for the planning authority's area and the strategic policies and proposals to deliver that vision together with housing and employment provisions. The term Core Strategy has been removed from more recent national policy, it has been replaced by Local Plan.

Development Plan: The Development Plan sets out land use planning policies and development proposals against which planning applications will be considered. It is a collective term for all policies which are currently in force. It may consist of several documents.

Development Plan Document: The term used in the Planning Regulations under the Local Development Framework system to describe the statutory documents that contain land use planning policies and development proposals against which planning applications will be considered.

Examination/Independent Examination: All Development Plan Documents will be subject to independent examination by an inspector appointed by the Secretary of State. The examination is to test the "soundness" of the document (this involves a legal compliance check, and an assessing if the plan is justified, effective and consistent with national policy).

Local Development Framework: A term previously used to describe the portfolio of a Council's planning documents. The Local Development Framework is made up of Development Plan Documents and Supplementary Planning Documents, the Statement of Community Involvement and the Local Development Scheme.

Local Development Scheme: The name given to this document under the Local Development Framework system. The document sets out the programme for the preparation of the Development Plan and includes timetables for the various stages and documents. The Local Development Scheme also sets out the Council's "saved policies" – policies from older plans that are still in force.

Local Plan: The term used by the government in current national policy to describe the key planning policy document for a Local Authority area. It should set out the key policies and proposals for meeting the economic, environmental and social aims for the future of the area, where this effects the development and use of land. This term is now used rather than Core Strategy.

3 <http://www.communities.gov.uk/planningandbuilding/planningsystem/communityinfrastructurelevy/>

5 Appendices

Material Consideration: Factors that will be taken into account when determining planning applications. Examples include: nature conservation issues, traffic, disabled access.

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

Neighbourhood Development Plans: Neighbourhood forums and Parish Councils can use new neighbourhood planning powers to establish planning policies for the development and use of land in a neighbourhood. It must conform to national planning policies and the strategic policies that Telford & Wrekin Council have in place but once completed becomes part of the statutory development plan for the area.

Proposals Map: A Development Plan Document that will illustrate, on an Ordnance Survey map, policy designations, allocations and other policy areas.

Regulations: Refers in this context to the national planning regulations to which all local planning authorities have to adhere in preparing plans.

Saved Policy: The Council has certain policies of older plans that are still in force, as agreed by the Secretary of State in September 2007, these are referred to as "saved policies".

Soundness (of a planning document): Once a Development Plan Document has been produced, the local planning authority must submit it for independent examination where the "soundness" of the document is tested, namely that it is positively prepared, justified, effective and consistent with national policy.

Statement of Community Involvement: A document which sets out how stakeholders can get involved in the planning process (both Planning Policy and Development Management)

Supplementary Planning Documents: Policy documents which provide policy guidance to supplement policies and proposals contained within Development Plan Documents.

Strategic Environmental Assessment: Required by European Legislation, an assessment of the effects of policies and proposals within the Local Plan on the Environment.

Sustainability Appraisal: An appraisal of the potential impacts of policies and proposals from an environmental, economic, and social perspective. This will inform the Council of the potential implications of different alternatives. Strategic Environmental Assessment and Sustainability Appraisal will be undertaken together.

6 Annex - Detailed Timetable

6 Annex - Detailed Timetable

6.1 This Annex provides the detailed timetable of forthcoming plan preparation stages in addition to the general outline of the programme contained in section 4.

6.2 Should adjustments be necessary to the dates below, this section may be updated in advance of a full review of the LDS. The amendments will be published on the Council's website.

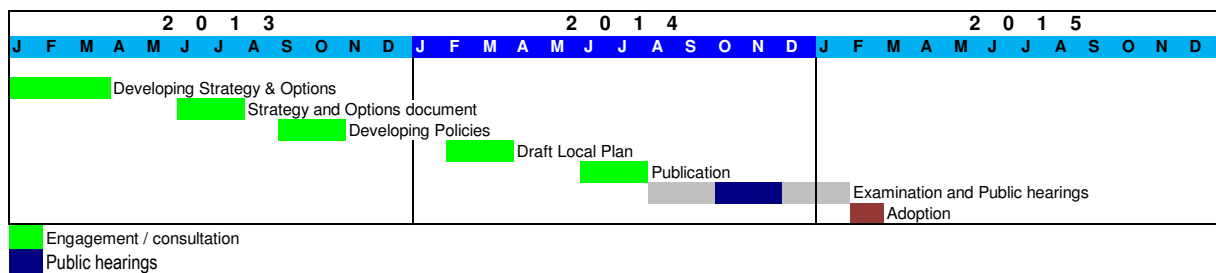
Table 5

Document	Coverage	Details	Programme 2013 - 2015
Shaping Places Local Plan	Borough-wide	The key Development Plan Document setting out the spatial vision, the objectives, and strategy for the Borough. Will provide development policies and proposals to apply to development up to 2031	Developing Strategy & Options - informal engagement: December 2012 - March 2013 Strategy and Options consultation: June - July 2013 Developing Policies - informal engagement: September - October 2013 Draft Local Plan consultation: February - March 2014 Publication of Local Plan: June - July 2014 Submission of plan for examination: July 2014 Public hearings: October - November 2014 Adoption: Jan 2015
Policies and Proposals Map	Borough - wide	Illustrates development plan policies and proposals on a base map showing specific policy boundaries. To provide detailed site allocation policies for housing, employment and other uses throughout the Borough following on from the overarching content of the Shaping Places Local Plan	In conjunction with the above dates for Shaping Places Local Plan

6 Annex - Detailed Timetable

6

Document	Coverage	Details	Programme 2013 - 2015
Community infrastructure levy	Borough - wide	A tariff system applying to certain forms of development proposals that could assist the provision of infrastructure needed to deliver the development strategy for the area. This is set out in an agreed charging schedule.	Subject to a feasibility and viability review before taking a decision.
Site Allocations / detailed policies	Borough -wide	Provides detailed site allocation policies for housing, employment and other uses throughout the Borough following on from the overarching content of the Shaping Places Local Plan	It is intended to include strategic level site allocations in the Shaping Places Local Plan. The need for a separate document setting out site allocation policies will be kept under review during the preparation of the new Local Plan.



TELFORD & WREKIN COUNCIL

DISCRETIONARY HOUSING PAYMENT and COUNCIL TAX SUPPORT HARDSHIP ASSISTANCE POLICY

CABINET - 28 FEBRUARY 2013

REPORT OF: Assistant Director, Customers and People

LEAD CABINET MEMBER – COUNCILLOR BILL McCLEMENTS

1. Purpose of the report

- 1.1 To seek approval for the Council's revised policy on Discretionary Housing Payments and new Council Tax Support Hardship Assistance.

2.0 Recommendations

- 2.1 That Cabinet approve the revised Discretionary Housing Payment and new Council Tax Support Hardship Assistance Policy (Appendix A).
- 2.2 Approve the delegated authority for decision making and appeals as outlined in both Policies attached.
- 2.3 Acknowledge the concerns outlined in 5.7 of this report raised by the Co-operative Scrutiny Committee that the £65k Council Tax Support Hardship funding set aside by the Council may not meet demand and that the position will be kept under review. If considered necessary, the Cabinet Member for Resources will be requested to approve use of part of the corporate budget contingency to supplement the resources available which will be reported to Cabinet as part of regular financial monitoring and the 12 month review of the new council tax support scheme.

3. BACKGROUND

- 3.1 The Council already has a Discretionary Housing Payment policy that was approved by Cabinet in July 2008. Due to the Governments Welfare Reforms which restrict the level of Housing Benefit payable that will be coming into effect from April 2013 it is necessary to update the current policy.
- 3.2 In addition, from April 2013 Discretionary Housing Payments can no longer help to fund a shortfall between the Council Tax Benefit a person is entitled to and the Council Tax they are liable for. Council Tax Benefit is abolished from April 2013 and is replaced by a local Council Tax Support scheme. Discretionary Housing Payments cannot fund a shortfall in Council Tax Support. At the full Council meeting on 22 November 2012 it was agreed to set up a Council Tax Support Extreme Hardship Fund of £65k. Due to the synergies with Discretionary Housing Payment decision making it has been decided to incorporate the Council Tax Support Hardship Assistance into this policy.

4. DISCRETIONARY HOUSING PAYMENTS

- 4.1 Discretionary Housing Payments (DHP) are free standing payments; that is, they are not part of the statutory Housing Benefit scheme. Discretionary Housing Payments provide customers with further financial assistance, in addition to any welfare benefits, when a Local Authority (LA) considers that further help with housing costs is required. Housing costs are not defined in the regulations and this gives Councils a broad discretion to interpret the term as they wish. In general, housing costs means rental liability and most commonly the payments can be used to top-up an existing Housing Benefit award but it can also be interpreted to cover:
- Rent in advance
 - Deposits
 - Other lump sum costs associated with a housing need such as removal costs
- 4.2 The Discretionary Housing Payment (DHP) scheme was introduced in July 2001 and is funded through an annual Department for Work & Pensions (DWP) cash limited grant.
- 4.3 The Child Support, Pensions and Social Security Act 2000 provides arrangements which allow authorities to make DHPs to claimants in receipt of Housing and/or Council Tax Benefit. DHPs are payable in addition to Housing Benefit, where certain criteria is met. The regulations covering DHPs are the Discretionary Financial Assistance Regulations 2001.
- 4.4 These regulations specify the basic requirements that must be met before an award can be made but thereafter, the regulations give authorities wide discretion on the operation of the scheme, including such matters as;
- the method of making a claim;
 - information requirements; and
 - the recovery of any overpayments.
- 4.5 The last DHP policy was approved in July 2008. However, for the following reasons the policy requires a substantial redesign to be fit for purpose for 2013 onwards:
- DHPs can now be considered for other Housing Costs and not just rent liability.
 - The abolition of Council Tax Benefit with effect from 1 April 2013 means that DHPs can no longer fund a shortfall between Council Tax Benefit and Council Tax liability.
 - Introduction of Social Sector Size Criteria which will see a reduction in the level of eligible rent used in the Housing Benefit of any person considered to be under occupying a property from 1 April 2013.
 - Introduction of the overall Benefit Cap which will be introduced in Telford & Wrekin between 1 April 2013 and 31 August 2013.
- 4.6 Demand on the DHP fund due to these changes is anticipated to increase significantly. Over the last two years demand has already increased, mainly due to reductions in housing benefit entitlement in the private rented sector rather than the economic climate.

- 4.7 In recent years the amount of Discretionary Housing Payment allocated to Council's has increased significantly due to reductions in Local Housing Allowance. Deeper cuts to the Housing Benefit scheme mean that the budget for 2013/14 will further increase. The table below shows the funding we have been allocated and the amount awarded.

Year	DWP Allocation	Actual DHP Spend (to nearest £)
2009/10	£31,844	£30,312
2010/11	£27,148	£27,662
2011/12	£50,859	*£34,236
2012/13	** £102,000	£72,410 Figure as at 24 January 2013
2013/14	£356,911	-

*As a one off the DWP allowed the £16,533 not spent to be carried forward into the following year (as impact of LHA changes had been mitigated by transitional protection)

** Excludes £16,533 carried over from previous year.

- 4.8 Any unspent allocation of DHP budget has to be repaid to the Department for Work and Pensions (DWP). Any overspend would have to be met by the Council but this cannot exceed 2.5 times the amount allocated by the DWP.
- 4.9 Between 1st January 2013 – 31st March 2013 with the support of the Cabinet Member we introduced an easement to the existing policy to enable us to make best use of the anticipated under spend to support customers affected by the Social Sector Room Restrictions to move to more appropriately sized accommodation before the benefit reduction came into force. The terms of the easement meant that where a tenant was prevented from moving to alternative accommodation because of existing rent arrears, we would consider paying a DHP to help them clear their arrears quicker, if their landlord was confident that by doing so they could be moved to an alternative property before the 1st April. Although this easement was welcomed by the local Housing Associations, to date there have been very few applications under this criteria.
- 4.10 Demand on the DHP fund in 2013/14 is likely to exceed the DWP allocation and so it is important that awards are made to those with the greatest need and who have limited ability to take steps to reduce their financial hardship.
- 4.11 As with the previous policy the basic principle remains that if a customer has sufficient income to cover their rent after all essential expenditure has been taken into account they **will not** be awarded a Discretionary Housing Payment.
- 4.12 One of the main changes to the DHP side of the policy are to give guidelines on the length of award and the acknowledgement that due to changes in legislation it may be necessary to make long term awards of up to 12 months. The guidelines include.;
- To award a DHP for up to 3 months before expected date of birth for pregnant women where they require an extra bedroom when their child is born.

- To make longer term DHP awards in certain cases where the applicant is considered by the size criteria rules to be under occupying but they are unable to find alternative suitable accommodation because of disability or illness.
- To award DHP's to foster carers when they are between placements for 3 months where they meet the basic DHP criteria. To award a longer term award to a foster carer when they have a foster child and are not able to afford the shortfall in their rent.

4.13 The previous policy only covered shortfalls in rent. However due to updated guidance from the Department for Work and Pensions the revised policy will allow consideration for one off housing costs such as deposits in exceptional circumstances. As such large payments could severely drain our DHP funding these will only be granted where a person is at severe risk of homelessness or is homeless or urgently needs to move to more affordable accommodation due to the accrual of rent arrears. Payments of rent in advance will not usually be considered again due to the burden on the fund and the fact that Housing Benefit will usually cover the period, albeit in arrears so it will only be extreme and unique circumstances when such a payment is awarded

4.14 It is not intended for Discretionary Housing Payments to cover shortfalls in rent caused by the overall Benefit Cap being introduced from April 2013 onwards. The Government are introducing this cap as they consider that families who receive over £500 per week in benefits (or single people with £350 per week) have sufficient income to cover their rent and living costs. Therefore to replace the benefit cap with DHP would undermine the Governments policy intention and we have insufficient funds from Government to provide support in this way

5. COUNCIL TAX SUPPORT HARDSHIP ASSISTANCE

5.1 From 1 April 2013 Council Tax Support replaces the national Council Tax Benefit scheme. The qualifying criteria for the Council Tax Support Scheme is determined by each Council. Claimants or their partners who have reached pension credit age are covered by a default scheme which is based on the previous Council Tax Benefit scheme and so are not disadvantaged by the change.

5.2 Due to Government funding cuts the level of support for working age customers, with the exception of those with a severe disability, is reduced compared to the previous Council Tax Benefit scheme. It is estimated that customers in receipt of Council Tax Support will receive 21% less than they did under the previous national scheme.

5.3 It is estimated that there will be a £3.1 million funding shortfall and this will be found by reductions to the Council Tax Support paid to the 10,742 customers of working age who currently receive benefit in the borough. Approximately 7,957 customers currently receive full Council Tax Benefit and therefore pay no council tax at all.

5.4 The cut in support that individuals receive to help them pay their Council Tax will have a significant impact which will be exacerbated for those who will also be affected by the cuts to the level of Housing Benefit they are entitled to.

5.5 As part of Telford & Wrekin Council's Council Tax Support scheme approved on 22 November 2012, members committed to funding £65,000 of support through a

Council Tax Support Exceptional Hardship Fund to aid and assist the most impoverished claimants. The principals of the scheme were also approved by members and are now incorporated within the policy.

- 5.6 Clearly with a reduction in support of £3.1 million the Council Tax Support Exceptional Hardship Fund will only be able to help a very small percentage of the nearly 11,000 people affected by the reduction.
- 5.7 This is the first year of the local Council Tax Support scheme. This coupled with a number of Government cuts to Housing Benefit entitlement means that it is impossible to accurately forecast the impact of these changes and the demand that there will be for assistance. The Cooperative Scrutiny Committee has raised concerns that the funding may be insufficient to help those who meet the criteria for assistance. The Scrutiny Committee have commented that as the budget was difficult to project, there needs to be contingency plans in place should this funding run out. Furthermore population increases through the year may also have an impact on the funding. Consideration should be given to making contingency funds available so that if the fund runs out part the way through they year those making applications later in the year are not disadvantaged.

6. CONSULTATION

- 6.1 The draft version of this policy was circulated to a number of partner and interested organisations including;
Citizens Advice Bureau, Wrekin Housing Trust, Sanctuary Housing, Bournville Village Trust, Bromford Housing, Wrekin Landlords Association, Anchor, Maninplace, STAY, YMCA and Jobcentre Plus.
- 6.2 The following Council Services were also consulted;
Family and Cohesion Services (Housing Options and Resettlement), Children Safeguarding (Children in Care and Fostering)
- 6.3 We also received comments from PODs (Parents Opening Doors) regarding the potential impact of the Welfare Reforms on the lives of parents with disabled children.
- 6.4 The Co-operative & Communities Scrutiny Committee have also given feedback on the draft policy and their comments have been incorporated within the policy and this report and are attached in full in **Appendix C**

7. SUMMARY IMPACT ASSESSMENTS

7.1 Financial Implications

- 7.1.1 Funding of £65k has been earmarked in the budget strategy for 2013/14 for the Council Tax Support Extreme Hardship Fund. Expenditure must remain within this funding and it will be closely monitored throughout the year.
- 7.1.2 The government grant allocated by the Department for Works and Pensions in respect of Discretionary Housing Payments for 2013/14 is £356,911. This is a cash limited grant and any expenditure incurred over and above this must be funded by the Council. Local Authorities are restricted to spending no more than 2.5 times the grant which is £892,278 for Telford & Wrekin. There is currently no additional funding identified to support Discretionary Housing Payments which means that

expenditure will need to be contained within the cash limited grant. Again this will be closely monitoring throughout the year. MLB 31.01.13

7.2 Legal

- 7.2.1 The Child Support, Pensions and Social Security Act 2000 allows authorities to make payments of DHP to customers in receipt of Housing Benefit. The regulations governing DHP are The Discretionary Financial Assistance Regulations 2001. These regulations provide only limited guidance on the administration of the scheme, with each Local Authority having to produce its own policy framework.
- 7.2.2 A review of the policy is now necessary following the introduction of the Governments Welfare Reforms which restrict the level of Housing Benefit payable. The policy will be known as the Discretionary Housing Payment and Council Tax Support Hardship Assistance Policy.
- 7.2.3 This is a Cabinet function.

7.3 Equalities

- 7.3.1 An impact assessment has been undertaken which can be seen at **Appendix B**. This policy does not have a negative effect on any group and has been developed to help support those most disadvantaged by the Governments Welfare Benefit Changes.

Report prepared by Lee Higgins, Benefit Service Delivery Manager, tel: (01952 383835)



Telford & Wrekin Council

Discretionary Housing Payment

&

Council Tax Support

Hardship Assistance Policy 2013

1. Introduction and aim of policy

This policy applies to all applications for DHPs and Council Tax Support Exceptional Hardship awards.

The Discretionary Housing Payment (DHP) scheme was introduced in July 2001 and is funded through an annual Department for Work & Pensions (DWP) cash limited grant. DHPs provide customers with further financial assistance, in addition to any welfare benefits, when a Local Authority (LA) considers that help with housing costs is required.

From 1 April 2013 Council Tax Benefit will be abolished and replaced by Local Council Tax Support. Consequently Discretionary Housing Payments can no longer cover shortfalls between Council Tax Benefit and Council Tax liability. As part of this Council's Council Tax Support scheme approved on 22 November 2012 members committed to funding £65,000 of support through a Council Tax Support Exceptional Hardship Fund to aid and assist the most impoverished families. The principals of the scheme were also approved by members and are now incorporated within this policy.

The aim of the policy is to ensure that the funding is used in the most appropriate way to provide additional financial assistance to the most vulnerable customers, who without it are likely to experience financial hardship, increased levels of unmanageable debt, homelessness, or the inability to secure or retain the appropriate type of accommodation based on specific need.

Whilst the legislation in relation to DHPs only gives a very broad discretion we have a duty to act fairly, reasonably and consistently. This policy gives the outline of when a DHP and or Council Tax Support Exceptional Hardship award will and will not be granted.

2. Operation of the scheme

Procedural requirements dictate that in every case the claimant must complete the DHP / Council Tax Exceptional Hardship Fund application form giving details of income and expenditure to show that they require further help with their housing or Council Tax costs. If an applicant has difficulty completing the application then assistance will either be given within First Point or through a home visit.

We will use any other available information, including information collected on the original Housing Benefit claim form when considering the claim for a DHP / Council Tax Exceptional Hardship. However, the claimant should provide such available evidence as necessary in support of their claim, for example, a letter from a doctor, evidence of necessary exceptional expenditure, etc. We may request further evidence in support of the application.

A decision maker will meet with the applicant where it is deemed the applicant will benefit from further advice or additional information is required. The purpose of this meeting will be to give the applicant the opportunity to discuss fully their reasons for their application and will allow for the decision maker to consider income, expenditure and family circumstances. This method of approach has two distinct advantages;

- Enables us to gather as much information as possible to assist with the final decision making process, and in doing so will identify possible entitlement to other welfare

benefits or services which the claimant is entitled to which may improve their financial situation.

- The meeting will enable the officer to identify areas and recommend steps that the applicant can take to improve and alleviate their hardship immediately or during the award.

In both the above scenarios a successful award of another benefit or action that the customer can take themselves will reduce or negate the need of a DHP or Council Tax Support Exceptional Hardship award meaning that the extremely limited funds can be diverted to other cases of hardship.

There may be occasions where it may be deemed not necessary to visit including those with a short term need because a known change such as the birth of a child which will end the need for a DHP or where another Officer of the Council e.g. social worker or Partner Organisation e.g. CAB is providing support and advice to the applicant.

The amount and duration of the award is at the discretion of the officers from the Revenues & Benefits Service with delegated responsibility for this function, but a claimant cannot receive a greater amount of DHP / Council Tax Exceptional Hardship award than the shortfall in the weekly eligible rent or Council Tax after taking into account any Housing Benefit / Council Tax Support entitlement.

The expenditure on both Discretionary Housing Payments and Council Tax Support Hardship Assistance will be monitored closely. Each month expenditure will be reported within the Revenues and Benefits monthly update which is circulated to the appropriate Service Delivery Managers and Assistant Director and Cabinet Member. A more detailed breakdown of the expenditure and the reasons for successful applications will be included within the quarterly service report.

3. Factors to Consider

Conditions that must be met for Discretionary Housing Payments

For a DHP to be considered the applicant must be entitled to:

Housing Benefit ; or Universal Credit; and
Has a rental liability; and
Requires further assistance with housing costs

Whilst there is no definition of housing costs we intend to primarily use the limited budget to cover shortfalls in rent. To give help for deposits, rent in advance and removal costs on a typical basis would place a severe burden on the budget.

The Council already operates a bond scheme through its Housing Service to help vulnerable people secure a private tenancy when they are at homeless or risk of becoming homeless and so it is not intended to replicate this through the DHP policy.

In exceptional circumstances the Council may consider making a one-off award e.g. towards a deposit or other housing costs typically in circumstances where the customer needs to move to affordable accommodation due to accrual of rent arrears because of the

shortfall between the rent charged and their Housing Benefit; or is homeless; or is at severe risk of homelessness and does not fall under the criteria for assistance under the bond scheme. It is highly unlikely that any awards will be made to cover rent in advance as for someone in receipt of Housing Benefit the rent will be covered albeit in arrears. The Council also has funds available through the replacement of the Social Fund which may be able to give assistance with deposits, rent in advance or removal costs where the person is suffering a crisis. The delegated decision maker will consider the level of funds available in each budget when making a decision out of which scheme to make the payment.

Discretionary Housing Payments cannot help pay for the following;

- Ineligible service charges,
- Water charges,
- Increases in rent due to rent arrears,
- Shortfalls in entitlement due to sanctions or suspensions,
- Shortfalls caused by Housing Benefit overpayment recovery.

It is not the Council's intention to award a DHP where the shortfall is the result of the overall Benefit Cap. The Government are introducing this cap as they consider that families who receive over £500 per week in benefits (or single people with £350 per week) have sufficient income to cover their rent and living costs.

These families however may benefit from budgeting advice and will be signposted to appropriate agencies. Those with severe disabilities are exempt from the Benefit Cap.

Conditions that must be met for Council Tax Support Exceptional Hardship

For a Council Tax Support Exceptional Hardship award to be considered the applicant must be entitled to:

- Council Tax Support; and
- Has a Council Tax liability; and
- Requires further assistance with the shortfall between the weekly amount of Council Tax charged and the weekly amount of Council Tax Support they are entitled to.

Council Tax Support Exceptional Hardship Fund cannot pay for the following;

- Shortfalls caused by overpayments of Council Tax Support
- Shortfalls in entitlement due to sanctions or suspensions
- Charges incurred as a result of action taken to recover overdue Council Tax, such as liability orders, court costs, fines etc

Given that pension age claimants are protected under the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012, which broadly replicate the existing Council Tax Benefit schemes, the exceptional hardship fund will only be available to working age claimants. By limiting applications to the working age group, the Authority will be able to target additional assistance to those most in need.

The age someone is considered pension age is based on the age a person could qualify for Pension Credits. The Pension Credit qualifying age for men and women is gradually rising

to the age of 65. Details of when a person will reach their Pension Credit qualifying age can be found via the following link:

www.dwp.gov.uk/pension-credit-toolkit/about-pension-credit/changes-to-qualifying-ages

Examples of the kind of situations where further help may be given include:

- Assistance to a claimant who is in need of further financial help due to a rent restriction (where regulations require that the full eligible rent is restricted within the Housing Benefit calculation e.g. due to age or under occupation) and whose circumstances are in some way exceptional and/or;
- Assistance to those claimants who reasonably require larger accommodation than that which is normally permitted under the benefit scheme and/or e.g. because of a disabled child who due to their medical condition is unable to share a bedroom with their sibling;
- Assistance to those claimants who have high housing costs, which they do not have the means to pay, and where moving to cheaper accommodation is not a reasonable option and/or;
- Where there has been a significant change in the claimants and/or family circumstances which means the rent or Council Tax charge is no longer affordable.

These are only examples - the list is neither exhaustive nor prescriptive

4. Decision Making

Whilst recognising the need for individual consideration of the circumstances of each case, consistency is also important. Each case needs to be looked at on its own merits and all customers need to be treated equitably and fairly when the scheme is administered. We therefore need to consider in each case:

- If the accommodation could be afforded when the claimant first moved in.
- If a claimant who intended to claim benefit from the outset of the tenancy was aware of the level of their Housing Benefit entitlement prior to taking the tenancy.
- Any action taken by the claimant to re-negotiate the level of rent with the landlord.
- If the claimant is entitled to any other welfare benefits that they are not currently claiming.
- If the property is the cheapest available in the area for the household's needs according to the appropriate size criteria. When considering the area in which it is reasonable to compare properties, we will consider the area in which it is reasonable to expect a claimant to be able to move without losing all current community and support networks on which they depend.
- The amount of the shortfall, between the Housing Benefit liability and any steps that have, or can be taken by the claimant to reduce the shortfall. This includes if there is anyone else able to make up the shortfall such as a non-dependant. For example, an adult son, daughter, other family member or other person residing with the claimant on a non commercial basis etc.
- The financial, medical or social needs and circumstances of the claimant, their partner and any other persons in the household.
- The income and expenditure of the claimant and other members of the claimant's household.
- The amount of any savings and capital held by the claimant and other members of the claimant's household.

- Any exceptional circumstances such as, the ill health or disability of the claimant or a member of the claimant's household. Examples include the need for an extra room because of a health problem affecting a member of the household, a requirement for the household to live where they do because of the need for access to medical or support services, specific extra health-related expenses such as non prescription medicine and the nature of a health problem means the choice of housing is restricted either temporarily or permanently.
- The level of debt of the claimant and family and options to re-negotiate non-priority debts.
- The possible impact of not making such an award, e.g. imminent eviction, the pressure on priority homeless accommodation.
- Whether the applicant has moved into the current property from temporary accommodation in which they were placed as statutorily homeless.
- Any special reasons which make it necessary or especially desirable for the claimant to occupy the dwelling in respect of which the liability arises.
- The probable consequences of rent or council tax arrears for the claimant or family members, especially if any of them are vulnerable by reason of age, sickness or disability.
- Action taken by the landlord to recover arrears of rent.
- The potential discriminatory impact of legislation. For example, housing benefit legislation is such that single claimants aged under 35 are treated significantly less favourably than single people over the age of 35.
- Any other special circumstances

The Decision maker will not normally award a DHP or Council Tax Exceptional Hardship award in cases where the applicant has demonstrated they have sufficient surplus income to be able to meet the shortfall in rent or Council Tax themselves.

The authorised decision maker decides how much to award based on all the circumstances. This may be any amount within the limits prescribed by the Discretionary Financial Assistance Regulations 2001 or up to the difference between the weekly Council Tax liability and Council Tax Support entitled to.

5. Period of award

The duration and level of the Discretionary Hardship Assistance or Council Tax Support Exceptional Hardship award will be determined individually for each claim by the decision maker. In determining the period of award, examples are given below of the types of factors that may be appropriate for consideration;

- If the need is likely to be short-term
- If the customer is able to take steps to reduce their financial hardship
- If the claimant is likely to require assistance in meeting the shortfall for the duration of their tenancy. In these instances, although an award may be made in the short term, where it appears that there is a long term issue of meeting the shortfall the DHP decision maker will work closely with the claimant to identify solutions and options available to ensure that a DHP is awarded for the shortest possible time. In some circumstances moving will not be an option and a long term award may be necessary.
- At what point in the future suitable alternative accommodation could reasonably be expected to be sought.

- When a particular milestone will be reached which will lead to increased Housing Benefit or Council Tax Support entitlement e.g. a family member reaching a relevant age which leads to increased entitlement.
- In the case of Council Tax Support Exceptional Hardship awards the awards are only intended to be short term awards due to the limited fund available. It is not intended that the fund will be a long-term solution to the overall reduction in Council Tax Support.

Where possible we aim for a decision to be made within 14 days of receipt of all information. If the claim is successful, payment of the DHP will be made in the most appropriate way; this will normally be in line with the payment of any Housing Benefit. Council Tax Support Exceptional Hardship awards will be made direct to the relevant Council Tax account.

The amount of any DHP or Local Council Tax Exceptional Hardship award is entirely at the discretion of the delegated officers from the Benefit Service. A successful claim **does not** imply that a further award will be made at a later date, even if the claimant's circumstances have not changed.

The start date of a DHP or Council Tax Support Exceptional Hardship award will usually be the most appropriate of:

- The Monday after the Council receives the relevant claim; or
- The Monday after a relevant change in circumstances giving rise to the need for the DHP or Council Tax Support Exceptional Hardship award.

However the decision maker may decide that a different date is appropriate based on the particular circumstances of the claim. Due to the expected pressure on the DHP budget and Council Tax Support Exceptional Hardship fund a claim will not usually be backdated more than 3 months.

A DHP shall not be awarded for any period for which the customer has no entitlement to Housing Benefit under the Housing Benefit statutory scheme or the Housing Cost element of Universal Credit.

Claims may be made in advance of a change in legislation.

Most awards will be short term awards, typically not more than 4 months, however the length may vary depending on the customer's circumstances. Due to the Government's Welfare Reform changes it may be necessary to award long term DHP awards of 12 months or more e.g. for those suitably housed in a home adapted for the disabled needs of a family but who are affected by the Social Sector Size Criteria and unable to pay the shortfall.

The following are guidelines for the length of award in the following scenarios:

- **Pregnancy** - in the case of a pregnant woman who has had to move home in readiness for the birth and who will have an extra room allowed in either the Social Sector or Local Housing Allowance size criteria when their baby is born we will usually consider awarding a DHP up to 3 months prior to expected date of birth.
- **Illness** - If a person requires an extra bedroom because of illness e.g. because they need a treatment room or because a member of the household has a condition that makes it difficult to share a bedroom, we will consider a longer term DHP for up to 12 months if moving is not an option. Medical evidence will usually need to be provided for the requirement of the extra room. Ongoing entitlement will then usually be reviewed at 12 monthly intervals.

- **Disability** – If a person is living in a property which has been significantly adapted for their disability needs and moving is not an option then a longer term DHP of up to 12 months will be considered. Ongoing entitlement will then usually be reviewed at 12 monthly intervals.
- **Foster Carers** – Foster children are not included in size criteria calculations in Housing Benefit. Income received in respect of a foster child is also disregarded. When Foster Carers are between placements they do not receive Foster Care income and so may find they are unable to afford their rent if they are affected by the size criteria and moving to smaller accommodation may not be an option if they are keeping a spare bedroom in readiness for their next foster child. DHPs in these cases will be considered for up to 3 months. Also when a Foster Carer is looking after a Foster Child there is no allowance within the Foster Care payments for accommodation so it may be possible to make a DHP award to cover the reduction through the size criteria for up to 12 months.
- **Shared Life Carers** (formerly known as adult placements) – where a Shared Life Carer has an adult they are caring for, a bedroom is allowed for the adult within the size criteria rules. However there may be times when a carer is between placements and will be affected by the size criteria. If they are unable to afford their rent because of this and moving to smaller accommodation may not be an option if they are keeping a spare bedroom in readiness for their next placement. DHPs in these cases will be considered for up to 3 months.

All the above are subject to the overriding principles that the customer is not able to afford the shortfall, or take steps which will allow them to be able to afford the shortfall or will have a change of circumstance in the future which will affect the shortfall.

When a DHP or Council Tax Support Hardship Assistance period comes to an end, if a customer wishes to reapply they will usually be required to complete a further DHP application or review form to renew their award. It may be possible to extend an existing DHP period for up to 8 weeks if the customer has confirmed their circumstances have not changed but whose circumstances are likely to change within the next 8 weeks e.g. have been offered a job, moving house, child being born etc. A previous successful award does not guarantee that subsequent awards will be granted.

6. Notification

The Revenues & Benefits Service will notify the customer of the outcome of their application within 3 working days of making the decision.

Where the application is successful, the notification will advise:

- the weekly amount of DHP or Council Tax Support Exceptional Hardship award granted, if any
- the period of the award
- in the case of a DHP how, when and to whom the DHP will be paid
- the requirement to report any relevant change
- any steps that the applicant should take in during the period of the award to resolve or improve their personal situation

Where the application is unsuccessful, the notification will state clearly the reasons for the decision.

All notifications of decisions on claims shall offer the opportunity for the customer to seek a review of the decision made.

7. Changes in circumstances and overpayments

It remains the duty of the claimant to notify the Benefit Section of any change in circumstance that may be relevant to the continuation of their DHP or Council Tax Support Exceptional Hardship award.

A DHP or Council Tax Support Exceptional Hardship award may be revised where the claimant's circumstances have changed. Overpayments of DHPs can be recovered where the payment has been made as a result of a misrepresentation or failure to disclose a material fact or as a result of an error. We will normally recover a DHP or Council Tax Support Exceptional Hardship award where the claimant's own actions contributed towards the overpayment and recovery of the award would enable us to reallocate those sums within the current financial year. However, we will consider the circumstances of each overpayment on its merits, being mindful of the impact that recovery may have on the ongoing financial vulnerability of the applicant.

DHP overpayments cannot be recovered from ongoing Housing Benefit or Council Tax Support. Overpaid Council Tax Support Exceptional Hardship awards may be recovered via the person's Council Tax account.

Fraudulent claims

The Benefit Service is committed to the fight against fraud. Any claimant who tries to fraudulently claim a DHP by providing a false statement or evidence in support of their application may be liable for prosecution.

8. Officer Roles

Decision Maker (Benefit Tenancy Safeguard Officer or equivalent) – will where appropriate visit the applicants in their home or arrange a meeting. They will consider all the information available to them and calculate whether the customer can afford the shortfall between their Housing Benefit / Council Tax Support and their rent / Council Tax liability. The decision maker will also give advice on how the customer can ease their own financial circumstances.

The Decision Maker will decide whether to make an award and the length of any award. They will write to the applicant detailing their decision.

The Benefit Service Delivery Manager has the authority to delegate decision making powers to another suitably experienced officer if there should be a need.

Appeal Officer – any appeals received will be decided by the Benefit Welfare & Assurance Group Manager.

The Benefit Service Delivery Manager has the authority to delegate this function to another suitably experienced officer if there should be a need.

9. Appeals

Discretionary Hardship Assistance or Council Tax Support Exceptional Hardship Assistance are not payments of Housing Benefit or Council Tax Support and are therefore not subject to the statutory appeals mechanism, although the route of Judicial Review is available. The Revenues & Benefits Service will operate the following policy for dealing with appeals against any decision on a claim: –

- A claimant or person acting on their behalf who disagrees with a decision may dispute the decision or request the full reasons for it. A request for a review shall be made in writing and must be delivered to the council by any method which is acceptable for a DHP or Council Tax Support Exceptional Hardship claim. Any request for a review must be made within one month of the customer being notified of the decision.
- Where appropriate, council officers will explain the decision to the claimant by telephone, letter or e-mail. The claimant will be advised of their right to request a review of the decision by a Manager.
- The decision will be reviewed internally by the designated Manager (see 'Officer Roles'), who will not have been responsible for the original decision and they will issue their written decision.
- Where the designated manager carrying out the internal review decides not to revise the original decision, (s)he will notify the appellant of the outcome of the review, setting out the reasons for confirming the original decision.
- In exceptional circumstances only, officers may extend the time limit for a dispute to be made.

10. Publicity

The Revenues and Benefits Service will seek the co-operation of all teams within the unit, housing managers, housing associations and voluntary sector organisations to ensure publicity is suitably targeted to ensure it is those who are most in need apply for the extra assistance.

Initial Impact Assessment Template

Please use the following template to help determine whether a community impact assessment is required.

Name of Policy	
Discretionary Housing Payment and Council Tax Support Hardship Payment Policy	

Purpose and function of policy
(Please provide a brief description, for example, services affected) To outline the entitlement and decision making process for Discretionary Housing Payment or Council Tax Support Hardship Payments. This policy will help to mitigate the impact of the Governments Welfare Reform changes for the most vulnerable residents. The Government cuts will result in large numbers of working age people in receipt of Housing Benefit and or Council Tax Benefit (which is being place by Council Tax Support from April 2013) having a cut to the benefits they receive to assist them paying their rent or Council Tax. The main cuts are: <u>Social Sector Size Criteria</u> A 14% reduction in the eligible rent used in Housing Benefit calculation for those renting in the social sector where they are deemed to be under occupying their home by 1 bedroom A 25% reduction in the eligible rent used in Housing Benefit calculation for those renting in the social sector where they are deemed to be under occupying their home by 2 or more bedrooms. <u>Council Tax Support</u> With the exception of severely disabled residents those working age residents in receipt of Council Tax Benefit will see the help they receive to pay their Council Tax cut by approximately 21% when Council Tax Benefit is replaced by local Council Tax Support. Discretionary Housing Payments (DHP) give extra financial assistance to those in receipt of Housing Benefit who are unable to afford the difference between the benefit they are entitled to and their eligible rent where they meet the criteria set out in the policy. Assistance is usually short term but due to changes in Housing Benefit legislation some awards will be longer term. Council Tax Support Hardship Payments give extra financial assistance to those in receipt of Council Tax Support who are unable to afford the difference between the Council Tax Support they are entitled to and their Council Tax liability where they meet the criteria set out in the policy.

Who does this policy affect			
Workforce / Employees		Service Delivery / Communities	X

Author(s)
Rebecca Owen-Jones

Job title and Service Delivery Unit
Benefit Welfare & Assurance Group Manager Revenues and Benefits

Date completed: 31.1.13

Sign off (line manager) and date A.J, Astley, Assistant Director, 31/01/2013
If signed off by e-mail please confirm by identifying when and by whom

A separate guidance note is available to support you through the completion of this assessment. You can find it on the intranet.

The general equality duty states that we must have due regard to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity
- Foster good relations between different groups

Appendix B

Complete the table below, assessing the impact of your policy on people with protected characteristics, including employees and customers. You should also consider the elements of the above general duty.

Protected Characteristic	Positive impact		Negative impact			Reasons/evidence
	Yes	No	High *	Low #	No	
Age		X			X	Age has no impact on whether we will award a payment. People of Pension Credit age are not affected by Social Sector Size Criteria or Council Tax Support cuts. Those of Pension age may still however meet the criteria for one of the discretionary awards if they have a shortfall they cannot afford. Most people who are single and under 35 years of age renting in private sector receive less Housing Benefit. DHP's can mitigate this inequality in the regulations for a short period of time whilst applicant seeks to address their financial hardship.
Disability	X				X	Where a person is living in a property which has been adapted for their disability needs or the disability needs of an immediate family member but they have more bedrooms than they require and they meet the criteria for a DHP they are more likely to receive a longer term DHP

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						award. This is in recognition of the difficulty in finding suitable properties (due to limited availability and the cost of adapting a property). Also where a person or their resident family requires an extra bedroom due to disability or illness and they meet the DHP criteria they are more likely to receive a longer term award.
Gender (Sex)	X				X	Whilst gender has no impact on whether or not an award will be made we do have a greater proportion of women claiming benefit assistance who will be impacted by the benefit rule changes (based on Council Tax Support Impact Assessment see appendix 1). It is anticipated that this scheme will support some of those women therefore it will have a positive impact.
Gender reassignment		X			X	Gender reassignment has no impact on whether or not a discretionary award is made
Marriage/civil partnership		X			X	The status of a couple e.g. whether or not they are married or in a civil partnership has no impact on whether or not a discretionary award is made.
Pregnancy/maternity	X				X	We will consider DHP for those who meet criteria 3 months prior

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						to giving birth to help them to be able to afford suitable sized accommodation prior to giving birth.
Race		X			X	Race has no impact on whether or not a discretionary award is made.
Religion/belief		X			X	Religion or belief has no impact on whether or not a discretionary award is made.
Sexual Orientation		X			X	Sexual orientation has no impact on whether or not a discretionary award is made.
Deprivation (inc rural/urban)	X				X	These are discretionary awards which are designed to help the most financially vulnerable to be able to afford their rent or Council Tax. By helping a customer to take steps to reduce their financial hardship can help to reduce deprivation.

High – there is significant evidence of adverse impact or potential for adverse impact. The policy etc has consequences for or affects significant numbers of people and/or has the potential to make a significant contribution to advancing equality.

Low – there is anecdotal or little evidence to suggest adverse impact. The policy etc operates mainly within a small unit and affects few people.

Am I required to carry out an Community Impact Assessment?

If you have ticked negative impact as High, then a Community Impact Assessment will need to be completed, available on the intranet.

If a Community Impact is not required, you are required to monitor and review the proposed changes after implementation to check they work as planned and to screen for unexpected equality impacts. Please provide details of how you will

monitor evaluate or review your proposals and when the review will take place in the box below

Monitor and Review

Please provide details of how you will monitor evaluate or review your proposals and when the review will take place.

How will you monitor/review proposals?

Monthly and quarterly collection of data is to be undertaken by the Revenues and Benefits Service. The Department for Work and Pensions are also introducing twice yearly returns for the broad reasons why Discretionary Housing Payments are awarded.

The Council Tax Support Hardship Payment is a new scheme and so it will be necessary to monitor the reasons why awards are being made.

Details of the broad reasons for awards and number of awards made will be reported within the Revenues and Benefits Quarterly monitoring report which is circulated to all Revenues and Benefits staff and the Assistant Director for People and Customer Services.

When will the review take place?

An update report on Local Council Tax Support will be produced at the end of the first year with further analysis of the actual impacts incorporating engagement with key stakeholders and detailing the effectiveness of the discretionary hardship fund – April 2014.

APPENDIX 1

Current Council Tax Benefit Caseload Breakdown (from Council Tax Support Community Impact Assessment 2012)

1a. Breakdown by case group

Case Group	Number of Current Council Tax Benefit claims
Pension Age	7728
Working Age	10774

1b. Working Age claims breakdown by gender by the person claiming Council Tax Benefit

Gender	Number of claims
Female with partner	1607
Female without partner	5493
Male with partner	1464
Male without partner	2210

1c. Working Age claims breakdown by Parish area

Parish	Number of Council Tax Benefit claims
Dawley Hamlets Parish Council	288
Ercall Magna Parish Council	37
The Gorge Parish Council	112
Great Dawley Parish Council	1295
Hadley and Leegomery Parish Council	900
Hollinswood & Randlay Parish Council	425
Ketley Parish Council	269
Lawley & Overdale Parish Council	419
Lilleshall & Donnington Parish Council	886
Madeley Parish Council	1890
Newport Town Council	355
Oakengates Town Council	558
St Georges & Priorslee Parish Council	467
Stirchley & Brookside Parish Council	1047
Wellington Town Council	1332
Wrockwardine Parish Council	66
Wrockwardine Wood & Trench Parish Council	318
Others*	101

*Represents Parish areas with fewer than 20 claimants and have been combined to protect against the potential identification of individuals.

Information extracted from Telford & Wrekin Council Tax information management system
31 August 2012. The number of claimants can change daily so this information is only
accurate at the time of extraction

APPENDIX C

Co-operative & Communities Scrutiny Committee

Feedback on the Draft Discretionary Housing Payment & Council Tax Support Hardship Payment

The Co-operative & Communities Scrutiny Committee welcomed the opportunity to comment on the draft Discretionary Housing Payment & Council Tax Support Hardship Payment Policy which had not been in the work programme.

Members held an informal meeting to consider the draft policy and agreed the comments below which they would like taken into consideration in the final drafting of the policy. Due to extreme pressure of work, no officers were available to attend the meeting so members did not have an opportunity to clarify any points before commenting. The feedback is set out to relate to sections in the draft policy, and includes comments on the policy itself as well as some wider comments about its implementation.

Comments of the Committee

1. Introduction and Aim of Policy

The Committee had scrutinised and supported the Council Tax Support Scheme proposals which had included the allocation of £65,000 to the Council Tax Support Exceptional Hardship Fund.

However, members felt that as the budget was difficult to project, there needed to be contingency plans in place should this funding run out.

Members also raised concerns regarding:

- How the funding will be fairly administered over the year, and whether early applicants would benefit over equally needy late applicants if the funding is running low or runs out.

For DHP's we look at how the expenditure compares to a monthly projection and any anticipated risks in shortfalls will be raised in advance with Senior Managers and the Cabinet Member for consideration for additional funds to be provided if the £65k proves to be insufficient, therefore those applying later in the year should not be disadvantaged.

Council Tax Support Expenditure like Council Tax Benefit Expenditure is largely made at the beginning of the year as it is paid in advance for the whole year. Many of the applications are expected therefore within the first quarter.

- That if the fund runs out during the year, consideration should be given to finding contingency funds so people are not disadvantaged because of when they apply.

5.7 of the cabinet report refers to this concern and a formal recommendation has been made.

- That the fund must be closely monitored.

The DHP expenditure is already closely monitored and the same will happen with the Council Tax Support Hardship Payment expenditure. In response we have added the following to “Operation of the Scheme” section of the policy:

The expenditure on both Discretionary Housing Payments and Council Tax Support Hardship Payments will be monitored closely. Each month expenditure will be reported within the Revenues and Benefits monthly update which is circulated to the appropriate Service Delivery Managers and Assistant Director and Cabinet Member.. A more detailed breakdown of the expenditure and the reasons for successful applications will be included within the quarterly service report.

- That the increase in population may have an impact on the funding.

Concern noted within paragraph 5.7 of the cabinet report.

2. Operation of the Scheme

- The Committee felt there was a contradiction between the 3rd paragraph reading “A decision maker will usually meet with the applicant” (which implies this is the norm) and paragraph 5 which reads “Due to the expected increase on demand it will no longer be possible to meet with every applicant”. Members were concerned that people are more likely to fall through the net if they are not visited.

Policy amended to:

A decision maker will usually meet with the applicant where it is deemed the applicant will benefit from further advice or additional information is required.

Those who are not visited are likely to either already be supported by another Council Service e.g. Housing Services or Social Services, by a Social Landlord, Charity, Citizens Advice Bureau, other Support Worker or whose need for assistance is short term because of a change event that will lead to extra entitlement to benefit or a reduction in expenditure e.g. birth of a child.

- Members questioned whether it has to be the decision maker that has to meet with the applicant.

Due to the way the Service is structured it will need to be Decision Maker who undertakes home visits or office interviews with applicant. There is no

capacity for example Benefit Officers or Customer Service Officers to undertake these meetings, however they will assist with application form completion for anyone they see through the course of in office assessments who needs assistance with completion of the form. Another advantage of the Decision Maker meeting with the applicant is the additional experience and knowledge they have to give advice to the applicant on options available to ease their financial circumstances.

3. Factors to Consider

- The Policy needs to be clear about the level of rent arrears to qualify for payments and the arrears need to be properly validated.

We believe it would be counter productive to specify a level of rent arrears as it may encourage people to stop paying their rent and let rent arrears build up in order to qualify for extra assistance. As part of the Decision Making process rent arrears evidence is validated where appropriate – either by asking the applicant to produce evidence or where consent is gained by requesting it direct from the landlord.

- The age of pension-age claimants who will be protected needs to be clear in the policy.

The age of pension-age claimants is currently a gradually increasing age. Following added to policy for clarification:

The age someone is considered pension age is based on the age a person could qualify for Pension Credits. The Pension Credit qualifying age for men and women is gradually rising to the age of 65. Details of when a person will reach their Pension Credit qualifying age can be found via the following link:

www.dwp.gov.uk/pension-credit-toolkit/about-pension-credit/changes-to-qualifying-ages

- The age of working-age claimants who would be entitled should be clear in the policy.

Please see above.

4. Decision Making

The Committee had no comments on this section.

5. Period of Award

- The Policy should specify whether the decision will be made within 14 days of receipt of all information, or 14 working days.

The Policy has been amended to reflect the target to make a decision will be within 14 days of receipt of all information

- Registered Social Landlords must be made aware of the Policy and prepared not to take action against tenants until the outcome of a decision.

Registered Social Landlords (RSLs) are aware of the policy. The largest RSLs have been consulted on the policy. The policy is often an agenda item within meetings between the Benefit Service and RSLs. Details of the policy are included within landlord information on the website and also when relevant articles are included within the Benefit Service's Landlord Newsletter.

RSLs will actively promote DHPs and will be assisting the Benefit Service to identify cases affected by the Social Sector Size Criteria who may qualify for a DHP.

Unfortunately the Council cannot insist that RSLs don't take action against tenants until the outcome of a decision as there are many factors which will dictate the action an RSL takes e.g. amount of arrears, length of time in arrears etc. However the council's benefits service will ensure that they expedite cases where we are aware that the tenant is facing action from the RSL.

- There should be a maximum period set for payment from the date of the decision.

Once a decision is made a DHP will be paid when the next Housing Benefit payment run is due. Housing Benefit usually has to be paid monthly / four weekly in arrears. If a DHP is due for a past payment then it will be paid in the next immediate payment run (by BACS) which are run most week days so should be available in the person or the landlord's bank account within a maximum of 4-5 days.

- With long-term payments, members questioned whether/how funding would be safeguarded and ring-fenced for the particular family.

When accounting for expenditure we forecast how much will be spent on a DHP up to the end date of the award. We will replicate the same accounting method for Council Tax Support Hardship Payments.

6. Notification

- Members were concerned about the impact on staff resources to administer the scheme.

Currently two officers deal with the DHP application process (along with other duties). We are increasing the size of the team who among other duties will deal with DHP and Council Tax Support Hardship Payment process, as well as responsibility for the new Social Fund Replacement

which is transferring to Local Authorities in April and for which funding for these additional staff have been provided

- People should be given an indication of the realistic period for the whole process from start to finish.

We have a local performance indicator for the average time it takes to notify a decision from the date an application is received. The target for 2012/13 is less than 35 days. Year to date performance is just under 39 days (up to December 2012). We are looking at ways to further streamline the decision making process.

The performance indicator is not included as part of the policy as it is reviewed annually. Performance against the indicator is reported within the Revenues & Benefits month end and quarter end reports.

7. Changes in Circumstances and Overpayments

People must be made aware that they must inform the Council of any changes of circumstance.

This is included within the declaration on the application form, is discussed when a Decision Maker meets with the applicant and contained within the notification letter (included within section 6 of the policy). Also most of the changes the applicant is also obliged to report in connection to their Housing Benefit or Council Tax Support awards and again the duty is included within declaration on application forms and notification letters.

8. Officer Roles

The Committee had no comments on this section.

9. Appeals

The Committee was concerned about the perception of the independence of the designated manager (the Benefit Welfare & Assurance Group Manager) in considering appeals.

The Benefit Welfare & Assurance Group Manager will not have had any prior involvement in a case before considering an appeal. Where appropriate the Manager will meet with the applicant in person to discuss and review the circumstances of the case before reaching a decision on the appeal.

This process is similar to the statutory appeals process that is in place for Housing and Council Tax Benefit. Under the legislation, if a customer appeals against their decision, the first step is for another more senior Officer of the Council to first reconsider the decision.

10. Publicity

Members were concerned that the final sentence of the paragraph (“Due to the limited funds available”) could be misinterpreted as though the Council did not want to make the effort to publicise widely. Members understood the need for targeted publicity, but were very concerned that in taking this approach people who need help do not miss out because they are not aware that they can apply for assistance.

The document has been amended to reflect this concern.

The circumstances under which someone will qualify for assistance under this scheme will be limited. However, every benefit notification that we issue will advise customers of the existence of the two funds and how to apply.

We are very grateful to the Co-operative & Communities Scrutiny Committee for taking the time to look at this policy so thoroughly and for the valuable comments they have made. A number of changes have been made to both the policy and cabinet report as a result of the feedback. Acknowledgement to the feedback has been given within the Cabinet Report.

Angie Astley, Assistant Director – Customers & People Services

29th January 2013

TELFORD & WREKIN COUNCIL**CABINET - 28 FEBRUARY 2013****MARCHES LOCAL TRANSPORT BODY****REPORT OF THE ASSISTANT DIRECTOR OF NEIGHBOURHOOD & LEISURE SERVICES****LEAD CABINET MEMBER – COUNCILLOR HILDA RHODES****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

A report was approved by Cabinet on 6th December 2012 regarding the establishment of a Marches Local Transport Body (LTB) following the Department for Transport's proposals for devolving major transport scheme funding beyond 2015.

Later in December 2012 the DfT released its final assurance framework guidance which for the first time identified that the Local Enterprise Partnership (LEP) should vote whether to have full LTB membership.

Following the advice from the DfT the LEP has now indicated that it does wish to become a full member of the LTB and as such this will mean the LTB can no longer be a joint committee between the three authorities but will have to be set up as an informal partnership.

At the meeting on 6th December 2012 Cabinet expressed a desire for T&W to take on the role of accountable body. Shropshire Council expressed a similar desire and T&W is keen to collaborate with Shropshire Council to help spread the burden associated with localism. Discussions have taken place with Shropshire and Herefordshire Councils and it is now agreed that Telford & Wrekin Council will become the accountable body for the Marches LTB.

On 12th February 2013 the DfT circulated further feedback to help local authorities complete the assurance framework and it will not now be possible for the Marches LTB framework to be completely signed off by all three Councils before the submission deadline of 28th February. However the DfT has acknowledged in writing it is content that there can be some minor elements that require 'fleshing out' and agreement as soon as practicable after the submission deadline.

2. RECOMMENDATIONS**2.1 That Cabinet:**

- i. notes the changes to LEP membership and to the establishment of a Marches Local Transport Body as an informal partnership;
- ii. notes that Telford & Wrekin Council will perform the accountable body role for the LTB.

- iii. delegates powers to the Assistant Director: Neighbourhood and Leisure Services, in consultation with the Cabinet Members for Transport and Community Protection and for Housing, Regeneration and Economic Development, to finalise the assurance framework for the Marches LTB.
- iv. delegates authority to the Assistant Director: Law, Democracy and Public Protection to agree and execute all necessary documentation to give effect to the recommendations contained in this report.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	The establishment of a Marches LTB will allow the three transport authorities to access funding for strategic and priority schemes in their respective areas subject to appropriate governance and high level appraisal. The establishment of a Marches LTB will assist in the delivery of the following current Council Priorities: • 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	This report is based upon the requirements of establishing a Marches Local Transport Body and does not identify specific schemes for consideration as part of the LTB.
TARGET COMPLETION/DELIVERY DATE	The Marches LTB Assurance Framework has to be agreed between the 3 Transport Authorities and Marches LEP and provided to the DfT by the end of February. In addition to this the LTB has to develop a list of priority transport schemes and high level appraisal criteria by the end of July 2013.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The funding allocation for The Marches Local Transport Body (LTB) has been confirmed at £16m for the period 2015/2019. The programme of works to be funded from this allocation across the three authorities (Telford and Wrekin, Shropshire and Herefordshire) will be decided by the LTB Board following a process of scheme assessment and prioritisation.

		The Partners will need to agree on shared responsibilities for programme over runs or overspends and any potential cash flow implications for the Accountable Body. As Telford and Wrekin Council are confirmed as Accountable Body, the costs associated with this status will be contained, as far as possible, within available resources. However, some additional legal, audit and accounting costs are anticipated which will have to be met corporately by Telford and Wrekin Council as the commitment has been made not to share any costs with the partner organisations. Costs will be monitored and reported as required. JAC 190213
LEGAL ISSUES	Yes	The proposed informal partnership as described in the 'Proposed Marches LTB structure' section below addresses the legal/constitutional requirements relating to the establishment of the LTB. The details of the LTB governance structure will be discussed and agreed with Shropshire and Herefordshire Councils and the Marches LEP.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Initially, key risk is around not establishing appropriate governance arrangements and scheme list by deadline set down by government. This may impact on ability to access the fund. We are seeking to manage this risk by taking the earliest opportunity to work jointly to establish the LTB. In the longer term there will be risks around ensuring the programme is well managed and that it enables the delivery of high quality transport schemes. We are likely to have a relatively small allocation and we will need to ensure that our process of management and appraisal is proportionate whilst adhering to the minimum standards set down by government.
IMPACT ON SPECIFIC WARDS	No	The establishment of the LTB will not directly impact upon specific wards.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

Background

A report was taken to Cabinet on 6th December 2012 regarding the establishment of a Marches Local Transport Body (LTB) following the Department for Transport's proposals for devolving major transport scheme funding beyond 2015. Cabinet supported the proposals and agreed to nominate two key cabinet members to take an active role in the new board.

Government requires confirmation of relevant governance, financial management and accountability arrangements (an assurance framework) by the end of February 2013 and a provisional list of prioritised schemes from T&W, Shropshire and Herefordshire will need to be submitted to DfT by July 2013.

The role of the LEP

Initial advice from the DfT was that the role of the LEP in decision-making should be left to local discretion. At the time it was agreed that the Marches LEP would act as an advisory member to the LTB due to issues with accountability and governance and this would then allow the LTB to be set up as a joint committee between the three authorities.

The DfT released its final assurance framework guidance in late December which for the first time identified that the LEP should vote whether to have full LTB membership.

Following the advice from the DfT the LEP has now indicated that it does wish to become a full member of the LTB and as such this will mean the LTB can no longer be a joint committee between the three authorities but will have to set up as an informal partnership.

The DfT circulated on 12th February 2013 further feedback to help local authorities complete the assurance framework which means additional consideration is necessary, particularly with regard to the assessment and prioritisation of schemes to ensure the framework is satisfactory to the DfT. Whilst this means the framework will not be fully complete and signed off by all Councils by the DfT's deadline of 28th February, the DfT has acknowledged in writing it is content that provided the framework is substantially complete by that date there can be some elements that require agreement as soon as practicable thereafter.

Proposed Marches LTB Structure

Following the revised advice from DfT and the LEP's indication that it wishes to become a full voting member of the LTB it is proposed that the resultant informal partnership (the LTB) would:

- a. comprise 6 cabinet members, (2 from each authority one of which would be responsible for transport strategy and/or infrastructure) and 1 member from the LEP. The partnership would be empowered to determine the funding priorities in relation to the devolved major scheme funding programme. Over time and subject to further devolution of powers from central government, it may take on additional functions;
- b. be serviced by appropriate legal/governance officials. Further consideration will be required to assess the resourcing implications of this new activity and whether or not the function might rotate between the 3 authorities or if pooled resources would assist one authority maintaining the role over a longer period;
- c. be serviced by a formal technical officer group which would be established to fulfil the technical requirement of the devolved major scheme funding programme and present reports for the partnership's consideration. This group would be responsible for ensuring appropriate engagement with external stakeholders in respect of any decisions which would be considered by the Partnership.

Accountable Body

The primary role of the accountable body will be to hold the devolved major scheme funding and make payments to delivery bodies such as Local Authorities. It should be able to account for these funds in such a way that they are separately identifiable from the accountable body's own funds, and provide financial statements to the LTB as required.

T&W acknowledge that the increased role of localism in national policy is placing increasing pressures on the ever reducing resources of local authorities. To date T&W recognise that Shropshire Council has borne the brunt of this pressure in taking on the co-ordination and day to day running of the activities of The Marches LEP. It is also felt this issue will become critical for Shropshire Council as the authority now undergoes a period of significant organisational change in relation to the commissioning of Council services.

T&W is keen to have a greater involvement in The Marches LEP and feels it is healthy for more than one local authority partner to be involved in running activities associated with the LEP.

A key activity of the new LTB will be the assessment and prioritisation of funds for major transport schemes and Telford & Wrekin Council has a significant up to date level of expertise in this area having recently submitted a successful LSTF Large Project bid to DfT and secured £6m of funding for transport improvements in Telford town centre.

Accordingly, T&W is keen to collaborate with Shropshire Council to help spread the burden associated with localism. Discussions have taken place with Shropshire and Herefordshire Council and it is now agreed that Telford & Wrekin Council will become the accountable body for the Marches LTB.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Community Impact

The impact on the community as a result of establishing the Marches LTB is likely to be minimal. However, securing major transport scheme funding is vital to bring forward improvements to the highway network and existing public transport facilities in order to continue to improve services for residents. The agreement of a suitable, transparent and accountable assurance framework as part of the establishment of the Marches LTB will give an opportunity for Telford & Wrekin to access funding for strategic/priority schemes where required.

Equalities Impact

The impact on equality for all as a result of establishing the Marches LTB is likely to be minimal. However, securing major transport funding is key to providing effective access and mobility for all people whether they travel by private vehicle, bus, taxi, cycle or on foot.

Environmental Impact

The environmental impact as a result of establishing the Marches LTB is likely to be minimal. However, major transport schemes can have a significant influence on the overall perception of the quality of the physical environment. The WebTAG appraisal tool includes consideration of environmental impacts when assessing schemes for inclusion in the programme and environmental improvements are incorporated into schemes where appropriate to support the local area.

6. PREVIOUS MINUTES

Minutes from the Cabinet meeting on 6th December 2012.

7. BACKGROUND PAPERS

DfT consultation paper on Devolving Major Scheme Funding, January 2012

Telford & Wrekin Council response to the Government consultation on Devolving Major Scheme Funding

Marches LEP response to the same consultation

DfT Publication - Devolving local major transport schemes: Next steps, September 2012

Report prepared by Geoff Kitching - Transport Planning Team Leader & Keith Harris - Highways Interim Service Delivery Manager

CABINET

Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 28th February, 2013 at 5.00 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington, Telford

PUBLISHED ON WEDNESDAY, 6th MARCH, 2013

(DEADLINE FOR CALL-IN: MONDAY, 11th MARCH, 2013)

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

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

CB-98 MINUTES

RESOLVED – that the minutes of the meeting of the Cabinet held on 31st January 2013 be confirmed and signed by the Chairman.

CB-99 APOLOGIES FOR ABSENCE

None

CB-100 DECLARATIONS OF INTEREST

None

CB-101 FINANCIAL MONITORING 2012/13

Key Decision identified as **Financial Monitoring 2012/13** in the Notice of Key Decisions published on 30 January 2013.

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Finance, Audit & Information Governance, which provided Members with the latest financial monitoring information for 2012/13.

Revenue spending was projected to be within budget at year end, which within the context of having to make savings of £19m, was a very positive position. Since the last report to Cabinet in January 2013, the service overspend had increased by £0.134m. The 2013/14 Service & Financial Planning Strategy proposed that £2.5m be carried forward to create a one-off contingency to support next year's budget, and this was now included in the overall position. The remaining unused contingency was projected to be £1.97m. There were still a number of significant pressures on the budget,

including the cost of Children in Care placements and use of agency staff in the Safeguarding service (projected variation of £3.1m overspent); the cost of Adult Care and Support services following withdrawal of PCT funding (projected net overspend of £0.304m); and the cost of Specialist Education (projected net overspend of £0.539m), along with income shortfalls of £1.5m relating to a number of services. Projected variances of over £0.100m for individual service delivery units were detailed in the report. There were benefits from active treasury management, a one-off refund of £0.351m from the Government in relation to academies funding, and savings against employee budgets relating to vacant posts totalling £1.9m.

The capital programme totalled £79.7m, which included approved changes for slippage and new approvals. Spend was currently standing at 51%, which was broadly in line with previous years. Robust programme management and monitoring was in place to ensure schemes were delivered. The capital programme over the next few years relied on a significant amount of capital receipts as part of its funding, and the position was being closely monitored. Total receipts over the medium term were currently on track, although receipts for 2012/13 were lower than budgeted. This could be accommodated within the lower than budgeted projected spend.

Collection levels for Council Tax and Sales Ledger debt were behind target, while NNDR income was ahead of target at the end of December 2012.

Councillor W.L. Tomlinson (Liberal Democrat/Independent Group Leader) referred to the continuing concern at the overspend in children's services, and suggested that the formal scrutiny arrangements for Children & Young People services could be separated, so that one group focussed on the financial and qualitative issues around safeguarding and children in care, while another group dealt with other issues such as the BSF Programme. In response, Councillor P.R. Watling, Cabinet Member for Children, Young People & Families, advised that a cross party/agency corporate parenting/monitoring group was already in place. However, involvement and engagement in this issue was welcomed, and the suggestion could be explored with the Chair of the Scrutiny Management Board and other relevant Members/officers.

RESOLVED –

- (a) that it be noted that 2012/13 revenue spend is currently projecting to be within budget at year end;**
- (b) that the position in relation to capital spend be noted;**
- (c) that it be noted that collection rates are currently ahead of target for NNDR, and behind target for council tax and sales ledger.**

CB-102 SERVICE & FINANCIAL PLANNING 2013/14 - 2015/16

Key Decision identified as **Service & Financial Planning 2013/14 – 2015/16** in the Notice of Key Decisions published on 30 January 2013.

Recommendation to Council- not subject to Call-In

Councillor W.A.M. McClements, Cabinet Member for Resources & Service Delivery, 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 Environment & 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 2013/14 as well as savings proposals to be delivered over the next three years, and a medium term capital programme. He thanked Officers for preparing the budget against a backdrop of such financial constraint, and thanked 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 £40m in real terms, reduced income from having a relatively low council tax, increasing numbers of older people needing adult care services, the impact of the PCT's withdrawal of funding for Continuing Healthcare cases and the resulting costs on the Council, the impact of the economic recession and inflation, and the repayment of debt incurred in respect of past capital investment decisions.

The report also outlined the actions already being taken to meet the financial challenges, including reducing the number of senior managers, cost savings of 35% in "back-office" functions, a strong focus on procurement to deliver savings, a rationalisation of operational buildings across the Borough, and the provision of services through shared or partnership arrangements with other local authorities and agencies. Following publication of the Cabinet's budget proposals in January 2013, there had been extensive consultation via a wide range of media and settings to involve local people and allow them to express their views. In total, 1,539 people 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 2013/14, and the forecast budget gap for 2013/14 was restated to £7.106m to reflect this and other changes. As reported in the Financial Monitoring item earlier on the agenda, the overspend on children's safeguarding had risen to £3.1m, and it was considered prudent to create a one-off additional budget contingency of £1.3m for safeguarding, following robust modelling of the projected costs based on the latest placement information and the likely impact that the

Safeguarding and Early Help Cost Improvement Plan would have on identifying savings. The funding would only be released following a review and approval process by Cabinet. It was also anticipated that further redundancy costs would be incurred during 2013/14 as a result of the on-going need for savings, and it was therefore being recommended that £1.219m be transferred to the severance fund.

In terms of council tax, the consultation on the budget strategy had indicated broad support for a moderate, below inflation increase in order to reduce the levels of cuts to services. It was therefore proposed to increase council tax by 1.9% for 2013/14. The Government had offered a short-term grant if council tax was frozen, but it was considered that the soundest option was to decline this offer in order to make the budget more sustainable over following years.

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 £287.306m 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 2013/14, 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 2013/14. The Strategy was set within the parameters of the latest guidance and accounting standards. It was expected the Council would borrow £3.4m in 2013/14 and would adopt a flexible approach, with consideration given to affordability, maturity profile of existing debt, interest rate and refinancing risk, as well as borrowing source. 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 2012/13. The weighted average return on internal investments at the end of December 2012 was 3.9% compared to a benchmark return for the period of 0.51%.

The report on Prudential Indicators sought approval of the prudential indicators for 2013/14 to 2015/16 required under the Prudential Code of Capital Finance in Local Authorities.

Recommendations by Cabinet would be considered at full Council on 7th March 2013 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 2013/14.

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 recognised the challenge that was faced in setting the budget in the context of unprecedented cuts to the Council's grant funding. The Committee welcomed a number of the proposals within the budget strategy, including the generation of additional income and co-operative working with partners to deliver services that might otherwise be under threat. In relation to the overspend on children's services, the Committee had raised concerns, which were detailed in the appended paper, but were satisfied that there was a robust plan and monitoring in place to address this. There had also been good work within Adult Social Care to reduce costs.

The Main Opposition Group Leader Cllr A.J. Eade was invited to comment on the Cabinet's budget proposals. He accepted that the Council was facing a difficult financial position, and welcomed the proposals to attract businesses to the Borough and the continuing investment in Southwater and the Ironbridge Gorge. However, he was strongly opposed to the decision not to freeze Council tax using the one-off grant funding from central Government, and highlighted continuing concern at the deficit in children's services and the impact that could have on the delivery of other services.

Councillor W.L. Tomlinson, Liberal Democrat/Independent Group Leader, was then invited to comment on the budget proposals. On balance, he supported the proposed Council Tax increase, which would help to protect services, and generally welcomed the main budget proposals.

During the ensuing debate, Cabinet members referred to the likely impact on local people of further Government cuts in welfare/benefits (including the "bedroom tax"), and the further strain this could place on Council services. Reference was also made to examples of co-operative working in the Borough that were now gaining national recognition, and the benefits that the 3 year core grant settlement would bring to the voluntary sector.

RESOLVED – to RECOMMEND to COUNCIL on 7th March 2013:

(i) Overview and Revenue Budget 2013/14 – 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 an increase of 1.9% in council tax levels in 2013/14 (32 pence per week for the average property in the Borough) and a strategy**

of increasing council tax by 1.9% in the following two years in order to maintain financial stability and to help protect the delivery of front-line services be approved;

- (d) that the creation of a £1.3m contingency fund to offset pressures in the safeguarding budget, and potentially the adult services budget following the transfer of young people to semi-independent living be approved. This contingency to be held centrally and only allocated after consideration by Cabinet;**
- (e) that the 2013/14 net savings package of £8.611m detailed in Appendix 3, and the savings proposals set out in the appendix for future years, be approved;**
- (f) that the transfer of £1.219m to the severance fund as detailed in the report be approved;**
- (g) that the earmarking of £2.5m underspends in 2012/13 as a one-off budget contingency for 2013/14, as detailed in the financial monitoring report at minute 101 above, be approved. This amount may be increased further should the Council underspend at the end of 2012/13 as currently projected;**
- (h) that the Education budget position set out in section 18 of the report be noted;**
- (i) that the statement of the Chief Finance Officer in section 11 (supported by Appendix 14 outlining the robustness of the Budget Estimates and the Adequacy of Reserves) be approved;**
- (j) that the policy framework for Reserves and Balances outlined in Appendix 10 of the report be approved;**
- (k) that the revenue implications of the medium term capital programme for the period 2012/13 - 2015/16 set out in the Capital Programme report be noted;**
- (l) that the Council's Pay Policy Statement, as shown at appendix 11 of the report, be approved;**
- (m) that, subject to the savings proposals being accepted, the updated Care & Support Community Care Policy & Procedure Document shown at Appendix 12b (amended to reflect the savings) be approved;**
- (n) that the Impact Assessments contained in Appendices 4a to 4d be noted;**
- (o) that the Safeguarding and Early Help Cost Improvement Plan contained in Appendix 2 be approved;**

- (p) that the Care & Support savings proposals and Public Health budget proposals contained in Appendices 12a, 13a and 13b be approved;
- (q) that Telford & Wrekin's global Local Council Tax Support scheme reduction be confirmed at 21% in line with the provisional agreement at full Council in November 2012;
- (r) that a one-off sum of £0.065m should be earmarked to award discretionary discounts in cases of extreme financial hardship arising from the introduction of the LCTS scheme;
- (s) that the deferment of auto-enrolment in the local government pension scheme for existing employees until 30th September 2016 be approved;
- (t) that authority be delegated to the Managing Director, after consultation with the Leader and the Cabinet Member for Resources & Service Delivery, to approve any expenditure to be funded from the £1m Capital "Commercial and Business Fund" and the £0.15m "Destination Telford" revenue budget;
- (u) that, in recognition of our valued relationship with Town and Parish Councils and in line with our cooperative working principles, the full amount of LCTS grant attributable to Town and Parish Councils is passed on to them, reflecting the incidence of LCTS scheme claimants. In future years, the quantum of the grant to be devolved will be changed in line with the year on year percentage change in the Council's Revenue Support Grant and the allocation between Town & Parish Councils will be updated annually to reflect changes in the incidence of LCTS scheme claimants;

(ii) Capital Programme

- (a) that the Capital Programme and associated capital estimates and variations for 2012/13 and 2013/14 – 2015/16, which incorporate the Capital Strategy, the Planned Building Maintenance Programme, the Asset Management Plan and the three year Highways & Transport capital investment programme, be approved.

(iii) 2012/13 Treasury Strategy and Treasury Update

- (a) that the treasury management activities for the first half year be noted;
- (b) that the updated Treasury Management Policy Statement, as shown at Appendix A of the report, be approved;

(c) that the Treasury Strategy, including the Annual Investment Strategy for 2013/14, together with the associated Treasury prudential indicators and the Minimum Revenue Provision Statement, be approved.

(iv) **Prudential Indicators**

(a) that the prudential indicators for 2013/14 to 2015/16, as set out in the report, be approved.

RESOLVED – that authority be delegated to the Assistant Director: Development, Business & Housing to deliver the planned programme of works within the Asset Management Plan, and to the Assistant Director: Environmental & Leisure Services to deliver 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.

CB-103 DRIVING DELIVERY OF THE COUNCIL'S PRIORITIES – 9 MONTH POSITION

Non-Key Decision

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Managing Director which presented a review of performance against the Council's priorities at 9 months (April – December).

Appended to the report was a detailed breakdown of performance against a basket of measures adopted for each priority area. For some indicators, data would not be available until the end of the year. Among the headline messages were a continued fall in recorded crime and anti-social behaviour; confirmation of the continued progress in educational attainment (particularly at 5 GCSE A*-C which was now above the national average); another reduction in teenage pregnancy rates; and the overall level of unemployment continuing to fall and now being close to the national average. However, youth unemployment continued to be a concern – although the latest data showed a marginal improvement. For key children's social care measures, there were areas of good performance, but in some areas (such as rate of children in care) performance was poor and detailed work was being undertaken to improve the position.

RESOLVED – that the performance analysis contained in the report be reviewed to identify areas where further improvement or a greater emphasis on performance is required.

Non-Key Decision

Councillor S. Davies, Cabinet Member: Neighbourhood Services & Co-operative Council, presented the report of the Managing Director, which updated Members on the progress that had been achieved over the previous 6 months in putting co-operative working into practice, as well as setting out plans to develop the approach in future.

The report included updates on a number of the Adopter Projects for co-operative working, including Family Connect (single point of contact for children and family services), establishment of an Employment and Learning Partnership covering Brookside, the employment of 100 apprentices within the Council, £230k from the Small Business Loans Fund loaned to 7 local businesses, the opening of the Business & Planning First Point reception at Wellington Civic Offices, and the development of Parish Environmental Teams.

Another adopter project that had been developed over the last 6 months was the Telford Loyalty Card (TLC), which was designed to encourage more people to 'shop local'. TLC would replace and enhance the Council's existing Flex card and would offer card-holders discounts on Council leisure activities and participating businesses. It was proposed to launch TLC in April 2013, with cards distributed via "Your Voice" to every household in the Borough, significantly increasing access to and potential uptake of discounted leisure activities. There would be two main sponsors – AFC Telford and Telford College of Arts & Technology – who would contribute a total of £10,000 towards the costs associated with the proposed scheme. Nearly 50 local businesses were already signed up to the scheme.

The report also summarised the work to date of the Co-operative and Employee Commissions - and the next steps for these groups, and also latest developments in partnership working.

Councillor A. McClements, Chair of the Co-operative & Community Scrutiny Committee, reported on the work the Committee had undertaken in looking at the priority for a business winning council. The Committee had recommended the setting-up of a First Point for Business, and it was pleasing that this had now been established at the Wellington offices. The Committee would continue to monitor progress on various initiatives, and was also about to start work on looking at how co-operative values were embedded within the organisation.

RESOLVED –

- (a) that the progress in delivering the Co-operative Council Work Programme be noted;**
- (b) that the launch of the Telford Loyalty Card, as set out in Section 4.1 of the report, be approved.**

Key Decision identified as **Invest in Telford** in the Notice of Key Decisions published on 30 January 2013.

Councillor C.F. Smith, Cabinet Member: Housing, Regeneration & Economic Development, presented the report of the Assistant Director: Development, Business & Housing setting out proposed actions to establish Telford as the destination of choice for development and business investment in the region.

The report outlined the work and achievements following the adoption of the Business & Development Charter in June 2012. In order to continue to drive the Council's strategy for growth, it was proposed to strengthen the Charter by extending the pledges with a focus on ensuring developmental viability. The revised Charter was appended to the report. Other proposed changes within the Charter related to improving the efficiency of the planning process by increasing officer delegation of planning decisions. This would provide quicker resolutions for investors. In relation to planning obligations such as commuted sums and affordable housing, it was proposed to publish a Development Management Guidance Note – a copy of which was appended to the report – to help potential investors.

The Borough's offer would be further enhanced by a new Business Support Service. Among other things, the new Service would offer account management to businesses from Business Support Officers, solutions to meet business needs, 'Open for Business' events, such as the recent Telford Business Summit attended by over 100 businesses.

Councillor A.J. Eade (Conservative Group Leader) welcomed much of the report, although the support being offered should also be available to existing local businesses as well as new ones. The holding of land in the Borough by the Homes & Communities Agency was still a key issue, and it was felt the Council should link more with the Black Country Local Enterprise Partnership (LEP). In response, the Cabinet Member advised that existing local businesses were not excluded from using the enhanced "one-stop shop" business support services, and that contacts and co-operation were maintained with the Black Country LEP.

RESOLVED –

- (a) that the measures and changes set out in the report be approved;**
- (b) that Plans Board be commended to approve the changes set out in the report to the scheme of delegation to officers in relation to the determination of planning applications;**

- (c) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member: Housing, Regeneration & Economic Development, to further expand the Business & Development Charter and introduce a Development Management Guidance Note for Planning Obligations, as outlined in the report;
- (d) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to seal or sign any documents necessary to give effect to the above resolutions.

CB-106 TIMETABLE FOR SHAPING PLACES LOCAL PLAN – LOCAL DEVELOPMENT SCHEME

Key Decision identified as **Timetable for Shaping Places Local Plan: Local Development Scheme** in the Notice of Key Decisions published on 30 January 2013.

Councillor C.F. Smith, Cabinet Member: Housing, Regeneration & Economic Development, presented the report of the Assistant Director: Development, Business & Housing concerning the timetable for preparing a new Local Plan, which would bring forward planning policies to support the growth and development of the Borough.

There was a statutory requirement for the Council to publish a “Local Development Scheme” (LDS), which set out a programme for the preparation of development plan documents over the period 2013 – 2015. A copy of the proposed Scheme was appended to the report. The document was in two parts – the first part describing the context, the documents to be prepared and current statutory policies in place, while the annex contained a detailed timetable for production of the Shaping Places Local Plan. The new document replaced a previous version of the LDS published in 2009, and reflected recent significant changes in national planning policies and processes.

The Shaping Places Local Plan would require public examination by a government-appointed inspector, and to be found sound, the Plan had to be prepared in accordance with the timetable set out in the Local Development Scheme. Once approved the LDS would be available via the Council’s website.

RESOLVED –

- (a) that the Local Development Scheme, as shown at Appendix 1 of the report, be approved;
- (b) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member: Housing, Regeneration & Economic Development, to amend the Annex to the Local Development Scheme in order to reflect minor changes to the programme.

**CB-107 DISCRETIONARY HOUSING PAYMENT AND COUNCIL TAX
SUPPORT HARSHIP ASSISTANCE POLICY**

Key Decision identified as **Discretionary Housing Payments and Council Tax Support Exceptional Hardship Payment Policy** in the Notice of Key Decisions published on 30 January 2013.

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Customers & People which sought approval for a revised policy on Discretionary Housing Payments (DHP) and the new Council Tax Support Hardship Assistance. A copy of the new document was appended to the report.

The Council's existing policy on discretionary payments to provide financial assistance towards housing costs had been reviewed in the light of the Government's welfare reforms, which introduced a number of changes such as abolition of council tax benefit and the introduction of an overall benefit cap. The new policy included guidelines on the length of award, including the recognition that due to changes in legislation it might be necessary to make long-term awards of up to 12 months. The revised policy would also allow consideration for one-off housing costs such as deposits in exceptional circumstances. It was anticipated that demand on the DHP budget in 2013/14 would exceed the funding provided by the Department for Work & Pensions, and so it was important that awards were made to those with the greatest need and who had limited ability to take steps to reduce their financial hardship.

From 1 April 2013, Council Tax Support replaced the national Council Tax Benefit scheme, and it was estimated that customers in receipt of the new Support would receive 21% less than they did under the previous scheme. It was anticipated that the cut in support to individuals to help them pay their Council Tax would have a significant impact, and Council had committed £65k of funding to an Exceptional Hardship Fund to aid and assist the most impoverished claimants. The principles of the scheme had also been approved by Council, and were now incorporated within the Policy.

The report outlined the consultation that had taken place with stakeholders and interested parties, as well as feedback on the draft policy from the Co-operative & Community Scrutiny Committee.

The Cabinet Member added that it was difficult to predict the pressures and demand on these schemes, and the situation would be monitored on a monthly basis.

RESOLVED –

- (a) that the revised Discretionary Housing Payment and new Council Tax Support Hardship Assistance Policy, as shown at Appendix A of the report, be approved;**
- (b) that the delegated authority for decision making on appeals as outlined in both Policies be approved;**
- (c) that the concerns raised by the Co-operative & Community Scrutiny Committee that the £65k Council Tax Support Hardship funding set aside by the Council may not meet demand, and that the position be kept under review, be acknowledged. If necessary, the Cabinet Member for Resources & Service Delivery will be requested to approve use of part of the corporate budget contingency to supplement the resources available, which will be reported to Cabinet as part of regular financial monitoring and 12 month review of the new scheme.**

CB-108 MARCHES LOCAL TRANSPORT BODY

Non-Key Decision

Councillor H. Rhodes, Cabinet Member: Transport & Community Protection, presented the report of the Assistant Director: Neighbourhood & Leisure Services regarding further arrangements for the establishment of the Marches Local Transport Body (LTB).

Cabinet, on 6 December 2012, approved the Council's role in the establishment of an LTB as the delivery vehicle for the devolvment of major transport scheme funding beyond 2015, and appointed two Cabinet Members to the new Board. Since then, the Marches Local Enterprise Partnership had indicated that it did wish to become a member of the LTB, and this meant that the LTB would need to be set-up as an informal partnership rather than a joint committee between Telford & Wrekin, Shropshire and Herefordshire. Further information on the revised structure was detailed in the report.

Following further discussions with the other two Authorities, it had been agreed that Telford & Wrekin would act as the accountable body for the Marches LTB. The primary role would be to hold the devolved funding and to make payments to delivery bodies. The Department for Transport (DfT) had also circulated further information to help authorities complete the LTB assurance framework, which meant that the Marches LTB framework could not be completely signed off by the three Councils by the submission deadline. However, the DfT were content to receive further clarification and detail after the deadline.

RESOLVED –

- (a) that the changes to LEP membership and to the establishment of a Marches Local Transport Body as an informal partnership be noted;
- (b) that it be noted that Telford & Wrekin Council will perform the accountable body role for the LTB;
- (c) that authority be delegated to the Assistant Director: Neighbourhood & Leisure Services, in consultation with the Cabinet Members for Transport & Community Protection and Housing, Regeneration & Economic Development, to finalise the assurance framework for the Marches LTB;
- (d) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to agree and execute all necessary documentation to give effect to the resolutions above.

CB-109 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 Schedule 12A of the Local Government Act 1972.

CB-110 ACQUISITION OF EMPLOYMENT LAND AND PROPERTY AT HADLEY PARK EAST, TELFORD

Key Decision identified as **Acquisition of Employment Land and Development of Commercial Property at Hadley Park East** in the Notice of Key Decisions published on 30 January 2013.

Councillor W.A.M. McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Development, Business & Housing which sought approval for the acquisition of 0.42 acres of employment land and the development of commercial property at the Hadley Park East designated employment site.

It was proposed to acquire and develop the site in order to facilitate the re-location to a larger site of an existing office/warehouse facility owned by an international company. This would safeguard 18 jobs and create a further 20, and strengthen the PIP through investment in new property. The Council would work with a local contractor (McPhillips Ltd) to construct the new purpose-built facility, and planning permission had been secured. The report provided details of the purchase of the freehold interest in the land; the proposed construction contract with McPhillips Ltd to deliver the new development; and the proposed terms for a lease agreement with the company concerned once the development had been completed.

RESOLVED –

- (a) that the acquisition of employment land extending to 1.04 acres (0.42ha) and completed commercial development, to be held as part of the PIP, be approved;
- (b) that the requirement contained in the Council's Contract Procedure Rules to obtain four tenders be waived, and that the appointment of local contractor McPhillips (Wellington) Ltd to construct the new commercial property for the Council's PIP be approved;
- (c) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member: Housing, Regeneration & Economic Development, to enter into any contracts required for the delivery of the commercial development;
- (d) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to seal or sign any documents required to give effect to the resolutions above.

CB-111 RETENTION AND REFURBISHMENT OF THE BUSINESS DEVELOPMENT CENTRE, TELFORD

Key Decision identified as **Retention and Refurbishment of the Business Development Centre** in the Notice of Key Decisions published on 30 January 2013.

Councillor C.F. Smith, Cabinet Member: Housing, Regeneration & Economic Development, presented the report of the Assistant Director: Development, Business & Housing concerning the retention, and investment in, the Business Development Centre (BDC) to deliver an enhanced facility.

The BDC located on Stafford Park Industrial Estate provided 88 individual office and industrial sub-divided units available for lease, as well as conference facilities for hire. There was currently a high void rate due to the poor condition of some of the units, despite strong demand for such premises. To address these problems, it was proposed to refurbish the BDC internally and externally with a view to attracting small and medium high-end manufacturing and engineering businesses. Further details of the proposed works were provided in the report, as well as the financial implications. It was proposed that the Council's financial contribution to the works be funded in part by the sale of one unit that was separate to the main facility. The balance of the investment was being sourced from the West Midlands ERDF Programme, subject to the submission of a detailed application for funding.

Members welcomed the proposals, which would help further the Council's priority to support new and existing businesses and to generate economic growth and jobs.

RESOLVED –

- (a) that the investment in the internal and external refurbishment of the BDC, and a rebranding of the facility as detailed in the report;
- (b) that approval be given to entering into an agreement for ERDF Priority 3 joint funding, subject to the terms being agreeable, and the expenditure of this funding on enhancements to the BDC, should a detailed application for funding be successful;
- (c) that authority be delegated to the Assistant Director: Development, Business & Housing, in consultation with the Cabinet Member: Resources & Service Delivery, to negotiate and agree terms for the sale of Unit B4, with the capital receipt to be reinvested in the refurbishment of the remaining units;
- (d) that authority be delegated to the Assistant Director: Law, Democracy & Public Protection to seal or sign any documents required to give effect to the resolutions above.

The meeting ended at 6.49 pm.

Signed for the purposes of the Decision Notices

Jonathan Eatough
Assistant Director: Law, Democracy & Public Protection
Date: 6 March 2013

Signed:

Date: