BOROUGH OF TELFORD & WREKIN

Minutes of a meeting of the Borough of Telford & Wrekin held on Thursday, 23 January, 2014 at 6.30 p.m. at The Refectory, TCAT, Wellington, Telford.

PRESENT:

Councillors R.K. Austin, S. Bentley, K.T. Blundell, F.M. Bould, S.P. Burrell,E.A. Clare, D.G. Davies (Speaker),S. Davies, N.A. Dugmore, A.J. Eade, N.A.M. England,A.R.H. England, R.C. Evans, I.T.W. Fletcher, V.A. Fletcher, G.M. Green, E.J. Greenaway, K.R. Guy, T.J. Hope,M.B. Hosken, M.G. Ion,A.S. Jhawar, R.T. Kiernan, A. Lawrence, J. Loveridge, C.N. Mason, A.A. Mackenzie,A.D. McClements, W.A.M. McClements, A.A. Meredith, J.C. Minor, C.P.R. Mollett, L.A. Murray (Mayor),R.A. Overton, F.R. Picken, J. Pinter, G.C.W. Reynolds, S.A.W. Reynolds, H. Rhodes, K.S. Sahota (Leader), J.M. Seymour, R.J. Sloan, C.F. Smith, M.J. Smith, A.J. Stanton, B.J. Thompson, K.L. Tomlinson, W.L. Tomlinson, C.R. Turley, P.R. Watling and D.R.W. White.

57. MINUTES OF THE COUNCIL

RESOLVED – that the minutes of the Council Meeting held on 21 November 2013, be confirmed and signed by the Mayor.

58. APOLOGIES FOR ABSENCE

Councillors Eric Carter, Clive Elliott and Roy Scammell.

59. DECLARATIONS OF INTEREST

Councillor Keith Austin declared a personal interest in agenda item8 (i) the Community Partnership Safety Plan.

60. LEADER'S REPORT & ANNOUNCEMENTS

a) Leader's Report

The Leader, on behalf of the council, wished Police & Crime Commissioner Bill Longmorea speedy recovery from his recently diagnosed illness. Government grant reductions meant that the council needed to make a further £22m in savings on top of £51m already saved since 2010. Services would be affected. Two thirds of the council's expenditure was in Adult Social Care and Children& Young People. Cuts to service users would be minimised with only £1.8m of proposed £10.5m cuts in the Adult Social Care budget directly affecting service users. The Leader urged people to take part in the ongoing budget consultation process. Proposals included plans to freeze Council Tax for two years.

Economic activity in the Borough had increased by 3.7% according to ONS figures; this was double the West Midlands average. The administration had made youth unemployment a priority and a Partnership for Jobs Fair was due to take place in

March. Pride in our Community would increasingly become a priority, improving the Borough’s environment, including regeneration activities targeting town and district centres across the Borough. Youth unemployment and Pride in our Community were the two key investment priorities for the budget and would benefit from £15m one off funding. The solar farm exhibition had recently taken place successfully and been well attended. Two major planning applications had been submitted which could give Telford the opportunity to become the defence gateway for the Ministry of Defence logistics operation. The Minister for Healthhad recently acknowledged the Council’s campaign to maintain round the clock Accident and Emergency cover at the Princess Royal Hospital. The Leader would continue to press for a full response on this matter.

61. MAYOR’S ANNOUNCEMENTS

Announcements

Members received the report of Mayoral engagements undertaken since the last meeting of the council on 21 November.

The Mayor began by asking Members to note that it was the first anniversary of the first live broadcast of Full Council meetings by members of the community who run the local website Lightmoor Life. On behalf of all members the Mayor thanked the team for their work. The Mayor asked Members to note his attendance at recent events. He drew attention to a number of events that he had particularly enjoyed.

62. PUBLIC QUESTIONS

The following public questions had been received under Council Procedure Rules 7.11 and 7.12.

a) Mr. Mike White, on behalf of Haygate Residents Group, asked the following question of the Leader of the council:

“Why has the Council not been proactive in its approach to the planning of housing over the last year, and what specifically will the Council do within the next 3 months to protect the vulnerable green field sites across the Borough from speculative development?”

Councillor Sahota replied that council’s across the country were finding difficulties with this issue but that it was unfair to say that the council was not proactive in its approach. The government had changed the rules because it wanted to increase the supply of new homes. There was a presumption in support of sustainable development and Planning officers made recommendations with government guidelines.

b) Mr Stuart Parr asked the following question of Councillor Arnold England, Cabinet Member: Leisure & Wellbeing:

“Without Social Services’ support, many carers will be unable to continue to care for loved ones at home. The planned cuts to the adult social care budget will result in more adults needing full time professional care in care homes at the council’s expense.

How much is care home use expected to rise and what is being done to ensure there is adequate provision?

Councillor England replied that following £50m cuts in government funding, reductions were having to take place in every part of the council. The council had no option but to make reductions in care expenditure but wherever possible not directly affecting the service to care users. Efficiencies were being sought in what the council paid to care service providers. The Clinical Commissioning Group were being lobbied to provide an increased contribution to continuing healthcare. Unless more funding was provided then the council would have less to spend on residential care or care for people in their homes.

c) Lucy Allan asked the following question of Councillor Kuldip Sahota, Leader of the Council:

Telford is a great place to live with fantastic quality of life; I’m proud of my community.

Please could the Leader explain why the Council is to make £22m of cuts in services for the most vulnerable, but at the same time spend £14m on the aesthetics of the town?

Councillor Sahota replied that reductions had been forced by government budget cuts. Only 8% of these cuts would directly affect vulnerable service users. Neighbouring Shropshire council had been faced with the same stark budget reductions and had been forced to make cuts to Adult Social Care budgets.
The Leader agreed Telford was a great place to live and pointed to budget plans for a £15m investment in environment and residents. This investment aimed to make the Borough an even better place to live for the whole community and would help to attract businesses and investment in to the area.

63. CABINET DECISIONS MADE SINCE THE LAST MEETING OF THE COUNCIL

Members received the report on the Cabinet decisions made since the last meeting of the Council on 21 November 2013.

Councillor Bill Tomlinson asked whether ward councillors had been consulted on item 2.1.7 (Disposal of land) of the Cabinet report. Councillor Bill McClements, Cabinet Member: Resources & Service Delivery confirmed that ward members had been consulted.

A series of questions were asked of Councillor Charles Smith, Cabinet Member: Housing, Regeneration & Economic Development on item 2.2.6 (Shaping Places) of the Cabinet report. A number of questions asked about progress of the local development plan and the level of development in the Borough. Councillor Smith responded that there would be a finalised Shaping Places local plan in place by 2015.

64. RECOMMENDATION FROM CABINET

a) Community Safety Partnership Plan

Councillor Hilda Rhodes, Cabinet Member: Transport & Community Protection, presented the report of the Assistant Director: Family & Cohesion Services. The report outlined the requirements for a plan and a draft plan was attached.

Following a vote it was:

RESOLVED – that the Community Safety Partnership Plan 2013-2016 be approved.

b) Council Tax Support Scheme 2014/15

Councillor Bill McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Customers & People which set out the 2014/15 Council Tax support scheme.

Following a vote it was:

RESOLVED – that

a) the Council Tax Support Scheme policy for 2014/15, which remains unchanged from the scheme approved by Full Council on 22 November 2012, with the exception of the technical and legislative amendments that are necessitated each year by Government, be approved; and

b) the carry-forward of the remaining funds in the Council Tax Support Exceptional Hardship Policy be approved, to allow it to operate for a further year.

c) Financial Monitoring 2013/14

Councillor Bill McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Finance, Audit & Information Governance (CFO) which showed overall revenue spending projected to be within approved budgets and provided an update on progress on capital programme spending. The report also highlighted some new capital allocations, slippage and virements which required council approval.

Following a vote it was:

<u>RESOLVED</u> – that the new allocations, virements and slippage relating to capital spend and receipts be approved.

65. SETTING OF THE COUNCIL TAX BASE FOR 2014/15

Councillor Bill McClements, Cabinet Member: Resources & Service Delivery, presented the report of the Assistant Director: Finance, Audit & Information Governance (CFO) which determined the Council Tax Base for general and special fund purposes for the financial year 2014/15.

In response to a question from Councillor Ian Fletcher, Councillor McClements agreed to provide a copy of the detailed parish calculations.

Following a vote it was:

<u>RESOLVED</u> – that:

a) **the calculation of the tax base for 2014/15 as at paragraph 5.6 and Appendix 1 be approved; and**

b) **in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 2012 (SI 2012:2914), the amount calculated for Telford and Wrekin Council Tax base for 2014/15 for its Special Fund Area shall be as per the appropriate parish amounts detailed in Appendix 1 for the parishes listed in paragraph 5.7.**

66. MINUTES OF BOARDS & COMMITTEES

Council noted the resolved minutes of Boards and Committees:

Budget & Finance Scrutiny Committee	22 October
CYP Scrutiny Committee	23 September
Health & Wellbeing Board	13November
Licensing Committee	1 November
Planning Committee	6 November, 4 December, 11 December & 18 December
Standards Committee	19 November

67. QUESTIONS

The following Questions were asked in accordance with Council Procedure Rule 10:

1. Councillor Andrew Eade asked the following question of Councillor. Kuldip Sahota, Leader of the council.

   Could Councillor Sahota advise the council if he intends to repeat the T-Live Party/T Party event or similar event in the Town Park this year?

   Councillor Sahota replied that yes there would a similar event.

   Councillor Eade asked if Councillor Sahota was aware that the true cost, including spend of a government grant, was £121k and did he think this was good value?

   Councillor Sahota replied that he was aware of the cost and that the event had generated £600k additional spend in the local economy. 8000 people had attended the T Party and 3200 T Live. The event had further promoted Telford and the image of the town to potential visitors.

2. Councillor Stephen Bentley asked the following question of Councillor Charles Smith, Cabinet Member: Housing, Regeneration & Economic Development

   Will Councillor Smith explain the timetable leading to the adoption of the Council's development policies as specified in "Shaping Places" and concede it was a severe error of judgement to abolish the DPSG who were at the time working towards a set timetable?

   Councillor Smith replied thata Shaping Place local plan would be in place by 2015. Consultation and engagement were taking place and so far 2000 responses had been received. Regarding the Development Plan Steering Group (DPSG) Councillor Smith noted that the previous administration had removed cross party representation on this group. The current process of taking reports to Cabinet and Council was more transparent.

   Councillor Bentley asked if Councillor Smith would take personal responsibility.

   Councillor Smith replied no.

3. Councillor Stephen Bentley asked the following question of Councillor Hilda Rhodes, Cabinet Member: Transport & Community Protection.
   Would Councillor Rhodes agree that transport and accessibility in the Borough are key factors and essential to the success of our Borough economy?

Councillor Rhodes replied yes.

4. Councillor Stephen Burrell asked Cllr. Kuldip Sahota, Leader of the council the following question.

   Would the Leader confirm the average saving for each Council Tax payer as a result of the Administration's decision to accept the grant from central Government allowing the welcome freeze in Council Tax for local residents over the coming two years?

   Councillor Sahota replied that he would defer this answer to Councillor Bill McClements who had responsibility for Finance.
   Councillor McClements replied that this would be £1.45 per month next year and £3 per month for the second year.

   Councillor Burrell asked why, by not previously freezing council tax, £2.2m had been taken from the pockets of local council tax payers.

   Councillor McClements replied that the government's policy on freezing council tax had been poorly planned and it had not previously been clear whether funding would be ongoing. The government had finally confirmed the situation this year. £1.8m funding for Adult Care was in place that would not be available if council tax had been frozen.

5. Councillor Stephen Bentley asked the following question of Councillor Charles Smith, Cabinet Member: Housing, Regeneration & Economic Development.

   As our Rural areas and green space throughout the borough are now under severe threat and diminishing because of a lack of Council planning policies, would you agree that we need to directly support local communities?

   Councillor Smith replied that there was no lack of policies and that the current situation resulted from the government's National Planning Policy Framework which had taken control away from local councils. This was a national issue not a local one.

   Councillor Bentley then asked if a levy per unit would be introduced to benefit the local community.

   Councillor Smith replied that this issue was not related to the original question.

6 Cllr Gilly Reynolds asked the following question of Cllr Shaun Davies:, Cabinet Member for Neighbourhood Services, Employment & Skills

   Can the Cabinet Member for Employment and Skills inform the council what actions the council are taking to reduce the number of young people out of work, education or training

Councillor Davies referred to the apprenticeship agenda, with over 150 places at the council. A Jobs fair was planned for March and Baron Grocott was heading a task force.

Councillor Reynolds then asked about Job Junctions in Oakengates and Ketley

Councillor Davies confirmed that this service was doubling from February with new outlets across the Borough.

7 Cllr Amrik Jhawar asked the following question of Cllr Shaun Davies:, Cabinet Member for Neighbourhood Services, Employment & Skills

Can the Cabinet Member for Neighbourhood Services confirm what capital costs are associated with the new waste contract?

The 30 minutes for questions had elapsed before this question was addressed. The Speaker advised that a written answer would be provided or that the question would be re submitted at a future meeting.

68. <u>NOTICES OF MOTION</u>

There were no notices of motion received.

The meeting ended at 8.05pm.

Mayor: ………………………..

Date: ……………………………..

B

MAYORAL ENGAGEMENTS
13th January 2014 to 16th February 2014

January	**13th**	**M**	Senior Citizens Forum Meeting at Oakengates Theatre, Oakengates, Telford
	15th	**M**	Working Together in Telford & Wrekin at Oakengates Theatre, Oakengates, Telford
	22nd	**M**	Citizenship Ceremony at the Registry Office, Wellington Civic & Leisure Centre, Wellington
	27th	**M**	Holocaust Memorial Day at The Telford Town Park Visitor Centre, Telford
	30th	**M**	Agricultural Engineering Innovation Centre Opening at Harper Adams University, Edgmond, Newport
		DM	Official Unveiling of Rare Wellington Maps at Wellington Library, Wellington
February	**4th**	**M**	Telford Dance Showcase 2014 at Oakengates Theatre, Oakengates
	6th	**M**	Commonwealth Flag Presentation at Addenbrooke House, Telford
	12th	**M**	Shropshire Homes School Sport Festival at Lilleshall National Sports & Conferencing Centre, Newport
	14th	**DM**	Re-opening of Chetwood Lounge, Dawley Social Club, King Street, Dawley
		M	Unveiling of the Experimental Aircraft Programme at RAF Museum, Cosford
	16th	**M**	Preview at ASDA Store, Telford Town Centre

C

TELFORD & WREKIN COUNCIL

COUNCIL – 27th February 2014

REPORT OF CABINET – FOR INFORMATION ONLY

MATTERS DETERMINED BY THE CABINET

1.0 INTRODUCTION

This report sets out those matters determined by the Cabinet at its meetings on 30th January 2014.

2.0 CABINET BUSINESS

Matters that have been determined by Cabinet are listed below:

2.1 30th January 2014

K 2.1.1 Better Care Fund – Health & Social Care Integration
K 2.1.2 Designation of a Neighbourhood Plan Area for Stirchley & Brookside
K 2.1.3 Voice, Data and Wide Area Network Procurement

Key	
K	= Key Decisions
NK	= Non-Key Decisions
E	= Exempt Items

C

2.0 DELEGATION OF

3.0 POWERS GRANTED BY THE CABINET

REPORT HEADING	DELEGATION GRANTED TO	DETAIL OF DELEGATION GRANTED
Better Care Fund – Health & Social Care Integration	Interim Director: Health, Wellbeing & Care	In consultation with the Cabinet Member: Adult Social Care to submit the Better Care Fund plan on behalf of the Council, subject to the required assurances being received from the Clinical Commissioning Group
Voice, Data and Wide Area Network Procurement	Assistant Director: Law, Democracy & People Services	To execute all necessary contractual documentation in accordance with the Constitution, including the affixing of the Common Seal of the Council.

LEGAL COMMENT **FINANCIAL COMMENT** **LINKS WITH CORPORATE PRIORITIES** **RISKS AND OPPORTUNITIES** **ENVIRONMENTAL IMPACT** **EQUALITY & DIVERSITY** **WARD IMPLICATIONS**	As described in each report considered by Cabinet. Copies of all reports have been previously circulated to all Members of the Council

TELFORD & WREKIN COUNCIL

COUNCIL – 27 FEBRUARY 2014

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

REPORT OF THE MANAGING DIRECTOR AND THE CHIEF FINANCIAL OFFICER

LEAD CABINET MEMBER: CLLR BILL McCLEMENTS

1. INTRODUCTION.

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

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

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

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

2. SUMMARY.

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

Freezing Council Tax for the next two years - Following the Government's change in approach to the treatment of the 2013/14 freeze grant, the projected benefits from the Council's growth strategy and to recognise the severe pressure placed on many local people by the Government's welfare reforms and cost of living increases and the significant level of support for this proposal (Overall 62.3% of the 2,179 people responding to this question supported this proposal).

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

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

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

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

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

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

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

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

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

Lobbying for a fair deal –

(i) The Council is also lobbying Government for a "Growth Deal" to ensure that more of the proceeds from the sale of Government land in the Borough is invested back in the Borough and for more than 49% of the business rates generated in the Borough to be retained by the Council in order to help the Council deliver growth in homes and businesses that are central to the Government's economic plans.

(ii) Councils are losing income from some businesses that abuse Business Rates exemptions – we will lobby Government for changes in the law to end this abuse.

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

The provisional Local Government Finance settlement was announced on18th December and the final settlement for 2014/15 was announced on 5th February 2014. As part of this final settlement announcement, the referendum threshold for council tax increases was confirmed by the Government at 2%. The net impact of the changes in the final funding settlement resulted in a gain of £0.01m for the Council. This will be transferred to the inflation provision to help meet the costs of a likely increase in insurance premia that we have been advised to expect since the initial report was prepared for consultation.

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

4. SUMMARY OF CONSULTATION AND ENGAGEMENT ACTIVITY AND FEEDBACK

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

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

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

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

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

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

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

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

Total numbers in attendance = 299

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

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

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

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

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

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

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

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

social care service users, carers and providers of the very difficult financial situation and its likely impact on services.
Consultation feedback is used to help to shape changes needed. Consultation includes:

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

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

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

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

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

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

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

When asked about the next two years of council tax:

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

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

- **33.9% preferred the Council to increase council tax by 1.9% until 2016**

    - 41.4% of Community Panel respondents
    - 35.5% of public respondents to the online budget consultation survey
    - 26.5% of public respondents to the paper tear out budget consultation survey

- **3.8% didn't know:**

    - 4.4% of Community Panel respondents
    - 2.8% of public respondents to the online budget consultation survey
    - 4.7% of public respondents to the paper tear out budget consultation survey

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

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

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

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

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

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

The Budget & Finance Scrutiny Committee have met on 4 occasions since the Cabinet published their draft service and financial planning proposals. The comments from the Scrutiny Committee are included as Appendix 6 to this report.

5. OVERVIEW

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

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

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

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

The focus for realising these savings will be:

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

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

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

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

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

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

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

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

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

Other investments include:-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. ROBUSTNESS OF THE BUDGET STRATEGY

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

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

7. RECOMMENDATIONS.

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

1. To approve the base budget summarised by Service Delivery Unit in Appendix 9a

2. To consider the feedback from consultation summarised in Appendix 5 and from scrutiny in Appendix 6

3. The freezing of council tax levels in 2014/15 and 2015/16.

4. The creation of a one-off £1.2m drawdown budget held centrally available to Childrens' safeguarding in 2014/15 to offset anticipated pressures in the safeguarding budget.

5. The approval of the 2014/15 net savings package of £14.133m detailed in Appendix 3 and the savings proposals set out in the appendix for future years.

6. The change in the methodology of calculating Minimum Revenue Provision set out in Section 10.4 of this report and the backdating of this change in approach to create a one-off provision which will be used to fund the debt charges associated with the Pride in Your Community initiative.

7. The revenue investment of £1.608m over two years for the Pride in Your Community initiative,

8. The revenue investment of £1.305m over 2 years for a programme of initiatives to tackle youth unemployment,

9. The revenue investment of £0.1m one-off funding for Destination Telford initiatives,

10. The revenue investment of £0.03m ongoing to fund a doubling of the care leavers' grant.

11. The policy framework for Reserves and Balances outlined in Appendix 11

12. The revenue implications of the medium term capital programme for the period 2013/14 - 2016/17 set out in the Capital Programme report also on this agenda.

13. Note the Impact Assessments contained in Appendices 4a – 4c.

14. Approve the Safeguarding and Early Help Cost Improvement Plan contained in Appendix 2

15. Agree that, as detailed in section 10.5 of the report, any final underspend at the end of 2013/14 will be used to supplement the Invest to Save, Capacity and Severance Funds to support the delivery of future ongoing savings.

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

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

8. SUMMARY IMPACT ASSESSMENT

<table>
<tr><td rowspan="4">COMMUNITY IMPACT</td><td colspan="2">Do these proposals contribute to specific priorities?</td></tr>
<tr><td>Yes</td><td>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.</td></tr>
<tr><td colspan="2">Will the proposals impact on specific groups of people?</td></tr>
<tr><td>Yes</td><td>The proposals contained in this report will have both positive and negative impacts on specific groups of people including people with disabilities, and older and younger people. An impact assessment, on identified savings proposals, highlights equalities, environmental and economic impacts which is included as Appendix 4. Due to the complexity of the budget setting process with a large array of proposals for savings there is potential for a number of small changes to have a large cumulative effect, impacts and mitigations are detailed in Appendix 4.</td></tr>
<tr><td>TARGET COMPLETION/DELIVERY</td><td colspan="2">A series of borough wide public consultation activities have been undertaken during January</td></tr>
</table>

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

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

9. CONTEXT AND UPDATE

9.1 Government Announcements.

The Chancellor announced his “Spending Round 2013” on 26th June 2013. As a General Election is scheduled for May 2015, the Spending Round announcements only dealt with national spending plans for 2015/16 and identified £11.6bn further Government savings towards the national deficit reduction programme. The Labour Party have also pledged to match the spending totals for 2015/16 if they win the election. The Chancellor’s announcements included a 10% cut in Local Government funding. However, this was a national figure and the impact will vary between authorities. Subsequent announcements indicate that the reduction for this Council will be in the region of 13.9% for 2015/16 although the position will not be clear until we receive our detailed final grant settlement information for 2015/16 in January/February 2015. Unless Government policy changes after the General Election it appears very likely that the Council faces many more years of substantial cash cuts to the grants that we receive (and no allowance for the increased demand that we are facing for many services, increasing population or for inflationary pressures). Therefore it is important that the Council takes advantage of the incentives that Government are offering to councils that support growth in their areas as this will bring additional income from retained business rates, additional council tax and New Homes Bonus which can be used to limit the impact of cuts to essential front line services including those provided to our most vulnerable older people and children – at least until the local government finance system is “reset” in 2019/20.

The Chancellor’s other announcements included that the Council Tax referendum threshold in 2014/15 and 2015/16 would be set at 2% (although on 18th December, as part of the provisional Local Government Finance Settlement, the Secretary of State announced that this was subject to review and may be reduced). It was also announced that further council tax freeze grants equal to 1% of the council tax base prior to reductions for Local Council Tax Support Schemes would be available in 2014/15 and 2015/16. Importantly, the Minister confirmed that these freeze grants, unlike those announced previously, would be base-lined i.e. they would be ongoing funding which means that acceptance of the freeze grant offer becomes a much more financially sustainable option for councils.

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

9.2 Final Local Government Finance Settlement 2014/15.

The provisional Local Government Finance settlement was announced on18th December and the final settlement for 2014/15 was announced on 5th February 2014. As part of this final settlement announcement, the referendum threshold for council tax increases was confirmed by the Government at 2%. The net impact of the changes in the final funding settlement resulted in a gain of £0.01m for the Council. This will be transferred to the inflation provision to help meet the costs of a likely increase in insurance premia that we have been advised to expect since the initial report was prepared for consultation.

9.3 Other changes since 9th January 2014.

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

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

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

9.4 Savings already made

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

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

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

Jobs cut

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

Cutting senior managers

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

Back office costs

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

Buying better value services

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

Income through growth

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

Shared Services, Trade Union Facilities Time, Cabinet Member Allowances

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

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

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

Council buildings

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

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

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

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

Generation of these receipts is a key assumption within the service and financial planning strategy. The Council has a detailed schedule of asset disposals to address this and this schedule is regularly monitored and all the revenue consequences of temporary financing pending these scheduled disposals are built in to the Council's base budget projections contained in this report. This dependency will continue to be subject to close monitoring. If any delay is experienced in generating expected receipts, mitigation factors could include a combination of re-phasing some capital spending schemes, identification of other assets for disposal or additional borrowing on a temporary or long term basis although this would increase revenue costs and necessitate further cuts to other services or the use of additional one-off resources.

9.5 Adult Care & Support

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

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

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

The focus for realising these savings will be:

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

Additional pressures will also be caused by the need to prepare for and implement new systems to accommodate national Adult Social Care reforms with effect from 2016/17. However, we will do everything in our power to reduce the impact of the spending reductions on front line services although some impact is inevitable given the scale of the unprecedented and sustained cuts the Government are making to our grants.

9.6 ITF/"Better Care Funding" in 2014/15

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

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

9.7 Childrens' Safeguarding

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

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

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

10. OUR STRATEGY

10.1 INVESTMENTS

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

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

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

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

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

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

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

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

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

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

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

10.2 SAVINGS

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

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

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

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

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

- **Housing development** – we plan to build over 550 new homes for the private rental market on Council-owned land over the next 3 years. The majority of these will be in and around the Southwater development, which will help to make the area more vibrant and attractive to investors. As well as providing a new income source for the Council, the development will also help to create new jobs in the local construction industry and supply chain.

- **Energy** – we are also working on a number of renewable energy generation projects. These include plans to develop a commercial-scale solar farm and to install roof-mounted solar panels on a number of Council buildings. As well as generating income, which is guaranteed by the Government for a 20-year period, these projects will deliver significant environmental benefits. For example, the proposed solar farm is likely to save more than 1,800 tonnes of CO2 and generate enough electricity to power more than 800 homes. The Council is also a co-owner of West Mercia Energy which is an energy supply consortium providing energy to the four owning authorities and a number of external public sector clients.
- **Everyday Telford app** – following the successful launch of the new Everyday Telford app, we have entered into a commercial partnership agreement with the app developer, who are based in the Borough, to help them market the app to other councils and public sector organisations.

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

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

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

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

- Waste management – we have undertaken a comprehensive and complex process to procure a future waste service management contract with the first services commencing from April 2014. The aim of the procurement was to secure the best value for money for local taxpayers whilst also seeking improvements to services. Following negotiation with the market and a bid evaluation process, the selected Preferred Bidder submitted a bid that will help to deliver a total of £30m savings over the Contract period.

- Services for adults with learning disabilities – we are currently carrying out a review of our in-house services for adults with learning disabilities. The aim is to deliver £0.5m savings whilst maintaining good quality but more flexible and personalised services. We have undertaken a consultation exercise and are currently developing final proposals.
- Transport – we are also carrying out a review of our transport services. This includes our in-house fleet services, where we are considering a number of options to reduce costs but also to broaden the transport options available.

A continuing **targeted service review and restructuring programme**. When carrying out restructuring, our aim is to keep compulsory redundancies to a minimum, to actively promote applications for voluntary redundancy and to promote flexible working arrangements.

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

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

10.3 COUNCIL TAX

Council Tax in Telford & Wrekin has historically been low compared to other councils. Appendix 7 is a graph comparing council tax levels across the Midlands region and demonstrates that council tax in this area is the fourth lowest in the Midlands region at Band D (£1147.49) and is only 3% higher than Birmingham which is lowest (£1113.67). Appendix 8 compares our council tax to the other unitary authorities in England and shows that we have the 12th lowest council tax at Band D out of 55 unitary authorities.

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

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

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

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

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

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

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

10.4 REVIEW OF APPROACH TO DEBT REPAYMENT

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

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

	£m
2013/14	4.884
2014/15	1.489
2015/16	1.232
2016/17	1.084
2017/18	0.921
Total benefit over 5 year period	**£9.61m**

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

10.5 BASE BUDGET, BALANCES AND CONTINGENCIES

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

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

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

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

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

10.6 MEDIUM TERM GENERAL FUND STRATEGY

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

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

11. EDUCATION FUNDING.

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

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

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

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

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

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

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

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

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

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

The Government have recently announced funding to enable schools to offer a free lunch to every primary school child in reception classes, year 1 and year 2 to be implemented from September 2014. The DfE will be providing revenue funding of £450m. in 2014/15 and £635m to fund this commitment. It will also make £150m of capital available to ensure that schools can build new kitchens or increase dining capacity where necessary. Telford & Wrekin's share of this capital funding is £0.495m. The Government have recently announced how revenue funding for this policy will be allocated in 2014-15. It will be allocated to schools at a flat rate of £2.30 per meal taken, based on actual take-up by newly eligible infant pupils which will be measured in the Schools Census from next year. In addition, they recognise that some smaller schools will face particular challenges and will be providing transitional funding totalling £22.5million in 2014-15 for small schools, which will be provided before the start of the new academic year. The DfE will make further information available on this shortly. A government amendment to the Children and Families Bill, laid in the House of Lords recently, legislates the provision of free school meals to all children in reception and years 1 and 2 beyond the original end date of July 2016. The new legislation removes the scheme's cut-off point, and also includes a new power that will allow schools to extend the offer to older children in the future.

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

12. EQUALITY IMPACT ASSESSMENT

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

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

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

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

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

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

An initial scoping exercise to determine which budget saving proposals require action or further investigation with regard to equality impact was completed. For proposals where implications have been identified and are at a sufficiently developed state a proportionate impact analysis has been or will be undertaken.

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

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

13. ENVIRONMENTAL AND ECONOMIC IMPACT ASSESSMENT.

Environmental assessment is a procedure that ensures that environmental implications of Council decisions are taken into account. The principle is to ensure that plans, programmes and projects likely to have significant effects on the environment are subject to an environmental assessment.
The Environmental Assessment aims to provide a level of protection to the environment and to contribute to the integration of environmental considerations into the preparation of projects, plans and programmes with a view to reduce their environmental impact.

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

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

14. NEXT STEPS

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

The Council faces many financial challenges over and above the obvious and very significant reductions in Government grant and has limited contingencies and balances available. There are many risks and uncertainties inherent in the new financial system that was imposed by the Government during 2013/14.

At the time of drafting this report key information relating to the year-end accounting treatment of outstanding business rates appeals is still not available from Government. However, the new local government finance system presents many opportunities that this Council is ideally placed to be able to grasp given the amount of developable land within the Borough.

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

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

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

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

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

16. BACKGROUND PAPERS

- Comprehensive Spending Review Announcements – Treasury Website
- Autumn Statement – Treasury Website
- Spending Round 2013 Announcements – Treasury Website
- LGA Briefing on the Autumn Statement
- Revenue Support Grant Provisional Settlement Announcement – CLG Website
- Revenue Support Grant Final Settlement Announcement – CLG Website
- Service & Financial Planning Report to Council – 7th March 2013
- Service & Financial Planning Update report to Cabinet – 14th November 2013

- Service & Financial Planning Report to Cabinet – 9th January 2014
- Association of North East Council's "Key Resource Issues for North East Local Government" report.
- "Mandate for Change", issued by Stoke-on-Trent City Council November 2012.

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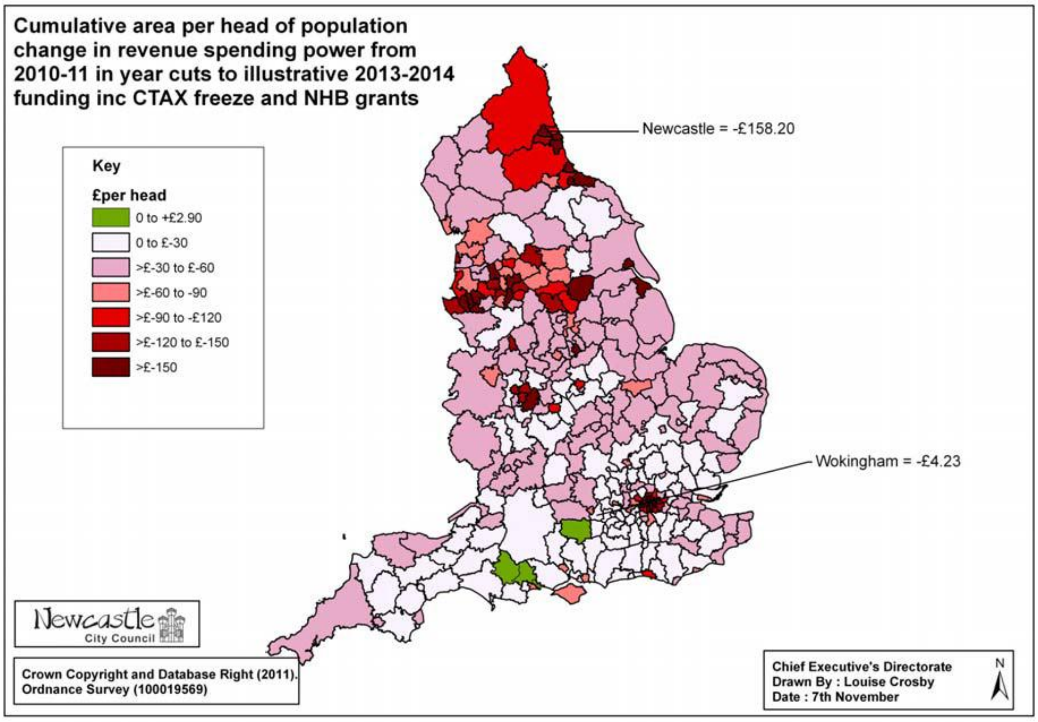
INDEX OF APPENDICES.

Appendix

Appendix 1.

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



Notes:-

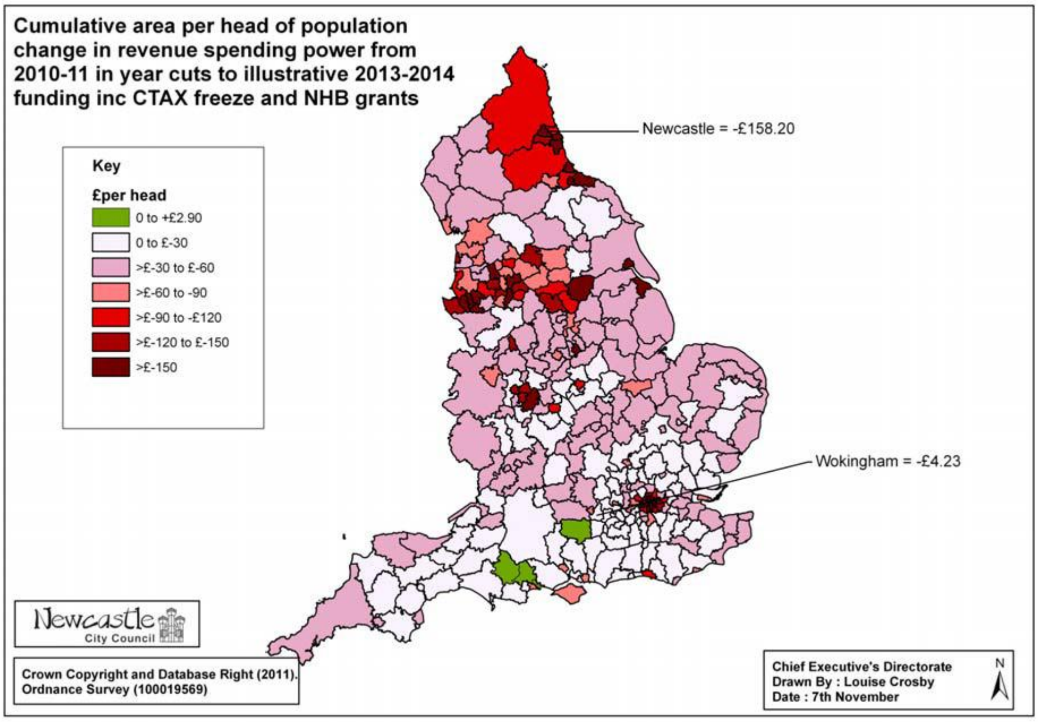
- The map is extracted from the Association of North East Council's "Key Resource Issues for North East Local Government" with permission of Newcastle City Council and was included in this Council's Service & Financial Planning report last year but is included again as it starkly demonstrates the differential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

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

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

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 and was included in this Council's Service & Financial Planning report last year but is included again as it starkly demonstrates the differential impact of the Government's cuts across the country.
- The figures do not include funding for schools.
- The change figures for 2013/14 only relate to elements that would have been included in the formula grant for 2012/13, plus information on the Council Tax Freeze grant and an estimate of New Homes Bonus.
- The figures do not include the cut in Council Tax benefit support or other grant transfers proposed for 2013/14.
- Most in year revenue cuts in 2010/11 (but not all where the data was not readily available) are included.
- Capital cuts are excluded as are HRA funding changes.
- Police funding is excluded but fire funding is included because some counties have fire funding in their formula grant.
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Telford & Wrekin is in 245th place out of 324 council areas in England (i.e. worst quartile). Our neighbouring local authority areas of Shropshire and Stafford are in 175th and 198th place respectively.

Safeguarding and Early Help – Cost Improvement Plan

December 2013

Agreed Aims

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

Underlying Principles

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

Action Plan

Target (PI) And timescale	Target Saving 14/15 p.a. £k	Actions	Progress
Objective 1: Recruit and retain SWs in permanent posts, reduce use of Agency staff; **Performance Indicator (PI)** - number of agency social workers employed across children and family services.			
5 Agency SWs until end Sept 2014, then 0 for remainder of year.	95	• Introduce generic selection days programmed in throughout the year *(AW)* • Maintain a competitive advantage (Unique Selling Point) and pay parity with other local authorities *(EW/HR)* • Maintain management reporting - vacancies, appointments and agency cover *(HR)* • Five 3rd phase Step Up students starting spring 2013 (AW) • Implement SW to SSW progression by Assessment (AW) • Consider career pathways for SSW, and Managers • Encourage 3rd year placements in CPT/ACM	• Workforce Development Strategy agreed by CFSLT. Detailed Action Plan in progress • Managers and PSW attended event at another LA to understand how they do Assessment days • Salary and recruitment activity in other LA closely monitored • Participation in regional survey on Agency SWs . • Online recruitment tracking sheet accessible to all key stakeholders • Number of Agency Staff reduced to 7 as at end Oct 2013 from 14 in September 2012. • Four out of five Step up to Social Work students placed in permanent posts • SSW progression scheme agreed

Action Plan

Target (PI) And timescale	Target Saving 14/15 p.a. £k	Actions	Progress

Objective 2: Reduce the number of residential and external fostering placements **Performance Indicators** - reducing number of Residential Placements (RP) and External Foster Placements, increasing number of Internal Foster Placements (IFP)			
40 Residential Placements by the end of March 15. 77 External Fostering Placements by the end of March 15. Care Leavers - Reduce Unit Cost Contract Carer	550 285 110 45	• Continue Marketing approach to recruitment of internal foster carers • Develop Placement Stability Team in conjunction with CAMHS to improve support for carers and minimise placement breakdowns • Develop Placement Stability Panel – as above • 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)* • Revise Policy for Fostering Allowances • Impact of forward planning and acquisition of independent living skills for children in care to reduce cost of placements for post 16, leading to a reduced Unit cost for this provision • Continue use of Contract Carer.	• Staff member approved as contract carer. • RAMP well established and providing challenge to admissions of pupils to independent day and residential providers • Completed initial scoping re placement stability team/panel; panel trialed in December 2013 for introduction in January 2014 – function to support social workers to keep placement at home or does not break down resuting in high cost placement • Initial Options for Foster to Adopt jointly scoped by Fostering and Joint Adoption Team Managers • Initial enquiries from potential foster carers managed via Family Connect • Arrangements for conducting Disruption Meetings (unexpected changes in placement) operational • Numbers of children placed with Internal carers increased to all time high of 130 at end of Sept 2013 (from 115 at the end of March 2013) • Number of children placed with external foster

Action Plan

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

Objective 3; Reduce numbers of Children in Care **Performance Indicators** – Reduce number of CiC, reduce number of child protection plans (CP) and reduce time spent in care			
310 CiC by April 15	8 106	• Establish model of working for Service Delivery Edge of Care Specialist • Review Special Guardian Order allowances policy • Provide Systemic Practice Training • Bid for Multi-Systemic Practice Social Impact Bonds *(VMcY)* • Implement "Changing Futures" model of practice to support families who have previously had young children removed from their care • Review and improve use of Family Group Conferencing • Implement Step Down procedures robustly. • Recruiting of a quality officer whose role includes tracking progress to ensure timely provision of support for families. • Support staff to use the Parenting Assessment manual and other approaches to reduce use of external providers, in	• Resource Allocation Management Panel in place preventing non emergency admissions to care, especially teenagers • Permanence Panel in place • Service Delivery Edge of Care Specialist in post • "Step down" procedures reviewed • Procedure for Viability Assessments of Kinship Carers reviewed – increased numbers of Special Guardian Orders and Residence Orders • Working with over 200 of our most vulnerable families through the Strengthening Families programme. • Revised thresholds and risk management policy approved by LSCB • Neglect pilot commenced in partnership with 3 other local authorities and Sheffield University • Family Connect Triage • Child Protection plans have reduced to a level which is now similar to national averages • Staff workshops across all children's services

Action Plan

Target (PI) And timescale	Target Saving 14/15 p.a. £k	Actions	Progress
	10	particular Residential. • Review contact costs for travel. .	taken place in March driving culture change. • Amended pathway identified for use of Community Social work team to better support children and families before problems escalate. • Systemic Practice tender about to go out • Changing Futures post about to be advertised
Objective 4: Utilise commissioning approach to achieve better procurement and Service redesign **Performance Indicators –** The main aim will be to improve outcomes at a lower unit cost and this will be reflected in the monthly performance dashboard.			
Care leavers – Reducing Unit Cost. Queensway – utilisation at 75%	25 50 35	• Explore potential to provide residential care in Telford for disabled children to avoid otherwise unnecessary residential school placements • Further review the children in care strategy to ensure appropriate and sufficient placement mix leading to a reduction in unit costs. • Ongoing review of regional fostering and residential framework contracts. • Review of supported accommodation provision and new models and contracts (contract ends Nov 2014) • Non accommodation framework • Explore the option of how to re-provide for parenting assessments (by October 14)	• Recomendations from Improvment Efficiency West Midlands (IEWM) re the Fostering Service implemented • CIC strategy to include prevention and leaving care • Potential use of Assisted boarding options well understood • Recommissioned Queensway @ HLC residential contract- lower cost • Fostering contract – agreed to continue for a further year in light of savings it provided. Residential contract under review regionally. Plan to make Telford decision early in New Year. We would consider capping prices through tender • New spot placement provider available in the

Action Plan

Target (PI) And timescale	Target Saving 14/15 p.a. £k	Actions	Progress
occupancy.	10	• Explore ways of more efficient procure of therapy services and other support to CIC or children on the edge of care (by June 2014) • More cost effective support for families via the council crisis fund	Borough providing cheaper placements
Total Savings	1,329		

Risk Matrix

Risk	Mitigation
• 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
• 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

Summary of Savings Proposals

Analysis by Category

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

Analysis of Savings by Service Area

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

Notes

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

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

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
130	Procurement	Customer & People Services	ICT - Broadband & telephony contract - tender process commences Jan 2013.	420,180		90,000	100,000		190,000	Kirsty King	The contract is due for renegotiation and a tender process will be run through OJEU				
131	Procurement	Customer & People Services	Reduced cost of mobile library lease	19,340		5,482			5,482	Sharon Smith	Final payment of £11,000 in 2017.Life expectancy to 2020; requires budget if retained	None if retained	None whilst vehicle retained	None	Changes to service requires consultation through parish charter; opportunity for parish buy back or similar
132	Procurement	Neighbourhood & Leisure Services	Rationalisation of TWS contract costs and implementation of revised contractual arrangements - including Granville House lease costs and removal of Contract support staff costs.			61,000			61,000	Dave Hanley	Increase in Granville House rental, rationalisation of supported employee related costs through natural wastage.	N/A	N/A	N/A	
133	Procurement	Neighbourhood & Leisure Services	For TWS to deliver landscape and cleansing duties through localised teams so to release contract efficiencies and allow alignment of resources with Local Environmental Quality/need.			80,000	20,000		100,000	Dave Hanley	The savings are released by reducing the TWS input resource across the landscape and cleansing service elements. The rationale is for the further rationalisation of the current service frequencies and to design service in puts around acceptable Local Environmental Quality. For example, this can be achieved by reducing the frequency of litter picking from monthly to quarterly on some estate roads but maintaining weekly/fortnightly frequenfi4s in areas of greater environmental need. Also reduce the amount of grass cutting on strategic transport routes or other low maintenance areas but maintain current standards on all housing estates.	Acceptance that some local areas will require more or less service inputs, seek to work with Parishes and PETs to mitigate impact, review current rapid response service. Have a greater targeted response on dealing with littering, consider further litter bin installation programme, develop links with Street Champions.	TWS Staff will be reduced in numbers	To encourage greater PET scheme buy in from parishes. Housing Management Groups etc. Encouragement of PCSO's to serve FPNs.	Need to get buy-in. Marketing and Promotional campaigns around littering and enforcement.
134	Procurement	Neighbourhood & Leisure Services	Additional waste procurement savings - average annual saving based around full contract length				80,000		80,000	Debbie Germany	Final bids from Tenderers below the Waste Procurement funding envelope value.	N/A	N/A	N/A	N/A
135	Procurement	Neighbourhood & Leisure Services	Street lighting procurement efficiencies				25,000		25,000	Dave Hanley	During the next 12 months there is a need to look at a new contract model that will provide more accountability and efficiency savings.	N/A	N/A	N/A	N/A
136	Procurement	Care & Support	Market & Community Development - in particular development of a homecare framework agreement			100,000			100,000	Chris Harrison	Identified as potential efficiency in Audit Commission 'Improving Value for Money in Adult Social Care' and not as yet in place in Telford & Wrekin	More effective procurement should increase access to comparable priced domiciliary care for personal budget holders.	None	None	Could result in some businesses not being considered viable by providers and closing but could encourage new entrants to market.
	Procurement	Care & Support				- 100,000			- 100,000						
137	Procurement	Care & Support	Reduction on all residential/nursing/homecare payments to external providers(excludes ALD as high cost placements/residential placements considered as a separate saving). Reduction modelled 3%			540,000			540,000	Chris Harrison Frances Carron	Extension of current brokerage function to cover all areas would make a significant difference to price currently being paid for care by improving procurement of care contracts for spot care. This proposal be backed up by a market position statement.		None		Some providers may go out of business. However when personal budgets are fully implemented for all then the impact would be the same.
138	Procurement	Care & Support	Review of the cost of most expensive and ALD residential placements to bring the weekly rate down		154,000	1,206,000			1,360,000	Chris Harrison/Frances Carron	Use of Care Funding Calculator in conjunction with Finance together with reviews of assessed level of need should allow for renegotiation of the placement costs.	Will cause some anxiety for service users but can be alleviated through careful case management. Some service users may have to move provider	None		Will be perceived as service cut so communication strategy required
139	Procurement	Care & Support	Reduction to the price paid for block beds. Price reduction of 3% modelled			200,000			200,000	Chris Harrison	As above agreeing a fair cost of care may be required in order to evidence a reasonable rate for block placements	Sector may wish to cease block contract arrangements which could have implications for residents	None		Will be perceived as service cut so communication strategy required
140	Procurement	Care & Support	Savings from tender of SP floating contracts now completed		40,000	40,000			80,000	Chris Harrison	This contract has been re-tendered and the prices realised will deliver around £80k per annum reductions in costs of delivering the service	Saving achieved and service improvement should be realised.	None		
141	Procurement	Care & Support	Savings from reducing the average rates paid for homecare through domiciliary framework and use of brokerage			650,000			650,000	Chris Harrison	An exercise to appraise the current market provision and rates for Domiciliary care has been undertaken and a report has been produced. Work is commencing in discussion with Providers of Dom Care to determine a new framework within which the Council will purchase homecare including a review of the contractual terms on which Providers are engaged and the rates they will be paid.	May result in reduction in market provision and employment in the sector	None		
142	Procurement	Care & Support	Use of Capacity at Downing House (assumes Carwood New Options proposal has happened) or build new capacity to care for ALD clients				200,000		200,000	Karen Kalinowski	Exploration of the opportunity and economics of operating care homes and either transfer from existing care placements at reduced cost or selling placements to self funders and other LA's	Timescale for achievement of this would be very tight if new build option considered rather than purchase of existing independent capacity. Options for potential delay to be offset by faster progress on integration (see below)	Potential increase		Delay in acquisition of appropriate location and achieving registration.
	Procurement	Care & Support	Cost Improvement Plan for Overspend		- 71,000	- 916,000			- 987,000						
143	Procurement	Family & Cohesion Services	Homelessness & Housing			58,930			58,930	Jas Bedesha	Following review of approach to accommodating homeless families reduced dependency on bed and breakfast accommodation and hence reduced loss of housing benefit subsidy. This saving assumes that an average of 10 B&B placements are used (13/13) and 5 in 14/15. The current number is zero and number prior to the initial review averaged 22	This may impact on some business that relied on income from the Council. Some of these business are investigating how they can diversify into becoming supported lodging providers.	None	None	Benefit reforms may lead to a sudden increase in applications for housing support. To offset this the assessed saving assumes an average of 10 B%B placements will still be required in 13/14
144	Procurement	Family & Cohesion Services	Commissioners to review all contracts			40,000	40,000		80,000	Viv McKay	Review all commissioned contracts to identify further savings including school nursing, sexual health, action4children and Bradbury house	Minimal	Possible impact for service providers	Minimal	Minimal
Total Procurement					**123,000**	**2,200,912**	**678,500**	**-**	**3,002,412**						
Property Rationalisation															
145	Property Rationalisation	Customer & People Services	Reduce equipment repair budget	9,690		4,690			4,690	Sharon Smith	Fewer stand alone libraries; recent replacement at wellington, telford. Madeley through external funding and strategic co-locations etc	None	None	None	
146	Property Rationalisation	Neighbourhood & Leisure Services	Review repair & maintenance revenue sinking fund commitments			13,000			13,000	Stuart Davidson	Stop paying into sinking fund	neutral	none	longer term asset & property pressure	need to ensure long term obligations of funding award can be met.
147	Property Rationalisation	Dvpt. Business & Housing	Property Investment Portfolio: As part of improving stock over previous years then a reduction in the repairs and maintenance budget can be secured through better quality buildings and full repairing leases.			20,000			20,000	James Dunn	As part of the improvement in quality of property within the Council's Property Investment Portfolio and converting to full repairing leases we can reduce spend on repairs & maintenance	None	None	None	None
148	Property Rationalisation	Dvpt. Business & Housing	Operational Property Rationalisation - Savings arising from reduced running costs associated with Phase 1 property rationalisation activity.			16,610			16,610	Chris Goulson	As a direct result of Phase 1 property rationalisation, savings have been realised associated with running costs.	Council services will be consolidated at a reduced number of improved buildings	None	None	None
149	Property Rationalisation	Dvpt. Business & Housing	Release borrowing as a result of further operational property rationalisation			8,500			8,500	Chris Goulson	As a result of Phase 1 operational property rationalisation, Edward James House is no longer required as an operational building. Savings identified relate to interest payments on borrowing necessary for the acquisition of the property. This saving will be met corporately	None	None	None	None
150	Property Rationalisation	Dvpt. Business & Housing	Installation of solar panels on Addenbrooke and Oakengates Theatre			14,781			14,781	Kate Turner	A commercial proposal has been developed for the installation of solar panels on Addenbrooke and Oakengates Theatre. Over 25 years this shows a net saving of £485k	None	None	None	Figures are based on current OFGEM rates and these are guaranteed only for installations completed before July 1st 2013 but no significant change is expected. An assessment of the structure of each building will need to be made prior to installation.

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF SAVINGS PROPOSALS

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

DETAILED SCHEDULE OF PRESSURES

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

No.	Savings Type	Service	Description of Saving	2013/14 Budget	2013/14	2014/15	2015/16	2016/17	Total	Lead Officer	Rationale	Impact on the Community and possible alternative/mitigation	Staffing impact	Impact on other council service or partner budget	Other risks and impacts and possible mitigation
23			Increase in Fostering Allowances - possibly neutral if reduces external fostering numbers		13,334	26,666			40,000	KP	Necessary to retain high quality fostering workforce	more children placed with local foster families	none	none	none
Total Children'sSafeguardingPressures					43,334	100,666	-	-	144,000						
Public Health															
24			Additional costs Prescription costs for current cohort			182,000			182,000	LN			none	none	none
25			Additional contract costs in services for 5-19 year olds			15,000			15,000	LN			none	none	none
26			Addiitonal costs arising from cross border recoupment of costs for services			109,440			109,440	LN			none	none	none
27			Additional costs associated with medicine management			130,000			130,000						
Total Public Health					-	436,440	-	-	436,440						
TOTAL PRESSURES					**726,334**	**1,333,146**	**43,000**	**10,000**	**2,112,480**						

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

Section 1 – Overview

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There are a number of factors;

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

- Uneven grant reductions across Government and a relatively low level of Council tax - services are being further devolved to local level from central Government yet local authorities face a cut in grant allocation approximately three times more than central Government whilst being asked to deliver more. Telford and Wrekin has the fourth lowest Council tax in the West Midlands.

- Grant damping significantly impacts the borough because of our population growth. Grant damping is when the Government tries to lessen the impact of budget reductions in one local authority by removing grant from the increased assessed need of another authority. Originally designed to smooth budgetary transition, this system has had a number of safeguards removed which now penalise growing authorities.

- Continuing Health Care costs from Telford and Wrekin CCG equate to £8.5 million. The proportion of costs that have transferred to the Council is far higher than other local areas and not reflective of the health and deprivation experienced in some areas of the borough.

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

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

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

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

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

Section 2 – Impact Assessment

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

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

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

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

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

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

Positive impacts

- Young people in care

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

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

- Young unemployed people

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

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

- Older Adult Social Care service users

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

- People with severe disabilities

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

- Young unemployed men

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

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

- Older People (65+ years)

- People with ill health or people with a disability

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

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

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

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

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

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

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

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

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

Details of previous engagement and equality analysis related to savings identified to be delivered in 2012/13 have informed this years approach. They can be found online;
http://www.telford.gov.uk/downloads/file/3700/2012_budget_consultation_final_summary

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

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

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

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

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

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

The service and financial planning process is continuous and due to the scale of potential impacts we are constantly looking at the cumulative effects of these changes. Performance and impact information will be made available through the Cabinet web pages;
http://apps.telford.gov.uk/demservice/CommitteesDetails.asp?theCommittee=cabinet

Section 3 – Mitigating Actions

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

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

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

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

Third Sector support services

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

Developing and supporting business opportunities

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

Accurate local information

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

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

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

Section 4 – Review and Monitoring

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

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

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

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

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

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

Appendix 4b – Individual Proposals - Equality Impact Analysis

i) Summary

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

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

Table A – Proposals investigated

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

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

Table B – Proposal where further work is required

ii) Equality Analysis completed to date - detailed

<u>Customer & People Services</u>

12 - Increase burial fees

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

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

Lead Officer – Andrew Meredith, Customer & Registration Services Manager

209 - Introduction of Automated Switchboard Service

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

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

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

Lead Officer – Andrew Meredith, Customer & Registration Services Manager

210 - Introduction of Automated Telephony Reporting Services

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

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

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

Lead Officer – Andrew Meredith, Customer & Registration Services Manager

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

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

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

Lead Officer – Andrew Meredith, Customer & Registration Services Manager

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

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

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

Lead Officer – Lee Higgins, Benefit Service Delivery Manager

90 - Crisis Assistance Funding

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

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

Lead Officer – Lee Higgins, Benefit Service Delivery Manager

Neighbourhood & Leisure Services

97 - Highways & Transport: illuminated signs and bollards

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

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

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

What we do now:

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

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

Future Policy Direction

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

The concept of Total Place is to:

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

Policy objective

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

The impact upon people

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

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

Lead Officer - Becky Eade, Parks and Open Spaces Manager

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

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

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

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

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

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

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

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

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

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

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

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

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

Lead Officer – Psyche Hudson, Arts & Culture Manager

<u>Development, Business & Housing</u>

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

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

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

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

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

<u>Care & Support</u>

106 - Review of block placements or decommission

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

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

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

Lead Officer – Chris Harrison, Service Delivery Manager - Commissioning

181 - Invest in Assistive Technology

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

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

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

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

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

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

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

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

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

Family & Cohesion Services

118 - Teenage Pregnancy

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

No impact identified.

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

73 – Development of Nursery in Ironmasters Way

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

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

Lead Officer – Chris Marsh, Early Intervention Service Delivery Manager

124 - Short Breaks

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

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

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

Public Health

196 – Substance Misuse Services

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

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

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

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

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

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

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

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

198 - Sexual Health Services - HIV prevention and testing

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

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

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

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

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

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

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

No.	Savings Type	Service	Description of Saving	2013/14 Budget £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £	Lead Officer	Rationale	Economic Impact Assessment	Environmental Impact Assessment
99	Non-Staff	Neighbourhood & Leisure Services	Highways & Engineering Services: Street Lighting Energy Saving - Invest to save / legislative need - Annual investment of £325k per year over 4 years =£1.3m total investment.8 year payback			38,000	38,000	38,000	114,000	Dave Hanley	Energy savings based upon the replacement of the Council's 4462 Mercury lanterns across the borough over a 5 year period with a borrowed investment of £300K over 4 years.	None	Positive - reduction in energy usage
103	Non-staff	Neighbourhood & Leisure Services	Transport & Highway Development: Cease using an external car park enforcement agency and carry out the work using Council employees			25,000			25,000	Keith Harris	Directly employing car park attendants will enable greater management control over enforcement activities. Requires approx £30k up front capital for van and other equipment	None	Potential improvement to traffic flows through better management of parking
116	Non-Staff	Family & Cohesion Services	Highways & Transport: Fuel efficiency programme in Fleet Services to reduce fuel consumption and/or limit impact of fuel inflation. Invest to save being worked on. but estimated to be 75k			35,000			35,000	Viv McKay / Helen Hill	To reduce fuel budget through fuel efficiency programme on Council vehicles.	None	Positive - reduction in fuel usage
126	Non-Staff	Education & Corporate Parenting	Games and Swimming Transport			21,000			21,000	Jim Collins	Links to proposals for developing cooperative learning communities. Following implementation of these proposals these costs will no longer occur	None	Potential positive impact through reduced travel for games and swimming
Procurement													
133	Procurement	Neighbourhood & Leisure Services	For TWS to deliver landscape and cleansing duties through localised teams so to release contract efficiencies and allow alignment of resources with Local Environmental Quality/need.			80,000	20,000		100,000	Dave Hanley	The savings are released by reducing the TWS input resource across the landscape and cleansing service elements. The rationale is for the further rationalisation of the current service frequencies and to design service in puts around acceptable Local Environmental Quality. For example, this can be achieved by reducing the frequency of litter picking from monthly to quarterly on some estate roads but maintaining weekly/fortnightly frequenfi4s in areas of greater environmental need. Also reduce the amount of grass cutting on strategic transport routes or other low maintenance areas but maintain current standards on all housing estates.	None	Acceptance that some local areas will require more or less service inputs, seek to work with Parishes and PETs to mitigate impact, review current rapid response service. Have a greater targeted response on dealing with littering, consider further litter bin installation programme, develop links with Street Champions.
141	Procurement	Care & Support	Savings from reducing the average rates paid for homecare through domiciliary framework and use of brokerage			650,000			650,000	Chris Harrison	An exercise to appraise the current market provision and rates for Domiciliary care has been undertaken and a report has been produced. Work is commencing in discussion with Providers of Dom Care to determine a new framework within which the Council will purchase homecare including a review of the contractual terms on which Providers are engaged and the rates they will be paid.	May result in reduction in market provision and employment in the sector	None
143	Procurement	Family & Cohesion Services	Homelessness & Housing			58,930			58,930	Jas Bedesha	Following review of approach to accommodating homeless families reduced dependency on bed and breakfast accommodation and hence reduced loss of housing benefit subsidy. This saving assumes that an average of 10 B&B placements are used (13/13) and 5 in 14/15. The current number is zero and number prior to the initial review averaged 22	This may impact on some business that relied on income from the Council. Some of these business are investigating how they can diversify into becoming supported lodging providers.	None
144	Procurement	Family & Cohesion Services	Commissioners to review all contracts			40,000	40,000		80,000	Viv McKay	Review all commissioned contracts to identify further savings including school nursing, sexual health, action4children and Bradbury house	Possible impact for existing service providers	None
Property Rationalisation													
148	Property Rationalisation	Dvpt. Business & Housing	Operational Property Rationalisation - Savings arising from reduced running costs associated with Phase 1 property rationalisation activity.			16,610			16,610	Chris Goulson	As a direct result of Phase 1 property rationalisation, savings have been realised associated with running costs.	None	Impact from reduced energy usage by Council
150	Property Rationalisation	Dvpt. Business & Housing	Installation of solar panels on Addenbrooke and Oakengates Theatre			14,781			14,781	Kate Turner	A commercial proposal has been developed for the installation of solar panels on Addenbrooke and Oakengates Theatre. Over 25 years this shows a net saving of £485k	None	Positive - increase use of renewable energy
152	Property Rationalisation	Family & Cohesion Services	Children & Family Locality Services property rationalisation			10,000	40,000	30,000	80,000	Chris Marsh	Review accommodation needs for children and family locality services teams.	None	Impact from reduced energy usage by Council

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

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

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

Executive summary

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

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

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

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

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

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

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

Additional information

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

Headline Findings

When asked about the next two years of council tax:

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

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

- **33.9% preferred the Council to increase council tax by 1.9% until 2016**

    - 41.4% of Community Panel respondents
    - 35.5% of public respondents to the online budget consultation survey
    - 26.5% of public respondents to the paper tear out budget consultation survey

- **3.8% didn't know:**

    - 4.4% of Community Panel respondents
    - 2.8% of public respondents to the online budget consultation survey
    - 4.7% of public respondents to the paper tear out budget consultation survey

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

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

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

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

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

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

Introduction

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

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

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

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

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

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

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

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

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

Total number in attendance = 299

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Community Panel Budget Survey

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

Demographic Profile of Community Panel respondents:

Age

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

Gender

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

Ward

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

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

Index of Multiple Deprivation: National Decile

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

Community Panel Survey Responses:

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

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

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

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

Examples of the comments we received to this question included:

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

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

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

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

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

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

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

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

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

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

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

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

Examples of comments received for this question include:

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

"Majority of roads are find, don't see how spending more money in this area will help"

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

Online Budget Survey

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

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

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

Demographic Profile of Online Survey Respondents:

Age

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

Gender

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

Ward

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

Index of Multiple Deprivation Profile

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

Online Budget Survey Results:

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

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

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

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

Examples of the comments received for this question include:

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

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

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

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

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

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

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

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

Examples of the comments received for this question include:

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

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

"As long as the business employs residents from Telford"

"I think the best support is indirect through infrastructure development"

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

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

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

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

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

Examples of comments received to this question include:

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

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

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

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

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

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

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

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

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

Examples of comments received to this question include:

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

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

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

Paper Questionnaire

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

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

Demographic Profile of Paper Questionnaire Respondents

Age

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

Gender

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

Ward

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

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

Index of Multiple Deprivation Profile

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

Paper Questionnaire Survey Results

Which of the options for council tax do you prefer?

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

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

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

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

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

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

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

Additional Engagement

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

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

The themes of these comments were:

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

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

Examples of the comments received include:

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

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

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

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

Appendix 6

Budget & Finance Scrutiny Committee

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

Introduction

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

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

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

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

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

During its deliberations the Committee met with:

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

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

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

Comments of the Committee

1. The Committee welcomed a number of proposals in the budget:

   a) Members supported the proposed investment of £1.3m into tackling youth unemployment. This is a key issue to address as it has significant implications for the future prosperity and success of the borough, and the intervention would help reduce pressure on the public purse later on.

   b) Members were pleased to see the proposals to create an additional £1.2m draw-down contingency for safeguarding and an increase in the leaving care grant which were made in response to the Budget & Finance and Children & Young People Scrutiny Committee recommendations.

   c) Members felt the £100k investment in Destination Telford was important for driving a strong community identity and the reinforcing the message that Telford and Wrekin is a good place to live, work and visit which is crucial to attracting investment.

   d) Members welcomed the new approach to debt repayment (MRP).

2. The Committee's main area of concern related to risks around making £10.5m savings in adult social care over two years and the impact of service changes on service users. When considering the financial monitoring and benchmarking data on Adult Care Services the Committee noted that the costs of service provision in all aspects of Adult Care Services were above the national / regional averages and the average costs of authorities with similar demographics (statistical neighbour authorities).The Committee would like to make a number of comments about this:

   a) The Committee recommends that the lessons learnt and the systems and processes put in place in children's safeguarding / children in care placements should be looked at to see how they could be applied in adult social care. Specific (but not exclusive) examples may be:

      - Using the commissioning process to drive out savings e.g. the establishment of provider framework contracts, the change of approach to spot/block contracting at Queensway which have driven down unit costs of residential and agency care. Members also suggested working with providers to probe areas where savings could be made.
      - The development of a performance monitoring framework similar to the Children in Care Monthly Performance Dashboard to provide monitoring data in a transparent way e.g. the number of users of each type of care

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

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

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

b) The Committee agreed it was important for them to hear the voice of people using the services and getting feedback from users will be incorporated into future scrutiny reviews. The Committee agreed it was particularly important to engage with service users when planning early intervention strategies. The Committee believe that local people do understand that the Council has to make difficult decisions and that service users are the people who know what works. The integration of health and social care budgets and services offers a real opportunity to develop effective early intervention.

c) The Committee expressed the view that implementation the scale of changes in Adult Care Services was critically dependent on a fair assessment and appeals process. Members were also of the view that that decisions about reduction in services should not be down to one officer.

d) A solution to the CHC funding issues must be pursued with the CCG at all costs and this should result in a fair assessment process.

e) The Committee, with the Health & Adult Care Scrutiny Committee, will monitor the adult social care budget closely over the year and if necessary will make recommendations about the level of investment in the adult social care budget for 2015/16.

3. The Committee concluded its work before an analysis of feedback from the consultation on the budget proposals was available. Members felt it was important for the public to be able to see how their views have been taken into account, and requested that the budget report put to Cabinet on 20th February should make explicit:
   a) The number of people who had responded during the consultation
   b) How the proposals agreed on 9th January had been changed as a result of feedback from the consultation.

4. Members supported the approach to generating income as a way of meeting the budget gap and welcomed the fact that ideas were coming forward and being explored. The Committee requested that they are kept informed of progress on current plans and future plans.

5. Members recognised the need to maintain and improve the borough's road network. It was suggested the Council should lobby government for an increase in local authority funding for roads from the road fund licence money.

6. In addition to the discussion about staff awareness of budgets in adult social care services, the Committee discussed some wider points, as evidenced in the Co-operative & Communities Scrutiny Committee's report on the Employee Commission and Co-operative Values, about the importance of two-way communication with staff during restructures.

7. Members recommend that Care Council should be consulted to find out where the young people in care think savings could be made.

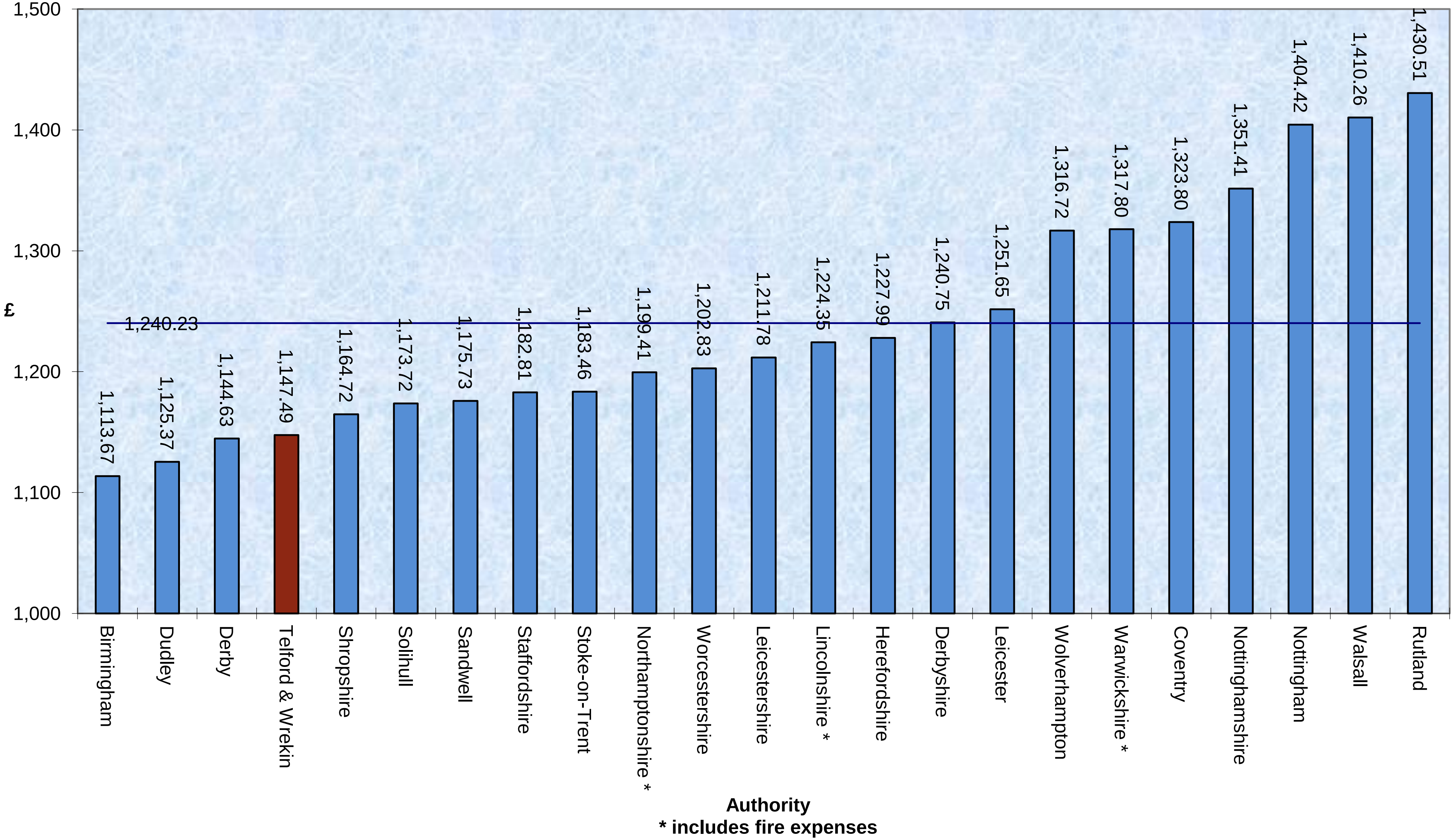
8. Members attending Audit Committee last year had been reassured by the report on alternative plans to generate capital receipts should any projected receipts not be realised and felt that officers had been very good at bringing in the required level of receipts in the past. However, one member remained concerned that the anticipated income would not be realised and about the potential impact on capital projects.

9. It was suggested that the issue of fraud and ways of recovering debt more quickly should be looked at and this would be a useful area for scrutiny to look at as part of the work programme.

10. The Committee was mindful of the Council's financial situation and the need to deliver the amount of savings proposed and on time. The Committee will continue to monitor financial performance and under-performing services will be invited to meetings to explain why and what steps are being taken to address issues and to avoid the risk of needing to use reserves.

Appendix 7

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



TELFORD & WREKIN COUNCIL
REVENUE BASE BUDGET

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

Base Budget Movements from 2013/14

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

Usable Balances at 1 April 2015

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

Schedule of Provisions, Reserves and Balances

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

Schedule of Provisions, Reserves and Balances

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

Schedule of Provisions, Reserves and Balances

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

Schedule of Provisions, Reserves and Balances

Service Area	Balance Sheet Structure	Description	April 2013 Opening Actual 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	Estimated Change during 20015/16 (additions/withdrawals)	April 2016 Opening Estimated Closing Balance 31/3/16	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
Customer & People	Reserves	R&B General Staffing	(272,458.35)	135,564.00	(136,894.35)	7,451.00	(129,443.35)		(129,443.35)	To support additional staffing costs to meet Pis.	
Customer & People	Reserves	Register Office	(6,303.50)		(6,303.50)		(6,303.50)		(6,303.50)	Small reserve to be used for service development.	
Customer & People	Reserves	Galaxy Software Upgrade	(13,673.21)	13,673.21	0.00		0.00		0.00	System implemented - awaiting charges from ICT. Balance will also fund Self Service changes	
Dvpt. Bus & Hsg	Reserves	Inward Investment & Marketing	(9,973.16)	9,973.16	0.00		0.00		0.00	To meet costs of fixed contract posts. Fully spent	
Education & Skills	Reserves	Student Awards	(18,274.34)	18,274.34	0.00		0.00		0.00	To offset shortfall of income in Skills	
Neigh. & Leisure/Dvpt. Bus & Housing	Reserves	Grant Holding Account	(265,559.34)	141,751.25	(123,808.09)	45,000.00	(78,808.09)	45,000.00	(33,808.09)	Coalbrookdale Water course drawndown as and when requried each year.	
Neigh. & Leisure/Dvpt. Bus & Housing	Reserves	Budget Strategy Reserve	(79,000.00)	79,000.00	0.00		0.00		0.00	Development of Planning System	Committed in 13/14
Neigh. & Leisure/Dvpt. Bus & Housing	Reserves	Capacity Fund	(265,022.00)	252,022.00	(13,000.00)	13,000.00	0.00		0.00	Committed against Skills gap analysis, Targeted marketing campaign and First Point for Business.	Majority committed in 13/14, remainder committed 14/15.
Neigh. & Leisure/Dvpt. Bus & Housing	Fund Balances	Destination Telford	0.00	0.00	0.00		0.00		0.00	Destination Telford .	Committed in 13/14
Dvpt. Bus & Hsg	Reserves	Home Improvement Agency	(3,367.84)	3,367.84	0.00		0.00		0.00	To provide small grants to individuals in relation to home improvements	Committed in 13/14
Dvpt. Bus & Hsg	Reserves	Provision for Planning Fees	(2,676.64)	2,676.64	0.00		0.00		0.00	To fund further legal planning fees.	Committed in 13/14
Family & Cohesion	Reserves	Preventing Repossessions			0.00		0.00		0.00	Amalgamated with Homeless Review Reserve	
Family & Cohesion	Reserves	Transport	(168,830.00)	140,000.00	(28,830.00)	28,830.00	0.00		0.00	Costs for Go Smart and Ticketing and Sceduling Programme majority to be spent in 13/14	
Family & Cohesion	Reserves	Transport Review Reserve	(100,000.00)	50,000.00	(50,000.00)	50,000.00	0.00		0.00	To fund additional costs associated with review	
Family & Cohesion	Reserves	SEN Review Reserve	(100,000.00)	65,000.00	(35,000.00)	35,000.00	0.00		0.00	To fund additional costs associated with review	
Family & Cohesion	Reserves	Homelessness Review Reserve	(130,963.00)	95,000.00	(35,963.00)	35,963.00	0.00		0.00	To fund additional costs associated with review and to supplement any preventative work, and support the implentation of the Homelessness Strategy	
Care & Support	Reserves	Substance Misuse Bond Scheme	(24,351.81)		(24,351.81)		(24,351.81)		(24,351.81)		
Neigh. & Leisure	Fund Bal	Landfill Allowance Trading Scheme	3,002.10	(3,002.10)	0.00		0.00		0.00	LATS scheme finished in 12/13, will purchase LATS in 13/14 and will adjustment will be made to revenue account.	
Finance, Audit & IG	Reserves	New Technology	(140,009.92)	70,000.00	(70,009.92)		(70,009.92)		(70,009.92)	Committed to Financial Management system	
Customer & People	Reserves	PCT contribution to health hub	(75,000.00)	75,000.00	0.00		0.00		0.00	PCT contribution For Health Hub	
Customer & People	Reserves	Cashless Catering system	(102,036.19)	50,000.00	(52,036.19)		(52,036.19)		(52,036.19)	This will be used to offset service pressures in year and set up costs of New Nurseries.	
Cooperative	Reserve	Employability Project Reserve	0.00		0.00		0.00		0.00		
Customer & People	Reserve	Organisational Improvement Fund	(382,361.50)	276,856.00	(105,505.50)		(105,505.50)		(105,505.50)	To fund Organisational Improvement Programme	
Customer & People	Reserves	Cooperative Council Initiatives	(17,962.89)	(6,794.00)	(24,756.89)		(24,756.89)		(24,756.89)		
Customer & People	Reserves	Library Book Fund	(27,253.82)		(27,253.82)		(27,253.82)		(27,253.82)	For stock for the new town centre library	
Customer & People	Reserves	Mystery Shopper Exercise	(6,000.00)	6,000.00	0.00		0.00		0.00	Mystery Shopper Exercise due between October 2012 and March 2013.	
Customer & People	Reserves	Library Self Service Facilities	(15,000.00)	(13,673.21)	(28,673.21)		(28,673.21)		(28,673.21)	Funding for the implementation of the self-service facility at Madeley/Oakengates and Stirchley	
Finance, Audit & IG	Reserves	Finance capacity reserve	(72,125.00)	2,125.00	(70,000.00)		(70,000.00)		(70,000.00)	To provide additional capacity within Finance.	
Family & Cohesion	Reserves	Joint Arrangement	(3,967.00)	3,967.00	0.00		0.00		0.00	Small reserve as a one off for services in Joint Arrangement - currently awaiting notification from Shropshire of results of their review of costs - will be used in revenue account in year.	

Schedule of Provisions, Reserves and Balances

Service Area	Balance Sheet Structure	Description	April 2013 Opening Actual 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	Estimated Change during 20015/16 (additions/withdrawals)	April 2016 Opening Estimated Closing Balance 31/3/16	Purpose - brief reason for the reserve/balance	Comment on level/appropriateness of value held
Family & Cohesion	Reserves	Early Help Partnership	(69,263.53)	50,000.00	(19,263.53)	19,263.53	0.00		0.00	The development of the Early Help Offer including the identification training need in respect of the Emotional Health and Well being of CYP and delivery of "Team around the Child" and " Common Assessment Framework" training will incur costs but is investment required to ensure enable the delivery of the savings identified within the Councils medium term budget plan	
Neigh. & Leisure	Reserves	Tennis Centre Sinking Fund	(26,222.02)	(13,200.00)	(39,422.02)	(13,200.00)	(52,622.02)	(13,200.00)	(65,822.02)	Condition of grant that we build up a replacement fund. This will be applied when expenditure is incurred each year.	
Law, Democ & PP	Reserves	Procurement Advice reserve	(23,561.00)		(23,561.00)		(23,561.00)		(23,561.00)	Committed to budget strategy	
Dvpt. Bus & Hsg	Fund Balances	Destination Telford	(150,000.00)	150,000.00	0.00		0.00		0.00	Fund generated from review of reserves & balances 2012/13.	Transferred to YMAW YDDT in 13/14
Family & Cohesion	Reserves	Young Persons Substance Misuse	(74,891.17)	35,000.00	(39,891.17)	35,000.00	(4,891.17)	4,891.17	0.00	Planned use to offset loss of Drugs funding	
Family & Cohesion	Reserves	Community Safety Fund	(31,051.27)	25,000.00	(6,051.27)	6,051.27	0.00		0.00	Funding used for projects agreed by the Community Safety Board. £25k project Integrated Offender Management already agreed	
Cooperative	Reserves	Voluntary Sector Grants - CAB	(49,210.00)	49,210.00	0.00		0.00		0.00	Funding to be passed to CAB to provide support in terms of the new Welfare Reforms	
	Total Specific Earmarked Service		**(5,602,759.94)**	**3,819,198.07**	**(1,783,561.87)**	**812,793.57**	**(970,768.30)**	**228,058.86**	**(742,709.44)**		
	Overall Total		(41,327,918.57)	13,952,811.33	(27,375,107.24)	7,694,940.58	(19,680,166.66)	2,563,367.70	(17,116,798.96)		

APPENDIX 11

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

BACKGROUND

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

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

> **Section 25 of the Local Government Act 2003** requires the authority's Chief Financial Officer to report on the **robustness of the estimates and the adequacy of reserves** allowed for in the budget proposals in the budget report, so Members are informed and can consider this when they make their budget decisions.
>
> **Section 114 of the Local Government Act 1988** highlights the Chief Financial Officer's responsibility to report to members if it appears to him that an unbalanced budget is likely to be set for the year.
>
> **Local Government Finance Act 1992** identifies the requirement to set a balanced budget.
>
> **Section 151 of the Local Government Act 1972 - Financial Administration** requires that authorities should appoint a Section 151 Officer to have responsibility for the proper administration of its financial affairs.
>
> **The Accounts and Audit Regulations 2011 – Regulation 4** requires that the accounting records and control systems include measures to ensure that risk is appropriately managed.
>
> **The requirements of the prudential Code must also be complied with** (a separate report on prudential Indicators is included elsewhere in this suite of service and financial planning reports).

In addition the CIPFA guidance on Local Authority Reserves and Balances requires that a statement reporting on the annual review of earmarked reserves should be made to Council, at the same time as the budget. The statement should list the various earmarked reserves, the purpose for which they are held and provide advice on the appropriate levels. It should also show the estimated opening balances for the year, planned additions/withdrawals and the estimated closing balance. This is included as appendix 9 of this report.

ROBUSTNESS OF ESTIMATES

Overview

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

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

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

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

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

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

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

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

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

1. Impact Assessment and Risk Management

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

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

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

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

2. **The Monitoring Process**

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

3. **The Budget Setting Process**

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

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

2014/15 Budget Assumptions and Considerations:

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

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

	being set. The lump sum payment in 2014/15 will be £2.6m, rising to £2.9m in 2015/16 and £3.3m in 2016/17. The lump sum will continue to rise in subsequent years, although the next triennial evaluation will be due at 31 March 2016 at which point the deficit position will be reviewed. These increases are included in the Service & Financial Planning Strategy forward planning model.
Employer's National Insurance Contribution	Nil increase
Non-Pay budgets	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.
Contingencies	There is a general contingency of £2.5m plus a further £1.2m draw down budget facility specifically for Safeguarding. The Council also has around £3.7m available balances as part of its medium term financial strategy.
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 304 Children in Care (at 16.1.14) and financial monitoring shows a projected overspend of £2.1m in the current year. To recognise the considerable pressure this area is facing a one-off "draw-down" budget of £1.2m has been created which alongside a Cost Improvement Plan (Appendix 2) which details actions to achieve savings of £1.3m will meet the anticipated demands on the service during 2014/15. The position will be reviewed again as part of the 2015/16 service and financial planning process. Care & Support – the council has been subject to a significant transfer of costs in respect of "Continuing Health Care" cases (CHC) from the Health Service which has placed a strain on Council budgets. There is currently a significant disparity between the number of people receiving CHC

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

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

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

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

in any new funding partnerships, major outsourcing deals or major capital developments	monitoring during 2014/15 and beyond to ensure commitments are matched by funding actually achieved, particularly the reliance on capital receipts and future government funding levels for the council and its public sector partners. These include the Town Centre Redevelopment, Gorge instability project and Building Schools for the Future programme.
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 £3.7m is available to use in the overall budget strategy; there is no proposed use of general balances in the strategy for 2014/15.
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 2014 is £106.4m; net additional prudential borrowing anticipated in 14/15 is £1m. The total reliance on capital receipts in the medium term strategy is £81.7m in line with profiled disposals (additional information is provided in both the Capital Programme and Treasury Management Strategy Reports). The Council budgets prudently for its level of borrowing, avoiding external borrowing where cash flow permits and running down investment exposure while rates available for new investments are very low. The assumed council tax collection rate for 2013/14 onwards is 98%. This was reduced in 2013/14 from 99% to take into account the potential impact of the Council Tax Support (CTS) Scheme which replaces council tax benefits. For each 1% not collected the cost is approximately £0.500m in lost income to the Council. Legislation requires that any collection fund deficit is corrected through Council Tax in the next year. In recent years collection has outperformed projections allowing use of a council tax surplus as part of next year's strategy. Cumulative collection rates to date for recent years are 2009/10 99.53% 2010/11 99.41% 2011/12 99.22% 2012/13 98.42% 2013/14* 67.05% Recovery for all years is projected to be over 98% finally.

	*to-date Close monitoring of the impact of CTS on collection rates will continue during 2014/15.
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) • 2012/13 – underspent by £0.055m (0.04% 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 under spends to be carried forward for future commitments
- School Balances – unspent balances of budgets delegated to individual schools

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

Reserves and balances are only maintained in accordance with the risk assessment undertaken and are used in a planned way. Therefore the opportunity cost of maintaining the determined levels is kept to a minimum while interest is earned on the retained amount.

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

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

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

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

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

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

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

Budget Strategy – Communication and Engagement Plan – November 2013 to February 2014 **Appendix 12**

Task	Actions	Responsible person	Timescale
Update online budget page	www.telford.gov.uk/budget	Andy Challenor (Engagement and Equalities Manager)	November
Confirm attendance at forum meetings		Andy Challenor	November
Scope impact assessment and engagement for savings		Andy and Richard Taylor-Murison (Equalities Officer)	November
Agree key budget information and final version of Winter Your Voice Budget Special		Nigel Newman (Communications Manager)	20 December
Launch budget consultation		Andy Challenor	6 January
Distribute - Your Voice budget special		Nigel Newman	From 6 January
Add budget consultation onto the online consultation library	www.telford.gov.uk/yourviewsmatter	Andy Challenor	6 January
Budget press release		Nigel Newman	6 January
Send out budget letter – key budget messages, invite to people to attend the public budget event and signposting on how they can get further involved	• Parish, Town, Ward Members • Other key partners (LSP etc.)	Nigel Newman	6 January
Prepare and agree budget information and consultation to go out to all employees		Andy Challenor and Nigel Newman	6 January
Send out budget 'stakeholders' email	Council database of 28,000	Nigel Newman	6 January

Send out budget ‘stakeholders’ email	Business Community	Andy Challenor	6 January
Send out budget ‘stakeholders’ email	Local forum database • Senior Citizens Forum • Parent and Carers Forum • PODS • Carers Contact Centre • CVS • RAFT • Listen not Label • Healthwatch	Andy Challenor	6 January
Send out budget stakeholders email to local organisations and community groups		Community Participation Team	6 January
Send out budget ‘stakeholders’ email to CapGemini and Lyreco and other ‘business contacts		Wendy Tonge (Involvement Manager)	6 January
Distribute Community Panel survey		Andy Challenor and Jon Power (Delivery and Planning Manager)	6 January
Distribute consultation leaflets in key community buildings and community notice boards		Community Participation Team	Week beginning 6 January
Add consultation information onto local Facebook sites		Community Participation Team	Week beginning 6 January
Out and about in public places and High Streets	• Community Centres • Hadley Learning Centre • Carpenter Centre Overdale • Park Lane Centre • Telford Town Centre Bus Station • The Place	Community Participation Team	During January and February

	• Dawley • Donnington • Madeley • Newport • Oakengates • Wellington		
Rolling screen on Council website		Nigel Newman	During January
Prepare and agree budget presentations for forums and groups and public event		Ken Clarke (Assistant Director – Finance, Audit & Information Governance), Andy Challenor, Nigel Newman and Cllr Bill McClements (Cabinet Member for Finance & Enterprise)	By 8 January
Attend PODS forum	Dawley Lighthouse 7pm – 9pm	Cllr Bill McClements and Clive Jones (Assistant Director – Family and Cohesion Services)	9 January
Attend Senior Citizens Forum	The Place @ Oakengates 10.30am – 12.30pm	Cllr Bill McClements, Cllr Arnold England (Cabinet Member for Adult Social Care), Paul Taylor (Director: Care, Health and Well-being) and Ken Clarke	13 January
Attend Taking Part Forum	11.30am – 12.30pm Park Lane Woodside	Cllr Bill McClements and Debbie Rudd (Engagement Officer)	14 January
Attend Employee Joint Information and Consultation Forum (JICF)	5.30pm	Ken Clarke	22 January
Attend Parish Forum	7pm Wellington Civic & Leisure Centre	Cllr Bill McClements and Ken Clarke	22 January

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

TELFORD & WREKIN COUNCIL

COUNCIL - 27 FEBRUARY 2014

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

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

LEAD MEMBER: CLLR BILL McCLEMENTS

PART A – SUMMARY REPORT

1. *SUMMARY OF MAIN PROPOSALS*

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

2. *RECOMMENDATIONS*

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

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

3. *SUMMARY IMPACT ASSESSMENT*

COMMUNITY IMPACT	*Do these proposals contribute to specific priority plan objectives?*	
	Yes/~~No~~	*All priorities are covered by the report. The overall budget framework contains funding to support the Council's work to promote*

		Equalities & Diversity across the Borough. As part of the Planned Maintenance funding an allocation had been identified to improve accessibility, and service delivery from the Authority's buildings
	Will the proposals impact on specific groups of people?	
	Yes/~~No~~	*An element of the capital improvements to Council buildings will be focused on improving accessibility. The allocation is prioritised using the full range of asset management data and specifically using the accessibility audits as well as working with Assistant Directors and the Equalities team.*
TARGET COMPLETION / DELIVERY DATE	*There are many different capital projects and each one has a different target completion date. Some of the programmes are ongoing, others will complete during the period of the programme as shown in Annex I.*	
FINANCIAL/VALUE FOR MONEY IMPACT	*Yes/~~No~~*	*Where appropriate these are detailed in the body of the report.*
LEGAL ISSUES	*Yes/~~No~~*	*All proposals are covered by the legislative framework within which the council operates*
OTHER IMPACTS, RISKS AND OPPORTUNITIES	*Yes/~~No~~*	*The Council's current strategic risks has been considered as part of allocating resources in the overall programme*
IMPACT ON SPECIFIC WARDS	*~~Yes~~/No*	*Proposals affect all wards in the Borough*

PART B – ADDITIONAL INFORMATION

4.0 SUMMARY

4.1 This report presents the Council's Capital Strategy for 2013/14 – 2016/17 and later years and a capital programme of £247.189m that includes the proposed investments included in the overall budget strategy. It also sets out the Council's Asset Management Plan and proposed planned Building Maintenance programme, particularly focusing on 2014/15 and the three year Highways & Transport capital investment programme.

4.2 The strategy and programmes address our corporate priorities in conjunction with the service and financial planning strategy.

4.3 The revenue cost of the use of the Council's own resources and unsupported borrowing are built into the proposed 2014/15 budget and future projections, while the cost of government supported allocations is currently met through a combination of Revenue Support Grant and direct capital grants., No new government supported allocations have been issued for 2014/15 or 2015/16, this is offset by a partial switching to capital grant.

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

5.0 STRATEGIC OVERVIEW

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

- The retrenchment of public spending by the coalition Government - the Council is facing the challenge of making significant savings, totalling £53m over the past 5 years whilst trying to protect front-line services as far as possible. Our Service and Financial Planning Strategy sets out our response to this challenge and how these savings are being identified and delivered.

- Being a Cooperative Council and reshaping the relationship between the Council, its employees, the community and partners to:

    - **Improve and bring public services together;**
    - **Involve local people and our employees more in planning and running our services;**
    - **Strengthen and develop our communities and encourage people to do more to help their own communities;**

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

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

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

We will:

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

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

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

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

6.0 CAPITAL STRATEGY: 2013/14 – 2016/17

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

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

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

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

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

7.0 CAPITAL PLANNING FRAMEWORK

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

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

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

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

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

(i) Approach

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

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

(ii) Capital Strategy Process

a) Strategic Review of Needs

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

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

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

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

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

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

b) Strategic Consideration of Priorities, Resources and Resource Implications

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

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

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

\- **Corporate Strategic Planning Assessment:**

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

- Options Appraisal to Secure Value for Money:

7.10 In developing the capital programme, the Council has sought to identify which of a number of alternative ways is the best way to fund and deliver a capital project to meet its objectives. Also, to ensure that the Council's approach to prudential borrowing is affordable, prudent and sustainable, a set of prudential indicators have been developed to monitor performance. The case for capital investment requires consideration/identification of how such spend represents or will improve value-for-money to the community.

c) Detailed Capital Programme

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

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

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

d) Control, Monitoring, Performance Management & Review

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

8.0 ASSET MANAGEMENT PLANNING & PROGRAMME

Our Strategic Approach

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

8.2 The Building Investment Programme as identified in Annex II, is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The proposed level of investment included in the Capital Programme 2014/15 is £1.475m for Educational Assets and £0.7m for all other Operational Assets. The budget allocations do not take into account the capital investment relating to Schools and the secured investment relating to BSF which will greatly reduce the condition backlog for Education Properties as part of the building rationalisation process. In addition to the above capital allocations, Schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for repairing and maintaining the School building stock on a day to day basis.

Condition backlog as detailed in the Asset Management Plan

Priority 1
Urgent works that will prevent closure of premises and/or address a high risk to the health and safety of occupants and/or remedy a serious breach of legislation.

Priority 2
Essential work required within two years that will prevent serious deterioration of the fabric or services and/or address medium risk to the health and safety of the occupants and/or remedy a minor breach of legislation.

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

8.3 Previous year condition comparisons

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

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

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

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

9.0 PARTNERSHIP AND CROSS CUTTING ACTIVITY

9.1 There is a very well-developed Local Strategic Partnership, bringing together key local organisations and agencies across all sectors. The Partnership is overseen by an 'executive' Agenda Group which comprises the chief officers of the main public, private and voluntary organisations in Telford & Wrekin.

9.2 Partnership working is the framework through which all key local cross-cutting issues are tackled. The Partnership has a range of both 'thematic' and 'area based' sub-partnerships tackling local issues and informed by an extensive programme of consultation.

9.3 The Council actively works with partners to maximise assets for example through various co-locations of services which is a key feature in particular of the Learning Communities that are being developed. Amalgamation and co-location of services and community facilities is a key aim that drives our asset management and service planning.

10.0 CONSULTATION

10.1 The Council has been engaging widely with the local community around service and financial planning. Further details are set out in the over-arching Service and Financial Planning report considered by Cabinet on 9 January 2014. As capital programmes are being rolled out there will be a need for further consideration on consultation with the public.

11.0 RESOURCES

11.1 Mainstream Government Supported Borrowing

The main borrowing allocations received, along with forward indications of minimum future allocations are as follows:

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Later Years £m
Development, Business & Employment	0.116	0.045	0.000	0.000	0.000
Education & Corporate Parenting	0.785	0.483	0.000	0.000	0.000
Neighbourhood & Leisure Services	0.391	0.130	0.000	0.000	0.000
Total	1.292	0.658	0.000	0.000	0.000

The government have announced that no new borrowing approvals funded from RSG would be issued 2015/16.

The revenue cost of utilising these government allocations should be funded by Revenue Support Grant although this is impacted by the RSG damping mechanism which withholds a substantial part of the additional revenue funding due to the Council to support the cost of these allocations at present.

11.2 Supplementary Grants

While information is still awaited on some allocations, the following allocations have been built into the overall resources position

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Later Years £m
Adult Care & Support	0.897	0.000	0.000	0.000	0.000
Development Business & Employment	10.835	6.701	0.000	0.000	0.000
Neighbourhood & Leisure Services	12.046	15.619	1.881	0.000	0.000
Education & Corporate Parenting	33.986	52.698	4.317	0.655	1.603
Total	57.764	75.018	6.198	0.655	1.603

11.3 Capital Receipts

The capital programme places a significant reliance on future capital receipts, totalling £81.655m shown in the table below. Any shortfall in the amounts received or re-phasing of schemes would have a revenue impact which is not built into the budget strategy. This would have to be mitigated through re-phasing of spend, re-prioritising schemes or incurring additional borrowing which would have a revenue impact which would have to be taken into account in future in the Medium Term Service & Financial Planning Strategy.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Later Years £m
Total	5.374	38.252	26.540	7.989	3.500

11.4 Prudential Borrowing Regime

Within the budget strategy for 2013/14 to 2016/17 the level of Prudential Borrowing assumed is as follows:

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m	Later Years £m
Adult Care & Support	0.150	0.400	0.000	0.000	0.000
Development Business & Employment	0.478	-8.008	1.070	0.970	0.000
Neighbourhood & Leisure Services	4.700	10.328	12.319	2.325	0.000
Education & Corporate Parenting	-2.671	11.782	-2.169	-1.436	-6.671
Customer & People Services	0.870	0.700	0.700	0.700	0.000
Managing the Organisation	30.388	-14.898	-18.140	-6.739	3.000
Total	33.915	0.304	-6.220	-4.180	-3.671

11.5 Overall Resources Position

For planning purposes, some forward allocation indications have been included below. In these cases no firm scheme proposals will be put forward for approval until actual allocations are known.

Resources Available	**2013/14 £m**	**2014/15 £m**	**2015/16 £m**	**2016/17 £m**	**Later Years £m**	**Total £m**
Government Allocations						
Development, Business & Employment	0.116	0.045	0.000	0.000	0.000	0.161
Neighbourhood & Leisure Services	0.391	0.130	0.000	0.000	0.000	0.521
Education & Corporate Parenting	0.785	0.483	0.000	0.000	0.000	1.268
	1.292	**0.658**	**0.000**	**0.000**	**0.000**	**1.950**
Grant Allocations						
Adult Care & Support	0.897	0.000	0.000	0.000	0.000	0.897
Development, Business & Employment	10.835	6.701	0.000	0.000	0.000	17.536
Neighbourhood & Leisure Services	12.046	15.619	1.881	0.000	0.000	29.546
Education & Corporate Parenting	33.986	52.698	4.317	0.655	1.603	93.259
	57.764	**75.018**	**6.198**	**0.655**	**1.603**	**141.238**
Other Resources						
Capital Receipts	5.374	38.252	26.540	7.989	3.500	81.655
Revenue/External	0.780	1.418	0.000	0.000	0.000	2.198
Prudential Borrowing	33.915	0.304	-6.220	-4.180	-3.671	20.148
	40.069	**39.974**	**20.320**	**3.809**	**-0.171**	**104.001**
Total	**99.125**	**115.650**	**26.518**	**4.464**	**1.432**	**247.189**

The revenue impact of the use of Council resources, government allocations and prudential borrowing in the proposed programme are built in to the budget summary.

12.0 CONCLUSION

12.1 Because Telford & Wrekin is a growing and changing area it has substantial capital spending needs:

- to support and meet the growing needs of the Borough and our aspirations to transform Telford & Wrekin;
- to maintain and develop the Council's own stock of capital assets;
- to address the 'New Town effect' of a commonly-ageing infrastructure.

12.2 As a former new town area, with the Council having limited land and asset holdings, we have a more limited capacity to generate capital receipts through disposals than some other authorities. We, therefore, take the capital strategy and its asset management planning very seriously. We look on capital spending as an integral element of our overall approach to Community Planning, partnership working and community engagement.

12.3 We are committed to maximising the effectiveness of our assets and capital spending and to identifying or creating opportunities to attract external funding resources. **Our focus is on delivering our priorities and policy objectives and**

on ensuring that our vision for the community can, each year, become more of a reality for local people.

13. <u>PREVIOUS MINUTES</u>

13.1 Cabinet 9 January 2014 – Service & Financial Planning 2014/15 to 2015/16

14.1 <u>Background Papers</u>

14.1 Funding notifications, investment proposals, cabinet reports on various schemes, previous Capital Strategy documents and capital programmes.

Report prepared by

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Annex I

Capital Programme 2013/14 to 2016/17 and later years
See attached Excel spreadsheet

Capital Programme - 2013/14 - 2016/17 & Later Years

Policy Area	Total £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	Later Years £'000
Adult Care & Support	2,049	1,499	550	0	0	0
Development Business & Employment	55,782	36,014	16,728	1,570	970	500
Neighbourhood & Leisure Services	61,816	17,796	27,495	14,200	2,325	0
Education & Corporate Parenting	123,456	41,567	70,440	10,048	469	932
Customer & People Services	2,970	870	700	700	700	0
Co operative Council	1,000	500	500	0	0	0
Corporate	116	879	(763)	0	0	0
	247,189	**99,125**	**115,650**	**26,518**	**4,464**	**1,432**
Resources						
Borrowing Approval	1,950	1,292	658	0	0	0
Government Grant	141,238	57,764	75,018	6,198	655	1,603
Prudential	20,148	33,915	304	(6,220)	(4,180)	(3,671)
Capital Receipts	81,655	5,374	38,252	26,540	7,989	3,500
Revenue	(1)	(41)	40	0	0	0
Other	0	0	0	0	0	0
External	2,199	821	1,378	0	0	0
Total funding	**247,189**	**99,125**	**115,650**	**26,518**	**4,464**	**1,432**

Capital Programme - 2013/14 - 2016/17 & Later Years
Scheme Summary showing major schemes separately

Scheme	Expenditure						Funding					
	Total £'000	**2013/14 £000**	**2014/15 £000**	**2015/16 £000**	**2016/17 £000**	**Later Years £'000**	**Grant £'000**	**Prudential £'000**	**Receipts £'000**	**Borrowing £'000**	**S106/Other £'000**	**Revenue/External £'000**
Social Care Capital Grant	662	662	0	0	0	0	662	0	0	0		0
ICT Social Care Review	1,037	637	400	0	0	0	235	550	0	0		252
Social Education Centre	350	200	150	0	0	0	0	0	350	0		0
	2,049	**1,499**	**550**	**0**	**0**	**0**	**897**	**550**	**350**	**0**	**0**	**252**
Supported Independent Living - Disabled Facilities Grant	2,867	1,446	1,421	0	0	0	1,424	1,443	0	0		0
Extra Care	1,000	800	200	0	0	0	0	1,000	0	0		0
Town Centre - Phase 1 & Accommodation Strategy	22,623	17,926	4,697	0	0	0	4,688	4,817	13,118	0		0
Telford Ice Rink	35	35	0	0	0	0	0	-742	777	0		0
Housing Related Schemes	4,270	2,805	1,465	0	0	0	1,735	2,426	335	0		66
Sutton Hill	292	160	132	0	0	0	0	0	0	0		0
Hadley Local Centre Phase 1 & 2	1,870	703	1,167	0	0	0	885	985	0	0		0
Woodside	269	61	208	0	0	0	0	39	230	0		0
Brookside	5,592	3,551	2,041	0	0	0	0	4,457	980	0		155
Borough Towns Initiative	743	743	0	0	0	0	50	-24,166	24,859	0		0
Improve Local People's Prospects All Other Schemes	10,056	6,129	3,927	0	0	0	8,754	24	618	161		499
Asset Management Plan - General Works & Surveys	2,947	847	700	700	700	0	0	2,947	0	0		0
Managing the Organisation Other Schemes	3,268	858	770	870	270	500	0	1,330	1,938	0		0
	55,832	**36,064**	**16,728**	**1,570**	**970**	**500**	**17,536**	**-5,440**	**42,855**	**161**	**0**	**720**
Oakengates	691	691	0	0	0	0	0	691	0	0		0
Parks for People	2,186	1,013	223	950	0	0	1,360	301	525	0		0
Newport Fitness facility	1,019	1,019	0	0	0	0	0	1,019	0	0		0
Crazy Golf in the Town park	100	100	0	0	0	0	0	100	0	0		0
Improved Health & Well Being Other Schemes	767	77	690	0	0	0	33	722	0	0		12
Transport & Highways Schemes	31,387	12,773	13,964	2,325	2,325	0	16,195	13,131	0	521		1,540
Every Day Telford - Pride in your Community	8,000	0	4,000	4,000	0	0	0	8,000	0	0		0
Ironbridge Gorge Stability	17,256	1,713	8,618	6,925	0	0	11,656	5,600	0	0		0
Jiggers Bank Stabilization	410	410	0	0	0	0	302	108	0	0		0
	61,816	**17,796**	**27,495**	**14,200**	**2,325**	**0**	**29,546**	**29,672**	**525**	**521**	**0**	**1,552**
Building Schools For The Future	123,456	41,567	70,440	10,048	469	932	93,259	-1,165	30,420	1,268		-326
	123,456	**41,567**	**70,440**	**10,048**	**469**	**932**	**93,259**	**-1,165**	**30,420**	**1,268**	**0**	**-326**
ICT/ eGov	2,920	820	700	700	700	0	0	2,920	0	0		0
	2,920	**820**	**700**	**700**	**700**	**0**	**0**	**2,920**	**0**	**0**	**0**	**0**
Commercial & Business Fund	1,000	500	500	0	0	0	0	0	1,000	0		0
	1,000	**500**	**500**	**0**	**0**	**0**	**0**	**0**	**1,000**	**0**	**0**	**0**
Managing the funding of the Capital Programme	116	879	-763	0	0	0	0	-6,389	6,505	0		0
	116	**879**	**-763**	**0**	**0**	**0**	**0**	**-6,389**	**6,505**	**0**	**0**	**0**
	247,189	**99,125**	**115,650**	**26,518**	**4,464**	**1,432**	**141,238**	**20,148**	**81,655**	**1,950**	**0**	**2,198**

Capital Programme - 2013/14 - 2016/17 & Later Years

MD/AD	Scheme	funding stream	Total £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000
Adult Care & Support								
	Social Care Capital Grant	Gov Grant	662	662	0	0		0
	ICT Social Care Review	Prudential	550	150	400	0		0
		Gov Grant	235	235	0	0		0
		Revenue	252	252	0	0		0
Total	Sub Total ICT Social Care Review		1,037	637	400	0	0	0
	Social Education Centre	Cap Receipts	350	200	150	0		0
Total Adult Care & Support			**2,049**	**1,499**	**550**	**0**	**0**	**0**
Development Business & Employment								
	Supported Independent Living - Disabled Facilities Grant	Gov Grant	1,424	703	721	0		0
	Supported Independent Living - Disabled Facilities Grant	Prudential	1,443	743	700	0		0
Total	Sub Total Town Centre - Phase 1		2,867	1,446	1,421	0	0	0
	Extra Care	Prudential	1,000	800	200	0		0
	Town Centre - Phase 1	Prudential	3,728	4,773	-1,045	0	0	0
		Gov Grant	4,688	4,219	469	0	0	0
		Cap Receipts	13,118	8,145	4,973	0	0	0
Total	Sub Total Town Centre - Phase 1		21,534	17,137	4,397	0	0	0
	Town Centre - Accommodation Strategy	Prudential	1,089	789	300	0	0	0
		Cap Receipts	0	0	0	0	0	0
Total	Sub Total Town Centre - Accommodation Strategy		1,089	789	300	0	0	0
	Telford Ice Rink	Cap Receipts	777	777	0	0	0	0
		Prudential	-742	-742	0	0	0	0
	Sub Total - Telford Ice Rink		35	35	0	0	0	0
	Wellington Civic Works	Prudential	-4,581	-4,581	0	0	0	0
		Cap receipts	4,605	4,605	0	0	0	0
	Wellington Cemetery	Prudential	21	21	0	0	0	0
Total	Sub Total - Wellington BTI		45	45	0	0	0	0
	Dawley Ground works	Prudential	-7,480	-180	-7,300	0	0	0
	Dawley	Cap Receipts	18,600	7,300	11,300	0	0	0
	Dawley	Gov Grant	50	50		0	0	0
	Dawley-Town Park Access section 106	Prudential	-11,350	-7,350	-4,000	0	0	0
	Dawley-Project Management costs	Prudential	300	300	0	0	0	0
	Dawley-MUGAS	Prudential	500	500	0	0	0	0
Total	Sub Total Dawley		620	620	0	0	0	0

Annex 1

Capital Programme - 2013/14 - 2016/17 & Later Years

MD/AD	Scheme	funding stream	Total £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000
	BTI Small Grants	Prudential	37	37	0	0	0	0
	Malinslee Local Centre	Cap Receipts	304	0	304	0	0	0
		Prudential	-263	41	-304	0	0	0
Total	Sub Total Other BTI		78	78	0	0	0	0
	Leegomery Local Centre BTI	Prudential	-1,350	-1,350	0	0	0	0
		Gov Grant	0	0	0	0	0	0
		Cap Receipts	1,350	1,350	0	0	0	0
Total	Sub Total Leegomery Local Centre BTI		0	0	0	0	0	0
	Loan Contingency grant	External	66	66	0	0	0	0
	Housing	Prudential	2,134	1,934	200	0	0	0
	Housing	Cap Receipts	260	130	130	0	0	0
	Housing	Gov Grant	1,735	675	1,060	0	0	0
	Sub Total Housing Schemes		4,195	2,805	1,390	0	0	0
	Youth	Cap Receipts	75	0	75	0	0	0
	Sutton Hill	Prudential	236	160	76	0	0	0
	Sutton Hill Local Centre	Prudential	56	0	56	0	0	0
Total	Sub Total Sutton Hill & Local Centre		292	160	132	0	0	0
	Hadley Local Centre Phase 1 & 2	Prudential	985	403	582	0	0	0
		Gov Grant	885	300	585	0	0	0
Total	Sub Total Hadley Local Centre		1,870	703	1,167	0	0	0
	Woodside	Prudential	10	10	0	0	0	0
	Woodside Local Centre & Project Manag.	Cap Receipts	230	22	208	0	0	0
	Woodside Local Centre & Project Manag.	Prudential	29	29		0	0	0
Total	Sub Total Woodside		269	61	208	0	0	0
	Brookside	Prudential	4,457	2,916	1,541	0	0	0
		External	155	155	0	0	0	0
		Cap Receipts	980	480	500	0	0	0
Total	Sub Total - Brookside		5,592	3,551	2,041	0	0	0
	All Other School schemes	Borrow App	161	116	45			
	All Other School schemes	Prudential	24	8	16			
	All Other School schemes	Gov Grant	8,754	4,888	3,866			
	All Other School schemes	External	499	499	0			
	All Other School schemes	Revenue	0	0				
	All Other School schemes	Cap Receipts	618	618				
	Sub Total All Other School Schemes		10,056	6,129	3,927	0	0	0
	Asset Management Plan - General Works & Surveys	Prudential	2,947	847	700	700	700	0
	Finance Fees	Prudential	480	170	70	170	70	0
	Property & Design Fees	Prudential	800	200	200	200	200	0
	Capital Receipts Site Preparation	Cap Receipts	1,938	438	500	500		500
Total Development Business & Employment			**55,782**	**36,014**	**16,728**	**1,570**	**970**	**500**

Capital Programme - 2013/14 - 2016/17 & Later Years

MD/AD	Scheme	funding stream	Total £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000
Neighbourhood & Leisure Services								
	Oakengates	Prudential	691	691				
			0					
	Jiggers Bank Stabilization	Gov Grant	302	302	0	0		0
	Jiggers Bank Stabilization	Prudential	108	108	0	0		0
Total	**Sub Total Jiggers Bank Stabilization**		410	410	0	0	0	0
	Ironbridge Gorge Stability	Gov Grant	11,656	1,713	8,618	1,325		0
	Ironbridge Gorge Stability	Prudential	5,600	0	0	5,600		0
Total	**Sub Total Ironbridge Gorge Stability**		17,256	1,713	8,618	6,925	0	0
	Every Day Telford - Pride in your Community	Prudential	8,000	0	4,000	4,000		0
			0					
	Integrated Transport	Borrow App	130	0	130	0		0
		Prudential	549	0	549	0		0
		Gov Grant	2,296	771	1,525	0		0
	Integrated Transport	External	0	0	0	0		0
	Street Lighting Energy Programme	Prudential	1,345	370	325	325	325	0
	Highways & Bridges Capital Maintenance	Borrow App	391	391	0	0		0
		Gov Grant	5,947	3,748	2,199	0		0
	Highways / Footpaths	Prudential	8,550	2,550	2,000	2,000	2,000	0
	Highways Maintenance	External	82	82	0	0		0
	Box Road	Revenue	80	40	40	0		0
	Box Road	Gov Grant	7,129	4,455	2,674	0		0
	Box Road	External	1,378	0	1,378	0		0
	Box Road	Prudential	2,687	0	2,687	0		0
	Local Sustainable Transport Fund	Gov Grant	823	366	457	0		0
	Sub Total Transport & Highways Schemes		31,387	12,773	13,964	2,325	2,325	0
	Parks for People	Prudential	301	-170	77	394		0
		Cap Receipts	525	525	0	0		0
		Gov Grant	1,360	658	146	556		0
	Sub Total - Parks for People		2,186	1,013	223	950	0	0
	Upgraded Tennis Facilities	Gov Grant	33	33	0	0		0
	Crazy Golf in the Town park	Prudential	100	100	0	0		0
	Newport Fitness facility	Prudential	1,019	1,019	0	0		0
	Horsehay Fitness Facility	Prudential	700	10	690			
	Brindleyford	External	12	12	0	0		0
	Parks & Play Areas	Prudential	22	22	0	0		0
	Sub Total Other Schemes		1,886	1,196	690	0	0	0
Total Neighbourhood & Leisure Services			**61,816**	**17,796**	**27,495**	**14,200**	**2,325**	**0**
Education & Corporate Parenting								

Capital Programme - 2013/14 - 2016/17 & Later Years

MD/AD	Scheme	funding stream	Total £'000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	Later Years £000
	Building Schools for the Future	Prudential	-1,165	-2,671	11,782	-2,169	-1,436	-6,671
	Building Schools for the Future	Gov Grant	93,259	33,986	52,698	4,317	655	1,603
	Building Schools for the Future	External	7	7		0		0
	Building Schools for the Future	Revenue	-333	-333	0	0		0
	Building Schools for the Future	Cap Receipts	30,420	9,793	5,477	7,900	1,250	6,000
	Building Schools for the Future	Borrow App	1,268	785	483	0		0
Total Education & Corporate Parenting			**123,456**	**41,567**	**70,440**	**10,048**	**469**	**932**
Customer & People Services								
	Aggresso Project	Prudential	50	50	0	0		0
	ICT/ eGov	Prudential	2,920	820	700	700	700	0
Total Customer & People Services			**2,970**	**870**	**700**	**700**	**700**	**0**
Co operative Council								
	Commercial & Business Fund	Cap Receipts	1,000	500	500	0		0
Total Co operative Council			**1,000**	**500**	**500**	**0**	**0**	**0**
Corporate								
	Managing the funding of the Capital Programme	Prudential	-6,389	30,388	-14,898	-18,140	-6,739	3,000
	Managing the funding of the Capital Programme	Cap Receipts	6,505	-29,509	14,135	18,140	6,739	-3,000
Total Corporate			**116**	**879**	**-763**	**0**	**0**	**0**
OVERALL TOTAL			**247,189**	**99,125**	**115,650**	**26,518**	**4,464**	**1,432**

TELFORD & WREKIN COUNCIL

CABINET – 20th February 2014

PLANNED BUILDING INVESTMENT PROGRAMME 2014/15

REPORT OF: ASSISTANT DIRECTOR DEVELOPMENT BUSINESS & EMPLOYMENT

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

To identify the proposed planned building capital maintenance programme for financial year 2014/15, in accordance with Service and Financial Planning 2014/15 to 2015/16.

2. RECOMMENDATIONS

2.1 That Cabinet approve the planned building capital maintenance programme for 2014/15 as identified as part of this report.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Maintaining Council property provides an environment for high quality services to be delivered. The investment contributes to the delivery of the following priorities: • Ensuring neighbourhoods are safe, clean and well maintained. • Improve prospects through education & skills training. • Improving health and wellbeing of communities. • Protect and support vulnerable children and adults. • Putting Children & Young People first. • Regenerating neighbourhoods in need, and ensuring access to suitable housing.
	Will the proposals impact on specific groups of people?	
	Yes	All residents accessing Council Services
TARGET COMPLETION/DELIVERY DATE	Most projects will be delivered during the financial year 2014/15. Larger projects may cover more than one financial year.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Budgetary provision for the planned programme of works £1.475 million

		Educational and £700,000. Operational (as detailed in Appendix 1) is included within the proposed Service and Financial Planning Report 2014/15 to 2015/16. Confirmation of the Education capital allocations for 2014/15 have not been received and are expected to be notified shortly by the Department for Education, and appropriate adjustments to the programme of works will be made accordingly to ensure spend is within available funds.
LEGAL ISSUES	No	There are no direct legal implications arising from this report however any repair/ maintenance works will be subject to competitive procurement to ensure best value is achieved for the Council
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	Where improvements are made to properties, other opportunities when the works are being undertaken are investigated and implemented where possible. This may include contributing to larger schemes where a maintenance liability will be reduced or reducing energy costs.
IMPACT ON SPECIFIC WARDS	No	Borough wide impact

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

The Asset Management Plan and associated data on property (i.e. condition, suitability, sufficiency, access, asbestos) informs the Council's planned building capital investment programme. The Council has completed condition surveys for operational properties used for the delivery of its services. These are updated on a rolling programme each year. The Council's Asset Management Plan 2012-2015 has identified a condition backlog of approximately £7.2m for operational properties (excluding schools) and £24.6m for schools/educational properties.

The school condition back log will be significantly addressed over the next few years with the investment from the Building Schools for the Future programme. The operational property backlog has reduced in 2013/14 due to the corporate property rationalisation and investment (i.e. ice rink, Phoenix Leisure Centre) by circa £1.5m.

The planned building capital investment programme as identified in Appendix A, is set in accordance with the approved framework for prioritising condition backlog as included in the Asset Management Plan. The proposed level of investment included in the Capital Programme 2014/15 is £1.475M for Educational assets and £700,000 for all other operational assets. The budget allocations do not take into account the capital investment relating to expansion of schools and the secured investment relating to Building Schools for the Future which will greatly reduce the condition backlog for Education properties as part of the building rationalisation process. In addition to the above capital allocations, schools are also in receipt of Devolved Formula Capital (DFC) which is used fundamentally for maintaining and investing in the school building stock on a day to day basis.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Community Impact

Maintaining buildings ensures that Council Services are delivered efficiently and with service continuity. Many of the key services are delivered from the Council's property portfolio and are the first key point of contact with our customers.

Equalities Impact

Where possible, as part of the planned building capital investment funding, improvements to accessibility will be carried out. Where improvements to existing facilities are being undertaken, Equalities Issues (i.e. baby changing facilities) are also included as part of the scheme. This allows the Council to increase access to public buildings for people with disabilities.

Environmental Impact

Environmental improvements are incorporated into schemes where appropriate, in an aim to reduce the Council's Carbon Emissions. This will improve the Council's Carbon Reduction Commitment liability and reduce any financial penalties that may be incurred under the scheme.

6. PREVIOUS MINUTES

N/A

7. BACKGROUND PAPERS

Asset Management Plan 2012/2015 (refreshed 2014)

Report prepared by Chris Goulson, Property & Design Service Delivery Manager
Telephone: 01952 384302

APPENDIX A - Education Planned Building Capital Maintenance Programme 2014/15

Asset	Description of Works	Estimated Budget	Corporate Priorities	Ward
John Fletcher of Madeley Primary	Roof Replacement	£240,000	• Improve prospects through education & skills training. • Protect and support vulnerable children and adults. Putting Children & Young People first.	Madeley
Moorfield Primary	The boiler installation in the school has suffered from breakdowns over the last year and is past economical repair. It is proposed to replace the installation with energy efficient boilers to maintain the operation of the school (originally programmed in 2013/14).	£120,000	• Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first.	Newport West
Teagues Bridge Primary	Re-roofing of main school block and boiler replacement The main school roof is in poor condition and the boilers are at the end of their economic life. The school is currently being extended to increase numbers and the works are included within the main contract.	£145,000	• Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first.	Wrockwardine Wood & Trench
Wrockwardine Wood Infant	The boiler plant is not easily maintainable and is inefficient. It is proposed to replace the system with an energy efficient solution to reduce carbon emissions and help reduce running costs (originally programmed in 2013/14).	£120,000	• Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first.	Wrockwardine Wood & Trench
Arthog Outdoor Education	To replace the current inefficient boiler and associated heating plant.	£260,000	• Improve prospects through education & skills training. • Protect and support	Outside Borough

Centre			vulnerable children and adults. • Putting Children & Young People first.	
St Patrick's Primary	Roof Replacement	150,000	• Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first.	Park
Various Schools	Asbestos Removals - To undertake landlord responsibility asbestos removals within property assets. Although checks are undertaken annually it is proposed to undertake new Management Surveys (type 2) on all school properties. Where removals are required these will be prioritised using the Asbestos Management survey data.	£200,000	• Improve prospects through education & skills training. • Protect and support vulnerable children and adults. • Putting Children & Young People first.	Various
Various Schools	Data updates - to update the asset management data. This will include condition and suitability surveys and updated drawing/floor plans of buildings as and when upgrades are carried out.	£40,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing.	Various
Various Schools	Emergency works / Security Works - budget allocation for emergency works or where school security issues are identified. Examples are major boiler failures. This will ensure that schools are able to remain operational with minimum closures.	£150,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Improve prospects through education & skills training. • Improving health and wellbeing of communities. • Protect and support vulnerable children and adults.	Various

			• Putting Children & Young People first.	
Various Schools	Energy Efficiency Funding - To ensure that the Council meets its obligations regarding legislative carbon reduction. This is linked to Salix funding and includes heating control and monitoring replacement together with lighting and sensor controls upgrades.	£50,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities.	Various
	TOTAL	**£1,475,000**		

Corporate Planned Building Capital Maintenance Programme 2014/15

Asset	Description of Works	Estimated Allocated Budget	Corporate Priorities Contributed to proposals	Ward
Brookside Community Centre	The community centre is being extended/refurbished as part of the Brookside regeneration, it makes economic sense to undertake the condition backlog within the centre whilst it is closed to the community (re-programmed from 2013/14)	£100,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities.	Brookside
Various Properties	Carbon Reduction Commitment Funding - To ensure that the Council meets its obligations regarding legislative carbon reduction. This is linked to Salix funding and includes heating control and monitoring replacement together with lighting and sensor controls upgrades.	£75,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing	Various

			• Improving health and wellbeing of communities.	
Various Properties	Asbestos Removals - To undertake landlord responsibility asbestos removals within property assets. Although checks are undertaken annually it is proposed to undertake new Management Surveys (type 2) on all operational buildings. Where removals are required these will be prioritised using the Asbestos Management survey data.	£100,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing	Various
Oakengates Leisure Centre	Refurbishment of fitness suite and changing areas. Linked with BSF adjoining TCA School	£100,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities. • Protect and support vulnerable children and adults. •	
Newport Swimming Pool	Refurbishment of changing rooms and fitness suite extension. Linked to Invest To Save Bid	£75,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities.	
Various Properties	Emergency works/unforeseen works - A reserve budget to cover landlord responsibilities for major unplanned replacements (i.e. boiler failure). This is required to ensure building stock continuity.	£208,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating	Various

			neighbourhoods in need, and ensuring access to suitable housing • Improving health and wellbeing of communities.	
Various Properties	Data Updates - to update the asset management data on operational assets. This includes condition and suitability surveys together with updated plans on 20% of properties.	£40,000	• Ensuring neighbourhoods are safe, clean and well maintained. • Regenerating neighbourhoods in need, and ensuring access to suitable housing	Various
	TOTAL	**£698,000**		

Please note: - the costs shown in the above tables are estimates. Actual costs will be established by competitive tendering in accordance with the Councils Tendering Procedures. All figures are inclusive of Project Management/Design Fees

Corporate Property Asset Management Plan

2014/2017

FOREWORD by Councillor Bill McClements, Cabinet Member: Finance & Enterprise

Land and Property assets are a key issue for the public sector and provide a significant contribution to the delivery of the Co-operative Council's vision, ambitions, priorities and services. Through investment, effective prioritisation of planned maintenance and property rationalisation, real improvements are being made across the Borough.

At a time of significant budget constraints, it is important to continue to manage and utilise our assets effectively, and examine how they can be better used and rationalised. The majority of Council services are provided indirectly through land and property. Therefore ensuring that properties meet both our service and staff needs is of paramount importance.

A Council priority is supporting existing and new businesses to 'Invest In Telford'. To create jobs and encourage enterprise we are using land assets to facilitate this. We have streamlined the planning process to give developers greater certainty and now aim to register all planning applications within 3 days. As can be seen from the section within this plan on Land this approach has already attracted significant employment and development to Telford.

2013/14 has been an exciting time from a property perspective with the completion of a number of schemes and major progress on others. Perhaps the most significant was the opening of the new Phoenix Academy and Leisure Centre at Dawley, a £20 million development to replace the original Phoenix secondary school and leisure centre. Both elements opened in September and offer a fantastic facility to both pupils and the wider community. The 900 place school includes an 8 court sports hall the largest in the Borough and an external 3G sports pitch with floodlighting. Ercall Wood in Wellington is the third new build now well under way and on target for a September 2014 opening.

Phoenix Academy and Leisure Centre

The other most significant development has been the ongoing regeneration of Southwater to deliver a mixed use development linking the shopping centre with The International Centre and Telford Town Park. Development continues rapidly in partnership with the private sector and includes Southwater One, a community building which will focus public sector services at the heart of the town centre and a 600 space multi storey car park. Adjoining this is a new multiplex Cineworld IMAX cinema and Premier Inn Hotel. A number of lettings have been confirmed with operators such as Wagamama and Nandos. Phased openings are planned for Summer 2014. Part of the Southwater redevelopment includes the sale of the former Council offices at Malinslee House to Asda who plan to open their new 6,500 m2 store and petrol filling station in February 2014.

Image of proposed Cinema and Hotel Southwater Way

The regeneration of our Borough Town and local centres is also a key priority and these are being developed in partnership with local communities, businesses, Town and Parish Councils and our Regeneration Partnerships. The built environment continues to play an important role and whenever possible, property is used as a catalyst for change.

Wellington Civic Offices and Leisure Centre was also completed in spring 2012 and opened by Lord Grocott in June 2012. This scheme involves a new library, registry office and office accommodation for circa 200 staff as part of our approach to rationalising property. The collocation of services in Wellington, focussed on business, development and planning has improved our offer to customers by providing a ‘one stop shop’ for business related enquiries and has also reduced costs. The new building links well into the commercial heart of Wellington and has contributed positively towards the local economy.

The Dawley Regeneration Programme has continued, following the re opening of High Street to traffic and high quality public realm improvements, major infrastructure works on the brownfield 90 acre site were completed in January 2012. Following the opening of the school in September 2013, a community project, run in conjunction with ‘The Friends of Dawley’ and Cap Gemini, to refurbish the Town Hall, started in October and was completed in December 2013 for a Christmas opening. The remaining land is now being marketed for residential and commercial uses and will see the refurbishment of the Lord Hill public house.

At Hadley District Centre the first phase of the demolition of the 1970s precinct and flats was completed in April 2013. This £3.5 million scheme includes six new retail units including a Tesco Express and Gregg’s as well as 24 houses and new public spaces. The second phase started in January 2014 and will include a new veterinary surgery.

Brookside will be the next Local Centre to undergo regeneration. Following extensive consultation with the community, planning permission was approved for a new local centre together with refurbished Community Centre and road alterations. This will replace the four run down shops with three new units including a local convenience store, removal of two blocks of flats, new housing development and high quality public spaces. The new shops opened in January 2014 and the second phase, including the refurbishment of the community centre and demolition of the flats, will commence in March 2014.

A robust Asset Management Plan will inform decisions relating to service delivery, and bring major benefits to the local communities.

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1.0 Statement of Context

The Council's "Local Development Framework" core strategy was adopted a number of years ago and runs to 2016 with 'Shaping Places' now being developed to take us through to 2031. The Central Telford Area Action Plan (CTAAP) was adopted in Spring 2011 and covers the Telford Town Centre area. The continuing growth and development of the area ensures services and facilities are constantly monitored and reviewed, resulting in challenges and opportunities for property holdings and Asset Management. Critically in 2012/13 and 2013/14 the Council was re-structured to align traditional Planning and Economic Development roles within the other property functions under a new service area of Development, Business and Employment. This provides a single point of contact for businesses, investors and developers and provides a seamless service from initial enquiry through to finished development. Support is provided throughout in relation to identifying land and premises, applying for planning permission and securing the right skills. As a New Town with approximately 100 hectares of available commercial land, as well as residential development land, Telford is well placed to deliver growth.

The Asset Management Plan is split into three main areas

- Operational property and associated land
- Property Investment Portfolio (Property held for investment purposes)
- Land (held for future disposal or future operational use)

These individual areas interlink to form a comprehensive approach to Asset Management covering all Council property assets within Telford.

Asset Management Plan - Aims:

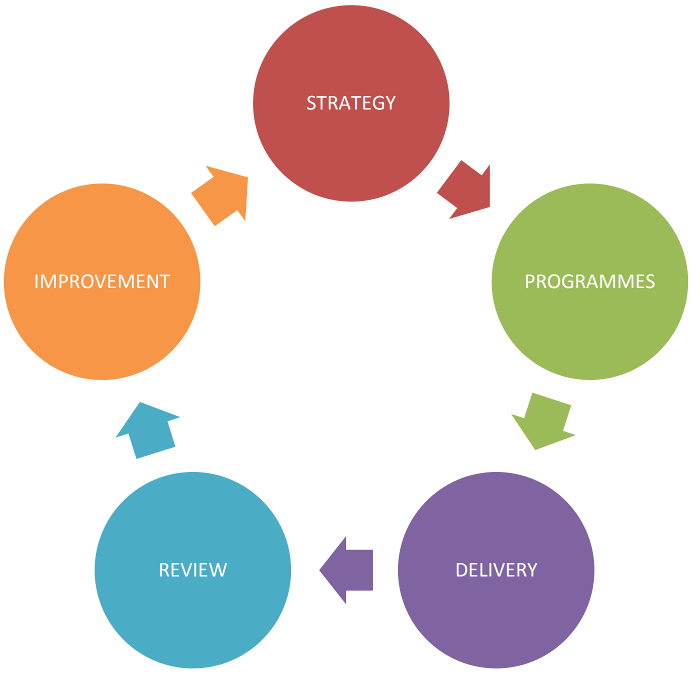
- Ensure assets are fit for purpose
- Maximise the use of assets
- Ensure assets are located in appropriate locations for service delivery
- Deliver an integrated approach to Asset Management across the Authority
- Reinforce a corporate approach for holding property
- Ensure Asset Management decisions are co-ordinated and consistent with Council priorities
- Establish a simple and robust performance measurement system
- Provide comprehensive and accurate data to assess property performance and to support and facilitate improved service delivery
- Use land and buildings to facilitate "growth" and be the enabler of regeneration
- Optimise and prioritise the level of property Investment, to meet the Council's current and future service needs
- Promote the innovative use of property together with partners and stakeholders

2.0 Links to Key Plans and Objectives

The Co-operative Council approach details the strategic Asset Management decision-making links within and across Services:

Strategy

- Understanding community needs and those of our partner organisations
- Corporate policies and priorities
- Service delivery and financial strategies



Improvement

- What are the corporate drives for further change? Co-operative Council, Community Strategy, Council Plan, Priority Plans, Service Delivery Plans
- What are the challenges and opportunities now facing services?

Programmes

Analysis of current performance and future needs including:

- Property audit to understand current performance and trends
- Options appraisal and prioritisation
- Capital planning

Delivery

- Delivery planning
- Project Management
- Procurement

Review

- Has the change delivered the expected outcomes?
- How are services performing?
- Have the property-related objectives been achieved?

3.0 Data Management

The ability to make informed property decisions is dependant upon collating and updating accurate data.

Core Data
All Council property data is recorded on a Property Management System, which is designed to accommodate all forms of property data in a central location. The Property Management System brings all the main functions such as; Asset Management, Capital Projects, Service Asset Register and Help Desk Software together into one integrated solution. This provides greater exchange of information and a streamlined property database linked to a help desk. The software is internet based and provides a direct link to customers and stakeholders, enabling them to access data and information in a user friendly environment.

- <u>The Asset Register:</u>

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.

- <u>Condition & Suitability</u>

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.

- <u>Asbestos</u>

A comprehensive Asbestos Database is held incorporating 'Type 2 Enhanced Surveys' as part of the Asset Management Data, ensuring that quality and up to date information is retained. In accordance with the Council's Asbestos Management Plan, annual risk assessments are conducted on all previously surveyed properties, to ensure that the Council allocates resources to priority items and manages the risks on site.

- <u>Access</u>

Accessibility to properties is paramount to the delivery of services. Comprehensive Disabled Access Audits of operational properties to ensure suitability of premises in relation to service delivery has been carried out. The audits are stored electronically on the central Asset Management Database and are accessible for stakeholders and managers via a web browser. This ensures ownership under the duties imposed under the Disability Discrimination Act (DDA).

- <u>Energy and Efficiency</u>

There is a dedicated energy module as part of the Asset Management Software System, which enables analysis of property related energy data. This data feeds into the Property Performance Indicators (see Section 11), and assists when making key decisions regarding investment and disposal of property. The data also informs the Council's Climate Change Strategy, allowing a targeted approach based upon poor energy ratings of buildings to ensure resources are allocated in the right areas to reduce the carbon footprint. Obligations associated with the Carbon Reduction Commitment (CRC) has led to the Council obtaining accurate readings of all energy consumption, and staff resources have been established to target high use buildings, raising awareness amongst occupiers. The publication of the first CRC national league table has placed Telford & Wrekin Council at number 304 out of 2,100 organisations. The league table ranks the United Kingdom's leading public and private sector organisations by the work they have completed on carbon management. This is an encouraging start which should improve as the Building Schools for the Future (BSF) and property rationalisation programmes continue.

The Council has worked with a private operator to install the first photovoltaics as part of the Wellington Civic & Leisure development. In doing so we have been able to take advantage of the attractive feed in rates, thus securing income for the council. Also at Wellington, a ground source heating system has been installed, which is another first for the Council. Under the Council's 'Invest to Save' initiative, installation of photovoltaics is to occur at two further Council properties; Addenbrooke House and The Place, in spring 2014. In addition, water harvesting has been installed at Hadley Learning Community, Old Park Primary and Short Wood Primary, together with sedum roofs to minimise water run off. Web enabled monitoring of heating and ventilation at new schools is proving to be a significant benefit. This controlled management should result in meaningful reductions in energy usage, improving efficiency. Combined with the property rationalisation programme this is expected to lead to a major reduction in the Council's carbon footprint.

- <u>Measured Surveys</u>

Accurate, comprehensive, measured building surveys are available in AutoCAD for all properties.

4.0 Programme Development and Implementation

The Decision Making Process

The information contained in the Asset Management System enables informed, property related decisions to be made. This corporate planning process identifies requirements for the Property Portfolio. The Council utilises data on condition, suitability, access, sufficiency and asbestos, in decision making pertaining to the following areas (list not exhaustive):

- Review of Office Accommodation
- Repair and Maintenance Programmes
- Capital Programmes
- BSF
- Property Rationalisation
- Borough Towns and Local Centre Regeneration
- Housing Investment
- Commercial Development

Maintenance Programme

The planned Maintenance Programme for 2014/15 has been submitted to Cabinet for approval in February 2014 and details the maintenance priorities established in accordance with the framework described in the Asset Management Plan.

Formulating the Property Related Capital Programme and Key Issues

In establishing the capital programme, consideration is given to; reduced operating costs, regeneration factors, service benefits, geographic and deprivation indices, alternate premises, sharing premises and partnership with the Private Sector or other Public Sector Partners. Whole life cycle costing provides a far more accurate assessment of the long-term cost effectiveness of a project than standard economic methods that focus solely on initial capital costs or on operating-related costs in the very short term. Research has identified the relationship between capital cost, cost in use and the cost to the business of assets as a ratio of 1:5:200. This means that the cost of operating and maintaining a building over its life will be five times the original capital cost. Moreover, the cost of staff productivity and occupation is two hundred times the capital cost.

Sustainability is also a key consideration in the asset provision, use and management process and we are committed to ensuring sustainability is part of all new-build and refurbishment schemes as well as embedded in the procurement process

Key Issues Addressed in Finalising the 2014/15 Capital Investment Programme Include:

- The delivery of capital projects to underpin and support improved service delivery
- Property rationalisation - planned investment in retained buildings to reduce maintenance back log
- Regeneration – support and project management of all regeneration projects
- Repair and maintenance programmes for the PIP to maintain income levels
- Climate Change/Energy Efficiency/ CRC

5.0 Operational Assets

Property Rationalisation/ New Ways Working

Changing Work Patterns and Culture

2013/14 was primarily a year for consolidating Phase 1 accommodation moves undertaken in the previous year and disposing of the vacated properties. The moves resulted in a 35% reduction in space. Phase 2, which will include the opening of the new Southwater One building in Southwater, will commence in Summer 2014. This will involve moving 'Firstpoint', the Council's customer facing function out of Addenbrooke House, freeing up the ground floor. Options to take advantage of this space and further reduce accommodation are currently under consideration. As services constantly evolve, and their property needs change, we continually work with them to ensure their requirements are met.

Addenbrooke House

Southwater One (under construction Jan 14)

Buildings Vacated:

Property	m^2
Civic Offices, Town Centre	9,587
The Mount, Wellington	1,243
Highfield House, Wellington	641
Glebe Centre, Wellington	1,626
Ringway House, Wellington	210
62 Wrekin Road, Wellington	489
Pergo House, Donnington	129
Tan Bank Offices, Wellington	867
Station House, Madeley	141
Matthew Webb House, Dawley	319
Euston House, Town Centre	601
Wrekin Farmers, Bridge Road, Wellington	277
Upper House, Madeley	469
2 Landau Court, Wellington	184
4 Landau Court, Wellington	186
Edward James House, Hortonwood	475
First Point at Hadley	123
8 High Street, Hadley	83
	17,650
New Buildings:	
Whitechapel House, Priorslee	1,627
Addenbrooke House	3,538
Wellington Civic	1,573
Donnington House (part of Portico House)	336
Stafford Park 11, Unit B4	827
	7,901
Retained:	
Darby House	6,111
Granville	3,971
Strickland	322
Portico House	361
12-14 Court Street, Madeley	154
	10,919
Summary:	
Vacated	17,650
New	7,901
Retained	10,919
Total for New & Retained	18,820
Reduction in Space	9,749

35% Reduction in Office Accommodation

6.0 Regeneration Opportunities across the Borough

Management of Homes and Communities Agency (HCA) Assets

Chapter 7, Section 3 examines the land holding within Telford. The management of HCA Assets represents a significant opportunity to shape how the Borough is developed in line with the growth and localism agenda and to support the new role HCA have as a facilitator and enabler of development. It will provide the opportunity to complete the New Town in line with the original vision as set out 40 years ago.

Telford Town Centre

Southwater Development (Southwater One, Premier Inn Hotel, Cineworld Cinema and restaurants)

The Regeneration of Telford Town Centre is a key priority for Telford & Wrekin Council, partners and the region. The regeneration will underpin and support growth, stimulate and attract investment in the Borough, safeguard and create jobs and establish a Town Centre responding to the needs of the community. Outline planning consent, obtained in June 2010, set the context for regeneration through the establishment of land use zones to include residential, commercial, bars, restaurants, hotels, retail and leisure. Since then considerable works have been undertaken with openings planned from summer 2014 onward.

Works have included a significant refurbishment and extension at Telford Ice Rink costing £4m to deliver a modern and vibrant regional attraction. Extensions to the building include a "soft play" facility, catering for infants and juniors and a standalone unit which has been let to restaurant chain Mimosa. A further restaurant unit has been delivered to the front of the existing bowling and bingo building and will provide active frontage onto the new Main Street.

Telford Ice Rink

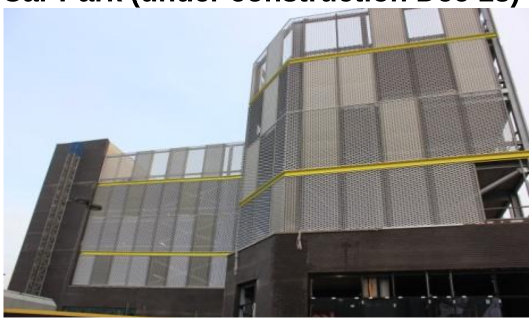
In December 2012, works commenced on an 11 screen Cineworld cinema, an 82 bedroom Premier Inn and seven restaurants, all of which have been pre let to leading national restaurant chains including Pizza Express, Nandos and Wagamama. This development represents a £25m private sector investment in the town, generating circa 350 new jobs. Openings are planned throughout 2014.

Also in December 2012, works commenced on the construction of a new multi storey car park, following the demolition of Telford Library. This 600 space facility will provide safe and convenient parking for visitors to Southwater and Telford Shopping Centre. Telford's central library is being re-provided in an enhanced form in "Southwater One", which is a mixed use building, also containing a cafe and restaurant on the ground floor and a customer "First Point" on the second floor, providing help and advice on a range of council and other public sector services. The building is on target to open in summer 2014. High quality landscaping is also being delivered and will be completed in phases between March 2014 and June 2014. Works include a large replacement lake, extensive paving works, striking soft landscaping and the installation of lighting, street furniture and public art.

To heat and power much of this development, an Energy Centre is being designed and built adjoining the Ice Rink. Final fit out, testing and commissioning is due for completion in summer 2014 to allow provision of heat and hot water to Southwater One and Telford Ice Rink. This will be managed and maintained in house by the Council with the aim of competitively procuring an Energy Services Company to operate this once new customers onto the scheme are confirmed.

Southwater One

Car Park (under construction Dec 13)



Within the Town Park itself an aerial ropes course opened in October 2013, adjacent to the new Visitor Centre. The course is operated by private company 'Closer to the Edge' and includes zip wires and climbing walls. The facility is available for use by the general public as well as available for private, corporate and educational bookings.

Borough Towns and Local Centres
The regeneration of the Borough to stimulate investment and development is critical. With reduced funding there is a need to be creative with the use of our assets to facilitate and achieve this.

Dawley & Malinslee
The regeneration of parts of Dawley & Malinslee is well underway with the amalgamation of two primary schools at Old Park Primary completed in September 2009 together with the opening of the new public realm in Dawley High Street during November 2010. This is combined with proposed new retail, health facilities and housing. Another significant contribution will be the reclamation of around 90 acres of spoil mounds and land fill on the edge of Dawley, completed in January 2012. This was one of the largest civil engineering projects undertaken since the old 'Telford Development Corporation' and involved the movement of 1.3 million cubic metres of material. The first phase of the re development of this reclaimed land started in April 2012 with the new Phoenix Secondary School was opened in September 2013. This will bring increased footfall to Dawley, providing a significant stimulus to place shaping and regeneration. The remaining land will be used for housing and leisure uses.

Aerial View of Paddock Mount Land Reclamation

Following extensive consultation, the decision to refurbish the former Dawley Town Hall was taken in Spring 2013. The building had been unused for around 3 years. The refurbishment was undertaken by KRM Contractors in Autumn 2013 and completed for a Christmas opening. Within the building the Parish Council have their offices and a wide range of community and voluntary groups use the new facility.

Dawley Town Hall Pre-Refurbishment

Dawley Town Hall Opening December 2013

Hadley Local Centre

Phase 1 of a multi million pound scheme to demolish the 1970's shopping precinct and flats above and provide 7 new retail units including a Tesco's Express and Gregg's, together with a high quality public space was completed in March 2013. The second phase to provide 3 further retail units including a veterinary surgery together with the repaving of the High Street is currently under construction and will be completed July 2014. The final phase of the development will be demolition of the remaining retail units and construction of new residential dwellings.

Hadley Centre Pre Demolition

Phase One Under Construction

Phase One Complete
Phase Two Under Construction

Completed Units January 2014

Brookside Local Centre

Brookside has been identified as an area in need of regeneration and investment and has been selected as a pilot project in which regeneration proposals will be developed by the community, in accordance with the Council's co-operative approach. The Centre is a 1970s precinct incorporating four shop units, a Community Centre, Pastoral Centre and a Youth Building. Consultation has been undertaken throughout 2012, working with the Co-operative Council pilot group, Brookside residents, Public Sector Agencies, business and the third sector to look at options for investment in the Local Centre. Following consultation it was agreed to rebuild the shop elements and refurbish the Community Centre to include the youth provision and make major improvements to the road access and public realm spaces. Construction work on the first phase for the shops is due for completion in January 2014 and the second phase, to include the demolition of old shops and flats, together with the refurbishment of the Community Centre is due to start on site April 2014.

Sketch of Brookside Local Centre

Brookside Construction January 2014

Hollinswood Local Centre

Hollinswood local centre has also been identified for regeneration and investment working with the Community concepts the strategy and scheme proposals will be developed.

Building Schools for the Future
The Council has been awarded funding for Wave 4 of the Governments Building Schools for the Future (BSF) Programme, providing a one off chance to completely transform secondary education and community buildings within the Borough.

In order to deliver transformational change, the Council has colocated Secondary Education with Primary Schools and Leisure/Community facilities. In certain cases this will involve closing facilities, disposing of the sites and relocating elsewhere.

In October 2009, after an extensive evaluation process, Kier Construction were appointed for the first phase and work started at Abraham Darby, Madeley and Phoenix, Dawley.

- Abraham Darby included a 420 place Primary School, a new leisure provision with 4 court sports hall and 6 lane swimming pool which all opened in January 2012 together with a 900 place Academy which opened September 2012.
- Phoenix opened in September 2013 and includes a new 900 place Secondary School together with 8 court sports hall, community sports provision and BMX track.
- Further smaller extensions were completed at:
    - Mount Gilbert, Dawley. New skills centre and internal alterations completed October 2012
    - Newport Girls High School, Newport. A new multi use hall, removal of demountable classrooms and 4 new class bases completed October 2012.

The reduction in funding announced in October 2010 necessitated a further assessment of the programme and retendering using Framework 2. Ercall Wood was identified as the sample school and the process of selecting a new contractor started in January 2012 with the successful bidder, Shepherd Construction Ltd, being appointed in the Summer of 2012. Ercall Wood, a 900 place Secondary School, started in March 2013 and is due for completion in September 2014. The other schools listed below are due to start in 2014:
- Burton Borough- Refurbished secondary school
- Priorslee - New build secondary school
- Oakengates - New build secondary school linked to Oakengates Leisure Centre
- Lord Silkin - New build secondary school
- Charlton - New build secondary school
- Adams Grammar – Refurbishment

Phoenix School (under construction)

Ercall Wood (under construction)

Leisure Facilities
As part of the Councils Priority to improve the health and well being of communities, a programme to extend and improve leisure facilities across the Borough has been implemented. Two schemes are currently underway at Newport Swimming Pool and Oakengates Leisure Centre.

The extension to Newport Swimming Pool, which started in October 2013, is costing £1million and includes a new fitness suite and refurbished changing rooms. Completion has been delayed due to drainage problems and a leak to the swimming pool discovered as part of the routine maintenance, and is now expected in March 2014.

Newport Fitness Suite and Changing Room Refurbishment (December 2013)

A similar scheme to improve Oakengates Leisure Centre started in November 2013. Programmed for early Summer 2014 completion and linked to the BSF scheme to collocate a new secondary school to the adjoining site a complete refurbishment to the existing fitness suite is being undertaken. This includes the refurbishment of all the changing facilities at the centre, which will be shared with the new school.

The Place in Oakengates has also undergone extensive external refurbishment with a new entrance and facade installed for the Christmas season. Designed by the Council's in house design team the new appearance and modern lighting scheme has been well received by local traders and members of the public and compliments the exciting programme of events being held there.

The Place, Oakengates

7.0 Property Investment Portfolio (PIP)

The Authority holds a number of individual sites for investment, regeneration and economic development purposes. Details of all assets and their values, based on CIPFA valuation principles, are contained in the Authority's Asset Register (see Section 10). The PIP has an annual revenue target of £5.8 million.

An Economic & Property Market Review completed by GVA in Q3 2013 reports 'the improving economic growth gives grounds for optimism that the long awaited upturn is at last underway'. In terms of rental performance, whilst values have barely moved over the last two years the outlook for 2014 is much more positive. The Investment Property Databank observed that rental values grew 0.2% and 0.1% in Q2 and Q3 2013. Economic growth forecasts have been revised upwards and GVA expect to see all property rental growth of 2% in 2014. This figure is supported by the Royal Institution of Chartered Surveyors (RICS) in its UK Commercial Property Market Update, November 2013. The report observes that 'the occupier and investor markets look set to recover throughout 2014'.

Looking at the sector breakdowns, GVA report that 'the outlook for retail remains challenging, although a sustainable recovery should begin in 2014. Demand, meanwhile has strengthened in the industrial sector, mirroring the positive readings from CIPS (Chartered Institute of Purchasing & Supply) Business Confidence Surveys. The seasonally adjusted CIPS Purchasing Manager's Index® (PMI®) rose to a 28-month high of 54.6 which was the highest since March 2011 highlighting the continued improvement amongst business and consumers. Telford's office market remains challenging with an over supply of town centre space and stagnant rent levels. There are though early indications of an increase in the level of enquiries being received.

The Team has, via a range of measures, delivered effective support to local businesses during the recent difficult economic climate. This included the offer of stepped or incentivised rents, deferred rent payment arrangements, and re-gearing of existing lease agreements. This activity has as far as possible maintained revenue income to the Council, reduced costs associated with holding empty property and safeguarded jobs within the Borough.

Regeneration & Investments continued throughout 2013 to implement its Property Disposal Programme. Completed in November 2010, the comprehensive portfolio review identified a number of underperforming assets in terms of income generation and those, which were a significant drain on a reduced repair and maintenance budget. The proceeds from such sales have been used to reinvest in modern buildings capable of providing income and capital growth, have reduced maintenance liabilities and will deliver new employment opportunities for the Borough. Examples include the sale of industrial assets at Unit B2 Halesfield 10, B4 Stafford Park 11 and Trench Lock 3, enabling the development of a new 10,000sq/ft bespoke office/warehouse at Hadley Park (pre-let to Staubli (UK) Limited on a new 15 year lease), seven new retail units at Phase 1 Hadley Local Centre let to Tesco and Greggs amongst others, and the planned acquisitions of four new retail units within Southwater. This investment will safeguard the revenue position of the portfolio in the medium to long term.

Trench Lock 3

Staubli, Hadley Park East

Key Achievements of the Investment Portfolio in 2013

- Completion of 7 high quality new retail facilities at Phase 1, Hadley Local Centre securing Tesco as the anchor tenant

Hadley Centre

- Disposal of poor performing assets, including B2 Halesfield 10, B4 Stafford Park 11, and Trench Lock 3

- Commenced development of pre let, bespoke 10,000ft² office/warehouse at Hadley Park East

- Continued assistance to customers during the economic downturn, via stepped rents, payment arrangements, and re-gearing of leases. This helped ensure achievement of the income target, and safeguarded jobs within the Borough

- Completed a £300,000 programme of refurbishment involving office premises at Bishton Court, and industrial assets on Stafford Park 15 Dawley Bank and Tweedale Court, improving their marketability, securing new lettings and improving revenue

- Commenced external improvements to retail units at Limes Walk, Oakengates, including new frontages, improved lighting and signage

- Successfully negotiated and secured the letting of 180,000ft² of space via new leases and renewals

- Achieved a low void rate of 6%

- Refreshed the Estates & Investments website and regularly engaged in the use of other social media, such as Twitter to market available land and property

Plans and Developments 2014

- Achieve the Investment Portfolio income target whilst continuing to be proactive in assisting local businesses
- Obtain an independent assessment of the PIP performance for the financial year 2013/14
- Reduce the number of tenants who occupy by way of a licence by negotiating the grant of new leases, securing income for longer periods of time and increasing the investment value of assets held
- Continue the use of conditional break options linked to repayment of rent free incentives, surrender premiums, rent deposits and guarantees in return for lease flexibility
- Continue to reduce levels of current and former tenant debt and investigate alternative means of debt recovery
- Set and achieve clear revenue and void targets for each individual asset
- Set and effectively manage repair and maintenance budgets for each individual asset, ensuring expenditure is below approved levels
- Set and effectively manage service charge budgets for individual assets, ensuring expenditure is below approved levels
- Continue to refresh the Estates & Investments website, explore new means of marketing to attract new business and maximise revenue
- Reduce the overall PIP void rate to less than 4%
- Ensure completion of leases for retail units at Brookside Local Centre, Phase 2 Hadley Centre, and Southwater, helping to secure the long term income position of the PIP
- Update service charge certificates and procedures, providing greater transparency to customers around service charge expenditure
- Review service contracts in place at Multi let properties with a view to procuring contracts that will deliver reductions in expenditure and improved levels of service
- Continue to implement the Property Disposal Programme, reinvesting in assets capable of delivering revenue and capital growth, have reduced liabilities, ensuring the long term sustainability of the PIP.
- Explore potential development and investment opportunities presented via The Stewardship Agreement held with The Homes & Communities Agency
- Complete refurbishment of The Business Development Centre, at Stafford Park 4
- Increase occupancy levels at The Business Development Centre to 90%
- React to legislative changes introduced by The Energy Act 2011 by identifying assets with the lowest energy performance rating E or F. Consider a programme of refurbishment or whether these should be added to the Disposal Programme
- Development of new properties capable of achieving the highest possible energy rating and conforming to national policies regarding sustainability and energy performance
- Re-survey all properties previously identified as having asbestos containing materials as part of a the Council’s duty to manage

Continue to work with Business Support Officers on the provision of after care and business advice given to customers of the Council, further improving rates of retention.

Land Strategy

TWC Land Assets

The Land Assets held by the Authority within the Asset Register are defined as playing fields, public open space, amenity land, woodland, paddocks etc and amount to some 300 hectares (Ha). Land Assets exclude the site area of built Operational and Non-Operational Assets (which extends to some 700Ha). The aim of the Land Strategy undertaken in 2010 was to complete a detailed appraisal of each individual land asset by collating information from a number of sources into a single database.

The information for each site includes the following:-

Site Description
Site Area
Existing Use
Suitability for disposal
Potential for alternative use
Legal issues
Planning issues
Engineering information
Regeneration considerations

For specific issues such as Planning, regard was made to the adopted Local Development Framework and the site's current land allocation, together with a view on future development potential. The information collated has been used to categorise each Land Asset. A traffic light system of categorising has been adopted as follows:

Red	Land suitable for disposal
Amber	Land that may be suitable for disposal will require further investigations before a recommendation is made e.g. Engineering study, Planning Application etc.
Green	Land to be retained

The assessment was completed in 2010 with the detailed appraisal of the 358 Assets categorised as follows:

Category	Number of Assets
Red	17
Amber	107
Green	234

Council approval was obtained to sell the assets identified for disposal (red) and six assets have now been sold with an additional nine assets currently with solicitors. Upon completion of the remaining nine sales a capital receipt of £150,000 will be generated.

A rolling programme has been established to investigate the input required to sell the 107 sites categorised as Amber. To date a further 9 sites have been identified for disposal.

Assets categorised as Green (land to be retained) are continually reviewed to ensure that where criteria/circumstances have changed the sites development /disposal can come forward.

The Land Strategy, Operational Property Strategy and PIP Strategy all connect and form the approach to Asset Management within Telford.

Management of Homes and Communities Agency (HCA) Assets
A Stewardship Agreement signed in September 2012 appointed TWC to market, promote and sell HCA's commercial sites. The management of HCA Assets is a significant opportunity to shape how the Borough is developed in line with the localism agenda and to support the new role HCA have as a facilitator and enabler of development. It has provided the opportunity for the Council to take a proactive approach in promoting the opportunities in Telford and to support the Councils wider agenda of growth within the Borough. A number of sales have come forward since the establishment of the stewardship agreement including:

- The sale of a 5 Ha site at Hortonwood completed in December 12 has delivered a 7,500 sqm meat processing plant which opened in January 14. This is estimated to create around 160 jobs.
- The disposal and development of a new 10,000sqft facility at Hadley Park, Telford, which will be delivered in April 14 and will safeguard 18 jobs and create a further 20.
- The disposal of some 3 acres of employment land at Hortonwood and development of a new 60,000sqft warehouse which is currently on site and will be delivered in Spring 14, safeguarding 11 and creating 16 new jobs.

In addition we are currently dealing with a number of substantial enquiries for land opportunities at Hortonwood, Hadley Park East and Halesfield.

8.0 Asset Details & Performance
With reducing budgets, maintenance/refurbishment has been kept to a minimum across both Operational Property and Schools. However, the BSF programme is beginning to reduce the School back log as new and refurbished schools are being delivered as new Academies. On the Operational side, Property Rationalisation has also reduced the backlog of outstanding maintenance as services and staff are concentrated in modern buildings and out dated buildings are disposed of.

As set out in Chapter 5, energy use is increasingly important from both an environmental and financial viewpoint. Whilst we have pursued a programme of eco friendly initiatives such as bio mass boilers, increased insulation etc. this has been offset by increasing use of technology powered by electricity in buildings. It is expected that further significant reductions in usage can come from both the BSF and Property Rationalisation Programme, which will both utilise modern technologies including photovoltaic technology and ground source heat pumps etc. Similarly, space utilisation should further improve from current standards as Property Rationalisation gathers momentum (Chapter 5).

The Statement of Assets is found in Appendix 1. Three key measures against condition, energy use and space utilisation are contained in Appendix 2.

Appendix 1
Fixed Assets Utilised by the Council

Category	Quantity	Total Values
Bus Stations	3	£870,000
Cemetery Building	1	£1
Changing Rooms & Pavilions	11	£1,168,500
Community Centres	5	£1,292,500
Travellers' Sites	2	£1,136,000
Hostels, Homeless & Sheltered Accommodation and Residential Homes	56	£6,262,500
Ice Rink	1	£3,330,000
Leisure Centres	6	£17,836,000
Libraries	8*	£1,322,000
Nursery Schools	1	£305,000
Offices	10	£13,306,200
Outdoor Activity Centre	1	£724,000
Primary/Infants/Junior Schools	51	£75,073,800
Public Conveniences	3	£136,800
Secondary Schools	1	£8,296,000
Academy Schools	9	£9
Ski Slope	1	£467,000
Special Schools	3	£6,486,000
Swimming Pools	1	£684,000
Theatres	1	£1,780,000
Training/Day Centres & Residential Care	3	£1,738,000
Visitor Information Centre	1	£830,000
Youth Projects	5	£644,500
Pupil Referral Units	2	£728,500
Children Centres	2	£1,631,000
TOTAL	**188**	**£146,048,310**

*Note: 3 of these Libraries now operating from other properties

Operational Property Leased in from Property Investment Portfolio

Property Type	Quantity	Total Values
Offices	4	See PIP table for asset value
Training / Day Centre	1	See PIP table for asset value

Operational Property Leased in from Private Sector

Property Type	Quantity
Offices	1
HLC Learning Community (Private Finance Initiative – PFI)	1
Queensway	1
TOTAL	**3**

Property Investment Portfolio - Details

Property Investment Assets	Quantity	Total Values
Smallholdings	1	£400,000
Offices	27	£13,851,800
Retail	33	£8,589,700
Industrial	42	£29,716,440
Miscellaneous/Ground Rents/rationalisation	153	£22,898,600
TOTAL	**256**	**£75,456,540**

Indicator 1Bi : Required maintenance by cost expressed as a total cost in Priority levels 1–3

Telford & Wrekin Property Performance Indicators for 2013.
Priority 1–3 covers a 5 year maintenance period. The total cost of priority level 1 – 3 works for all Operational Property (including schools) is £33,337,779. The average for the previous Benchmark Group in 2011 which comprised similar sized authorities was £62,232,762.

T&WC figure is split as follows:

School Property	£24,617,893
Operational Property	£8,369,886

Previous year comparisons

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

The condition liability for operational buildings has reduced due to major investment in capital projects such as the Ice Rink refurbishment and the overall reduction in office accommodation by 34% last year. The figures here include assumptions for new buildings which have been acquired and do not currently have condition surveys – these will be undertaken during 2014.

School Condition Surveys do not show the reduction due to the investment of circa £1.5m in 2013/14. Surveys are due to be updated during 2014 which will reflect this investment. With this in mind, the condition liability for Schools shows a decrease this year due to the opening of Abraham Darby, Lakeside, Sutherland, Wrockwardine Wood and Phoenix Academies, which has helped reduce the overall condition backlog circa £6m. Further reductions are expected within the next 2 years due to the further Building Schools for the Future programme projects coming on stream.

Indicator 2A : Energy costs/consumption

The running cost for all Operational Buildings (gas/electric) including schools is:

£ spend per m2 GIA	**£13.22**
2011 Benchmark average	**£13.57**

Previous year comparisons

Year	£ spend per m2 GIA
04/05	£8.08
05/06	£5.91
06/07	£10.75
07/08	£10.75
08/09	£16.59
09/10	£14.00
10/11	£13.46
11/12	£10.38
12/13	£13.22

The cost of energy per m2 increased due to a rise in energy consumption in 2012/13. Energy consumption in all buildings (operational, disposed and schools) has increased by nearly 20% since 2011/12. This increase was expected due to weather conditions as the winter 2012/13 was longer and colder than in 2011/12.

Awareness campaigns targeted at staff to switch off lights, electrical equipment and reduce heating levels. We undertook energy audits of all operational buildings to review performance to identify and implement appropriate energy efficiency measures. The Low Carbon Schools Service has provided energy saving advice and support to schools since 2011/12. This programme enabled schools to make reductions to their energy consumption.

Annex IV

TELFORD & WREKIN COUNCIL-

CABINET - 20 FEBRUARY 2014

HIGHWAYS & TRANSPORT CAPITAL INVESTMENT PROGRAMME 2014-2016

REPORT OF THE ASSISTANT DIRECTOR:NEIGHBOURHOOD & LEISURE SERVICES

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

To identify the proposed planned Highways and Transport Capital Investment Programme for financial years 2014/15 – 2015/16, in accordance with the proposed Budget Strategy.

2. RECOMMENDATIONS

2.1 That Cabinet:

i. Approve the planned Highways and Transport capital investment programme for 2014/15 – 2015/16

ii. Delegate responsibility for agreeing any variations or changes to schemes in the capital programme that remain within overall approved budget limits to the Assistant Director of Neighbourhood and Leisure Services in consultation with the Cabinet Member with responsibility for Neighbourhood Services, Employment & Skills

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Maintaining the highway network has been identified as a key priority through community consultation. Maintaining an efficient and effective transport network through the Highways and Transport Capital Programme contributes to the delivery of the following current Council Priorities: • ensure that neighbourhoods are safe, clean and well maintained; • improve the health and wellbeing of our communities and address health inequalities; • regenerate those neighbourhoods in need and work to ensure that local people have access to suitable housing.
	Will the proposals impact on specific groups of people?	
	No	The highway and transport network is used by all sections of the community. As far as is practicably possible all schemes aim to meet guidance on accessibility; all maintenance schemes are based on assessments of condition of the highway network and feedback from the local community.

Annex IV

TARGET COMPLETION/DELIVERY DATE	Projects will be delivered during the financial years 2014/15 – 2015/16	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	Budgetary provision for the Highways and Transport Capital Programme is £16.724m for 2014/15 (including capital grants from the DfT Local Sustainable Transport Fund), and funding for future years is outlined in this report. The programme will be delivered using target cost contracts to ensure value for money. **J.A Copus 22/01/14**
LEGAL ISSUES	No	There are no direct legal implications arising from this report, the Council has a duty to manage and maintain the highway network and any works will be procured and managed in accordance with financial and contract procedure rules.
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The highway and transport network forms a key part of the physical environment that people experience on daily basis. In delivering the programme it is important that all opportunities are explored to maximise the enhancement of the local environment, where it can be done in an efficient and cost-effective way.
IMPACT ON SPECIFIC WARDS	No	This report outlines work to be delivered from 2014/15 and is based on the list of schemes developed using condition survey and community feedback and approved by Cabinet in 2012 and will be supplemented with information gathered from the Pride in Your Community consultation.

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

The Council's draft Transport Asset Management Plan (TAMP) identifies that the value of the highway assets the Council is responsible for managing and maintaining is around £1bn at present. These assets include roads, footpaths, bridges, street lights and other highway infrastructure. In developing the Highways and Transport Capital Programme a range of factors are taken into consideration including data on condition, feedback from residents, local parish councils and ward members, programming with other schemes on site, safety and accident history. A draft three-year programme was subject to consultation with ward members and parish and town councils during December 2011. This Highways and Transport Programme for 2014/15 is therefore year 3 of the agreed programme together with the additional Pride in Your Community programme. Table 1 sets out the funding allocations until 2016 and Table 2 outlines the spend breakdown by project type.

As anticipated in the 2012 capital programme report, new schemes have been added, based on normal rates of deterioration and requests from communities for road repairs, which can be further exacerbated by periods of cold weather. Throughout the period there may be a degree of reprioritisation required but it is aimed to deliver the agreed programme by the end of 2014/15. The Council has allocated a minimum of £2m from Council Capital funds specifically for carriageway maintenance in 2015/16. A national Pothole Review published in 2012 highlighted the importance of getting highway maintenance right first time and this involves moving some emphasis from reactive to planned maintenance. This report does not cover revenue funded reactive highway maintenance.

Table 1 – Highways and Transport – Available Capital Resources 2014/15 – 2015/16

Source	**2014-15** £'000	**2015-16** £'000	**Total Two-Year Approved Budget (£)** £'000
Council Capital Funding			
Maintenance	2,000	2,000	4,000
Local Sustainable Transport Fund - Box Road	2,687		2,687
Integrated Transport	679		679
Local Sustainable Transport Fund - Box Road (Developer Contributions)	1,378		1,378
Street Lighting Invest to Save	325	325	650
Pride In Your Community	2,800*	2,800*	5,600
Total Council Capital	**9,869**	**5,125**	**14,994**
DfT Funding			
Maintenance	1,942	2,506*	4,448
Additional Highways Maintenance Funding as per December 12 Autumn Statement	257		257
Integrated Transport*	1,525	1,320*	2,845
Local Sustainable Transport Fund-Small Scheme	457		457
Local Sustainable Transport Fund-Box Road	2,674		2,674
Total Dft Capital	**6,855**	**3826***	**10,681**
All Funding-Highways & Transport Schemes	**13,924**	**6,151**	**20,075**
Pride In Your Community	**2,800***	**2,800***	**5,600***
All Funding	*16,724*	*8,951**	*25,675*

***Estimated: DfT funding for 2015/16 is still to be notified by DFT**
***Estimated: Expected Pride in Your Community spend on Highway and Transport**

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Table 2 summarises the draft programme for 2014/15 to 2015/16 based on the resources in Table 1 above.

Table 2 – Summary of Highways & Transport Capital Programme 2014/15 – 2015/16

Highway Programme Area	**2014-15** £'000	**2015-16** £'000	**Total Two Year Programme** £'000
Maintenance of Existing Assets			
Carriageway Maintenance (including safety maintenance schemes)	2,374	3,846*	6,220
Footway maintenance	400	400*	800
Lighting and illuminated signs/bollards	370	270*	640
Barriers & Guard Rail Maintenance	20	20*	40
Drainage Maintenance	160	160*	320
Structures: Maintenance	640	640*	1,280
Signing & Lining: renewal & maintenance	150	100*	250
Annual Condition Surveys	85	85*	170
Pride In Your Community	2,800	2,800	5,600
Improving and Amending the Highway Network	**6,999**	**8,321**	**15,320**
New / Upgraded Infrastructure	100	65*	165
Sustainable Travel (Public Rights of Way / Safer Routes)	70	45*	115
Safety Schemes	70	50*	120
Public Realm & Street Scene Projects	220	145*	365
Local Sustainable Transport Fund Smaller Projects	1,049		1,049
Local Sustainable Transport Fund Box Road	6,739		6,739
Street Lighting Upgrades	325	325	650
Other Schemes to be funded from slippage	1,152		1,152
Transport & LSTF schemes	**9,725**	**630**	**10,355**
Total	**16,724**	**8,951**	**25,675**

*** Estimated: DfT funding for 2015/16 is still to be notified by DFT**

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The principles of the TAMP are around making sure that the Council has as full an understanding as possible of the condition of its highway assets, whilst using Asset Management Planning to maximise the effect of the available financial resources on improving the condition of the Council's highway assets. In adopting this approach the Council may not treat the roads in worst condition first, there may be instances where early intervention can prevent the need for more expensive interventions in future years; therefore in the interest of maximising the effectiveness of resources it may be necessary to allocate resources to parts of the network that are not considered to be in the worst condition

The Capital Programme includes a number of improvement schemes including projects that are funded by the government's Local Sustainable Transport Fund (LSTF) grant. Over the life of the LSTF programme (2011/12 – 2014/15) the Council is putting in place match funding from its own resources and drawing in further contributions from other organisations. The overall funding package means that the Council is able to deliver a programme including projects such as the ongoing transformation of Telford Town Centre Box Road and an upgrade to the route between Telford Central Rail Station and Telford Town Centre as well as programmes of support for employers, schools and colleges to promote walking, cycling and sustainable transport.

The 'Everyday Telford - Pride in Your Community' programme, and Infrastructure Investment Fund is a resident focused investment programme to be delivered across the borough over a period of 2 years to complement the Council's business and housing growth agenda. The 2-year £8m capital and £1.5m revenue investment will include £5.6m of highway related improvements delivered over two years. With its focus on existing communities and its aim to ensure that the borough is an attractive place for those who live and set up businesses here the Pride programme will also complement the Highways capital programme. The detailed Highways Programme will be developed alongside the 'Pride in Your Community Programme' to ensure maximum impact for local communities. Opportunities to link local improvements with capital highways investment will be maximised as part of the delivery of both programmes and this will enable the Council to maximise on potential efficiencies.

5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

Community Impact

Maintaining the highway and transport network is key to ensuring that people are able to travel for work and education, for accessing services and for leisure activities. The network is used on a daily basis by residents and visitors to the Borough and in terms of service use is likely to be the most used service the Council provides. The condition of the highway and its surroundings can have a significant influence on the overall perception of the quality of the physical environment and by linking the highway capital programme with the 'Pride' programme the Council will further maximise on opportunities to improve the local environment for the benefit of local communities. As part of the Cooperative Council approach the process of engaging contractors for the Highways Programme will include the consideration of supporting local employment and apprentice schemes.

Equalities Impact

Where possible, as part of the capital programme, improvements to accessibility will be carried out, such as the provision of dropped kerbs and tactile paving. This allows the Council to support its Local Transport Plan objective of improving accessibility.

Annex IV

Environmental Impact

Environmental improvements are incorporated into schemes wherever appropriate to support the recognition that highway and footpath condition can have a significant bearing on the perceived environmental quality of an area. Again, by identifying links with the Pride programme the Council will be able to take a Total Place approach when delivering highways schemes, thereby ensuring that both environmental and highways issues are addressed. The Council will be seeking to use recycling of materials and new more sustainable surfacing treatments, in collaboration with other local authorities, with the aim of reducing the Council's Carbon Emissions.

6. PREVIOUS MINUTES

Cabinet 22 September 2011
Local Sustainable Transport Fund
Cabinet 28 February 2013
Highways & Transport Capital Investment Programme 2013 - 2016

7. BACKGROUND PAPERS

Local Transport Plan 3
Draft Transport Asset Management Plan

Report prepared by Keith Harris - Transport & Highways Development Service Delivery Manager and Amanda Roberts - Highway Capital Programme Group Manager

TELFORD & WREKIN COUNCIL

CABINET – 20 FEBRUARY 2014
COUNCIL – 27 FEBRUARY 2014

2014/15 TREASURY STRATEGY AND TREASURY UPDATE REPORT

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

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

PART A – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

The report updates members on Treasury Management activities during 2013/14 and details the Treasury Strategy recommended to be adopted for 2014/15

2013/14 Treasury Management Update
The treasury portfolio at the end of December showed overall net indebtedness of £102.8m (borrowing: £142.6m less investments: £39.8m). Base rates have remained at 0.5% all year with the next move expected to be upwards but not for some time, perhaps until 2016/17.

The borrowing strategy for 2013/14 is to use maturing investments to reduce borrowing where possible. To date, two PWLB loans have matured and no new loans have been taken out. Short term borrowing has been used to fund short term cash flow requirements.

The investment strategy for 2013/14 is to gain maximum benefit with security of principal sum invested being the primary consideration. The weighted average return on internal investments at the end of December 2013 was 3.31% compared to a benchmark return for the period of 0.42%. This is an outstanding over-achievement against benchmark and reflects decisions taken some years ago to place investment funds in longer-term fixed rate investments when interest rates were considerably higher than they are today. A schedule of investments is shown at Appendix F.

TREASURY STRATEGY
The Council's Treasury Management Strategy is set within the parameters of the relevant statute, guidance and accounting standards which include the Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services and the Prudential Code.

The Council is currently expected to be required to borrow up to £1.0m in 2014/15 based on the current capital programme plans and will adopt a flexible approach to borrowing. The borrowing requirement may increase if the Council proceeds with large commercial projects for example investment in a solar farm or housing for rent at commercial rent levels. In consultation with its treasury management advisors consideration will be given to affordability, maturity profile of existing debt, interest rate and refinancing risk as well as borrowing source.

Where possible, maturing investments will be used to reduce the level of additional borrowing which will reduce investment exposure going forward. The strategy for any new investments will be to lengthen investment periods, where cash flow permits, to achieve higher interest rates within acceptable risk parameters. Maximum investment levels with counterparties will be set to ensure prudent diversification is achieved.

The report also includes the Council's Minimum Revenue Provision Statement, which although the policy is unchanged from 2013/14, within the existing policy we are amending how we calculate the provision from straight line to an annuity basis. This is allowed within the guidance and we have discussed our proposals with our auditors and they have agreed our approach. This includes backdating of the adjustments back to the start of the prudential regime. This will produce a one off saving in 2013/14 of £4.884m and savings in 2014/15 of £1.489m, 2015/16 £1.232m, 2016/17 £1.084m and 2017/18 £0.921m, these gradually reduce before ultimately becoming a cost. If a net present value calculation is done to the cashflows then for a £10 million investment over 40 years using the government's green book discount rate, then the annuity cashflow is around £1 million lower. This change and saving reflects the time value of money. It also sets the Prudential Indicators associated with Treasury for 2014/15.

2. RECOMMENDATIONS

Members are asked to note the treasury management activities for the first half year, note the Treasury Management Policy Statement (Appendix A) and approve the Treasury Strategy, including the Annual Investment Strategy for 2014/15 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priority plan objectives?	
	Yes/~~No~~	Maximisation of investment income whilst managing risks and minimising borrowing costs whilst also managing risks helps to support the council's overall financial position and therefore the delivery of all policy objectives.
	Will the proposals impact on specific groups of people?	
	~~Yes~~/No	
TARGET COMPLETION / DELIVERY DATE	Part of ongoing Treasury Management Activities within the Treasury Management Strategy and Policy approved by Council.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/~~No~~	Where appropriate these are detailed in the body of the report.
LEGAL ISSUES	Yes/~~No~~	The Council's Treasury Strategy has to comply with the relevant statue, codes and guidance which are set out both in the main body of this report and Appendices A and C

		of the strategy itself Attached). The Assistant Director: Finance, Audit & Information Governance (Section 151 Officer) has responsibility for the administration of the financial affairs of the Council. In providing this report the Assistant Director: Finance, Audit & Information Governance is meeting one of the responsibilities of the post contained within the Council's Constitution at Part 2, Article 12, paragraph 12.04(f) which states "The Chief financial Officer will contribute to the promotion and maintenance of high standards of governance, audit, probity and propriety, risk management and the approval of the statement of accounts through provision of support to the Audit Committee."
OTHER IMPACTS, RISKS AND OPPORTUNITIES	Yes/~~No~~	The key opportunities and risks associated with treasury management activities are set out in the body of the report and in the Treasury Management Strategy and Policy approved by Council and will be regularly monitored throughout the year.
IMPACT ON SPECIFIC WARDS	~~Yes~~/No	

PART B – ADDITIONAL INFORMATION

4. 13/14 TREASURY MANAGEMENT UPDATE

4.1 CURRENT PORTFOLIO POSITION

	31 March 13 Principal £m	*31 Dec 13* Principal £m
Fixed Rate Borrowing - PWLB	50.522	40.022
Fixed Rate Borrowing - LOBO	60.000	60.000
Variable Rate Borrowing - LOBO/market	0.092	42.570
Total Debt	**110.614**	**142.592**
Investments - in-house	31.426	39.829
Total Investments	**31.426**	**39.829**
Net Indebtedness	**79.188**	**102.763**

4.2 INTEREST RATES

Base rates began the year at 0.5% and have remained unchanged all year. The Bank of England Quantitative Easing programme remained at £375bn. The next move in the base rate is expected to be upwards, but not for some time, perhaps not until 2016 and will be strongly linked to the recovery of the economy.

4.3 BORROWING & RESCHEDULING

The borrowing strategy for the current year has been to use maturing investments to reduce borrowing where possible.

Rescheduling

During 2013/14 no rescheduling has taken place as market conditions have not been favourable, however the scope for opportunities is regularly monitored.

New Borrowing

During the year 2 PWLB loans matured in November for £5m each.

Between the period 1 June 2013 (previous Member update) and 31 December 2013, £60.6m of temporary loans have been raised in order to fund short-term cash flow requirements at various points. Interest rates have ranged from 0.27% to 0.40% - interest rates have remained fairly low during this time. £42.6m of this temporary borrowing was outstanding at 31 December 2013.

4.4 INVESTMENTS

The strategy for the current year is: To gain maximum benefit, subject to risk control parameters, whilst achieving as a minimum target the 7 day deposit rate.

4.4.1 In-House Investments

The majority of the Council's investments are internally managed - a mix of both temporary investments for cash flow purposes and longer term investments are undertaken internally. The target return is to achieve at least the 7 day deposit rate.

Temporary Investments
A proportion of funds are invested by the Council's own officers in order to maximise returns from day to day cash flows

In total £1,064m of investments were placed between 1 June and 31 December. Interest rates have ranged from 0.35% to 0.80% and periods ranged from overnight deposits to 52 days. £39.829m in house temporary investments were held at 31 December 2013.

Longer Term Investments

A number of internally managed deposits have been made previously. This has not been added to during 2013/14 and one investment has matured so far during the year for £5.0m. A full list of longer term investments is shown below and total £20.0m.

		£m	%
Fixed Deposit	03/08/09 – 01/08/14	5.0	6.32
Fixed Deposit	06/03/09 – 06/03/14	5.0	6.31
Fixed Deposit	31/03/09 – 31/03/14	5.0	6.37
Fixed Deposit	22/04/09 – 22/04/14	5.0	6.35
Total		20.0	

It should be noted that under the current guidance from our Treasury Advisors our investment policy would mean that new investments should not be placed for longer than 12 months. However the majority of these investments were placed before the start of the financial crisis which resulted in recommended periods for maximum duration being shortened considerably. The council is benefiting from very attractive rates of interest that are no longer available as a result of the decisions to place these investments for longer term periods when interest rates were considerably higher, but these all now mature within the next 7 months.

Overall the weighted average return on all internal investments for the year to date was 3.31% compared to a benchmark return for the period of 0.42%.

4.4.2 Overall Position and Exposure

A full analysis of all Council investments at the end of December is shown in Appendix F.

Our current counterparty limit and maximum exposure is £20.0m with any one counterparty. Counterparty limits will be reviewed once our long term investments have matured during 2014. At the end of December the greatest exposure with a single counterparty was £20.0m with Barclays (50% of the total portfolio).

No investments in Supranational Bonds were held at the end of December.

The Council is guided by its Treasury advisers, Arlingclose, in assessing investments.

4.5 LEASING

Each year the Council arranges operating and finance leases for assets such as vehicles, computers and equipment. This helps to spread the cost over a number of years.

The first drawdown for 2013/14 was completed in October. The drawdown from JCB Finance totalled £0.017m and funded the purchase of equipment over five years at an interest rate of 1.8%. A further lease drawdown is anticipated in March.

5. TREASURY STRATEGY FOR 2014/15 to 2016/17

5.1 BACKGROUND

5.1.1 The CIPFA Treasury Management Code of Practice

The Chartered Institute of Public Finance and Accountancy’s Code of Practice for Treasury Management in Public Services (the “CIPFA TM Code”) and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Annual Investment Strategy as required under the CLG’s Investment Guidance.

The purpose of this TMSS is, therefore, to approve the:

- Treasury Management Strategy for 2014/15
- Annual Investment Strategy for 2014/15
- Prudential Indicators for 2014/15, 2015/16, 2016/17 and 2017/18
- MRP Statement.

Treasury Management is about the management of risk. The Authority is responsible for its treasury decisions and activity. No treasury management activity is without risk.

As per the requirements of the Prudential Code, the Authority has adopted the CIPFA Treasury Management in Public Services at a meeting of Full Council on 4 March 2010. In addition, the Department for Communities and Local Government (CLG) issued revised Guidance on Local Authority Investments in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority’s legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the CLG Guidance.

All treasury activity will comply with relevant statute, guidance and accounting standards.

The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

The strategy takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position (Appendix B), the Prudential Indicators (Appendix C) and the outlook for interest rates (Appendix D).

5.1.2 External Context

Economic background: The Bank of England's Monetary Policy Committee (MPC) through its recent forward guidance is committed to keeping policy rates low for an extended period using the Labour Force Survey unemployment rate of 7% as a threshold for when it would consider whether or not to raise interest rates, subject to certain knock-outs. Unemployment was 7.7% in August 2013, but has now fallen to 7.1% just above the threshold. It is not anticipated that there will be any increase in the base rate as a result of this in the short term. The Bank of England may even reduce this threshold to 6.5% or choose a different measure.

The flow of credit to households and businesses is slowly improving but is still below pre-crisis levels. The fall in consumer price inflation from the high of 5.2% in September 2011 to 2.0% in December 2013 will allow real wage increases (i.e. after inflation) to slowly turn positive and aid consumer spending.

Stronger growth data in 2013 (0.4% in Q1, 0.7% in Q2, 0.8% in Q3 and 0.7% in Q4) alongside a pick-up in property prices mainly stoked by government initiatives to boost mortgage lending have led markets to price in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, growth is likely to only be gradual. Arlingclose forecasts the MPC will maintain its resolve to keep interest rates low until the recovery is convincing and sustainable.

In the US expectations for the slowing in the pace of asset purchases ('tapering') by the Federal Reserve and the end of further asset purchases will remain predominant drivers of the financial markets. The Fed did not taper in September and has talked down potential tapering in the near term. It now looks more likely to occur in early 2014 which will be supportive of bond and equity markets in the interim.

Credit outlook: The credit risk of banking failures has diminished, but not dissipated altogether. Regulatory changes are afoot in the UK, US and Europe to move away from the bank bail-outs of previous years to bank resolution regimes in which shareholders, bond holders and unsecured creditors are 'bailed in' to participate in any recovery process. This is already manifest in relation to holders of subordinated debt issued by the Co-op which will suffer a haircut on its conversion bail-in to alternative securities and/or equity. There are also proposals for EU regulatory reforms to Money Market Funds which will, in all probability, result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper. Diversification of investments between creditworthy counterparties to mitigate bail in risk will become even more important in the light of these developments.

Interest rate forecast: Arlingclose's forecast is for the Bank Rate to remain flat until late 2016, the risk to the upside (i.e. rates being higher) are weighted more heavily towards the end of the forecast horizon, as the table below shows. Gilt yields are expected to rise over the forecast period with medium- and long-dated gilts expected to rise by between 0.7% and 1.1%.
A more detailed economic and interest rate forecast provided by the Authority's treasury management advisor is attached at Appendix D.

For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 2.5% for 2014/15, 3.25% for 2015/16 and 4.5% for 2016/17 onwards, and that new longer term loans will be borrowed at the same average rates.

5.1.3 Local Context

The Authority's current level of debt and investments is set out at Appendix B.

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR). The CFR, together with Usable Reserves, are the core drivers of the Authority's Treasury Management activities.
The Authority is able to borrow funds in excess of the current level of its CFR up to the projected level in 2017/18. The Authority is likely to only borrow in advance of need if it felt the benefits of borrowing at interest rates now compared to where they are expected to be in the future, outweighs the current cost and risks associated with investing the proceeds until the borrowing was actually required.

The forecasted movement in the CFR in coming years is one of the Prudential Indicators (PIs). The movement in actual external debt and usable reserves combine to identify the Authority's borrowing requirement and potential investment strategy in the current and future years.

The estimates, based on the current Revenue Budget and Capital Programmes, are:

	31/03/13 Actual £m	31/03/14 Estimate £m	31/03/15 Estimate £m	31/03/16 Estimate £m	31/03/17 Estimate £m
Capital Financing Requirement	241.957	275.699	270.329	258.250	248.247
Less: Other long term liabilities (e.g. PFI)	-61.924	-61.742	-60.432	-58.756	-57.605
Borrowing CFR	180.033	213.957	209.897	199.494	190.642
Less: External Borrowing	-110.614	-142.304	-133.266	-127.046	-122.866
Internal Borrowing	69.419	71.653	76.631	72.448	67.776
Less: Usable reserves	-49.116	-49.116	-49.116	-49.116	-49.116
Less: Working capital	-53.879	-32.537	-27.515	-23.332	-18.660
Investments	33.576	10.000	0.000	0.000	0.000

The table above shows a falling Capital Financing Requirement from 2014/15 onwards and this combined with maturing investments reduces the need to borrow other than replacing maturing borrowing and converting from temporary borrowing to fixed borrowing at the best time for the Council dependent on market conditions.

5.1.4 Borrowing Strategy

The Authority currently holds £142.592 million of loans, an increase of £31.978 million on the previous year, as part of its strategy for funding previous years' capital programmes. The Council also holds £61.742 million of other longer term liabilities (mainly PFI). The balance sheet forecast in the above table shows that the Authority expects borrowing to be maintained at around this level at year end and then fall over the next few years as capital receipts are realised. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £234 million.

The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. Whilst such a strategy is most likely to be beneficial over the next 2-3 years as official interest rates remain low, it is unlikely to be sustained in the medium-term. The benefits of internal borrowing will monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2014/15 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

In addition, the Authority may borrow short-term loans to cover unexpected cash flow shortages.
The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board
- UK local authorities, including Fire and police Authorities
- any institution approved for investments (see below)
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds
- capital market bond investors
- special purpose companies created to enable joint local authority bond issues.

The Authority has previously raised a significant part of its long-term borrowing from the Public Works Loan Board, but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

The Authority holds £60m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. £55m of these LOBOS have options during 2014/15, and although the Authority understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk, which will arise at some point in the future when interest rates increase. The Authority will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £60m. Short-term and variable rate loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Some bank lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall saving or reduction in risk. Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in Appendix D indicates that an acute difference between short and longer term interest rates is expected to continue. This difference creates a "cost of carry" for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Authority's wider financial position.

5.2 Investment Strategy

The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £31 million and £72 million, and levels are expected to reduce in the forthcoming year as long term investments mature and are used to avoid/reduce borrowing.

Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

The Authority may invest its surplus funds with any of the counterparties in table 2 below, subject to the cash and time limits shown.

Approved Investment Counterparties

<table>
<tr><th colspan="2">Counterparty</th><th>Cash limit</th><th>Time limit †</th></tr>
<tr><td rowspan="7">Banks and other organisations and securities whose lowest published long-term credit rating from Fitch, Moody’s and Standard & Poor’s is:</td><td>AAA</td><td rowspan="7">£20m each</td><td>10 years*</td></tr>
<tr><td>AA+</td><td>5 years*</td></tr>
<tr><td>AA</td><td>4 years*</td></tr>
<tr><td>AA-</td><td>3 years*</td></tr>
<tr><td>A+</td><td>2 years</td></tr>
<tr><td>A</td><td rowspan="2">1 year</td></tr>
<tr><td>A-</td></tr>
<tr><td colspan="2">UK Central Government (irrespective of credit rating)</td><td>unlimited</td><td>50 years**</td></tr>
<tr><td colspan="2">UK Local Authorities (irrespective of credit rating)</td><td>£20m each</td><td>50 years**</td></tr>
<tr><td colspan="2">UK Registered Providers of Social Housing whose lowest published long-term credit rating is A- or higher</td><td>£20m each</td><td>10 years**</td></tr>
<tr><td colspan="2">UK Registered Providers of Social Housing whose lowest published long-term credit rating is BBB- or higher and those without credit ratings</td><td>£5m each</td><td>5 years</td></tr>
<tr><td colspan="2">UK Building Societies without credit ratings</td><td>£1m each</td><td>1 year</td></tr>
<tr><td colspan="2">Money market funds and other pooled funds</td><td>£10m each</td><td>n/a</td></tr>
<tr><td colspan="2" rowspan="3">Any other organisation, subject to an external credit assessment and specific advice from the Authority’s treasury management adviser</td><td>£5m each</td><td>3 months</td></tr>
<tr><td>£1m each</td><td>1 year</td></tr>
<tr><td>£100k each</td><td>5 years</td></tr>
</table>

† the time limit is doubled for investments that are secured on the borrower’s assets

* but no longer than 2 years in fixed-term deposits and other illiquid instruments

** but no longer than 5 years in fixed-term deposits and other illiquid instruments

There is no intention to restrict investments to bank deposits, and investments may be made with any public or private sector organisations that meet the above credit rating criteria. This reflects a lower likelihood that the UK and other governments will support failing banks as the bail-in provisions in the Banking Reform Act 2014 and the EU Bank Recovery and Resolution Directive are implemented.

In addition, the Authority may invest with organisations and pooled funds without credit ratings, following an external credit assessment and advice from the Authority’s treasury management adviser.

Current Account Bank: Following a competitive tender exercise held in 2010, the Authority’s current accounts are held with HSBC plc which is currently rated above the minimum A- rating in table 2. Should the credit ratings fall below A-, the Authority may continue to deposit surplus cash with HSBC plc providing that investments that can be withdrawn on the next working day, and that the bank maintains a credit rating no lower than BBB- (the lowest investment grade rating).

Registered Providers: Formerly known as Housing Associations, Registered Providers of Social Housing are tightly regulated by the Homes and Communities Agency and retain a high likelihood of receiving government support if needed. The Authority will consider investing with unrated Registered Providers with adequate credit safeguards, subject to receiving independent advice.

Building Societies: The Authority takes additional comfort from the building societies' regulatory framework and insolvency regime where, in the unlikely event of a building society liquidation, the Authority's deposits would be paid out in preference to retail depositors. The Authority will therefore consider investing with unrated building societies where independent credit analysis shows them to be suitably creditworthy. The Government has announced plans to amend the building society insolvency regime alongside its plans for wide ranging banking reform, and investments in lower rated and unrated building societies will therefore be kept under continuous review.

Money Market Funds: These funds are pooled investment vehicles consisting of money market deposits and similar instruments. They have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager. Fees of between 0.10% and 0.20% per annum are deducted from the interest paid to the Authority. Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while funds whose value changes with market prices and/or have a notice period will be used for longer investment periods. Note: we have removed the requirement for AAA ratings following EU proposals to stop money market funds from having credit ratings.

Other Organisations: The Authority may also invest cash with other organisations, for example by making loans to small businesses. Because of the higher perceived risk of unrated businesses, such investments may provide considerably higher rates of return. They will however only be made following a favourable external credit assessment and on the specific advice of the Authority's treasury management adviser.

Risk Assessment and Credit Ratings: The Authority uses long-term credit ratings from the three main rating agencies Fitch Ratings, Moody's Investors Service and Standard & Poor's Financial Services to assess the risk of investment default. The lowest available counterparty credit rating will be used to determine credit quality, unless an investment-specific rating is available. Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a A- rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
  - o the UK Government,
  - o a UK local authority, parish council or community council, or
  - o a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in the table below.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£25m
Total investments without credit ratings or rated below A-	£5m
Total investments in foreign countries rated below AA+	£5m
Total non-specified investments	£30m

Investment Limits: The Authority has revenue reserves, which could be used to cover investment losses and are forecast to be £49 million on 31st March 2014 although not all of these are available though. In order that no more than 50% of reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £20 million. A group of banks under the same ownership or a group of funds under the same management will be treated as a single organisation for limit purposes. Limits will also be placed on investments in brokers' nominee accounts (e.g. King & Shaxson), foreign countries and industry sectors as below:

Table 4: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£20m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£20m per group
Any group of pooled funds under the same management	£20m per manager
Negotiable instruments held in a broker's nominee account	£20m per broker
Foreign countries	£10m per country
Registered Providers	£10m in total
Building Societies	£10m in total
Loans to small businesses	£5m in total
Money Market Funds	£10m in total

Approved Instruments: The Authority may lend or invest money using any of the following instruments:
- interest-bearing bank accounts,
- fixed term deposits and loans,
- callable deposits and loans where the Authority may demand repayment at any time (with or without notice),
- callable deposits and loans where the borrower may repay before maturity, but subject to a maximum of £5 million in total,
- certificates of deposit,
- bonds, notes, bills, commercial paper and other marketable instruments, and
- shares in money market funds and other pooled funds.

Investments may be made at either a fixed rate of interest, or at a variable rate linked to a market interest rate, such as LIBOR, subject to the limits on interest rate exposures below.

Liquidity management: The Authority uses cash flow forecasting to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

5.3 Ethical Investment

The Council will not knowingly directly invest in organisations whose activities

include practices which directly pose a risk of serious harm to individuals or groups, or whose activities are inconsistent with the mission and values of the Council. At the same time the Council will take full responsibility for proper management of risk and safeguarding its investments by ensuring that they are diversified and made with organisations suitably credit assessed.
The Council's lending activity will be subject to (in order of rank)

- The assessment of meeting the minimum lending criteria as specified in the current Treasury Management Strategy and the minimum credit ratings as outlined in the Strategy;
- Meeting the Security, Liquidity & Yield criteria as set out in the current Treasury Management Strategy and Compliance with the Treasury Management Practice Statements;
- And investments are not contrary to the values outlined in the Ethical Investment Framework.

5.4 The Use of Financial Instruments for the Management of Risks

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

5.5 Balanced Budget Requirement

The Authority complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

5.6 2014/15 MRP Statement

5.6.1 The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 08 (SI 08/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

5.6.2 The four MRP options available are:

Option 1: Regulatory Method
Option 2: CFR Method

Option 3: Asset Life Method
Option 4: Depreciation Method

NB This does not preclude other prudent methods.

5.6.3 MRP in 2014/15: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

5.6.4 The MRP Statement will be submitted to Council before the start of the 2014/15 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement should be put to Council at that time.

5.6.5 The Council will apply Option 1 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure.

There is a change to how MRP will be calculated under option 3 and rather than using a straight line basis MRP will be calculated on an annuity method as allowed within the guidance. This will be applied to the calculation of MRP for 2013/14 and ongoing, as well as a one off adjustment during 2013/14 in relation to voluntary overprovision of MRP in previous years since the introduction of the prudential system. The value of this over provision is a one off adjustment of £4.884m and this will be used to offset some of the costs in relation to the additional capital investments included in the budget over the next 10 years. Savings in MRP will also accrue in 2014/15 for £1.489m; 2015/16 £1.232m; 2016/17 £1.084m and 2017/18 £0.921m. This saving will gradually reduce and eventually become a cost. The revised methodology reflects the time value of money.

Also MRP in respect of leases and Private Finance Initiative schemes brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

5.7 Monitoring and Reporting on the Treasury Outturn and Prudential Indicators

The Assistant Director: Finance, Audit & Information Governance will report to the Audit Committee on treasury management activity / performance and Performance Indicators as follows:

- half yearly against the strategy approved for the year. The Authority will produce an outturn report on its treasury activity no later than 30th September after the financial year end.
- Audit Committee will be responsible for the scrutiny of treasury management activity and practices rather than the Budget and Finance Scrutiny Committee.

6 Other Items

6.1 Training

CIPFA’s Code of Practice requires the responsible officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to

their needs and understand fully their roles and responsibilities.
Reviewing and addressing training needs: The authority regularly reviews the training needs of its staff involved with treasury management and ensures that staff are appropriately trained.

6.2 Investment Consultants/Treasury Advisors

The Council uses Arlingclose as its external treasury management advisers.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review to ensure the quality of any such service is controlled.

7. BACKGROUND PAPERS

CIPFA Code of Practice for Treasury Management in Local Authorities
Temporary Borrowing Records
PWLB records
Investment records
Draft Treasury Strategy provided by Arlingclose
Local Government Act 2003
CLG Guidance on Local Authority Investments
Audit Commission – Risk and Return

Report prepared by
Bernie Morris, Finance Manager (01952) 383702
Ken Clarke, Assistant Director: Finance, Audit & Information Governance (01952) 383100.

TREASURY MANAGEMENT POLICY STATEMENT

1. INTRODUCTION AND BACKGROUND

1.1 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 5 of the Code.

1.2 Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:-

- A treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- Suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

1.3 The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

1.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to Audit Committee and for the execution and administration of treasury management decisions to Assistant Director: Finance, Audit & Information Governance, who will act in accordance with the organisation's policy statement and TMPs and CIPFA's Standard of Professional Practice on Treasury Management.

1.5 The Council nominates Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

2. POLICIES AND OBJECTIVES OF TREASURY MANAGEMENT ACTIVITIES

2.1 The Council defines its treasury management activities as:

"The management of the Council's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

2.2 This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

2.3 This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management."

2.4 The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt. The Council will look to minimise borrowing through the use of maturing investments to fund capital expenditure rather than reinvestment.

2.5 The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations. Generally as investments mature they will not be reinvested but be used to minimise borrowing.

APPENDIX B

EXISTING PORTFOLIO PROJECTED FORWARD

	Current Portfolio £m	%	31/3/14 Estimate £m	31/3/15 Estimate £m	31/3/16 Estimate £m	31/3/17 Estimate £m	31/3/18 Estimate £m
External Borrowing:							
Fixed Rate – PWLB	40.0	20	39.5	28.5	27.5	26.5	25.5
Fixed Rate – Market	60.0	29	60.0	60.0	60.0	60.0	60.0
Variable Rate – PWLB	0.0	0	0.0	0.0	0.0	0.0	0.0
Variable Rate – Market	42.6	21	42.8	44.8	39.6	36.4	33.7
Total External Borrowing	142.6	70	142.3	133.3	127.1	122.9	119.2
IFRS Long Term Liabilities:							
PFI	61.0	30	61.0	59.7	58.0	56.9	57.3
Finance Leases	0.7	0	0.7	0.7	0.7	0.7	0.7
Total Gross External Debt	204.3	100	204.0	193.7	185.8	180.5	177.2
Investments: *Managed in-house*							
Short-term monies (Deposits/ monies on call /MMFs)	39.8	100	10.0	0.0	0.0	0.0	0.0
Long-term investments *(maturities over 12 months)*	0.0	0	0.0	0.0	0.0	0.0	0.0
Total Investments	39.8	100	10.0	0.0	0.0	0.0	0.0
(Net Borrowing Position)/ Net Investment position	(164.5)		(194.0)	(193.7)	(185.8)	(180.5)	(177.2)

Appendix C
Prudential Indicators 2014/15 – 2017/18

1 Background:

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

2. Gross debt and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the local authority should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Assistant Director: Finance, Audit & Information Governance reports that the authority had no difficulty meeting this requirement in 2013/14, nor are there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

3. Estimates of Capital Expenditure:

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

Capital Expenditure	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
Total	**107.199**	**99.125**	**115.650**	**26.518**	**4.464**	**1.432**

**if applicable*

3.2 Capital expenditure will be financed or funded as follows:

Capital Financing	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
Capital receipts	39.127	5.374	38.252	26.540	7.989	3.500
Government Grants	64.087	57.766	75.018	6.198	0.655	1.603
Revenue / External contributions	0.349	0.779	1.418	0.000	0.000	0.000
Total Financing	103.563	63.919	114.688	32.738	8.644	5.103
Supported borrowing	0.257	1.292	0.658	0.000	0.000	0.000
Unsupported borrowing	3.379	33.914	0.304	-6.220	-4.180	-3.671
Total Funding	3.636	35.206	0.962	-6.220	-4.180	-3.671
Total Financing and Funding	107.199	99.125	115.650	26.518	4.464	1.432

4. Ratio of Financing Costs to Net Revenue Stream:

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

4.2 The ratio is based on costs net of investment income.

Ratio of Financing Costs to Net Revenue Stream	13/14 Approved %	13/14 Revised %	14/15 Estimate %	15/16 Estimate %	16/17 Estimate %	17/18 Estimate %
Total	**3.11**	**2.89**	**3.85**	**3.67**	**4.28**	**4.25**

5. Capital Financing Requirement:

5.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and it's financing.

Capital Financing Requirement	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
Total CFR	**237.879**	**241.957**	**275.699**	**270.329**	**258.250**	**248.247**

6. Actual External Debt:

6.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

Actual External Debt as at 31/03/13	£m
Borrowing	110.614
Other Long-term Liabilities	61.924
Total	**172.518**

7. Incremental Impact of Capital Investment Decisions:

7.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

Incremental Impact of Capital Investment Decisions	13/14 Approved £	14/15 Estimate £	15/16 Estimate £	16/17 Estimate £	17/18 Estimate £m
Increase in Band B Council Tax	-3.71	21.21	4.20	2.51	12.64

7.2 The increase in Band B council tax reflects the increases in the provision for Capital Financing Charges of £0.599m by 2019/20 to undertake additional borrowing of £18.846m arising from the proposed capital programme. In the short term there are savings due to the rephasing of existing planned borrowing and medium term there is spending ahead of anticipated capital receipts, but once complete the overall increase in Band B is £10.51.

8. Authorised Limit and Operational Boundary for External Debt:

8.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

8.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

8.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

8.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Authorised Limit for External Debt	**13/14 Approved £m**	**13/14 Revised £m**	**14/15 Estimate £m**	**15/16 Estimate £m**	**16/17 Estimate £m**	**17/18 Estimate £m**
Borrowing	145	145	170	165	165	160
Other Long-term Liabilities	65	65	64	63	62	61
Total	**210**	**210**	**234**	**228**	**227**	**221**

8.5 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

8.6 The Assistant Director: Finance, Audit & Information Governance has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Audit Committee.

Operational Boundary for External Debt	**13/14 Approved £m**	**13/14 Revised £m**	**14/15 Estimate £m**	**15/16 Estimate £m**	**16/17 Estimate £m**	**17/18 Estimate £m**
Borrowing	125	125	158	149	150	141
Other Long-term Liabilities	63	63	62	61	60	59
Total	**188**	**188**	**220**	**210**	**210**	**200**

9. Adoption of the CIPFA Treasury Management Code:

9.1 This indicator demonstrates that the Council has adopted the principles of best practice.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its Council meeting on 4 March 10.

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

10. Gross Debt and the Capital Finance Requirement

10.1 The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need. If these figures exceed CFR (which they don't) they would indicate we are borrowing in advance of need.

Gross and Net Debt	13/14 Estimated £m	14/15 Authorised £m	15/16 Authorised £m	16/17 Authorised £m	17/18 Authorised £m
Outstanding Borrowing (at nominal value)	142.304	134.644	128.424	124.244	120.573
Other Long-term Liabilities (at nominal value)	61.742	60.432	58.756	57.605	58.042
Gross Debt	204.046	195.076	187.180	181.849	178.615

11. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

11.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments / total debt net of total investments)

11.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

Guidance note on quantum of acceptable volatility...

	Existing level (or Benchmark level) at 31/03/13 %	13/14 Approved %	13/14 Revised %	14/15 Estimate %	15/16 Estimate %	16/17 Estimate %	17/18 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100	100	100
Upper Limit for Variable Interest Rate Exposure	30	30	30	30	30	30	30
Local Indicator – Upper limit for net variable rate exposure. (Net principal re gross variable rate borrowing and investments divided by gross borrowing plus investments)	70	70	70	70	70	70	70

11.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

12. Maturity Structure of Fixed Rate borrowing:

12.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

12.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

Maturity structure of fixed rate borrowing	Existing level (level at 31/03/13) %	Lower Limit for 14/15 %	Upper Limit for 14/15 %
under 12 months	30 (0)	0	40
12 months and within 24 months	8 (10)	0	25
24 months and within 5 years	2 (12)	0	50
5 years and within 10 years	2 (2)	0	75
10 years and within years	0 (0)	0	75
years and within 30 years	0 (0)	0	75
30 years and within 40 years	7 (5)	0	100
40 years and within 50 years	16 (25)	10	100
50 years and above	35 (45)	15	100

13. Credit Risk:

13.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.

13.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

13.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

13.4 The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

14. Upper Limit for total principal sums invested over 364 days:

14.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper Limit for total principal sums invested over 364 days	13/14 Approved £m	13/14 Revised £m	14/15 Estimate £m	15/16 Estimate £m	16/17 Estimate £m	17/18 Estimate £m
	95	95	95	95	95	95

Appendix D – Arlingclose Economic & Interest Rate Forecast December 2013

Underlying Assumptions:

- Underlying assumptions:

- Growth continues to strengthen with the second estimate for Q3 growth coming in at an unrevised 0.8% and first estimate of Q$ at 0.7%. The service sector remains the main driver of growth, boosted by a contribution from construction.
- The unemployment rate has fallen to 7.1%. The pace of decline in this measure will be dependent on a slower expansion of the workforce than the acceleration in the economy, alongside the extent of productivity.
- The CPI for December has fallen to 2.0%, a much more comfortable position for the MPC. Utility price increases are expected to keep CPI at or above the 2% target in 2014, before falling back again.
- The principal measure in the MPC's Forward Guidance on interest rates is the Labour Force Survey (LFS) unemployment rate. The MPC intends not to raise the Bank Rate from its current level of 0.5% at least until this rate has fallen to a threshold of 7%, this threshold is likely to be reviewed.
- The reduction in uncertainty and easing of credit conditions have begun to unlock demand, much of which has fed through to the housing market. In response to concerns over a house price bubble, the Bank of England announced a curtailment of the Funding for Lending Scheme, which will henceforth concentrate on business lending only.
- The MPC will not hesitate to use macro prudential and regulatory tools to deal with emerging risks (such as curtailing the FLS). Absent risks to either price stability or financial stability, the MPC will only tighten policy when it is convinced about the sustained durability of economic growth.
- Federal Reserve monetary policy expectations - the slowing in the pace of asset purchases ('tapering') and the end of further asset purchases - will remain predominant drivers of the financial markets. Tapering of asset purchases will begin in Q1 2014. The US political deadlock over the debt ceiling will need resolving in Q1 2014.
- The European backstop mechanisms have lowered the risks of catastrophic meltdown. The slightly more stable economic environment at the aggregate Eurozone level could be undone by political risks and uncertainty in Italy, Spain and Portugal (doubts over longevity of their coalitions). The ECB has discussed a third LTRO, as credit conditions remain challenging for European banks.
- China data has seen an improvement, easing markets fears. Chinese leaders have signalled possible monetary policy tightening.
- On-going regulatory reform and a focus on bail-in debt restructuring of is likely to prolong banking sector deleveraging and maintain the corporate credit bottleneck.

Forecast:

- Our projected path for short term interest rates remains flat. Markets are still pricing in an earlier rise in rates than warranted under Forward Guidance and the broader economic backdrop. The MPC will not raise rates until there is a sustained period of strong growth. However, upside risks weight more heavily at the end of our forecast horizon.
- We continue to project gilt yields on an upward path through the medium term. The recent climb in yields was overdone given the soft fundamental global outlook and risks surrounding the Eurozone, China and US.

	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Official Bank Rate													
Upside risk		0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.75	0.75	0.75	1.00
Arlingclose Central Case	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**
Downside risk				-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25
3-month LIBID rate													
Upside risk	0.20	0.25	0.30	0.35	0.40	0.50	0.55	0.60	0.65	0.70	0.75	0.80	0.80
Arlingclose Central Case	**0.45**	**0.45**	**0.50**	**0.55**	**0.55**	**0.55**	**0.55**	**0.60**	**0.65**	**0.70**	**0.80**	**0.80**	**0.80**
Downside risk	-0.25	-0.25	-0.25	-0.30	-0.30	-0.30	-0.35	-0.40	-0.45	-0.50	-0.55	-0.55	-0.55
1-yr LIBID rate													
Upside risk	0.35	0.30	0.35	0.40	0.45	0.50	0.60	0.70	0.75	0.75	0.75	0.80	0.80
Arlingclose Central Case	**0.90**	**0.95**	**0.95**	**0.95**	**1.00**	**1.05**	**1.10**	**1.15**	**1.20**	**1.25**	**1.30**	**1.40**	**1.40**
Downside risk	-0.25	-0.25	-0.25	-0.30	-0.35	-0.40	-0.45	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	**1.45**	**1.50**	**1.55**	**1.60**	**1.65**	**1.70**	**1.75**	**1.85**	**1.95**	**2.10**	**2.30**	**2.50**	**2.50**
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75	-0.80	-0.80	-0.80
10-yr gilt yield													
Upside risk	0.50	0.50	0.50	0.65	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	**2.55**	**2.60**	**2.65**	**2.70**	**2.75**	**2.80**	**2.85**	**2.90**	**3.00**	**3.10**	**3.30**	**3.50**	**3.50**
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.75	-0.80	-0.80	-0.80
20-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.85	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	**3.25**	**3.30**	**3.35**	**3.40**	**3.45**	**3.50**	**3.55**	**3.65**	**3.75**	**3.85**	**4.05**	**4.15**	**4.15**
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80
50-yr gilt yield													
Upside risk	0.50	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Arlingclose Central Case	**3.45**	**3.50**	**3.55**	**3.60**	**3.65**	**3.70**	**3.75**	**3.80**	**3.85**	**3.95**	**4.05**	**4.15**	**4.15**
Downside risk	-0.50	-0.50	-0.50	-0.50	-0.55	-0.60	-0.60	-0.60	-0.65	-0.70	-0.75	-0.80	-0.80

Appendix E – Recommended Sovereign and Counterparty List (Section 8)

- ***Group Limits*** *- For institutions within a banking group, the authority executes a limit at the highest of any of the single banks within that group.*
- ***Sovereign Limit*** *– The Council will only invest a maximum of 20% of the portfolio with non UK sovereigns.*

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit %/£m	Maximum Group Limit (if applicable) %/£m	Council Holding At 31/12/13 £m
Term Deposits / CDs / Call Accounts	UK	Santander UK Plc (Banco Santander Group)	20	20	7
Term Deposits / CDs / Call Accounts	UK	Bank of Scotland (Lloyds Banking Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Lloyds TSB (Lloyds Banking Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Barclays Bank Plc	20	20	20
Term Deposits / CDs / Call Accounts	UK	HSBC Bank Plc	20	20	13
Term Deposits / CDs / Call Accounts	UK	Nationwide Building Society	20	20	0
Term Deposits / CDs / Call Accounts	UK	NatWest (RBS Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Royal Bank of Scotland (RBS Group)	20	20	0
Term Deposits / CDs / Call Accounts	UK	Standard Chartered Bank	20	20	0
Term Deposits / CDs / Call Accounts	UK	Close Brothers Limited	20	20	0
Term Deposits / CDs / Call Accounts	UK	Goldman Sachs International Bank	20	20	0
Term Deposits / CDs / Call Accounts	UK	Leeds Building Society	20	20	0
Term Deposits / CDs / Call Accounts	Australia	Australia and NZ Banking Group	20	20	0

Term Deposits / CDs / Call Accounts	Australia	Commonwealth Bank of Australia	20	20	0
Term Deposits / CDs / Call Accounts	Australia	National Australia Bank Ltd (National Australia Bank Group)	20	20	0
Term Deposits / CDs / Call Accounts	Australia	Westpac Banking Corp	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Bank of Montreal	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Bank of Nova Scotia	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Canadian Imperial Bank of Commerce	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Royal Bank of Canada	20	20	0
Term Deposits / CDs / Call Accounts	Canada	Toronto-Dominion Bank	20	20	0
Term Deposits / CDs / Call Accounts	Finland	Nordea Bank Finland	20	20	0
Term Deposits / CDs / Call Accounts	Finland	Pohjola Bank	20	20	0
Term Deposits / CDs / Call Accounts	Germany	Deutche Bank AG	20	20	0
Term Deposits / CDs / Call Accounts	Germany	Landesbank Hessen – Thuringen (Helaba)	20	20	0
Term Deposits / CDs / Call Accounts	Netherlands	ING Bank NV	20	20	0
Term Deposits / CDs / Call Accounts	Netherlands	Rabobank	20	20	0
Term Deposits / CDs / Call Accounts	Netherlands	Bank Nederlandse Gemeenten	20	20	0
Term Deposits / CDs / Call Accounts	Singapore	DBS Bank Ltd	20	20	0
Term Deposits / CDs / Call Accounts	Singapore	Oversea-Chinese Banking Corporation (OCBC)	20	20	0
Term Deposits / CDs / Call Accounts	Singapore	United Overseas bank (UOB)	20	20	0

Term Deposits / CDs / Call Accounts	Sweden	Svenska Handelsbanken	20	20	0
Term Deposits / CDs / Call Accounts	Switzerland	Credit Suisse	20	20	0
Term Deposits / CDs / Call Accounts	US	JP Morgan Chase Bank	20	20	0

***Please note this list could change if, for example, a counterparty/country is upgraded, and meets our other creditworthiness tools. Alternatively, if a counterparty is downgraded, this list may be shortened. The counterparty list was correct as at 31 December 2013.*

SUMMARY OF INVESTMENTS

TOTAL RISK PER COUNTERPARTY AS AT 31 DECEMBER 2013

	CREDIT RATING				TOTAL £000
Fixed Deposits					
Barclays	UK AAA	F1+AA-	B	1	20,000
HSBC	UK AAA	F1+AA	B	1	13,029
Santander	UK AAA	F1+AA-	B	1	6,800
TOTAL- FIXED TERM AND CASH DEPOSITS					**39,829**

SUMMARY BY SOVEREIGN RATING		£000	%
UK AAA		39,829	100
	Total	**39,829**	**100**

Credit Ratings – A Guide.

Long-term credit ratings and Sovereign Ratings

Fitch Rating' long-term credit ratings are set up along a scale from 'AAA' to 'D', first introduced in 1924 and later adopted and licensed by Standard & Poors (S&P). Moody's also uses a similar scale, but names the categories differently. Like S&P, Fitch also uses intermediate modifiers for each category between AA and CCC (i.e., AA+, AA, AA-, A+, A, A-, BBB+, BBB, BBB- etc.).

Investment grade

- **AAA** : the best quality, reliable and stable
- **AA** : good quality, a bit higher risk than AAA
- **A** : economic situation can affect finance
- **BBB** : medium class counterparties, which are satisfactory at the moment

Non-investment grade

- **BB** : more prone to changes in the economy
- **B** : financial situation varies noticeably
- **CCC** : currently vulnerable and dependent on favourable economic conditions to meet its commitments
- **CC** : highly vulnerable, very speculative bonds
- **C** : highly vulnerable, perhaps in bankruptcy or in arrears but still continuing to pay out on obligations
- **D** : has defaulted on obligations and Fitch believes that it will generally default on most or all obligations
- **NR** : not publicly rated

Short-term credit ratings

Fitch's short-term ratings indicate the potential level of default within a 12-month period.

- **F1+** : best quality grade, indicating exceptionally strong capacity of obligor to meet its financial commitment
- **F1** : best quality grade, indicating strong capacity of obligor to meet its financial commitment
- **F2** : good quality grade with satisfactory capacity of obligor to meet its financial commitment
- **F3** : fair quality grade with adequate capacity of obligor to meet its financial commitment but near term adverse conditions could impact the obligor's commitments
- **B** : of speculative nature and obligor has minimal capacity to meet its commitment and vulnerability to short term adverse changes in financial and economic conditions
- **C** : possibility of default is high and the financial commitment of the obligor are dependent upon sustained, favourable business and economic conditions
- **D** : the obligor is in default as it has failed on its financial commitments.

Bank Individual Ratings

Individual Ratings are assigned to banks that are legal entities. The term "banks" here includes bank holding companies and bank assurance holding companies, bank assurance companies operating as single legal entities, investment banks and private banks These ratings may also be assigned to leasing companies, instalment credit companies, credit card companies, brokerage houses, investment management companies and securities dealing companies, as circumstances demand. These ratings, which are internationally comparable, attempt to assess how a bank would be viewed if it were entirely independent and could not rely on external support. These ratings are designed to assess a bank's exposure to, appetite for, and management of risk, and thus represent the agency's view on the likelihood that it would run into significant financial difficulties such that it would require support.

A: A very strong bank. Characteristics may include outstanding profitability and balance sheet integrity, franchise, management, operating environment or prospects.

B: A strong bank. There are no major concerns regarding the bank. Characteristics may include strong profitability and balance sheet integrity, franchise, management, operating environment or prospects.

C: An adequate bank, which, however, possesses one or more troublesome aspects. There may be some concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects.

D: A bank that has weaknesses of internal and/or external origin. There are concerns regarding its profitability and balance sheet integrity, franchise, management, operating environment or prospects. Banks in emerging markets are necessarily faced with a greater number of potential deficiencies of external origin.

E: A bank with very serious problems, which either requires or is likely to require external support.

F: A bank that has either defaulted or, in Fitch Ratings' opinion, would have defaulted if it had not received external support. Examples of such support include state or local government support, (deposit) insurance funds, acquisition by some other corporate entity or an injection of new funds from its shareholders or equivalent.

Notes: Gradations may be used among the ratings A to E: i.e. A/B, B/C, C/D, and D/E. No gradations apply to the F rating.

Support Ratings (1 – 5)

The Purpose and Function of Support Ratings

Support Ratings are Fitch Ratings' assessment of a potential supporter's propensity to support a bank and of its ability to support it. Its propensity to support is a judgment made by Fitch Ratings. Its ability to support is set by the potential supporter's own Issuer Default Ratings, both in foreign currency and, where appropriate, in local currency. Support Ratings do not assess the intrinsic credit quality of a bank. Rather they communicate the agency's judgment on whether the bank would receive support should this become necessary. These ratings are exclusively the expression of Fitch Ratings' opinion even though the principles underlying them may have been discussed with the relevant supervisory authorities and/or owners.

Timeliness and Effectiveness Requirements

Fitch Ratings' Support Rating definitions are predicated on the assumption that any necessary "support" is provided on a timely basis. The definitions are also predicated on the assumption that any necessary support will be sufficiently sustained so that the bank being supported is able to continue meeting its financial commitments until the crisis is over.

Obligations and Financial Instruments Covered
In terms of these definitions, unless otherwise specified, "support" is deemed to be in terms of foreign currency. It is assumed that typically the following obligations will be supported: senior debt (secured and unsecured), including insured and uninsured deposits (retail, wholesale and interbank); obligations arising from derivatives transactions and from legally enforceable guarantees and indemnities, letters of credit, and acceptances; trade receivables and obligations arising from court judgments.

Likewise, the agency does not assume that the following capital instruments will be supported when sovereign support is involved: preference/preferred shares or stock; hybrid capital (tier 1 and upper tier 2), including reserve capital instruments (RCIs) and variations upon RCIs; and common/ordinary equity capital. It is also assumed that there will be no support for any moral obligation on securitizations. The sovereign support status of subordinated debt is difficult to categorize in advance; it is assessed on a case by case basis, distinguishing among different jurisdictions.

Definitions:

1: A bank for which there is an extremely high probability of external support. The potential provider of support is very highly rated in its own right and has a very high propensity to support the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'A-'.

2: A bank for which there is a high probability of external support. The potential provider of support is highly rated in its own right and has a high propensity to provide support to the bank in question. This probability of support indicates a minimum Long-Term Rating floor of 'BBB-'.

3: A bank for which there is a moderate probability of support because of uncertainties about the ability or propensity of the potential provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'BB-'.

4: A bank for which there is a limited probability of support because of significant uncertainties about the ability or propensity of any possible provider of support to do so. This probability of support indicates a minimum Long-Term Rating floor of 'B'.

5: A bank for which external support, although possible, cannot be relied upon. This may be due to a lack of propensity to provide support or to very weak financial ability to do so. This probability of support indicates a Long-Term Rating floor no higher than 'B-' and in many cases no floor at all.

GLOSSARY

Term	Meaning
Affordable Borrowing Limit	The amount the authority would normally borrow at any point of time in the year. This boundary might be exceeded temporarily but only in exceptional circumstances. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Authorised Borrowing Limit	The maximum amount the authority can borrow at any point of time in the year. This limit should never be exceeded. The limit is set by Full Council at the beginning of March and is a prudential indicator.
Capital Financing Requirement CFR)	This represents the underlying need for the authority to borrow and represents the assets of the authority less the long term capital liabilities.
Credit Default Swaps (CDS)	CDS are bought by investors to insure against defaults (i.e. the counterparty not being able to repay). The higher the cost/premium then the higher the risk – CDS therefore given a market view of the credit worthiness of an organisation.
Credit Ratings	Rating on the ability of an organisation to meet its obligations; ratings are assigned by independent, specialist companies, such as Fitch and Moodys using market intelligence they gather.
Credit Risk	The risk that the debtor will default on their obligations
Counterparty	The organisation that you are conducting your business with.
Debt Management Account Deposit Facility	Provided by the 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 – 20 FEBRUARY 2014
COUNCIL - 27 FEBRUARY 2014

PRUDENTIAL INDICATORS

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

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

1. Summary of Main Proposals

1.1 To approve the prudential indicators for 2014/15 to 2016/17 required under the Prudential Code of Capital Finance in Local Authorities.

2. Recommendations

2.1 Members are asked to approve the prudential indicators proposed in this report as part of setting the budget for 2014/15.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priorities?	
	Yes/~~No~~	The prudential indicators form part of the Council's service and financial planning strategy and the overall budget and policy framework which is integral to ensuring that available resources are used as effectively as possible in delivering all corporate priority outcomes.
	Will the proposals impact on specific groups of people?	
	~~Yes~~/No	
TARGET COMPLETION / DELIVERY DATE	Prudential Indicators have to be set annually under the Local Government Act 2003.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes/~~No~~	Where appropriate these are detailed in the body of the report.
LEGAL ISSUES	Yes/~~No~~	CIPFA's Prudential Code is regarded as mandatory guidance associated with the Local Government Act 2003.
OTHER IMPACTS,	Yes/~~No~~	The opportunities and risks associated with

RISKS AND OPPORTUNITIES		the report have been identified and assessed. Arrangements will be put in place to manage the risks and maximise the opportunities that have been identified.
IMPACT ON SPECIFIC WARDS	~~Yes~~/No	

PART B – ADDITIONAL INFORMATION

4. **Summary**

4.1 The Prudential System was introduced from 1 April 2004. Under the Prudential System the Council has to approve Prudential Indicators annually and these are contained in the report.

5. **The CIPFA Prudential Code**

5.1 In September 2003 CIPFA Council approved and subsequently published the final version of the code (updated in 2009), and the concluding paragraph of its executive summary records;

"*The Prudential Code supports the systems of capital investment in local authorities. It is integrated within the wider statutory and management processes of local government. Key elements of the system continue to be determined by legislation, in particular the amount required to be charged to taxation by local authorities in respect of capital investment and the amount and method of government support for capital investment. These will be significant decisions when local authorities take decisions on capital investment.* ***However, the level of capital investment that can be supported will be subject to affordability and sustainability and be a matter for local decision***."

5.2 The general approach of the code is to require the Council to set estimates and limits on its borrowing and features associated with borrowing. The underlying philosophy is that the Council should set limits that ensure borrowing is affordable in the medium to long term. Affordability is determined by the overall amount of borrowing and the interest rate at which it is done. Because borrowing is only permissible (and will remain so) for capital expenditure local authorities have traditionally borrowed at longer term fixed rates of interest (i.e. over 1 year, and typically over 20 years). This helps ensure stability over the medium term; for example a variable rate loan currently at 4.5% may be less attractive than a fixed rate loan at 4.8% if there is thought to be a reasonable possibility that variable rates will rise above 5.2% within a year. To help ensure financial stability the code requires authorities to consider the structure of their borrowing.

5.3 The code also requires authorities with significant investments to set indicators associated with lending money.

5.4 Practically the remaining paragraphs of this section consider the indicators and recommends what the indicators should be for 2014/15. In most cases indicators have to be set for 3 financial years ahead, so figures are also provided for 2015/16 and 2016/17. In proposing these indicators a pragmatic approach has been taken; i.e. known Council plans (including the present treasury structure) have been considered.

5.5 For each indicator, ***the CIPFA requirements of the code are set out in bold italics.*** The limits proposed by the Chief Finance Officer for 2014/15 are then set out. An explanation is provided, unless the indicator and limits are completely self explanatory.

5.6 Prudential Indicators of Affordability – Ratio Affordability Measure

5.6.1 ***The local authority will estimate for the forthcoming financial year and the following two financial years the ratio of financing costs to net revenue stream. This prudential indicator shall be referred to as estimates of ratio of financing costs to net revenue stream.***

5.6.2 In Telford & Wrekin's case this indicator makes more sense if Local Government Reorganisation (LGR) debt paid over to Shropshire Council is included***.***

Revenue Budget	
Year 1(2014/15)	3.85%
Year 2(2015/16)	3.67%
Year 3(2016/17)	4.28%

5.6.3 The indicator has been calculated as debt interest costs divided by budget requirement for the general fund element. The general fund indicator above shows a slight increase in the ratio (This broadly matches the expected prudential borrowing which is noted in 5.10.2 and the cuts in grants impacting on net revenue stream).

5.7 Prudential Indicators of Affordability – Incremental Council Tax Affordability Measures

The local authority will

(i) forecast the total budgetary requirements for the authority based on no changes to the existing capital programme

(ii) forecast the total budgetary requirements for the authority with the changes to the capital programme included in the calculation

(iii) take the difference between (i) and (ii) and calculate the addition or reduction to Council tax that would result.

This prudential indicator will be referred to as estimates of the incremental impact of new capital investment decisions on the Council Tax and shall be expressed in the following manner £ xx.xx.

5.7.1 The indicator is calculated by taking the estimates of capital included in the Capital Budget Report, assuming it is financed through a mixture of borrowing and use of capital receipts (with interest at 4.5% ongoing, with Minimum Revenue Provision calculated in line with the MRP policy as detailed in the Treasury Strategy Report) and dividing them by the tax base (44,306.3). It also assumes that the only Government Approvals agreed at this stage are those for 2014/15, with those for the latter 2 years being only provisional at this stage. The indicator works on a cumulative basis (i.e. the year 2 indicator includes the full year cost of year 1 expenditure, together with the part year cost of that year's programme), but only part year interest cost in the year expenditure is incurred. The estimate has been split into 3 parts which are expenditure funded by prudential borrowing, capital receipts and government borrowing allocations. No Government Borrowing allocations have been issued for 2014/15 and 2015/16, There are no principal repayments in respect of capital receipts.

5.7.2 The estimate of the incremental impact on Council Tax (Band B) of capital decisions proposed over and above capital investment decisions that have already been taken by the Council are as follows;

Year	**Prudential Borrowing £**	**Total £**
2014/15	21.20	**21.20**
2015/16	4.20	**4.20**
2016/17	2.51	**2.51**

5.7.3 Prudential Indicators of Affordability – Incremental Housing Rent Affordability Measures

This Indicator does not apply to Telford & Wrekin Council.

5.8 ***Estimates of Capital Financing Requirement***

The local authority will make reasonable estimates of the total capital financing requirement at the end of the forthcoming financial year and the following two years. These prudential indicators shall be referred to as:
Estimate of capital financing requirement as at the end of years 1, 2 and 3.

5.8.1 The capital financing requirement is a concept in the Prudential System, but can simply be understood as the Council's underlying need to borrow money over the long term. The code requires that the figure is calculated gross, to include debt that is paid for by other authorities following LGR, so in Telford & Wrekin's case, these figures have limited meaning, and locally the indicator needs adjusting for LGR debt.

5.8.2 Table A shows the estimated cumulative capital financing requirement at a point in time. These estimates now include the impact of the Public Finance Initiative.

	Total CFR
31/3/2014	£275.7m
31/3/2015	£270.3m
31/3/2016	£258.3m
31/3/2017	£248.2m

5.8.3 The movement in the CFR is consistent with other planning assumptions.

5.8.4 Gross Debt and Capital Finance Requirement. The purpose of this treasury indicator is to highlight a situation where the Council is planning to borrow in advance of need. If these figures exceed CFR (which they don't) they would indicate we are borrowing in advance of need.

	Outstanding Borrowing (at nominal value)	Other Long-term Liabilities (at nominal value)	**Gross Debt**
31/3/2014	£142.3m	£61.7m	£204.0m
31/3/2015	£133.3m	£60.4m	£193.7m
31/3/2016	£127.0m	£58.8m	£185.8m
31/3/2017	£122.9m	£57.6m	£180.5m

5.9 Treasury Management Prudential Indicators

5.9.1 The Council adopted the revised ***CIPFA Code of Practice for Treasury Management in the Public Services*** at its meeting in March 2010. Treasury Management Practices (TMPs) have been established by the Chief Finance Officer in line with the advice of our Treasury Advisors, and are kept up to date with support from Arling Close our current Treasury Advisors. ***The first prudential indicator in respect of treasury management is that the local authority has adopted the CIPFA Code*** is therefore met.

5.10 Capital Expenditure and Capital Commitments Prudential Indicators

5.10.1 ***The local authority will make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years. These prudential indicators shall be referred to as:***

Estimate of total capital expenditure to be incurred in years 1, 2 and 3

5.10.2 The budget and capital report to Council for 2014/15 identifies programmed capital schemes, and subsequent year's capital needs. The estimates of capital expenditure to be incurred are therefore;

	Supported Borrowing	Prudential Borrowing	Grant Funded	Revenue/ External	Capital Receipts	Total
	£m	£m	£m	£m	£m	£m
2014/15	0.658	0.304	75.018	1.418	38.252	115.650
2015/16	0.000	-6.220	6.198	0.000	26.540	26.518
2016/17	0.000	-4.180	0.655	0.000	7.989	4.464

It is only the two columns relating to borrowing that impact on prudential indicators.

5.11 External Debt Prudential Indicators

5.11.1 ***The local authority will set for the forthcoming financial year and the following two financial years a prudential limit for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as:***

***Authorised limit for external debt** = authorised limit for borrowing + authorised limit for other long term liabilities for years 1, 2 and 3.*

5.11.2 The recommended Authorised Limit for External Debt for:

Year 1 (2014/15) is £170m for borrowing and £64m for other long term liabilities

Year 2 (2015/16) is £165m for borrowing and £63m for other long term liabilities

Year 3 (2016/17) is £165m for borrowing and £62m for other long term liabilities

5.11.3 This limit represents the maximum amount the Council may borrow at any point in time in the year. It has to be set at a level the Council considers is "prudent". (This limit is analogous to the limit on borrowing set out in section 44 of the 1989 Act). Because it is ultra vires to exceed, the authorised limit must be set so as to avoid circumstances in which the Council would need to borrow more money than this limit.

5.11.4 Other long term liabilities include items that would appear on the balance sheet of the Council that are analogous to borrowing. For example, the capital cost of leases would be included.

5.12 *Operational Boundary*

The local authority will also set for the forthcoming financial year and the following two years an operational boundary its total external debt, gross of investments, separately identifying borrowing from other long term liabilities. This prudential indicator shall be referred to as the:

<u>Operational Boundary</u> = operational boundary for borrowing + operational boundary for other long term liabilities for years 1, 2 and 3.

5.12.1 The operational boundary is a measure of the most money the Council would normally borrow at any time during the year. The code recognises that circumstances might arise when the boundary might be exceeded temporarily, but suggest a sustained or regular pattern of borrowing above this level ought to be investigated, as a potential symptom of a more serious financial problem.

5.12.2 The Recommended Operational boundary for External debt is

Year 1 (2014/15) is £158m for External debt for and £62m for other long term liabilities

Year 2 (2015/16) is £149m for External debt for and £61m for other long term liabilities

Year 3(2016/17) is £150m for External debt for and £60m for other long term liabilities

5.13 **<u>Interest Rate Exposure</u>**

5.13.1 ***The local authority will set, for the forthcoming year and the following two years, limits to its <u>exposures</u> 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 ***<u>Variable rate exposures</u>***
Borrowing that is at variable rates LESS Investments that are variable rate investments

We have a proportion of our investments that are at variable rates and exceed in total the level of debt we currently have at variable rates (historically a high proportion of debt has been at fixed rates). The limits proposed are as follows;

	Net Variable Limit %
2014/15	30
2015/16	30
2016/17	30

5.13.4 The upper limit replaces the existing (1989 Act) Section 44 limit "the maximum proportion of borrowing which is subject to variable rate interest". Whilst 30% has been set forward as a limit, in practice it would be unusual for the exposure to exceed 15%. Limits for years 2 & 3 assume no substantial change in market conditions.

5.13.5 Because of our position in having a number of investments it would be helpful to set a local indicator for setting a maximum exposure for variable rates as a percentage of total investment plus total debt. The limit proposed would be as follows;

	Upper Limit
2014/15	60%
2015/16	60%
2016/17	60%

5.13.6 ***Fixed Interest Rate Exposure***

The local authority will set, for the forthcoming year and the following two years, both upper and lower limits for its exposure to fixed interest rate risk calculated as follows and each expressed as total borrowing less total investments:

Fixed interest rate exposures
Borrowing that is at fixed rates LESS Investments that are fixed rate investments

Expressed as a percentage or absolute of total borrowing less investments.

5.13.7 The limits (expressed as an absolute of total fixed borrowing less total fixed investments) proposed are as follows;

Fixed Rate Risk

	Upper Limit	Lower Limit
2014/15	100%	70%
2015/16	100%	70%
2016/17	100%	70%

In principle, it may be necessary / desirable for all borrowing at a point in time to be at a fixed rate. The lower limit is effectively the counterpart to the upper limit for variable rate exposure.

5.14 ***Prudential limits for the maturity structure of fixed rate borrowing***
The local authority will set for the forthcoming year both upper and lower limits with respect to the maturity structure of its borrowing, calculated as follows

Amount of projected borrowing that is fixed rate maturing in each period
Expressed as a Percentage of
Total projected borrowing that is fixed rate at the start of the period.
where the periods in question are

- ***Under 12 months***
- ***1 year and within 2 years***
- ***2 years and within 5 years***
- ***5 years and within 10 years***
- ***10 years and within 20 years***
- ***20 years and within 30 years***
- ***30 years and within 40 years***
- ***40 years and within 50 years***
- ***50 years+***

5.14.1 The proposed prudential limits are as follows;

Maturity	Lower Limit %	Upper Limit %	Actual % for 31/03/13
Under 12 months	0	40	0
1-2 years	0	25	10
2-5 years	0	50	12
5-10 years	0	75	3
10-20 years	0	75	0
20-30 years	0	75	0
30-40 years	0	100	5
40-50 years	10	100	25
Over 50 years	15	100	45

5.14.2 Under the investment guidance issued by CLG the Council needs to set indicators for ***principal sums invested for periods longer than 364 days*****.** It is recommended that we set the following limit

Maximum principal investment that can be invested for more than 364 days

Financial Year	Upper Limit
2014/15	95%
2015/16	95%
2016/17	95%

6. Financial Implications

6.1 The prudential indicators provide a framework for 2014/15 in which the Council conducts its treasury activities, consistent with good treasury risk management.

6.2 The code indicates that "in all cases, the process of setting prudential indicators for treasury management should be accompanied by a clear and integrated forward treasury management strategy, and a recognition of the pre-existing structure of the authority's borrowing and investment portfolios." The indicators proposed here take account of the existing structure of borrowing and all reasonable restructuring activity that might occur.

6.3 The code requires the following matters to be taken into account when setting or revising prudential indicators

(a) option appraisal for all projects, i.e. value for money
(b) asset management planning, i.e. stewardship of asset
(c) strategic planning for the authority, i.e. service objectives
(d) achievability of the forward plan, i.e. its practicality
(e) implications for external borrowing, i.e. prudence
(f) implications for Council Tax and housing rents, i.e. affordability.

Items (a)-(c) are largely considered in the current arrangements as part of the asset management planning / corporate capital strategy processes. Items (d) and (f) in financial terms have been taken account of by the Chief Finance Officer in presenting the budget and item (e) is inherent to the prudential indicator setting process.

7. Background Papers

Local Government Act 2003
CIPFA Prudential Code for Capital Finance in Local Authorities
Guidance on Local Authority Investments

Report prepared by Bernie Morris, Finance Team Leader – Tel: (01952) 383702

TELFORD & WREKIN COUNCIL

COUNCIL – 27 FEBRUARY 2014

COUNCIL TAX - FORMAL RESOLUTIONS FOR 2014/15

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

LEAD MEMBER – COUNCILLOR BILL McCLEMENTS

1. PART A – SUMMARY REPORT

Council Tax levels must be approved by Full Council. This report sets out the formal resolutions to determine the levels of Council Tax for Telford & Wrekin Council for 2014/15. The levels of tax take account of the requirements of Telford & Wrekin Council, the West Mercia Police & Crime Commissioner, Shropshire and Wrekin Fire Authority, and the various Parish and Town Councils.

The Council's General and Special Fund budgets for 2014/15 were approved earlier at this meeting and the Council Tax Base was approved at the meeting of Full Council on 23 January 2014.

Council Tax levels are based on spending requirements and the council tax base (number of chargeable Band D equivalent dwellings). Once this report is agreed the Band D Council Tax will be:

Authority		Band D Council Tax £	Increase %
Telford & Wrekin	General Fund	1,132.96	0.00
	Special Fund	14.53	0.00
Telford & Wrekin Council	**Total**	**1,147.49**	**0.00**
West Mercia Police & Crime Commissioner		182.28	1.99
Shropshire and Wrekin Fire Authority		90.42	1.99
Parish & Town Councils		65.41	4.89
Total Council Tax		**1,485.60**	**0.57**

The % increase all relate to change from current year levels

The increases in overall council tax will vary dependent on parish area. This Council has set a 0% increase, but overall the average bill has increased by 0.57% due to increases by Police, Fire and Parish and Town Councils.

The average increase in overall bills represents a range from 0.15% to 1.67% depending on variations in parish council spending and precepts.

While the total average Band D bill will be £1,485.60, the majority of properties in the area fall in Bands A and B - an average bill for the area is around Band B, an overall average bill of £1,155.46.

The necessary formal resolutions are set out in section 5 of the report.

2.0 RECOMMENDATIONS

Members are asked to approve the formal resolutions to determine the levels of Council Tax for 2014/15 as detailed in the report.

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific priorities?	
	Yes	The level of Council Tax is a product of the Service & Financial Planning Strategy which is integral to ensuring that available resources are used as effectively as possible to deliver corporate priorities.
	No	
TARGET COMPLETION /DELIVERY DATE	The Council Tax must be set by 11 March each year prior to the start of the financial year to which it relates.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed in the Service & Financial Planning Report.
LEGAL ISSUES	No	There is a duty under the Local Government Finance Act 1992 for the Council, as billing authority, to set the levels of Council Tax for each financial year. Regulations are in place which need to be followed when making these calculations. Details of those Regulations and how they have been observed are set out in this report.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	These are considered as part of the Service & Financial Planning report.
IMPACT ON SPECIFIC WARDS	No	Borough Wide

PART B – ADDITIONAL INFORMATION

4.0. **INFORMATION**

The Council Tax Base was approved at Full Council on 23 January 2014. The Council's budget for 2014/15 was agreed earlier at this meeting.

The budget is made up of a General Fund element and a much smaller Special Fund element. The Special Fund is required to ring fence costs that apply to areas that were previously unparished and where the Council still provides some additional services normally provided by Town and Parish Councils mainly relating to footway lighting and cemeteries, whereas some parishes provide and pay for these services.

Some parishes in the special fund area have, however, assumed responsibility for footway lighting so that two special fund charges are applied in different areas dependent upon whether footway lighting is provided by this Council or the Parish Council. The charge for special fund areas has increased by 0.0%, and across the Borough as a whole the proposals set out in this report represent a 0.0% increase on average in the Council Tax levied by Telford & Wrekin Council.

5. **FORMAL RESOLUTIONS**

5.1. That it be noted that at its meeting on 23 January 2014 the Council calculated the following amounts for the year 2014/15 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2013 made under Section 33 of the Local Government Finance Act 1992 as amended (The Act):-

(a) **44,306.3** being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2013 (The Regulations), as its Council Tax base for the year (The Council Tax Base).

(b) **Part of the Council's Area**
Tax Base

The Parish of:-

CHETWYND	233.4
CHETWYND ASTON & WOODCOTE	164.6
CHURCH ASTON	474.0
DAWLEY HAMLETS	2,002.8
EDGMOND	512.2
ERCALL MAGNA	540.6
THE GORGE	1,217.5
GREAT DAWLEY	2,230.0
HADLEY & LEEGOMERY	3,594.3
HOLLINSWOOD & RANDLAY	1,271.3
KETLEY	1,050.5
KYNNERSLEY	74.0
LAWLEY & OVERDALE	2,083.8
LILLESHALL & DONNINGTON	4,012.9
LITTLE WENLOCK	226.5
MADELEY	3,659.3
NEWPORT	3,305.1
OAKENGATES	2,121.7
PRESTON	97.1
RODINGTON	328.2
ST. GEORGES & PRIORSLEE	3,562.7
STIRCHLEY & BROOKSIDE	2,109.1
TIBBERTON & CHERRINGTON	265.0
WATERS UPTON	371.0
WELLINGTON	6,028.7
WROCKWARDINE	1,380.1
WROCKWARDINE WOOD & TRENCH	1,352.7
	44,269.1

being the amounts calculated by the Council in accordance with Regulation 6 of The Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

5.2. That the following amounts be now calculated by the Council for the year 2014/15 in accordance with Sections 31 to 36 of The Act:-

(a) £408,374,385 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account all precepts issued to it by Parish Councils.

(b) £354,635,163 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) £53,739,222 being the amount by which the aggregate at 5.2(a) above exceeds the aggregate at 5.2(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year.

(d)	£1,212.90	being the amount at 5.2(c) above divided by the Council Tax base, calculated by the Council in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including parish precepts and special items).
(e)	£3,541,584	being the aggregate amount of all special items referred to in Section 34(1) of the Act.
(f)	£1,132.96	being the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates (calculated by deducting from the amount at 5.2(d) above, the quotient of the amount at 5.2(e) above divided by the Council Tax Base). The only area that this relates to is the Parish of Eyton.

(g) **<u>Part of the Council's Area</u>**

The Parish of:	£
Chetwynd	1,145.42
Chetwynd Aston & Woodcote	1,157.01
Church Aston	1,169.18
Dawley Hamlets (SF2*)	1,183.48
Edgmond	1,160.92
Ercall Magna	1,188.18
The Gorge (SF2*)	1,214.03
Great Dawley (SF2*)	1,271.13
Hadley & Leegomery	1,202.05
Hollinswood & Randlay	1,277.02
Ketley	1,226.50
Kynnersley	1,151.50
Lawley & Overdale (SF1*)	1,197.54
Lilleshall, Donnington & Muxton	1,177.66
Little Wenlock	1,190.30
Madeley (SF2*)	1,233.11
Newport	1,245.01
Oakengates (SF2*)	1,261.80
Preston	1,136.04
Rodington	1,159.80
St. Georges & Priorslee (SF1*)	1,172.45
Stirchley & Brookside(SF2*)	1,267.15
Tibberton & Cherrington	1,149.56
Waters Upton	1,171.89
Wellington (SF2*)	1,214.29
Wrockwardine	1,179.39
Wrockwardine Wood & Trench (SF1*)	1,199.86

**SF1 indicates a parish in the special fund area which has taken over responsibility for footway lighting. An additional charge is made for cemeteries.*

**SF2 indicates a parish in the special fund area which has not taken over responsibility for footway lighting. An additional charge is made for both cemeteries and footway lighting.*

being the amounts given by adding to the amount at 5.2(f) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 5.1(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its council tax for the year for dwellings in those parts of its area to which one or more special items relate.

(h) The amounts in Appendix 1 being the amounts given by multiplying the amounts at 5.2(f) and 5.2(g) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

6. The West Mercia Police & Crime Commissioner precept for 2014/15 was set at its meeting on 17 February 2014. The following amounts were stated in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Valuation Band	**Amount £**
A	121.52
B	141.77
C	162.02
D	182.28
E	222.78
F	263.29
G	303.80
H	364.56

7. The Shropshire & Wrekin Fire and Rescue Authority's precept for 2014/15 was set at its meeting on 26 February 2014. The following amounts were stated in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

Valuation Band	**Amount £**
A	60.28
B	70.33
C	80.37
D	90.42
E	110.51
F	130.61
G	150.70
H	180.84

8. That, having calculated the aggregate in each case of the amounts at 5.2(h) and 6 and 7 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act, 1992, hereby sets the amounts in Appendix 2 as the amounts of council tax for the year 2014/15 for each of the categories of dwellings shown.

9. Background Papers
Service & Financial Planning Report 2014/15 – 2015/16
Parish Precept Requests
Police & Crime Commissioner Precept Request
Fire Authority Precept Request
2014/15 Revenue Support Grant Settlement
Acts, Directions and Regulations as quoted above.

UNITARY AUTHORITY AND TOWN/PARISH COUNCILS COUNCIL TAX LEVELS 2014/15 **Appendix 1**

Part of the Council's area The Parish of :-	A	B	C	D	E	F	G	H
CHETWYND	763.60	890.88	1,018.14	1,145.42	1,399.94	1,654.48	1,909.02	2,290.84
CHETWYND ASTON & WOODCOTE	771.33	899.89	1,028.44	1,157.01	1,414.11	1,671.22	1,928.34	2,314.02
CHURCH ASTON	779.44	909.36	1,039.26	1,169.18	1,428.98	1,688.80	1,948.62	2,338.36
DAWLEY HAMLETS	788.97	920.47	1,051.97	1,183.48	1,446.46	1,709.46	1,972.45	2,366.96
EDGMOND	773.94	902.93	1,031.92	1,160.92	1,418.89	1,676.87	1,934.86	2,321.84
ERCALL MAGNA	792.11	924.13	1,056.15	1,188.18	1,452.21	1,716.25	1,980.29	2,376.36
EYTON	755.30	881.19	1,007.07	1,132.96	1,384.72	1,636.49	1,888.26	2,265.92
THE GORGE	809.34	944.23	1,079.12	1,214.03	1,483.80	1,753.58	2,023.37	2,428.06
GREAT DAWLEY	847.41	988.64	1,129.88	1,271.13	1,553.59	1,836.06	2,118.54	2,542.26
HADLEY & LEEGOMERY	801.36	934.92	1,068.48	1,202.05	1,469.16	1,736.28	2,003.41	2,404.10
HOLLINSWOOD & RANDLAY	851.33	993.22	1,135.11	1,277.02	1,560.79	1,844.57	2,128.35	2,554.04
KETLEY	817.66	953.94	1,090.21	1,226.50	1,499.04	1,771.60	2,044.16	2,453.00
KYNNERSLEY	767.66	895.61	1,023.55	1,151.50	1,407.38	1,663.27	1,919.16	2,303.00
LAWLEY & OVERDALE	798.35	931.41	1,064.46	1,197.54	1,463.64	1,729.76	1,995.89	2,395.08
LILLESHALL, DONNINGTON & MUXTON	785.10	915.95	1,046.80	1,177.66	1,439.35	1,701.05	1,962.76	2,355.32
LITTLE WENLOCK	793.52	925.78	1,058.03	1,190.30	1,454.80	1,719.31	1,983.82	2,380.60
MADELEY	822.06	959.07	1,096.08	1,233.11	1,507.12	1,781.14	2,055.17	2,466.22
NEWPORT	830.00	968.34	1,106.67	1,245.01	1,521.67	1,798.34	2,075.01	2,490.02
OAKENGATES	841.19	981.39	1,121.59	1,261.80	1,542.19	1,822.59	2,102.99	2,523.60
PRESTON	757.35	883.58	1,009.80	1,136.04	1,388.48	1,640.93	1,893.39	2,272.08
RODINGTON	773.19	902.06	1,030.92	1,159.80	1,417.52	1,675.25	1,932.99	2,319.60
ST. GEORGES & PRIORSLEE	781.62	911.89	1,042.16	1,172.45	1,432.98	1,693.52	1,954.07	2,344.90
STIRCHLEY & BROOKSIDE	844.75	985.55	1,126.34	1,267.15	1,548.72	1,830.31	2,111.90	2,534.30
TIBBERTON & CHERRINGTON	766.36	894.10	1,021.82	1,149.56	1,405.00	1,660.46	1,915.92	2,299.12
WATERS UPTON	781.25	911.46	1,041.67	1,171.89	1,432.30	1,692.72	1,953.14	2,343.78
WELLINGTON	809.51	944.43	1,079.35	1,214.29	1,484.12	1,753.96	2,023.80	2,428.58
WROCKWARDINE	786.25	917.30	1,048.34	1,179.39	1,441.46	1,703.55	1,965.64	2,358.78
WROCKW'DINE WOOD & TRENCH	799.89	933.21	1,066.52	1,199.86	1,466.48	1,733.11	1,999.75	2,399.72

NOTE : These figures exclude the Police and Fire Authority tax levels .

TOTAL COUNCIL TAX LEVELS FOR TELFORD & WREKIN COUNCIL FOR 2014/15 **Appendix 2**

Part of the Council's area **The Parish of :-**	A	B	C	D	E	F	G	H
CHETWYND	945.40	1,102.98	1,260.53	1,418.12	1,733.23	2,048.38	2,363.52	2,836.24
CHETWYND ASTON & WOODCOTE	953.13	1,111.99	1,270.83	1,429.71	1,747.40	2,065.12	2,382.84	2,859.42
CHURCH ASTON	961.24	1,121.46	1,281.65	1,441.88	1,762.27	2,082.70	2,403.12	2,883.76
DAWLEY HAMLETS	970.77	1,132.57	1,294.36	1,456.18	1,779.75	2,103.36	2,426.95	2,912.36
EDGMOND	955.74	1,115.03	1,274.31	1,433.62	1,752.18	2,070.77	2,389.36	2,867.24
ERCALL MAGNA	973.91	1,136.23	1,298.54	1,460.88	1,785.50	2,110.15	2,434.79	2,921.76
EYTON	937.10	1,093.29	1,249.46	1,405.66	1,718.01	2,030.39	2,342.76	2,811.32
THE GORGE	991.14	1,156.33	1,321.51	1,486.73	1,817.09	2,147.48	2,477.87	2,973.46
GREAT DAWLEY	1,029.21	1,200.74	1,372.27	1,543.83	1,886.88	2,229.96	2,573.04	3,087.66
HADLEY & LEEGOMERY	983.16	1,147.02	1,310.87	1,474.75	1,802.45	2,130.18	2,457.91	2,949.50
HOLLINSWOOD & RANDLAY	1,033.13	1,205.32	1,377.50	1,549.72	1,894.08	2,238.47	2,582.85	3,099.44
KETLEY	999.46	1,166.04	1,332.60	1,499.20	1,832.33	2,165.50	2,498.66	2,998.40
KYNNERSLEY	949.46	1,107.71	1,265.94	1,424.20	1,740.67	2,057.17	2,373.66	2,848.40
LAWLEY & OVERDALE	980.15	1,143.51	1,306.85	1,470.24	1,796.93	2,123.66	2,450.39	2,940.48
LILLESHALL, DONNINGTON & MUXTON	966.90	1,128.05	1,289.19	1,450.36	1,772.64	2,094.95	2,417.26	2,900.72
LITTLE WENLOCK	975.32	1,137.88	1,300.42	1,463.00	1,788.09	2,113.21	2,438.32	2,926.00
MADELEY	1,003.86	1,171.17	1,338.47	1,505.81	1,840.41	2,175.04	2,509.67	3,011.62
NEWPORT	1,011.80	1,180.44	1,349.06	1,517.71	1,854.96	2,192.24	2,529.51	3,035.42
OAKENGATES	1,022.99	1,193.49	1,363.98	1,534.50	1,875.48	2,216.49	2,557.49	3,069.00
PRESTON	939.15	1,095.68	1,252.19	1,408.74	1,721.77	2,034.83	2,347.89	2,817.48
RODINGTON	954.99	1,114.16	1,273.31	1,432.50	1,750.81	2,069.15	2,387.49	2,865.00
ST. GEORGES & PRIORSLEE	963.42	1,123.99	1,284.55	1,445.15	1,766.27	2,087.42	2,408.57	2,890.30
STIRCHLEY & BROOKSIDE	1,026.55	1,197.65	1,368.73	1,539.85	1,882.01	2,224.21	2,566.40	3,079.70
TIBBERTON & CHERRINGTON	948.16	1,106.20	1,264.21	1,422.26	1,738.29	2,054.36	2,370.42	2,844.52
WATERS UPTON	963.05	1,123.56	1,284.06	1,444.59	1,765.59	2,086.62	2,407.64	2,889.18
WELLINGTON	991.31	1,156.53	1,321.74	1,486.99	1,817.41	2,147.86	2,478.30	2,973.98
WROCKWARDINE	968.05	1,129.40	1,290.73	1,452.09	1,774.75	2,097.45	2,420.14	2,904.18
WROCKW'DINE WOOD & TRENCH	981.69	1,145.31	1,308.91	1,472.56	1,799.77	2,127.01	2,454.25	2,945.12

Contents

Appendices

Summary

The Local Government Boundary Commission for England is an independent body that conducts electoral reviews of local authority areas. The broad purpose of an electoral review is to decide on the appropriate electoral arrangements – the number of councillors, and the names, number and boundaries of wards or divisions – for a specific local authority. We have conducted an electoral review of Telford & Wrekin Council to provide improved levels of electoral equality across the authority.

The review aims to ensure that the number of voters represented by each councillor is approximately the same. We commenced the review in October 2012.

This review was conducted as follows:

Stage starts	Description
23 October 2012	Consultation on council size
29 January 2013	Submission of proposals of ward patterns to the LGBCE
9 April 2013	LGBCE's analysis and formulation of draft recommendations
18 June 2013	Publication of draft recommendations and consultation on them
10 September 2013	Analysis of submissions received and formulation of final recommendations

Draft recommendations

We proposed a council size of 54 members, comprising a pattern of 10 single-member wards, 13 two-member wards and six three-member wards. The recommendations were broadly based on the Council's proposals, amended to reflect our statutory criteria. Our draft recommendations sought to reflect the evidence of community identities received while ensuring good electoral equality and providing for effective and convenient local government. All submissions can be viewed on our website: www.lgbce.org.uk

Submissions received

During the consultation on our draft recommendations, we received 31 submissions, including comments covering the whole of the borough from Telford & Wrekin Council and the Chairman of the Telford & Wrekin Branch of UKIP. We also received submissions from Mark Pritchard MP, the Conservative Group on the Council, five borough councillors, five town and parish councillors, eight town and parish councils, the Chairman of Preston-upon-the-Weald-Moors parish meeting and eight members of the public. In addition, we received a petition signed by 101 residents of Preston-upon-the-Weald-Moors parish.

All submissions can be viewed on our website: www.lgbce.org.uk

Analysis and final recommendations

Electorate figures

Telford & Wrekin Council ('the Council') submitted electorate forecasts for the year 2018. These forecasts projected an increase in the electorate of 3.6% over the six-year period from 2012–18. The increase in the electorate is forecast to be concentrated in areas of substantial housing developments expected to occur in Lawley, Hadley, Lightmoor and Newport.

We are content that the forecasts are the most accurate available at this time and have used these figures as the basis of our final recommendations.

General analysis

Throughout the review process, the primary consideration has been to achieve good electoral equality, while seeking to reflect community identities and securing effective and convenient local government. In making our final recommendations we have taken account of submissions received during consultation on our draft recommendations. As a result, we have proposed boundary amendments to the draft recommendations for the Dothill, Edgmond & Ercall Magna, Hadley & Leegomery, Haygate, Park, Priorslee, Shawbirch and St Georges wards.

Our final recommendations for Telford & Wrekin are that the Council should have 54 members, with 12 single-member wards, 12 two-member wards and six three-member wards. No ward is forecast to have an electoral variance of greater than 10% by 2018.

What happens next?

We have now completed our review of electoral arrangements for Telford & Wrekin. An Order – the legal document which brings into force our recommendations – will be laid in Parliament and will be implemented subject to Parliamentary scrutiny. The draft Order will provide for new electoral arrangements which will come into force at the next elections for Telford & Wrekin Council, in 2015.

We are grateful to all those organisations and individuals who have contributed to the review through expressing their views and advice. The full report is available to download at www.lgbce.org.uk

You can also view our final recommendations for Telford & Wrekin Council on our interactive maps at http://consultation.lgbce.org.uk

1 Introduction

1 The Local Government Boundary Commission for England is an independent body that conducts electoral reviews of local authority areas. This electoral review was conducted following our decision to review Telford & Wrekin's electoral arrangements, to ensure that the number of voters represented by each councillor is approximately the same across the authority.

2 The submission received from Telford & Wrekin Council during the initial stage of consultation of this review informed our *Draft recommendations on the new electoral arrangements for Telford & Wrekin Borough Council,* which were published on 18 June 2013. We then undertook a further period of consultation which ended on 9 September.

What is an electoral review?

3 The main aim of an electoral review is to try to ensure 'electoral equality', which means that all councillors in a single authority represent approximately the same number of electors. Our objective is to make recommendations that will improve electoral equality, while also trying to reflect communities in the area and provide for effective and convenient local government.

4 Our three main considerations – equalising the number of electors each councillor represents; reflecting community identity; and providing for effective and convenient local government – are set out in legislation[1] and our task is to strike the best balance between them when making our recommendations. A description of our powers, as well as the guidance we have provided for electoral reviews and further information on the review process, can be found on our website at www.lgbce.org.uk

Why are we conducting a review in Telford & Wrekin?

5 Based on the December 2011 electorate data, 39% of the borough's wards currently have an electoral variance of more than 10% from the average for the borough. Of these, Horsehay & Lightmoor ward has an electoral variance of 28%.

How will the recommendations affect you?

6 The recommendations will determine how many councillors will serve on the Council. They will also decide which ward you vote in, which other communities are in that ward and, in some instances, which parish council wards you vote in. In addition, your ward name may change, as may the names of parish or town council wards in the area. The names or boundaries of parishes will not change as a result of our recommendations.

[1] Schedule 2 to the Local Democracy, Economic Development and Construction Act 2009.

What is the Local Government Boundary Commission for England?

7 The Local Government Boundary Commission for England is an independent body set up by Parliament under the Local Democracy, Economic Development and Construction Act 2009.

Members of the Commission are:

Max Caller CBE (Chair)
Professor Colin Mellors (Deputy Chair)
Dr Peter Knight CBE DL
Sir Tony Redmond
Dr Colin Sinclair CBE
Professor Paul Wiles CB

Chief Executive: Alan Cogbill
Director of Reviews: Archie Gall

2 Analysis and final recommendations

8 We have now finalised our recommendations on the new electoral arrangements for Telford & Wrekin Council.

9 As described earlier, our prime aim when recommending new electoral arrangements for Telford & Wrekin is to achieve a level of electoral fairness – that is, each elector's vote being worth the same as another's. In doing so we must have regard to the Local Democracy, Economic Development and Construction Act 2009,[2] with the need to:

- secure effective and convenient local government
- provide for equality of representation
- reflect the identities and interests of local communities, in particular
    - the desirability of arriving at boundaries that are easily identifiable
    - the desirability of fixing boundaries so as not to break any local ties

10 Legislation also requires that our recommendations are not based solely on the existing number of electors in an area, but reflect estimated changes in the number and distribution of electors likely to take place over a five-year period from the end of the review. We must also try to recommend strong, clearly identifiable boundaries for the wards we put forward.

11 The achievement of absolute electoral fairness is unlikely to be attainable and there must be a degree of flexibility. However, our approach is to keep variances in the number of electors each councillor represents to a minimum. In all our reviews we therefore recommend strongly that, in formulating proposals for us to consider, local authorities and other interested parties should also try to keep variances to a minimum, making adjustments to reflect relevant factors such as community identity and interests. We aim to recommend a scheme which provides improved electoral fairness over a five-year period.

12 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for the parishes of Chetwynd Aston & Woodcote; The Gorge; Hadley & Leegomery; Ketley; Lawley & Overdale; Lilleshall, Donnington & Muxton; Madeley; Oakengates; St Georges & Priorslee; Stirchley & Brookside; Wellington; Wrockwardine, and Wrockwardine Wood & Trench.

13 Our recommendations cannot affect the external boundaries of Telford & Wrekin Council or the external boundaries or names of parish or town councils, or result in changes to postcodes. Nor is there any evidence that the recommendations will have an adverse effect on local taxes, house prices, or car and house insurance premiums. The proposals do not take account of parliamentary constituency boundaries and we are not, therefore, able to take into account any representations which are based on these issues.

[2] Schedule 2 to the Local Democracy, Economic Development and Construction Act 2009.

Submissions received

14 Prior to, and during, the initial stages of the review, we visited Telford & Wrekin Council ('the Council') and met with members and officers. We are grateful to all concerned for their co-operation and assistance.

15 We received six submissions during the consultation on warding patterns including a borough-wide scheme from the Council. All of the submissions may be inspected at both our offices and those of the Council. All representations received can also be viewed on our website at www.lgbce.org.uk

Electorate figures

16 The Council submitted electorate forecasts for 2018, a period five years on from the scheduled publication of our final recommendations in 2013. This is prescribed in the Local Democracy, Economic Development and Construction Act 2009 ('the 2009 Act'). These forecasts were broken down to polling district level and projected an increase in the electorate of approximately 3.6% to 2018. The forecasts provided by the Council took into account planned developments across the borough, as well as population forecasts made by the Office for National Statistics.

Council size

17 Telford & Wrekin Council currently has 54 councillors elected from 16 single-member, 13 two-member and four three-member wards. During the preliminary stage of the review, we met with Group Leaders and Full Council. The Council subsequently made a proposal for the retention of the current council size of 54. In support of its proposal, the Council emphasised its Co-operative Council ethos and members' representational role.

18 The Conservative Group on the Council made an initial submission in favour of a council size of 44, proposing a return to the committee system.

19 We decided to consult publicly on council sizes of both 44 and 54, considering that we had insufficient evidence to recommend either number. This consultation ended on 3 December 2012.

20 During the consultation on council size, we received 108 submissions. A majority of respondents supported retention of the current council size. We received individual submissions from 31 borough councillors, of whom only one supported a reduction in council size, although Conservative Group members had made a collective response in favour of a reduction. The majority of town and parish councils were in favour of retaining the current council size. Of 64 local residents who made representations, 40 supported a reduction in council size.

21 We carefully considered the information provided during the consultation period. Those supporting the retention of the current council size of 54 cited an increase in member workload as the principal reason for that view. They described the effects of a growing population, evidence of deprivation and health and welfare reforms as contributory to this workload increase. However, a number of councillors, residents and

parish councils said that the ’Co-operative Council‘ approach to community engagement and leadership necessitated the retention of current council size because of the implications of this approach for representational activities. In opposing a reduction in council size, fears were expressed about the impact of workload on ability of the Council to attract a broad spectrum of candidates for election and the ability of councillors to exercise effective scrutiny of council decision-making.

22 These views were not shared by all, however. The Council’s Conservative Group put forward the view that the Co-operative Council approach was not leading to an increase in workload and that a reduction to 44 members would be consistent with the Council’s decision-making and scrutiny structures whilst providing for cost-savings. This was a view shared by some residents making representations and by two parish councils. Whilst most of those in favour of a reduction in council size felt that 44 would be the appropriate number, a small number of residents proposed smaller council sizes, ranging from 27 to 40.

23 We concluded that, taken together, the submissions of those in favour of the retention of a council size of 54 had provided evidence to support the argument that the current council size should be retained in order to operate under current governance model. Whilst we did consider the submissions of those in favour of a reduction in council size, we felt that they did not provide us with a comparable volume or weight of evidence. We were therefore unable to assure ourselves that the Council’s governance structure could operate effectively should council size be reduced.

24 We were therefore minded to adopt a council size of 54 elected members as the basis of this electoral review. A consultation on warding arrangements began on 29 January 2013 and ended on 8 April 2013

25 During the consultation on warding arrangements we received only one representation relating to council size. The Council presented a warding pattern based on a council size of 55. It argued that this would provide for a better warding pattern than would its initial proposal for 54 members, but provided limited evidence to justify our moving away from the council size of 54 which we had adopted following consultation. We therefore did not move away from a council size of 54 when agreeing our draft recommendations.

26 We received a few very general comments on council size and the role of councillors in response to the draft recommendations and none of these submissions provided any additional evidence that would persuade us to move away from a council size of 54. We have therefore decided to base our final recommendations on this number of elected members.

Electoral fairness

27 Electoral fairness, in the sense of each elector in a local authority having a vote of equal weight when it comes to the election of councillors, is a fundamental democratic principle. It is expected that our recommendations should provide for electoral fairness whilst ensuring that we reflect communities in the area, and provide for effective and convenient local government.

28 In seeking to achieve electoral fairness, we calculate the average number of electors per councillor. This is calculated by dividing the total electorate of the borough (123,790 in 2012 and 128,249 by 2018) by the total number of councillors representing them on the council – 54 under our final recommendations. Therefore, the average number of electors per councillor under our final recommendations is 2,292 in 2012 and 2,375 in 2018.

29 Under our final recommendations, none of our proposed 30 wards will have an electoral variance of greater than 10% from the average for the borough by 2018. We are therefore satisfied that we have achieved good levels of electoral equality for Telford & Wrekin.

General analysis

30 During the consultation on our draft recommendations, we received 31 submissions, including those from the Council, and the Chairman of the Telford & Wrekin Branch of UKIP who commented on all of the wards outlined in the draft recommendations, supporting some individual recommendations and opposing others.

31 Two respondents advocated that we should seek, to create single-member wards on principle. We have no policy, unless specifically requested by a principal council to conduct a single-member warding review, either to favour or disfavour single-member or multi-member wards. Instead, we seek, in making recommendations, only to balance the statutory criteria of electoral equality, reflecting community identity and providing for effective and convenient local government. Accordingly, we have recommended a combination of single- and multi-member wards.

32 Most responses to the draft recommendations addressed proposed warding of particular parts of the borough. Of the 29 wards proposed in the draft recommendations, seven attracted expressions of support and no opposition.

33 We have considered these responses, together with those made at earlier stages of the review, and have concluded that we should move away from our draft recommendations in respect of the following wards: Dothill; Edgmond & Ercall Magna; Hadley & Leegomery; Haygate; Park;, Priorslee;, Shawbirch; and St Georges.

34 Our final recommendations would result in 12 single-member, 12 two-member and six three-member wards. We consider our proposals provide for good levels of electoral equality while reflecting our understanding of community identities and interests in Telford & Wrekin.

Electoral arrangements

35 This section of the report describes the submissions received, our consideration of them, and our final recommendations for each area of Telford & Wrekin. The following areas, defined only for the purposes of guiding readers of these recommendations, are considered in turn:

- Rural North and West (pages 9–11)
- Wellington (page 11)

- North Telford (pages 12–13)
- Central Telford (pages 13–15)
- South Telford and Ironbridge Gorge (pages 16-17)

36 Details of the proposed electoral arrangements are set out in Table A1 at pages 25-27 and illustrated on the large map accompanying this report.

Rural North and West

Newport

37 The town of Newport lies in the north-eastern part of the borough. It is currently divided into four single-member wards. Significant housing development is expected to take place across the town.

38 In our draft recommendations, we proposed that the existing Newport East and South wards, together with the development at Station Road, be combined to form a two-member ward. We also proposed a two-member Newport North & West ward combining the existing Newport West and Newport North single-member wards. The Council supported these recommendations.

39 The representations which expressed general preference for single-member wards opposed our recommendations for Newport but presented no persuasive argument in favour of their preference for single-member wards. Two-member wards for Newport offer better electoral equality in the immediate term and by 2018 than do the present single-member wards. We therefore confirm the draft recommendations for Newport as final.

40 While we are content to include the Station Road development as part of the projected 2018 electorate figures, we understand that no electors are expected to be living in the area until 2015–16 onwards. We therefore confirm our draft recommendation that altered parish warding arrangements for the Chetwynd Aston & Woodcote parish should not come into effect until 2019.

41 Our final recommendations for Newport are, therefore, for a two-member Newport North & West ward having a similar number of electors to the average number of electors for the borough by 2018 and a two-member Newport South & East ward having 4% more than the average for the borough by 2018.

Church Aston & Lilleshall, Edgmond and Ercall Magna

42 These wards comprise predominantly rural parishes. In our draft recommendations, we proposed that the parish of Preston-upon-the-Weald-Moors be excluded from the Church Aston & Lilleshall ward, linking it instead with parts of Hadley & Leegomery parish. We also proposed to combine the current wards of Edgmond and Ercall Magna into a two-member ward, with the exception of Eyton-upon-the-Weald-Moors parish, which we proposed be included with more built-up parts of Wellington and Wrockwardine parishes.

43 Our proposed Church Aston & Lilleshall ward was opposed by the Council and by Mark Pritchard MP. The Chairman of Preston-upon-the-Weald-Moors Parish Meeting also opposed the draft recommendation, enclosing with his own submission a petition signed by 101 residents of Preston-upon-the-Weald-Moors. Objectors cited the lack of

common community identity and character of the parish with the major part of our proposed Hadley & Leegomery ward, rather than providing evidence of community interaction between Preston-upon-the-Weald-Moors parish and the remainder of the Church Aston and Lilleshall area.

44 We were persuaded by the arguments that the parish should not be included with the more urban area of Hadley & Leegomery but were not persuaded that the only ward it could be included in is Church Aston & Lilleshall. Accordingly, we have decided not to amend our Church Aston & Lilleshall ward but do propose transferring Preston-upon-the-Weald-Moors parish into the proposed Edgmond & Ercall ward. We consider that this is a better alternative as the road links are more direct through the parish of Kynnersley and it would provide for a better level of electoral equality.

45 Similarly, the Council and the Telford & Wrekin Branch of UKIP considered that Eyton-upon-the-Weald-Moors Moors parish has little in common with Shawbirch and objected to the inclusion of the rural parish with the built-up areas of Wellington, Admaston and Bratton.

46 We note that there are only 66 electors in the parish of Eyton-upon-the-Weald-Moors and transferring them into the proposed Edgmond & Ercall ward would have a minimal impact on electoral equality, improving the electoral variance in the ward from 4% to 2%. We were persuaded by the argument that this parish should be included with other more rural parishes. Accordingly, our final recommendation is to include the parishes of Eyton-upon-the-Weald-Moors Moors and Preston-upon-the-Weald-Moors in a two-member Edgmond & Ercall Magna ward.

47 Our final recommendations are therefore for a two-member Edgmond & Ercall Magna ward and a single-member Church Aston & Lilleshall ward having 2% fewer and 1% fewer electors than the average for the borough by 2018, respectively.

Wrockwardine and Shawbirch

48 The current two-member Wrockwardine ward occupies a large rural area forming the western part of the borough, as well as some more urban built-up areas in Admaston, Bratton and Lawley.

49 We developed our own proposals for the Admaston and Bratton areas of Wrockwardine parish and the adjacent Shawbirch area of Wellington parish. A two-member ward which combined Admaston, Bratton and Shawbirch with Eyton-upon-the-Weald-Moors parish would have 3% fewer electors than the average by 2018, whilst the remainder of the current Wrockwardine ward would form a single-member ward with 1% fewer electors than the borough average in 2018.

50 We received a number of expressions of opposition to our draft recommendations, commenting that Admaston and Bratton form a community which is distinct from that of Shawbirch, citing the Beanhill Brook as a distinct and natural boundary between communities, with Admaston and Bratton looking towards the rural areas to the west. They add that combining the two areas in a single ward would weaken community ties between Shawbirch and the rest of Wellington.

51 Having considered the representations together with those regarding Eyton-upon-the-Weald-Moors, we are persuaded by these expressions of community identity, and recommend a single-member Admaston & Bratton ward comprising areas of the same

name. This will have 4% fewer electors than the borough average in 2018. We have made another amendment to the southern boundary of the proposed Shawbirch ward, which is detailed in paragraph 56, below.

52 Our final recommendations are therefore for single-member Admaston & Bratton, Shawbirch and Wrockwardine wards with 4% fewer, 5% more and 1% fewer electors than the borough average by 2018, respectively.

Wellington

53 The historic market town of Wellington lies on the western side of Telford's built-up area and is bounded to its south by the M54. We based our draft recommendations on the Council's scheme.

54 Wellington Town Council objected to our draft recommendations for the Park and Haygate wards, arguing that the boundary between the Haygate and Park wards should be moved to follow the railway line. In making its representation, the Town Council believed that the nature of the railway line as a barrier should override considerations of electoral equality. We accept, in part, the comment that the railway line would form a clear and distinct boundary between the Haygate and Park wards and recommend that it does so between the town's western boundary and Orleton Lane. The impact on electoral equality in the Haygate ward is marginal, improving the variance from the average for the borough from 2% to 1%. However, we also believe that in order to reflect the mixed commercial and residential land uses north of the railway and to maintain electoral equality, that the current ward boundary between Orleton Lane and Church Street be retained.

55 We also received opposition to our proposal to include the area around McCormick Drive in our modified Dothill ward. Objectors commented that residents of this area find their local shopping and community facilities in Shawbirch, whilst McCormick Drive is separated from Dothill by a large copse and open ground, crossed by a rough, unsurfaced footpath. Vehicular access to the local minor road network in Dothill from McCormick Drive would be via the two roundabouts on Whitchurch Drive at the northern and southern extremity of the ward.

56 We have considered the representations made and accept the evidence of community identity presented in relation to McCormick Drive. We therefore propose transferring approximately 120 electors from our proposed Dothill ward into our proposed Shawbirch ward. This ward would have 5% more electors than the average for the borough in 2018.

57 Having received support for our recommendations for our Arleston, College and Ercall wards and no opposition, we confirm as final our draft recommendations.

58 Our final recommendations for Wellington, with the exception of Shawbirch, are therefore single-member Arleston, College, Dothill, Ercall, Haygate and Park wards which would contain 2% more, 1% more, 6% fewer, 1% more, 1% fewer and 3% more than the average number of electors for the borough by 2018, respectively.

North Telford

59 Telford New Town encompasses a number of communities and stands astride the M54. The north of Telford is covered by the parishes of Hadley & Leegomery, Wrockwardine Wood & Trench and the communities of Donnington and Muxton within the parish of Lilleshall, Donnington & Muxton.

60 We proposed in our draft recommendations to accept the Council's proposal for a single-member Apley Castle ward, which forms part of Hadley & Leegomery parish, and two-member wards for Donnington and Muxton. Having received no objection to these proposals, we confirm as final our draft recommendations for these areas.

61 We received a submission from Oakengates Town Council with alternative proposals for the majority of this area. The Town Council provided an analysis of the historical development of communities in the area and detailed proposals for alterations to the draft recommendations, both within and around the periphery of the parish. Whilst we appreciate the extent to which the Town Council sought to reflect our statutory criteria in its suggestions, the proposals which they made did not, in our view, provide sufficient justification for the poor electoral equality that would result.

62 In our draft recommendations, we proposed that a three-member Hadley & Leegomery ward be formed by combining the majority of the parish of that name with Preston-upon-the-Weald-Moors parish. As described in paragraph 43 above, the Chairman of Preston-upon–the-Weald-Moors parish meeting and others opposed this draft recommendation and we have made a final recommendation which addresses that opposition.

63 Oakengates Town Council further advocated that the Hadley & Leegomery ward should include the south-east part of the Hadley & Leegomery parish which our draft recommendations proposed be included in the Oakengates & Ketley Bank ward. Were we to accept the proposal made by Oakengates Town Council, electoral inequality in Hadley & Leegomery would have 13% more electors per councillor than the average by 2018.

64 We are unwilling to recommend such a degree of electoral inequality in this area in light of alternatives that we consider satisfactorily reflect the statutory criteria. Our final recommendation is therefore a three-member Hadley & Leegomery ward, consisting of those parts of the parish of that name which do not form the Apley Castle ward or part of the Oakengates & Ketley Bank ward.

65 In our draft recommendations, we accepted the Council's proposal for a two-member Wrockwardine Wood & Trench ward consisting of the northern part of the parish of that name and the northern part of Oakengates parish. The Borough Council and Wrockwardine Wood & Trench Parish Council agree with our draft recommendations.

66 Oakengates Town Council objected to the proposal on two counts. Our draft recommendation proposed the inclusion of the whole of that part of the parish which lies to the north of Wrockwardine Wood Way in the proposed Wrockwardine Wood & Trench ward. The Town Council would prefer instead to include a southern portion of that area in the Oakengates and Ketley Bank ward. We believe, however, that

Wrockwardine Wood Way forms an appropriate boundary and we are not persuaded that the area which the Town Council would include in the Oakengates & Ketley Bank ward is more strongly connected to those parts of the parish which lie to the south of Wrockwardine Wood Way than it is to those parts lying adjacently to the north.

67 Oakengates Town Council also proposed that part of the Trench Lock area be included in the proposed Wrockwardine Wood & Trench ward. We believe that in this instance, Queensway forms an appropriate boundary between wards and are not persuaded that the part of Trench Lock referred to by the Town Council shares a stronger community with the area to the east of Queensway than it does with areas of similar housing accessed from Sommerfeld Road. The Town Council also advocated that parts of Trench Lock lying to the west of Sommerfeld Road should be included in the Hadley & Leegomery ward. Such a proposal would, however, lead to an electoral variance of 13% in Hadley and Leegomery and consequentially result in 23% fewer electors per councillor in Oakengates & Ketley Bank than the average. Accordingly, we confirm as final our draft recommendation for Wrockwardine Wood & Trench ward.

68 We received suggestions from Oakengates Town Council, one borough councillor and one local resident that the ward for this area be simply called Trench. Three reasons for this were given: the local area of Wrockwardine Wood is perceived by some to lie to the south of our proposed ward's southern boundary; the Wrockwardine Wood area constitutes parts of four wards proposed in the draft recommendations; and confusion between the names Wrockwardine Wood and Wrockwardine ward results in practical errors and misunderstandings in the Council's dealings. However, we note that the majority of Wrockwardine Wood & Trench parish lies within our proposed ward, and the presence of community and social facilities bearing the name Wrockwardine Wood in the ward.

69 In North Telford, our final recommendations are therefore a three-member Hadley & Leegomery ward, three two-member Donnington, Muxton and Wrockwardine Wood & Trench wards and a single-member Apley Castle ward. These wards will contain 1% fewer, 4% more, 4% more, 1% fewer and 2% more electors than the borough average by 2018, respectively.

Central Telford

70 Central Telford is covered by the parishes of Ketley, Lawley & Overdale, Oakengates, and St. Georges & Priorslee.

Lawley, Ketley, Overdale, Oakengates and Ketley Bank

71 Lawley is an area of substantial residential and associated development on the western side of Telford's built-up area. Recent, current and planned developments are expected to amount to a total of 3,500 homes. The Council proposed a single-member Lawley ward, centred on the current Lawley community and covering most of the area of current and future developments, taking in parts of the parishes of Lawley & Overdale and Dawley Hamlets. David Wright MP also advocated a separate ward for this area.

72 It was evident to us that a single-member ward for the area covered by the envisaged Lawley village development would be very significantly under-represented.

However, alternative approaches to create a multi-member ward for Lawley would result in electoral inequalities in the surrounding areas.

73 We proposed in our draft recommendations to follow the present ward boundaries in the Lawley area, with parts of the Lawley development area being included in Wrockwardine, Ketley & Overdale and Horsehay & Lightmoor wards.

74 Some respondents to the consultation on the draft recommendations were opposed to the continued inclusion of the Lawley and Overdale West parish ward in the Wrockwardine ward. Having considered these objections and others relating to Lawley, we believe that the exclusion of Lawley and Overdale West parish ward would result in unacceptable levels of electoral inequality with 24% fewer electors in the Wrockwardine ward than the average for the borough.

75 The Council maintained its fundamental disagreement with the draft recommendations' omission of a single-member ward for Lawley village, but acknowledged that our draft recommendations provided good levels of electoral equality in the locality. Two local residents also expressed their opposition to our draft recommendations but provided no further evidence which would persuade us to alter our recommendations.

76 The Council proposed three-member Ketley & Overdale and Oakengates & Ketley Bank wards covering this part of central Telford which we adopted in our draft recommendations with one modification. This was opposed by the Lawley & Overdale Parish Council.

77 One local resident suggested that our proposed Ketley & Overdale ward should exclude Lawley Bank, Old Park and the town centre area, which should instead be added to the Malinslee & Dawley Bank ward proposed in our draft recommendations. However, this would result in 14% and 18% variances from the average electoral ratio for the borough in Ketley & Overdale and in Malinslee & Dawley Bank, respectively.

78 Lawley & Overdale Parish Council commented that the cumulative effect of our draft recommendations would be to increase the number of borough councillors representing their parish from four to eight, and that this would be detrimental. In fact, the increase would be from six to eight. In any case, we are not persuaded that an increase in borough councillors would hinder community identity or provide for poorer effective and convenient local government, or provide for poorer levels of electoral equality. We therefore confirm as final our draft recommendation for our Ketley & Overdale ward.

79 Oakengates Town Council's substantial response to our draft recommendations provided alternative proposals and an assessment of their impact on electoral equality in the Oakengates & Ketley Bank, and surrounding wards. We have checked the Town Council's numerical analysis and find that it does not accord with the current and forecast electorate agreed with Telford & Wrekin Council. We have therefore considered the Town Council's proposals in terms of the numbers which we have agreed with Telford & Wrekin Council. Our consideration of the Town Council's proposals which relate to the Hadley & Leegomery and Wrockwardine Wood & Trench areas is described in paragraphs 63 and 67 above, respectively. Whilst the Town Council agrees with our proposal to include part of the Wrockwardine Wood area in the Oakengates & Ketley Bank ward, it proposed including the eastern part of St Georges

& Priorslee parish in the vicinity of Station Hill. We are not persuaded, however, that the Station Hill area shares no communality with the remainder of the parish in which it lies. We therefore confirm as final our draft recommendation for Oakengates & Ketley Bank.

80 In Lawley, Ketley, Overdale, Oakengates and Ketley Bank our final recommendations are therefore three-member Ketley & Overdale and Oakengates & Ketley Bank wards having 1% fewer and 4% fewer electors than the borough average by 2018, respectively.

St Georges and Priorslee

81 Our draft recommendations for this area were based on the Council's initial proposal, but with some modifications. Firstly, the south of the Council's proposed St Georges ward follows the existing ward boundary along Church Road and Snedshill Way. We proposed to include the whole of Priorslee Road in St Georges ward. Secondly, we proposed to include Park Close in Priorslee ward in order to secure a clear and easily identifiable divide of the area north of St Georges Bypass.

82 We received a number of objections to each of these. The first was supported by the Council and by one councillor who asserted that residents of Church Road and Priorslee Road identify their local community as that of St Georges. The Parish Council, two councillors and residents argued that the current boundary in this part of the ward should be retained in order that St Peter's church remain in the Priorslee ward. We believe, however, that St Georges By-Pass forms a distinct boundary between residential areas but we are not convinced that its identification as a borough ward boundary creates a barrier to the service which the church gives to its parishioners either in Priorslee or St Georges. We therefore confirm as final our draft recommendation in this part of the ward.

83 Whilst one councillor agreed with our proposal to include Park Close and the St Georges Sports Ground in the Priorslee ward, the borough Council, Parish Council and three councillors disagreed, citing the role of the sports club in the community life of the St Georges area and the Park Close residents' identification with the St Georges community. Whilst this improves electoral equality in St Georges ward to parity with the average for the borough, it increases the variance from 5% in Priorslee to 9% fewer electors than the borough average. However, we are prepared to accept these representations about community identity and amend our draft recommendations accordingly.

84 Oakengates Town Council proposed that our draft recommendation for the boundary between those parts of St Georges and Priorslee wards which lie in Wrockwardine & Trench parish be amended in order that all properties on Coppice Drive, St Georges Road and Moss Road be included in St Georges ward. Such a change, which is not proposed in any other representation, would have significant impact on electoral equality, particularly in the Priorslee ward and we do not therefore propose to move away from our draft recommendation for this area.

85 Our final recommendations are therefore, for two-member St Georges and Priorslee wards. These wards will a similar number to, and 9% fewer electors per councillor than the borough average by 2018, respectively.

South Telford and Ironbridge Gorge

86 South Telford and Ironbridge Gorge are covered by the parishes of The Gorge, Madeley, Stirchley & Brookside, Hollinswood & Randlay, Great Dawley and the remainder of Dawley Hamlets.

87 In our draft recommendations, we proposed three-member Dawley & Aqueduct, Madeley and The Nedge wards, two-member Brookside, Horsehay & Lightmoor, Malinslee & Dawley Bank and Woodside wards and a single-member Ironbridge Gorge ward.

88 We received support and no objection to our proposed Brookside, Dawley & Aqueduct, Ironbridge Gorge and Woodside wards, and therefore confirm them as our final recommendations for those areas.

89 The Council and Stirchley and Brookside Parish Council supported our proposal for a three-member ward for The Nedge. One Borough Councillor proposed that we should subdivide this area to create a single-member ward for Stirchley and a two-member ward for Hollinswood & Randlay. However, we did not receive clear evidence of community identity or proposals for clear and strong ward boundaries which would address all of our statutory criteria. We therefore confirm as final our draft recommendation for The Nedge.

90 We received a proposal for parish warding in Brookside from a member of that parish council. However, his proposal involved parish boundary and warding changes which are outside of the scope of this electoral review and we were therefore unable to recommend the changes he sought.

91 The Council expressed opposition to our proposal for a three-member Madeley ward, preferring instead, a single-member Cuckoo Oak ward and two-member Madeley ward. However, the Council's proposal would lead to unsatisfactorily levels of electoral equality of 17% and 13% respectively. We see no justification for this level of electoral inequality. The Council did suggest that should we be minded to adhere to our proposal for a three-member ward, then we should recommend that the ward be named Madeley & Sutton Hill in order to reflect the communities in the south eastern part of the borough. We accept this proposal and propose as our final recommendation a three-member Madeley & Sutton Hill Ward, having the boundaries shown in the draft recommendations.

92 The Council supported our proposal for a two-member Malinslee & Dawley Bank ward. Councillor Blackburn and Lawley & Overdale Parish Council were opposed to to our proposal's inclusion of part of Dawley Bank in the Malinslee & Dawley Bank ward. However, the draft recommendation provides good electoral equality, accessibility and reflects communities whilst the alternative approach would result in the electoral variances of 14% in Ketley & Overdale and 18% in Malinslee & Dawley Bank described in paragraph 77, above.

93 Objections to our proposed Horsehay & Lightmoor ward all centered on the way in which the major and expanding Lawley development would be treated in our draft recommendations. These, and our response to them have been described in paragraphs 71-75 above. The Council did suggest that the name of the Horsehay and

Lightmoor ward include “Lawley”. Some respondents felt that our exclusion of Lawley from ward naming had the effect of making Lawley “disappear from the map”. However, we feel that the community continues to be identified in the parish name. Furthermore, the extent of recent and anticipated development is such that no single ward could embrace the whole of the area which is being developed as Lawley Village. We therefore confirm as final, our draft recommendation for Horsehay & Lightmoor

94 In South Telford and Ironbridge Gorge our final recommendations are, therefore, three-member Dawley & Aqueduct, Madeley & Sutton Hill and The Nedge wards, two-member Brookside, Horsehay & Lightmoor, Malinslee & Dawley Bank and Woodside wards and a single-member Ironbridge Gorge ward. These will contain 1% more, 9% more, a number similar to, 1% fewer, 4% more, 3% fewer, 9% fewer and 5% more electors per councillor than the borough average by 2018, respectively.

Conclusions

95 Table 1 shows the impact of our final recommendations on electoral equality, based on 2012 and 2018 electorate figures.

Table 1: Summary of electoral arrangements

	Final recommendations	
	2012	**2018**
Number of councillors	54	54
Number of wards	30	30
Average number of electors per councillor	2,292	2,375
Number of wards with a variance more than 10% from the average	4	0
Number of wards with a variance more than 20% from the average	1	0

Final recommendation
Telford & Wrekin Council should comprise 54 councillors serving 30 wards, as detailed and named in Table A1 and illustrated on the large map accompanying this report.

Parish electoral arrangements

96 As part of an electoral review, we are required to have regard to the statutory criteria set out in Schedule 2 to the Local Democracy, Economic Development and Construction Act 2009 (the 2009 Act). The Schedule provides that if a parish is to be divided between different wards it must also be divided into parish wards, so that each parish ward lies wholly within a single ward. We cannot recommend changes to the external boundaries of parishes as part of an electoral review.

97 Under the 2009 Act, and notwithstanding representations made to us which would suggest that we do otherwise, we only have the power to make changes to

parish electoral arrangements where these are as a direct consequence of our recommendations for principal authority warding arrangements. However, Telford & Wrekin Council has powers under the Local Government and Public Involvement in Health Act 2007 to conduct community governance reviews to effect changes to parish electoral arrangements.

98 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for the parishes of Chetwynd Aston & Woodcote, The Gorge, Hadley & Leegomery, Ketley, Lawley & Overdale, Lilleshall, Donnington & Muxton, Madeley, Oakengates, St Georges & Priorslee, Stirchley & Brookside, Wellington, Wrockwardine and Wrockwardine Wood & Trench.

99 As a result of our proposed district ward boundaries and having regard to the statutory criteria set out in Schedule 2 to the 2009 Act, we propose revised parish electoral arrangements for Chetwynd Aston & Woodcote parish.

Final recommendations
Chetwynd Aston & Woodcote Parish Council should return seven parish councillors, as at present, representing two wards: Chetwynd Aston (returning four members) and Station Road (returning three members). The proposed parish ward boundaries are illustrated and named on Map 1. They should, however, not come into effect until the ordinary election day in 2019.

100 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for The Gorge parish.

Final recommendations
The Gorge Parish Council should return eight parish councillors, as at present, representing three wards: Coalport & Jackfield (returning two members), Ironbridge Gorge (returning three members) and Lightmoor (returning three members). The proposed parish ward boundaries are illustrated and named on Map 1.

101 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for Hadley & Leegomery parish.

Final recommendations
Hadley & Leegomery Parish Council should return 16 parish councillors, as at present, representing five wards: Apley Castle (returning four members), Hadley Castle (returning three members), Hadley Manor (returning three members), Leegomery (returning four members) and Trench Lock (returning two members). The proposed parish ward boundaries are illustrated and named on Map 1.

102 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for Ketley parish.

Final recommendations
Ketley Parish Council should return 11 parish councillors, as at present, representing

two wards: Beveley (returning two members) and Ketley (returning nine members). The proposed parish ward boundaries are illustrated and named on Map 1.

103 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for Lawley & Overdale parish.

Final recommendations
Lawley & Overdale Parish Council should return eight parish councillors, as at present, representing four wards: Central (returning four members), Dawley Bank (returning one member), Lawley (returning two members) and West (returning one member). The proposed parish ward boundaries are illustrated and named on Map 1.

104 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for Lilleshall, Donnington & Muxton parish.

Final recommendations
Lilleshall, Donnington & Muxton Parish Council should return 15 parish councillors, as at present, representing five wards: Donnington East (returning one member), Donnington West (returning five members), Lilleshall (returning two members), Muxton (returning five members) and The Humbers (returning two members). The proposed parish ward boundaries are illustrated and named on Map 1.

105 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for Madeley parish.

Final recommendations
Madeley Parish Council should return 17 parish councillors, as at present, representing four wards: Cuckoo Oak (returning five members), Hill Top (returning one member), Madeley (returning five members) and Woodside (returning six members). The proposed parish ward boundaries are illustrated and named on Map 1.

106 As a result of our proposed district ward boundaries and having regard to the statutory criteria set out in Schedule 2 to the 2009 Act, we propose revised parish electoral arrangements for Oakengates Town.

Final recommendations
Oakengates Town Council should return 13 parish councillors, as at present, representing three wards: Hollyhurst (returning one member), North (returning three members) and Oakengates (returning nine members). The proposed parish ward boundaries are illustrated and named on Map 1.

107 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for St Georges & Priorslee parish.

Final recommendations
St Georges & Priorslee Parish Council should return 11 parish councillors, as at

present, representing four wards: Snedshill (returning one member), St Georges East (returning one member), St Georges West (returning four members) and Priorslee (returning five members). The proposed parish ward boundaries are illustrated and named on Map 1.

108 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for Stirchley & Brookside parish.

Final recommendations
Stirchley & Brookside Parish Council should return 13 parish councillors, as at present, representing three wards: Brookside (returning seven members), Holmer Lake (returning one member) and Stirchley (returning five members). The proposed parish ward boundaries are illustrated and named on Map 1.

109 As a result of our proposed district ward boundaries and having regard to the statutory criteria set out in Schedule 2 to the 2009 Act, we propose revised parish electoral arrangements for Wellington town.

Final recommendations
Wellington Town Council should return 21 parish councillors, as at present, representing seven wards: Arleston (returning three members), College (returning three members), Dothill (returning three members), Ercall (returning three members), Haygate (returning three members), Park (returning three members) and Shawbirch (returning three members). The proposed parish ward boundaries are illustrated and named on Map 1.

110 To meet our obligations under the 2009 Act, we propose consequential parish warding arrangements for Wrockwardine parish.

Final recommendations
Wrockwardine Parish Council should return 10 parish councillors, as at present, representing two wards: Admaston & Bratton (returning seven members) and Wrockwardine (returning three members). The proposed parish ward boundaries are illustrated and named on Map 1.

111 As a result of our proposed district ward boundaries and having regard to the statutory criteria set out in Schedule 2 to the 2009 Act, we propose parish electoral arrangements for Wrockwardine Wood & Trench parish.

Final recommendations
Wrockwardine Wood & Trench Parish Council should return 11 parish councillors, as at present, representing four wards: East (returning one member), Trench (returning eight members), Wrockwardine Wood East (returning one member) and Wrockwardine Wood West (returning one member). The proposed parish ward boundaries are illustrated and named on Map 1.

3 What happens next?

112 We have now completed our review of electoral arrangements for Telford & Wrekin Council. A draft Order – the legal document which brings into force our recommendations – will be laid in Parliament. The draft Order will provide for new electoral arrangements which will come into force at the next elections for Telford & Wrekin Council in 2015.

Equalities

113 The matters presented in report have been screened for impact on equalities, with due regard being given to the public sector equalities duty as set out in section 149 of the Equality Act 2010. As no potential negative impacts were identified, a full equality impact analysis is not required.

4 Mapping

Final recommendations for Telford & Wrekin

114 The following map illustrates our proposed ward boundaries for Telford & Wrekin Council:

- **Sheet 1, Map 1** illustrates in outline form the proposed wards for Telford & Wrekin Council.

You can also view our draft recommendations for Telford & Wrekin Council on our interactive maps at http://consultation.lgbce.org.uk

Appendix A

Table A1: Final recommendations for Telford and Wrekin

	Ward name	Number of councillors	Electorate (2012)	Number of electors per councillor	Variance from average %	Electorate (2018)	Number of electors per councillor	Variance from average %
1	Admaston & Bratton	1	2284	2284	0%	2270	2270	-4%
2	Apley Castle	1	2417	2417	5%	2427	2427	2%
3	Arleston	1	2308	2308	1%	2425	2425	2%
4	Brookside	2	4628	2314	1%	4698	2349	-1%
5	Church Aston & Lilleshall	1	2391	2391	4%	2355	2355	-1%
6	College	1	2393	2393	4%	2407	2407	1%
7	Dawley & Aqueduct	3	7266	2422	6%	7196	2399	1%
8	Donnington	2	4931	2466	8%	4928	2464	4%
9	Dothill	1	2262	2262	-1%	2236	2236	-6%
10	Edgmond & Ercall Magna	2	4657	2329	2%	4635	2318	-2%
11	Ercall	1	2395	2395	4%	2408	2408	1%

Table A1 (cont.): Final recommendations for Telford and Wrekin

	Ward name	Number of councillors	Electorate (2012)	Number of electors per councillor	Variance from average %	Electorate (2018)	Number of electors per councillor	Variance from average %
12	Hadley & Leegomery	3	6717	2239	-2%	7081	2360	-1%
13	Haygate	1	2170	2170	-5%	2347	2347	-1%
14	Horsehay & Lightmoor	2	3337	1669	-27%	4931	2466	4%
15	Ironbridge Gorge	1	2556	2556	11%	2486	2486	5%
16	Ketley & Overdale	3	6401	2134	-7%	7083	2361	-1%
17	Madeley & Sutton Hill	3	7881	2627	15%	7767	2589	9%
18	Malinslee & Dawley Bank	2	4487	2244	-2%	4606	2303	-3%
19	Muxton	2	4828	2414	5%	4944	2472	4%
20	Newport North & West	2	4457	2229	-3%	4744	2372	0%
21	Newport South & East	2	4024	2012	-12%	4961	2481	4%
22	Oakengates & Ketley Bank	3	6243	2081	-9%	6828	2276	-4%
23	Park	1	2398	2398	5%	2441	2441	3%

Table A1 (cont.): Final recommendations for Telford and Wrekin

	Ward name	Number of councillors	Electorate (2012)	Number of electors per councillor	Variance from average %	Electorate (2018)	Number of electors per councillor	Variance from average %
24	Priorslee	2	4369	2185	-5%	4306	2153	-9%
25	Shawbirch	1	2425	2425	6%	2485	2485	5%
26	St Georges	2	4811	2406	5%	4763	2382	0%
27	The Nedge	3	7122	2374	4%	7113	2371	0%
28	Woodside	2	4474	2237	-2%	4322	2161	-9%
29	Wrockwardine	1	2309	2309	1%	2363	2363	-1%
30	Wrockwardine Wood & Trench	2	4849	2425	6%	4711	2356	-1%
	Totals	54	123,790	–	–	128,249	–	–
	Averages	–	–	2,292	–	–	2,375	–

Source: Electorate figures are based on information provided by the Telford & Wrekin Council.

Note: The ‘variance from average’ column shows by how far, in percentage terms, the number of electors per councillor in each ward varies from the average for the borough. The minus symbol (-) denotes a lower than average number of electors. Figures have been rounded to the nearest whole number.

Appendix B

Glossary and abbreviations

AONB (Area of Outstanding Natural Beauty)	A landscape whose distinctive character and natural beauty are so outstanding that it is in the nation's interest to safeguard it
Constituent areas	The geographical areas that make up any one ward, expressed in parishes or existing wards, or parts of either
Council size	The number of councillors elected to serve on a council
Electoral Change Order (or Order)	A legal document which implements changes to the electoral arrangements of a local authority
Division	A specific area of a county, defined for electoral, administrative and representational purposes. Eligible electors can vote in whichever division they are registered for the candidate or candidates they wish to represent them on the county council
Electoral fairness	When one elector's vote is worth the same as another's
Electoral imbalance	Where there is a difference between the number of electors represented by a councillor and the average for the local authority
Electorate	People in the authority who are registered to vote in elections. For the purposes of this report, we refer specifically to the electorate for local government elections
Local Government Boundary Commission for England or LGBCE	The Local Government Boundary Commission for England is responsible for undertaking electoral reviews.

Multi-member ward or division	A ward or division represented by more than one councillor and usually not more than three councillors
National Park	The 13 National Parks in England and Wales were designated under the National Parks and Access to the Countryside Act of 1949 and can be found at www.nationalparks.gov.uk
Number of electors per councillor	The total number of electors in a local authority divided by the number of councillors
Over-represented	Where there are fewer electors per councillor in a ward or division than the average
Parish	A specific and defined area of land within a single local authority enclosed within a parish boundary. There are over 10,000 parishes in England, which provide the first tier of representation to their local residents
Parish council	A body elected by electors in the parish which serves and represents the area defined by the parish boundaries. See also ‘Town council’
Parish (or Town) council electoral arrangements	The total number of councillors on any one parish or town council; the number, names and boundaries of parish wards; and the number of councillors for each ward
Parish ward	A particular area of a parish, defined for electoral, administrative and representational purposes. Eligible electors vote in whichever parish ward they live for candidate or candidates they wish to represent them on the parish council

PER (or periodic electoral review)	A review of the electoral arrangements of all local authorities in England, undertaken periodically. The last programme of PERs was undertaken between 1996 and 2004 by the Boundary Commission for England and its predecessor, the now-defunct Local Government Commission for England
Political management arrangements	The Local Government and Public Involvement in Health Act 2007 enabled local authorities in England to modernise their decision making process. Councils could choose from two broad categories; a directly elected mayor and cabinet or a cabinet with a leader
Town council	A parish council which has been given ceremonial 'town' status. More information on achieving such status can be found at www.nalc.gov.uk
Under-represented	Where there are more electors per councillor in a ward or division than the average
Variance (or electoral variance)	How far the number of electors per councillor in a ward or division varies in percentage terms from the average
Ward	A specific area of a district or borough, defined for electoral, administrative and representational purposes. Eligible electors can vote in whichever ward they are registered for the candidate or candidates they wish to represent them on the district or borough council

TELFORD & WREKIN COUNCIL

Pay Policy Statement – 2014/15

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; and
- 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 annual 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 Employment Rights Act 1996, the Equality Act 2010, the 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) 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.

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. The last national pay award of 1% was effective from 1st April 2013.

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, this can be varied in exceptional circumstances, 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 s43 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 2014:

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 of the Constitution. When recruiting to all posts the Council will take full and proper account the 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, the pay policy 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 Councils 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 (N.B. 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 2014, this is £12,435 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 2014 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.

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 that those specifically mentioned in Part 'C' below.

		£
1.	**Uncontested Elections** For each ward	134.00
2.	**Contested Elections** For each ward	234.00
3.	**Declaration of Results** 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.	**Uncontested Parish Elections** **(i)** For each parish or where the parish is divided into wards, for each ward	50.00
2.	**Contested Parish Elections** **(i)** For each parish or where the parish is divided into wards, for each ward	100.00
3.	**Polls Consequent on a Parish Meeting** **(i)** Where official notice of a poll has been received but no poll is taken in consequence of the withdrawal of a candidate or otherwise	23.00

	(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 feels 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

NJC CIRCULAR 1/10

NJC CAR ALLOWANCES 2010/11

1. CAR ALLOWANCES - PART 3 PARAGRAPH 6

It has been agreed that the rates of Car Allowances be revised with effect from **1 April 2010**. The new rates are set out below:

	451 - 999cc	**1000 - 1199cc**	***1200+** Only Applicable to employees on Wrekin Conditions
Essential Users			
Lump sum per annum	£846	£963	£1,239
per mile first 8,500	36.9p	40.9p	50.5p
per mile after 8,500	13.7p	14.4p	16.4p
Casual Users			
per mile first 8,500	46.9p	52.2p	65.0p
per mile after 8,500	13.7p	14.4p	16.4p

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Tuesday, 28th January 2014 at 6.00 pm in Meeting Room 7, Ground Floor, Darby House, Telford

PRESENT: Councillors R Sloan (Chair), K Austin, D Davies, I T W Fletcher, A Lawrence, S A W Reynolds, W L Tomlinson

Officers: P Taylor (Statutory Director of Adult Social Services) J Eatough (Assistant Director: Law, Democracy & People Services), J Marriott (Audit & Information Governance Manager), P Harris (Finance Manager), B Morris (Finance Team Leader) and J Clarke (Democratic Services Support Officer).

IN ATTENDANCE:

A Bunting – KPMG
I Pennington – KPMG

The Chair informed the members that Item 10 on the Agenda – Draft Treasury Management Strategy 2014/15 and update 13/14 would move up the Agenda to follow Item 6 – External Audit Plan 2013/14.

AUC-26 MINUTES

RESOLVED – that the minutes of the meeting of the Audit Committee held on 17th September 2013 be confirmed and signed by the Chairman.

AUC-27 APOLOGIES FOR ABSENCE

None

AUC-28 DECLARATIONS OF INTEREST

None

AUC-29 KPMG ANNUAL AUDIT LETTER 2012/13

I Pennington from KPMG presented the Annual Audit Letter 2012/13.

An unqualified Value for Money (VFM) conclusion for 2012/13 was issued on the 24th September 2013 meaning that the Council had the proper arrangements for securing financial resilience and challenging how the Council secures economy, efficiency and effectiveness.

KPMG identified one significant risk to VFM regarding the Authority's future savings plans, although the arrangements the Council had put in place would mitigate this risk.

There needed to be one adjustment in relation to an error in the prior period which resulted from a change in accounting policy for trust schools. There was no impact on the General Fund Balance as a result of this adjustment.

The majority of the information contained in the Annual Audit Letter had been with the information on the Audit of the accounts at the previous meeting of the Audit Committee which had been presented by H Garrett. Members were asked if they had any further questions. No further questions or comments from the Committee were forthcoming.

<u>RESOLVED</u> – that the report be noted.

AUC-30 <u>KPMG CERTIFICATION OF GRANTS AND RETURNS 2012/13</u>

A Bunting from KPMG presented the Certification of Grants and Returns 2012/13.

KPMG had identified a number of inaccuracies in the information report on the Teachers' Pension return. The Council had been able to correct some of the inaccuracies but some remained unresolved. These were around the salary contributions reported against the contribution rate bands applicable to the Local Government Pension Scheme and arose due to the format of the system reports which differed from the new reporting requirements of the scheme. A correction to the classifications needed to be in place for the next report on the 2013/14 return. Changes to the system were due to take place but in the meantime officers were carrying out manual adjustments. KPMG commented that this issue was not isolated to Telford & Wrekin Council and many Council's were facing the same problem.

The audit fee for 2012/13 was £155,088 excluding VAT this was down by 40% on the previous year due to the change in the fees by the Audit Commission. Additional work undertaken during the year in relation to an elector query resulted in a fee of £9,216. The NNDR grant work, which was done on a cyclical basis, had resulted in a reduction for the grant fee from £16,850 to £16,399. A refund was to be issued.

<u>RESOLVED</u> – that the report be noted.

AUC-31 <u>EXTERNAL AUDIT PLAN 2012/13</u>

I Pennington from KPMG presented a report on the External Audit Plan 2012/13.

The overall audit approach was unchanged from last year. The work would be carried out in four stages. The audit strategy and plan remained flexible as risks and issues would change throughout the process.

The following areas had been indentified as significant risks:

- Accounting policies and estimates
- LGPS triennial valuation

KPMG would assess the Authority's progress in addressing the risk areas as part of the interim work with conclusions being given at year end.

The triennial valuation of the Local Government Pension Scheme for Shropshire took place from the 31st March 2013 in line with the Local Government Pensions Scheme (Administration) Regulations 2008.

There was an audit risk that the data provided to the actuary for this exercise was inaccurate which could lead to errors in the actuarial figures in the accounts. Most of the data was provided to the actuary by Shropshire County Council as they administer the Pension Fund.

As part of the audit KPMG would need to agree the data provided to the actuary and the reports used. The data would also need to be tested for accuracy. KPMG would liaise with the auditors of the Pension Fund on the Authority's behalf. The Pension Fund may seek to recharge any additional costs arising from this work but this would be discussed with the Assistant Director: Finance, Audit & Information Governance.

KPMG were required to carry out their work with independence and objectivity and to exercise their professional judgment and act independently of both the Commission and the Council. KPMG did not have any conflicts with the Council and this maintained the quality of the Audit.

A discussion took place including:

- Valued judgment
- Pension scheme – valuation and auto-enrolment
- Timescales of VFM approach

RESOLVED – that the report be noted.

AUC-32 DRAFT TREASURY MANAGEMENT STRATEGY 2014/15 AND UPDATE 13/14

The Finance Manager presented the draft Treasury Management Strategy 2014/15 and the 13/14 Treasury Update.

A training session on the Strategy had been held prior to the Audit Committee meeting for members of the Audit Committee.

The Strategy, if approved by the Audit Committee, would then go on to Cabinet and Full Council as part of the suite of Service & Financial Planning Reports.

The treasury portfolio at the end of December showed overall net indebtedness of £102.8m. Base rates had remained at 0.5% all year with the next move expected to be upwards but not for some time, 2016/17.

The borrowing strategy for 2013/14 was to use maturing investments to reduce borrowing where possible. To date two PWLB loans had matured and no new loans had been taken out. Short term borrowing had been used to fund short term cash flow requirements.

The average return on internal investments at the end of December 2013 was 3.31% compared to a benchmark return for the period of 0.42%. This was an outstanding over-achievement against the benchmark and reflected decisions taken some years ago to place investment funds in longer-term fixed rates when interest was considerably higher than today. It was noted that this level of return was not sustainable as a number of investments yielding high returns mature during the first part of 2014/15 and given the current context of low interest rates returns are likely to be lower next year.

The Council's Treasury Management Strategy was set within the parameters of the relevant statute, guidance and accounting standards.

The Council was currently expected to be required to borrow up to £1.0m in 2014/15 based on the current capital programme and would adopt a flexible approach to borrowing. The borrowing may be increased if the Council proceeds with large commercial projects such as investment in a solar farm or housing for rent at commercial rent levels. Audit Committee

Members would be notified of any changes to Prudential Indicators Affordability, maturity profile of existing debt, interest rates, refinancing risk and borrowing source would be discussed with the Council's treasury management advisors.

Where possible maturing investments would be used to reduce the level of additional borrowing which would reduce investment exposure going forward. The strategy for new investments would be to lengthen investment periods, where cash flow permitted, to achieve higher interest rates within acceptable risk parameters.

The report also included the Council's Minimum Revenue Provisions Statement (MRPS) which remained unchanged from 2013/14 although there was an amendment to how the provisions would be calculated from a straight line to an annuity basis. KPMG confirmed that they had agreed this approach.

Economic information would be updated with the latest data released prior to Cabinet.

A discussion took place including:

- MRPS figures and savings
- Prudential Indicators
- Risks of current projections
- Capital receipts

RESOLVED – that:

a) the treasury management activities for the first half of the year be noted;

b) that the Treasury Management Policy Statement be noted;

c) the Treasury Strategy, including the Annual Investment Strategy, for 2014/15 together with the associated treasury Prudential Indicators and the Minimum Revenue Provision Statement be approved.

AUC-33 ABACUS UPDATE

The Statutory Director for Adult Social Services presented a verbal report on Abacus.

There had been Amber reports in both March and July 2013, but due to the actions put in place not being robust enough the report had not moved forward and further work had been undertaken and a new report issued which was now Red.

The Statutory Director reported that, to move Abacus forward, changes to the system, processes and culture were needed. There had been a number of management changes which had taken place and dedicated additional resource had been brought in from another service area as project manager.

There was a formal meeting of the Project Group to take place on 31st January 2014 and they were confident that some of the concerns highlighted had been dealt with.

Processes had been put in place to deal with potential overpayments, financial assessments and the correct invoicing of service users.

The Statutory Director had accepted all of the recommendations and had drawn up an action plan to deliver against the recommendations. There had been some improvement but there was still a lot of work to do.

Adult Social Care was taking the lead on the project with input from other service areas within the Council.

A discussion took place including:

- Overpayments
- Invoicing Suppliers
- Opening and Closing cases
- Historical payments
- Review of Brokerage and Commissioning

It was suggested that the Chair and Vice Chair of the Audit Committee, together with the Cabinet Member for Adult Social Care, hold a meeting with the Statutory Director and the Project Manager in April/May 2014 in order to discuss the position. A further report would come back to the Audit Committee in June 2014.

<u>RESOLVED</u> – that:

a) a meeting would take place with the Chair and Vice-Chair of the Audit Committee, together with the Cabinet Member for Adult Social Care, Statutory Director of Adult Social Care and the Project Manager in April/May 2014;

b) a further report be brought back to Audit Committee in June 2014.

AUC-34 ICT UPDATE

The Assistant Director: Law, Democracy & People Services presented an update on the Council's ICT on behalf of the Assistant Director: Customer Services.

The Audit Committee were made aware of the significant problems the Council were experiencing with ICT at the last meeting of the Committee in September 2013.

The problems with the system had been escalated to international level. It was reported that the problems had arisen following power interruptions to the system which in turn affected the servers.

A fix had now been applied and the Council was confident that the problems were now resolved.

There had been a power outage on Monday 27th January at the Madeley Data Centre but this was a fault of the energy supplier, not the Council's systems. This had caused a slight disruption because the system had to be re-booted. The systems were now back up and running and it was business as usual.

The Council were currently in negotiations regarding compensation.

A discussion took place including:

- Keeping the confidence of the School Community

- Compensation for the inconvenience to the Schools
- Back-up power for the servers

The Chair and the Audit & Information Governance Manager would speak to the Assistant Director: Customer Services and greed the best timing for a report back to the Audit Committee.

<u>RESOLVED</u> – that the report be noted.

AUC-35 <u>PUBLICATION OF INFORMATION ON COUNCILLORS WHO TRADED WITH THE COUNCIL DURING 2012/13</u>

The Audit & Information Governance Manager presented a report on the publication of information on Councillors who traded with the Council during 2012/13.

To improve transparency the Council, through its Constitution Committee, agreed that details of the Councillors who have an interest in companies that receive a payment from the Council should be reported separately to the Council through the Audit Committee.

The information was collected as part of the 2012/13 final accounts process and this report represents information for 2012/13.

The Information was also available in the Declaration of Interests and through the Council's Accounts.

This report would come to the Audit Committee annually in June. The next report would be received at the June 2014 meeting and would cover the 2013/14 period.

<u>RESOLVED</u> – that

a) the Audit Committee note that the report would be published on the Council's website; and

b) the report be noted.

AUC-36 <u>INTERNAL AUDIT UPDATE REPORT – QUARTERS TWO & THREE 2013/14</u>

The Audit and Information Governance Manager presented a report on the Internal Audit update report – quarters two and three 2013/14.

The report provided an update on the work that had been undertaken between 1st July and 31st December 2013 and gave an update on progress on work previously undertaken.

The key focus during quarters 2 and 3 had been on the fundamental audits and completion of work identified from the 13/14 annual plan. A restructure of the service had been launched on the 26th November 2013 and which closed on the 14th January 2014 and resources had been used developing saving proposals. The restructure would commence from 1st April 2014 and the team were currently recruiting to the positions.

The Audit Committee's Terms of Reference was updated in November 2013 to include "oversight of the Commercial Board". A report from the Managing Director and the Co-operative & Commercial Projects Service Delivery Manager would be brought to the June 2014 Audit Committee meeting.

The report showed that there had been 29 reports issued in quarters 2 and 3. There were 7 amber reports and 2 red reports during quarters 2 and 3. The red reports were in respect of concerns around Abacus and Moorfield Primary School.

The William Reynolds School audit, which was amber, had now been followed up and upgraded to Green. The Back Up and Disaster Recovery review had also been followed up and the grading improved to Yellow. Recommendations and management actions had been agreed in other audit areas and Internal Audit was confident that management would implement these recommendations which would provide the appropriate reassurance and improve their gradings.

A discussion took place including:

- Commercial Board
- Audit supplying services/training to other Councils/Companies

RESOLVED – that the report be noted.

AUC-37 UPDATE ON THE ANNUAL GOVERNANCE STATEMENT 2012/13 ACTION PLAN

The Audit & Information Governance Manager presented a report on the Annual Governance Statement 2012/13 Action Plan.

The Council was required to produce an Annual Governance Statement which should include an action plan for further improvement. The report set out the progress made up to the end of December 2013 against the agreed action plan from June 2013.

The Committee were asked to note the progress on the actions contained in the 2012/13 Annual Governance Statement (AGS) Action plan which was due to be implemented during 2013/14.

RESOLVED – that the report be noted.

AUC-38 CHANGES TO THE INTERNAL AUDIT CHARTER 2014/15 AND PUBLIC SECTOR INTERNAL AUDIT STANDARDS – ACTION PLAN FOR COMPLIANCE

The Audit and Information Governance Manager presented a report on the changes to the Internal Audit Charter 2014/15 and Public Sector Internal Audit Standards – Action Plan for Compliance.

From 1st April 2013 the Public Sector Internal Audit Standards (PSIAS) replaced the existing Code of Practice. The team had undertaken a detailed review of operations against the requirements of the Standard and had identified some actions required in order to ensure compliance. The Action Plan was attached to the Report at Appendix B.

The Audit and Information Governance Manager noted that the action in respect of the development of a Quality Assurance and Improvement Programme (QIAP) had been delayed due to the restructure but was scheduled to be completed by end March 2014. Implementation of the actions would demonstrate compliance with the PSIAS.

RESOLVED – that the report be noted.

AUC-39 REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE

The Chair of the Committee, together with the Audit and Information Governance Manager, presented a verbal update on the Review of the Effectiveness of the Audit Committee.

The Audit Committee was a group of Members who had been on the Committee for some time and the Committee had good attendance. An annual survey had been undertaken for the last 4-5 years in respect to measuring the effectiveness of the Audit Committee and following the survey in 2013 a skills audit had been undertaken to develop the training programme.

As a training programme for Members was currently in place it was suggested that a further skills and training review take place following the 2015 Election as there was a possibility that there may be new Members on the Committee.

It was further suggested that the next review of the effectiveness of the Audit Committee take place in January 2016.

A discussion took place including:

- Paper exercise
- Induction for new members
- Independent members

RESOLVED – that the next Review of the Effectiveness of the Audit Committee takes place in January 2016.

The meeting ended at 7.38 p.m.

Chairman:

Date:

BOUNDARY REVIEW COMMITTEE

Minutes of a meeting of the Boundary Review Committee held on Monday 3rd February 2014 at 6.00 pm in Darby House, Lawn Central, Telford

PRESENT: Councillors R Sloan (Chair), K Blundell, S Davies, A Eade, I Fletcher and A McClements

IN ATTENDANCE: J. Eatough (Assistant Director: Law, Democracy & People Services), P Griffiths (Democratic Services Manager) and P Smith (Democratic Services Team Leader).
A number of residents from Lilleshall were also in attendance.

BRC-13 MINUTES

RESOLVED – that the minutes of the meeting held on 26 September 2013 be confirmed and signed by the Chair.

BRC-14 APOLOGIES FOR ABSENCE

Councillor R Overton

BRC-15 DECLARATIONS OF INTEREST

None.

BRC-16 THE LOCAL GOVERNMENT BOUNDARY COMMISSION FOR ENGLAND – ELECTORAL REVIEW OF TELFORD & WREKIN BOROUGH COUNCIL

The Democratic Services Manager presented the report of the Assistant Director: Law, Democracy & People Services which outlined the final recommendations of the Local Government Boundary Commission for England (LGBCE) following their review of the electoral arrangements in the Borough.

Following consideration of the comments received on its draft proposals, the LGBCE had now published its final recommendations, a copy of which was appended to the report. As a result of some of the consultation submissions, the LGBCE had modified some of its draft proposals. The most significant of these were:

- Parishes of Eyton-upon-the-Weald Moors and Preston-upon-the-Weald Moors to be included in the Edgmond & Ercall Magna ward;
- Single member wards for Admaston & Bratton, Shawbirch and Wrockwardine wards;
- Transfer of around 120 electors from Dothill ward to Shawbirch ward;
- Minor change to the boundary between Haygate and Park wards;
- Minor change to the boundary between St Georges and Priorslee wards;
- Proposed three member Madeley ward now to be called Madeley & Sutton Hill ward.

The final recommendations resulted in 12 single member wards, 12 two-member wards and 6 three member wards. No ward was forecast to have an electoral variance of greater than 10% by 2018. There would be some consequential changes to parish warding arrangements.

An Order – the legal document which brought into force the recommendations – would be laid in Parliament, and implemented subject to parliamentary scrutiny. The new electoral arrangements would come into force at the next Borough elections in May 2015.

Members expressed dissatisfaction at the outcome of the review in some areas (eg: Lawley, the rural wards between Telford and Newport) where the strong views of local communities and elected representatives had not been taken on board by the Commission. It was suggested that continuity had not been helped by the changes in LGBCE staff during the Review.

RESOLVED – that the final LGBCE recommendations, which will come into force at the next Council elections in May 2015, be noted.

BRC-17 COMMUNITY GOVERNANCE REVIEW – LILLESHALL, DONNINGTON & MUXTON PARISH: DRAFT PROPOSALS

The Committee received the report of the Assistant Director: Law, Democracy & People Services, appended to which was the suggested Draft Proposals in response to the petition for a Community Governance Review (CGR). The CGR had been triggered following the submission of a valid petition calling for a separate parish to be formed for the Lilleshall ward of Lilleshall, Donnington & Muxton Parish Council.

The Chair reported that he had attended a meeting of Lilleshall, Donnington & Muxton Parish Council to explain the CGR process and the role of this Committee. He added that he would allow the lead petitioner – Mr P Hawkins – and the Chair of the Lilleshall, Donnington & Muxton Parish Council – Mr A Baker – to speak for up to five minutes each. This was to allow the Committee an opportunity to hear views from the local community about the process so far and any representations relevant to the draft proposals.

Mr Baker stated that he wished to see an arrangement that would suit all parties. Local residents welcomed the proposed ballot along the lines suggested in the Draft Proposals document, and it was hoped that the outcome would be accepted by all as the true position of residents on this matter. There was concern at the cost and time already spent on this issue, and that it needed to be resolved.

Mr Hawkins referred to the recommendation in the Draft Proposals document for a postal ballot of all registered voters in Lilleshall, which he opposed. However, if the Committee decided to hold a ballot, he suggested that no further information or documentation from either side be included. It would be up to each side to campaign within the village, and circulate their own information.

The Democratic Services Manager then presented the Draft Proposals document. Since the publication of the Terms of Reference for the Review, 54 electors had made individual or joint submissions by letter or e-mail. The submissions indicated that there were strong views both in favour of a separate parish and in favour of maintaining current arrangements. Copies of all the submissions received were appended to the document. The views and comments received had been considered alongside the policies laid down in the Terms of Reference, and weighed against the Council's legal duty to ensure that community governance within the Borough reflected the identities and interests of the community; was effective and convenient; and took into account any other arrangements for community representation and engagement in the area. The Draft Proposals suggested that there was evidence that Lilleshall was a distinctive community of identity and that from a budgetary perspective it should be viable. However, from the submissions received, there was an absence of community consensus. The Council did not wish to impose a change in community governance arrangements that were not in line with the wishes or interests of the Lilleshall community. Therefore, as set out in the Terms of Reference, it was proposed to undertake direct consultation with residents in order to get the views of the broader Lilleshall community. Following consultation with the Chair, a postal ballot was being organised to take place between 21 February and 7 March to gauge local opinion on the formation of a separate Lilleshall parish council. A copy of the proposed ballot paper was appended to the report, along with a document containing information from both sides that could be included with the ballot paper.

Following publication of the Draft Proposals, there would be a further three month consultation period prior to the preparation of final recommendations.

The Committee noted the proposed arrangements for the postal ballot of Lilleshall electors, and there was discussion of some of the detailed arrangements. In terms of the ballot paper itself, a view was expressed from a Lilleshall resident that the proposed wording of the question would give the "yes" campaign an advantage. However, Members considered that the question needed to be expressed as simply as possible, and that the wording as proposed was perfectly acceptable. It was also suggested that it needed to be made clear in the information provided with the ballot paper that the result of the ballot was not binding on the Council. In terms of providing information about the draft proposals ahead of the ballot, it was suggested that as well as the Council website, copies of the documents should be placed in Donnington and Newport libraries and in the mobile library. The Democratic Services Manager added that a ballot box could be located in Addenbrooke House Reception to allow residents to return their ballot paper if they had missed the last opportunity to post it back to the Council. There was also a discussion about whether information from each side should be included with the ballot papers, and on balance it was concluded that the ballot should not contain literature to avoid any allegations of bias or unfairness.

Members requested that they be given more time to look at the detail of the Draft Proposals document, and that any comments be submitted before the publication date of 7 February 2014.

<u>RESOLVED</u> –

(a) that authority be delegated to the Assistant Director: Law, Democracy & People Services, in consultation with the Chair, to adopt and publish the

Draft Proposals, subject to receipt of any further comments from members of the Committee by 7 February 2014;

(b) that it be noted that an all-postal ballot will take place later in February in order to gain the views of the wider Lilleshall electorate on formation of a separate Lilleshall parish council, and that the ballot paper design and question be approved;

(b) that no information presenting the case for change and the case for no change be included with the postal ballot paper

The meeting ended at 6.36 p.m.

Chairman: ....

Date: ....

BUDGET & FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Budget & Finance Scrutiny Committee held at 6.30pm on Tuesday, 7th January 2014 in Meeting Room 3, Darby House, Telford.

PRESENT: Councillors S. Reynolds (Chair), K. Austin, N. Dugmore, R. Evans, A. Lawrence, C. Mollett, G. Reynolds and Co-optee R. Williams.

Also attending: Cllr. W. McClements, Cabinet Member Finance & Enterprise; K. Clarke, Assistant Director Finance, Audit & Information Governance and Chief Financial Officer; F. Bottrill, Scrutiny Group Specialist; S. Jones, Scrutiny Officer.

BFSC-24 MINUTES

RESOLVED – that the minutes of the meeting of the Budget & Finance and Children & Young People Scrutiny Committee held on 22nd October 2013 be confirmed and signed by the Chairman.

BFSC-25 APOLOGIES FOR ABSENCE

Cllr. K. Guy and Co-optee F. Robinson.

BFSC-26 DECLARATIONS OF INTEREST

None

BFSC-27 SERVICE & FINANCIAL PLANNING STRATEGY 2014/15-2015/16

The Chair welcomed members to the first of the meetings to scrutinise the Service & Financial Planning Strategy. There were difficult decisions to be made and she looked forward to a non-political scrutiny process. The Chair invited the Cabinet Member and Chief Financial Officer (CFO) to present the key proposals from the budget report.

The CFO made the following points:

- The report was subject to agreement by Cabinet on 9th January 2104
- The Council had received the provisional settlement on 18th December which was very late. The final settlement would be notified in late January/early February but was not expected to be radically different.
- The timetable was: 4th February – end of consultation; 20th February – Cabinet agree final proposals; 27th February – Council agree budget.
- There were major investment proposals for Youth Unemployment (Telford and Wrekin being above regional and national levels) and environmental and infrastructure improvements which were included in the budget report with separate reports also going to Cabinet.

- Key proposals included:
  - Council Tax freeze for 2 years. The proposal was to accept the freeze grant following confirmation from government that the grant would be paid on-going and would not be time limited.
  - £52.9million cuts had already been made, more than generated annually though Council Tax and equivalent to around £750 per household.
  - Following the scrutiny recommendation to increase the level of base budget provision for children's care placements, the response was a proposal to create a £1.2m draw-down contingency budget for safeguarding for 2014/15.
  - £8m capital and £1.5m revenue investment for environmental improvements over 2 years including a doubling of the community chest fund from £1,000 to £2,000 per ward member for the next 2 years. Capital spending would be phased, £4m in 2014/15 and £4m in 2015/16. The cost of borrowing would be entirely offset by the changed approach to debt repayment.
  - £2m per year for 3 years to maintain the road network (£6m total).
  - £0.7m one-off match funding for facilities to help disabled people live independently at home.
  - £1.3m over 2 years to tackle youth unemployment
  - £100k for Destination Telford to promote the borough as a place to live, work and visit
  - Lobbying on key issues for the borough:
    - A "Growth Deal" to ensure more of the proceeds of sale of government land is invested back into the borough and to increase the proportion of business rates generated from 49% to come back to the Council;
    - Government to change of rules around business rate exemptions to end abuse
    - CCG to increase the level of CHC funding in Telford and Wrekin - £8.5m costs have been shunted from the NHS to the Council from the withdrawal of CHC, equivalent to about £120 per household. The table in section 2 of the report showed people in Shropshire were 4 times more likely to receive CHC funding despite the fact that Shropshire has less deprivation, better health and community hospitals. The Council's view was that the CCG ought to be spending about £4m extra per year on CHC to close the gap with other areas.
- The table in Section 2 summarised the projected budget gap. The projected base budget gap reported to Cabinet in November had been: 2014/15 - £12.147m, 2015/16 £23.710m (cumulative). There had been a number of changes since November including an improved position on the pension fund contributions which was projected to bring a benefit of £694k in 2014/15 and £1.5m by 2015/16. After factoring in all the changes the updated projected budget gap was £11.428m for 2014/15 and £22.263m for 2015/16.
- Appendix 3 set out over 200 savings proposals with the rationale and impacts. If all the savings proposals were implemented and delivered on time, they would generate more savings than needed. The surplus from the delivery of early savings would fund the revenue investments in the Pride in Your Community and Youth Unemployment initiatives, an additional investment of £30k in the leaving care grant as recommended by scrutiny, the £1.2m draw-down contingency for safeguarding and the £100k investment in Destination Telford. There would be a revenue benefit of £1.5m (2014/15) and £1.2m (2015/16) from the revised

approach to calculating the Minimum Revenue Provision which would fund the debt charge for the £8m capital investment in Pride in Your Community. Funding from the surplus required for 2015/16 would be transferred to a provision and drawn down in 2015/16.

- Section 5.4 set out the revised approach to debt repayment. Local authorities have a duty to make provision for debt redemption known as Minimum Revenue Provision (MRP). Different options are available to Councils for calculating MRP. A review had been carried out of all treasury management policies which identified potential benefits from changing the method of calculation of asset life repayments from Equal Instalments of Principal (EIP) to the annuity method i.e. similar to a domestic repayment mortgage (whereby repayment of interest is frontloaded and the principal repaid at the end). The change had been discussed with external auditors who had confirmed in writing that they were satisfied with the change and this had given additional comfort to the CFO as Section 151 Officer that it was the right thing to do. The revised approach would be included in the Treasury Management Strategy and reviewed by the Audit Committee. The change would bring a £4.8m one-off benefit and then a £1.48m saving in 2014/15 and on-going but reducing saving each year. The different method of calculation would make commercial investments more viable.
- The revenue base budget was set out in Appendix 8a showing a total net expenditure of £136.5m. Appendix 9 summarised the overall reserves and balances which after committed funds left usable balances of £3.7m. The base budget assumed a 1% pay award for staff. General inflation had not been built in but provision had been made for contractual inflation. £2.5m had been built in as a general contingency. Any under-spend at year end would be used to make a contribution to the severance fund and residual amounts to increase capacity or as invest to save funds or to increase general fund balances.
- The list of Appendices was at the end of the report and included the savings proposals (3), the capital programme (5), council tax comparisons (6, 7) and the communication and engagement plan (11).

Cllr. McClements then made the following remarks:

- He thanked the CFO and Managing Director for their work on refinancing the debt. The EIP structure for capital repayments had made it difficult for the Council to compete with businesses and moving to the annuity calculation would enable the Council to compete on a more equal footing. It would give the Council £4.8m back as a one-off and would fund the £8m capital for environmental improvements for 12 years with no impact on the tax payer. This was good news.
- He and the Managing Director and CFO had met Brendon Lewis MP (Parliamentary Under Secretary of State for Communities and Local Government) on 6th January and had raised 3 issues:
  a) CHC funding – he felt Brendon Lewis had understood the Councils' arguments and he had asked to be copied into future communication on the matter. The government wanted common budgets for health and social care with Better Care and so he seemed sympathetic.
  b) The Growth Deal – he was aware of the issues and the response was not negative.
  c) Abuse of the business rates system (e.g. businesses avoiding business rates by registering as charities) – he was aware of the issue and requested data to

help build a case for change.

- Adult care accounted for 36% of the Council's budget. The cost shunt from the NHS to the Council from the withdrawal of CHC funding was a long running issue with the CCG/PCT which had been going on for longer than three years and it was now time for action. Cllr. McClements had been pressing CCG lay Board members to urge them to listen, and had been putting pressure on David Wright MP who was raising the issue in Parliament. It was important to resolve the issue by next year because of the need to make significant savings and the Council needed adequate funding from the CCG.
- The Public Health grant was ring-fenced for 2013/14 and 2014/15 but there was uncertainty after that.
- The government had announced the complete withdrawal of Crisis Assistance funding from 2015/16 which was another pressure and there would need to be a debate about how this would be funded in future.
- He asked members to note that £3m of the proposals to meet the budget gap were from generating extra income from Council Tax growth, Business Rate growth, New Homes Bonus and leisure income. Income from housing had done better than expected.
- They would continue to drive savings through procurement, for example £5.4m of the adult care budget was spent on block contracts i.e. buying blocks of beds which may not all be occupied and these costs would be attacked. There were some tough messages on adult care because the soft savings had been made and there would now be difficult decisions. Other areas to tackle were domiciliary care costs and to push personalised budgets. There was a proposal to save £900k from technology for the elderly. Historically, the Council had funded eligible care needs to allow people to remain living at home but where the cost of care at home was higher than the cost of residential care the Council would now insist that the person moves into residential care or that they or their family top up the cost difference stay at home. Care packages of less than 3 hours a week were being reviewed to see if they were sustainable.
- There would be £770k p.a. savings from the new waste contract with changes from 2014 and 2019.
- £6m had been committed to road building over 3 years.
- There were some good ideas in the Youth Unemployment proposals such as the Job Junctions, the apprenticeship hub, work placements etc.
- Figures released before Christmas showed GVA in Telford & Wrekin grew by 3.7% i.e. £114m per year which would contribute an extra £47m tax to the treasury. This was higher than the West Midlands average (1.3%) and the rate of growth needed to continue. This meant that 25-27% of the budget gap would be met by growth and not by cuts.

The Chair thanked Cllr. McClements for the presentation. She said that the Committee would need to decide what issues to look at during the budget scrutiny process but from her point of view the adult care budget should be one of the areas to look at. Her approach to scrutinising the budget would be to allow members from other scrutiny committees to attend meetings and take part in the discussion but it would be the Budget & Finance Scrutiny Committee which would agree the response to the budget proposals. She was pleased to see Youth Unemployment on the agenda as she knew from her employment at TCAT that this was an issue for the borough. She then invited questions from members.

- Cllr. Lawrence referred to the data in the Adult Care & Support section and wanted to know why the level of CHC funding in Telford & Wrekin was so low. The CFO explained that there is a standard methodology but that it is subject to interpretation by the individuals undertaking the assessments. If the needs are deemed to be health, the NHS pays, if the needs are deemed to be social care, the Council pays. In the Council's judgement, people in a comparable state of health are more likely to get CHC funding if they live in Shropshire than if they live in Telford and Wrekin. This also affects self-funders who are not eligible for social care funding. Cllr. Lawrence wanted to know who the staff are that make the decisions, and the CFO said they were CCG staff.

- Cllr. Lawrence wanted to know how actuaries in Shropshire had been persuaded to reduce the pension fund contributions and whether the reductions would leave the fund low. The CFO said the actuaries were very cautious and they tend to look at the worst case scenario. Their first position had been that an extra £4m cash was needed but this had been revised. The first change was to the liabilities on the pension fund. Liabilities are calculated with reference to prevailing gilt yields and the actuaries had changed from using the gilt yield at a particular point around a year ago – to using the yield calculated over the medium term to reflect the fact that gilt yields are at historic low levels. This had reduced the deficit and therefore the additional contributions required for next year significantly. They then looked at the value of assets. The stock market had increased significantly since the initial valuation and this had also reduced the level of deficit and therefore the additional contributions required. The actuaries also agreed that the increases in contributions could be phased in over a 6 year period. This meant more would be paid over the long term but on a phased basis that could be built in to future financial planning projections.

- Cllr. Lawrence questioned where the saving from changing the MRP to the annuity method which he thought would cost more over the course of the loan. Cllr. McClements said that annuity option worked out better because it takes account of the value of cash over time (i.e. £100 in 40 years is worth less than £100 now). The CFO clarified that the advantage of the annuity method was that the repayments were lower for the first few years of the loan which was prudent at this time when the Council needed to make savings and allowed time to plan for the additional costs in later years which can be calculated well in advance. The new approach also allows projects which will result in growing incomes over time to be afforded e.g. the potential housing investment where if the project proceeds the rents should increase with inflation over time and therefore be capable of supporting increased debt costs.

- Cllr. G. Reynolds wanted to know how the lobbying activity would continue. Cllr. McClements said that the Managing Director had met the Chair and Chief Executive of the CCG that day and the MD had said there was some more positive feedback. They would continue to raise the issue with the CCG and to keep the profile up. David Wright MP had raised the issue in Parliament that day. The Health & Adult Care Scrutiny Committee had done a review of CHC and had made a number of recommendations. The CCG was not acknowledging the trends and he felt they needed to take what the Council is saying on board. Cllr. White who was present at the meeting added that the scrutiny report had been presented to the CCG and the Council for a response. The issue was not just with new cases but also CHC being withdrawn on reassessment. The government had issued revised guidance on the criteria for CHC which the CCG had not adopted. He was meeting the Chief Executive the following day and the CCG would be asked to show how things had improved following scrutiny's recommendations and if there had been no improvement the scrutiny committee had reserved the right to refer the matter to the Secretary of State. Decisions about CHC funding affect self-funders as well as the Council. Over the last few years, the amount of CHC funding had reduced from around £14m to £3m and although there had been a slight increase recently the situation was still perilous. The Cabinet Member also said the CCG had argued that the age profile is different between Telford & Wrekin and Shropshire which accounted for the variation in levels of funding, but the under-65s had been taken out of the analysis to remove any potential bias so that data could be compared on a like for like basis and the level was still below Shropshire's.

- Cllr. McClements added that in terms of consultation they were trying a new type of event which was a rolling event throughout one day outside Debenhams with key partners like the police to try to reach out and consult with people on the budget.

There were no further questions the Cabinet member and CFO left the meeting.

There was then a discussion about items for the meetings on 21st and 27th January and 4th February and the following was agreed:

- It had been confirmed with the scrutiny team that the conservative group would be putting forward alternative budget proposals to come to scrutiny. It was agreed that the alternative proposals would be presented at the meeting on 21st January subject to the proposals being approved and available in time for the meeting. Cllr. Austin requested that papers should be sent out a week in advance to give members time to read them. The Scrutiny Group Specialist suggested that the Committee could scrutinise each set of proposals on their own merits and comment separately on each - members did not have to support one set of proposals over the other. There would also be discussions about the presentation of the proposals so that any potential conflict of interest for members of the Committee would be clarified beforehand.

- It was agreed that the meeting on 27th January would focus on the adult social care budget subject to availability of the Cabinet member and officers. Members of the Health & Adult Care Scrutiny Committee would be invited to attend and the Chair said she would welcome their expertise.

- As Members had not had much time to read or digest the budget report and savings proposals, the Chair proposed that members read them in detail, identify issues they wish to look at as part of the budget scrutiny process and send their questions to the scrutiny team by 13th January for the scrutiny team to collate the questions and make appropriate arrangements. Members should state whether they required a written response or attendance of a Cabinet member or officers at a future meeting.

- The Scrutiny Group Specialist reminded members that the Audit Commission's Tough Times report and the LGA's Rewiring Public Services report had been circulated to the Committee and members may find them useful to help shape some of their lines of enquiry. The reports would be re-circulated after the meeting.

- The Scrutiny Group Specialist suggested that members may find it useful to ask Cabinet members attending future meetings whether they could identify any specific issues or savings proposals which scrutiny could look at as part of the work programme.

- The Chair said she felt that the Council should consider the language for communicating with the public. She felt that the word "savings" could give people the impression that the Council had money (savings) that could be squeezed out and she felt that "cuts" was a better message. Cllr. Lawrence disagreed and said that "cuts" is a very politically motivated word and there was a general suggestion that service reduction may be appropriate which no one disagreed with.

The meeting ended at 7.50pm.

Chair:..

Date:..

BUDGET & FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Budget & Finance Scrutiny Committee held at 6.30pm on Tuesday, 21st January 2014 in Meeting Room 3, Darby House, Telford.

PRESENT: Councillors S. Reynolds (Chair), K. Austin, N. Dugmore, R. Evans, K. Guy, A. Lawrence, C. Mollett, G. Reynolds and Co-optee R. Williams.

Also attending: Cllr. A. Eade; K. Clarke, Assistant Director Finance, Audit and Information Governance and Chief Financial Officer; F. Bottrill, Scrutiny Group Specialist; S. Jones Scrutiny Officer.

BFSC-28 MINUTES

RESOLVED – that the minutes of the meeting of the Budget & Finance and Children & Young People Scrutiny Committee held on 7th January 2014 be confirmed and signed by the Chairman subject to correction of the spelling of Brandon Lewis' name.

BFSC-29 APOLOGIES FOR ABSENCE

Co-optee F. Robinson.

BFSC-30 DECLARATIONS OF INTEREST

Cllr. Lawrence declared a conflict of interest between his role as a member of the Scrutiny Committee and his role as a Member of the main opposition group in developing the alternative budget proposals and he would not take part in any discussion about the alternative proposals.

BFSC-31 ALTERNATIVE BUDGET PROPOSALS

The Chair reminded Members that scrutiny is a non-political process and her expectation was that the presentation of the main opposition group's alternative budget proposals and the questioning by scrutiny members would be carried out in a non-political way. She would exercise her discretion as Chair to allow non-committee scrutiny members present to ask questions. The Committee would look at both sets of budget proposals and comment on each on their own merits. She then invited Cllr. Eade and Cllr. Lawrence to present the main opposition group's alternative budget proposals.

Cllr. Lawrence presented the proposals making the following points:

- The group recognised the budget pressures and challenges facing the Council and agreed with the administrations approach to bringing savings proposals forward from future years wherever possible, but they had different ideas about how the savings could be achieved.

- The process for developing an alternative budget was difficult. They had not had access to savings proposals that officers would usually put forward to Cabinet members or the same access to officer support and information, but they had used their initiative to develop a set of alternative proposals and believed the same outcome could be achieved but in a different way.
- There was support for some of the administration's proposals notably the draw-down contingency for children's safeguarding and the change of view on accepting the Council Tax freeze grant.
- The main differences between proposals were in two areas:
    - Highways
      Sorting out the condition of roads was something that residents want. They had asked officers how much it would cost to bring the condition of roads to an acceptable level across the borough. There was a £35.5m backlog in the inventory which would need to go into the budget to bring the roads up to the required level. As Cabinet member for highways in the previous administration, Cllr. Lawrence said they had struggled to find funding for highways, but the change to the approach to MRP was fortuitous because the reserve would assist with funding and the revenue costs would not impact on the balance sheet until after the work had been completed. They had taken a five year view so that better contract prices could be negotiated and a better maintenance plan put in place to raise standards across the borough. It would also help reduce reactive maintenance costs once the work had been carried out. The administration had taken a three year view and proposed an additional investment of £2m over three years which, even with up to £2.5m of the Pride in Your Community (PIC) money repackaged for highways improvements, they felt would only be enough to keep the state of the roads the same as now, or to improve them in some areas while other areas deteriorate. The group was therefore proposing and additional investment of £7.1m per year for five years which they felt was what residents want and was a good use of the MRP reserve. Cllr. Lawrence reminded members that the change in MRP did not change the amount of cash repaid, it only changed how the investment was accounted for by re-phasing interest and there would be a greater burden on residents in later years from higher interest payments.
    - Adult social care
      Funding for adult social care was a national issue. It affected the most vulnerable adults in the borough and was an area of overspend for the Council and was an emotive issue. The concern was that money taken out of the adult care budget represented reduced services for vulnerable adults. The Cabinet proposals were to reduce funding over 2 years. They would like to put more into adult care and not take it out, but this was not realistic in today's world. Their priority was to find more money from other parts of the budget which could be targeted at vulnerable people and the challenge had been to identify savings elsewhere that could be put into highways and adult care.
- They had tried to look at what other authorities were doing to save money. A big cost was staff remuneration - it could not be ignored that there were national pay bands when the cost of living in Telford and Wrekin was much lower than in other parts of the country (the south east). One of the proposals to achieve savings was to review staff remuneration. The option set out was an across the board 2.25%

pay cut to save £1.5m per year which may not be palatable but was felt to be affordable for staff given the low cost of living in Telford. They had also looked at the option of making £1.5m saving by cutting 80 posts, but the risk was that further reductions in headcount could take services below the critical staffing level required to maintain services and it was felt better to maintain jobs and reduce salaries than maintain salaries but cut jobs. There was a proposal to reduce sick pay to statutory entitlement - there were difficult issues with this for staff with serious conditions like cancer – but it could be possible to reduce some elements and not others. The important thing was to have the debate now as budgets would only continue to be squeezed. The choice was between services for local residents and staff salaries which were higher than they need to be in this climate.

- The Youth Employment initiative was the right way forward (as a business owner Cllr. Lawrence had recruited apprentices and believed young people should be given opportunities) but it was felt there was scope to do more by expanding the apprenticeship programme over and above what was proposed and to fill more vacancies with apprentices.
- There were other technical suggestions such as negotiating a fixed % rate for employer's NI contributions with HMRC for Single Status settlements which could save a chunk of money. There had been some discussion with the Chief Financial Officer about whether the amount set aside for Single Status was too high – he had said it was not possible to draw this conclusion at this stage of the project – but this could be worth looking at in more detail later.
- It was difficult within the timescale and with limited access to the budget but they had tried to identify savings from non-essential services for the public, including:
    - End financial support for trade unions (free accommodation, paying staff to work for trade unions) which was difficult to justify to tax payers in the borough.
    - Reduce attendance at conferences
    - Reduce memberships and subscriptions
    - Delete named dedicated posts which are unnecessary and the work could be done different way or absorbed elsewhere
- £475k had been set aside as a contingency to allow for delays from working up and implementing the proposals.
- The administration's proposed investment in PIC was not considered the best use of resources at this time. Officers had collected technical data on the condition of the highways over a long period of time and had advised that it would take 5 years and an estimated £7.1m to bring the network back to an acceptable level. The administration was only proposing to put in enough money for wear and tear and asking residents if this was enough and the funding was driven by this and not by technical assessment. The PIC was not the best use of resources. The MRP reserve should be used for a long-term to investment programme and the PIC proposals were short-term.
- There were proposals for partnering with other authorities which may not be popular but they believed savings could be made from sharing some back-office functions and there was a list of suggested areas in the report e.g. finance, audit, payroll, highways maintenance. The there were a lot of organisations around the country using the same IT systems and packages e.g. payroll and better value could be driven out by sharing the service or outsourcing - a lot of authorities had gone down this route. A projected annual saving of £125k was built in the alternative budget which was a cautious estimate and the real savings could be closer to £1m. The partner organisation did not have to be another local authority

or public sector organisation, it could be a private sector organisation, there would still be economies of scale from shared IT platforms and systems. The authority had not looked hard enough or challenged the options. Sharing services did not mean that the authority would lose control – Cabinet would still make the decisions.

- In developing the alternative budget they had tried to draw out better outcomes for residents and best value for the Council. The proposals were not radically different from the administration's but there was some new thinking in them and bringing the proposals to scrutiny was a good opportunity to challenge and put forward some alternative ways of doing things for debate in public.

Members then asked a number of questions as follows:

- Mr. Williams wanted to know whether the proposed investment in highways would include the repair and maintenance of foot paths. Cllr. Lawrence said the funding was for the carriageway and not the footpaths. Mr. Williams said the condition of footpaths should be considered especially for elderly and disabled people, and he made a plea on behalf of those who did not think they were being listened to, to do something about the footpaths. Cllr. Lawrence said the condition of the footpaths showed that not spending enough meant there was a surface dressing approach which was a short-term fix and they were proposing a long-term investment in the infrastructure. Mr. Williams said that someone should think of the poor people who cannot get out and Cllr. Lawrence replied it was good that he had recognised the poor condition as an issue.

- Cllr. G. Reynolds asked whether it would be possible to ask for more information about the PIC from the Cabinet Member who was present in the public gallery, but the Chair said the meeting was about looking at the alternative budget proposals.

- Cllr. G. Reynolds commented on the proposed 2.25% reduction in staff salaries and said she felt staff had already taken a pay cut by not having inflationary rises and asked how they felt a pay cut would impact on morale and then on services. Cllr. Lawrence acknowledged there would be an impact on morale, but said that the reduced funding in adult social care would affect morale and impact on services and they needed to find an alternative. The approach was to look at savings from staff remuneration and put more into adult care. He recognised it was a difficult area and they had tried to strike a balance – they hadn't for example recommended a 5% pay cut.

- Cllr. S. Reynolds raised a number of concerns about staff remuneration:
  - The potential impact of pay cuts on the local economy
  - The fact that many staff earned below the national average wage and that staff should not have worse terms than the national average
  - That a straight pay-cut would penalise staff on lower salaries
  - The potential impact on retention and recruitment

  Cllr. Lawrence responded with the following points:
  - The overall amount of money going into the local economy would not change but would be allocated to a different place. They would choose to put it into adult social care rather than staff. The adult social care money would only be spent on people living in the borough rather than going to staff who may live

outside the borough. Cllr. G. Reynolds pointed out that some of the adult care money is paid to providers outside the borough. Cllr. Lawrence said that may be true, but reducing the adult care budget would impact on employment in the care sector so it was a circular argument – he thought on balance the proposals would be community neutral.

- Staff were on national pay rates but the cost of living was much lower in Telford and Wrekin than in the south east so a pay cut would not have such a great impact. Cllr. Guy asked if they were saying Telford & Wrekin should go down to poorer standards. Cllr. Lawrence said you couldn't just say a pay rate is poor – compared to the private sector some staff were paid more. These were not easy choices and it would get harder, and their approach was to say that staff remuneration had to be looked at. They were saying that it was better to have more staff at a lower wage than to have fewer staff at a higher wage.
- Cllr. Guy said he semi-agreed that savings could be made on staff budgets but he felt it should be taken from higher earners – 2.25% was a lot of money to someone on a low wage – and he suggested a scale depending on salary level. Cllr. Lawrence said the proposals were negotiable – there were lots of ways to skin a cat – so they could take nothing from low grade staff and the higher the grade the higher the cut. It was the concept that they were proposing, and more detailed modelling would need to be carried out to determine the best way to achieve the outcome.
- In terms of retention and recruitment, there may be some loss but in the current market there would be more applicants to fill vacancies. Cllr. S. Reynolds said she remained concerned about losing skilled staff and she would not want to see the Council go down this road.

- Cllr. Evans asked how the savings targets in adult social care totalling £10.5m had been arrived at and it was confirmed that the figures were taken from the administration's budget.

- Cllr. Guy wanted to know where money for the £7.1m annual investment in highways would come from and whether it would be funded from borrowing. Cllr. Lawrence said it would be, but the issue was not the borrowing but the ability to fund the borrowing. There would be long-term revenue implications but they would use MRP so there would be no impact on the revenue budget for five years and there would be benefits from a long-term plan of economies of scale and cost savings down the line from reduced reactive maintenance once the roads had been brought up to standard – so, there would be an on-going cost of capital but it would be offset by long-term reduced spending.

- Cllr. S. Reynolds asked if they had assumed the capital receipts set out in the administration's budget and Cllr. Lawrence said they had used the same budget as the administration's which assumed the level of capital receipt, they were only proposing changes to the way money would be spent. They were not discussing changes to the capital budget or using the receipt from Newport to fund highways, and were only making proposals in discrete areas.

- Mr. Williams checked his understanding that they were proposing to increase borrowing for highways which would increase revenue costs. Cllr. Lawrence said they did propose to borrow more, but it would be financed through the MRP reserve, from making savings equivalent to £2.3m, plus savings later on from reduced reactive maintenance. It was a different approach. Borrowing was not an issue if you can afford it and can make savings to pay for it.

- Mr. Williams noted that neither budget, the administration of main opposition group's, had any proposals to cut member allowances or benefits such as pensions and that they both focussed on cutting elsewhere. Cllr. Lawrence said his group had proposed reducing the number of elected Members but the Boundary Commission had disagreed. Mr. Williams pressed the point and asked if any of there were any proposals affecting member benefits and Cllr. Lawrence confirmed there were not.

- Cllr. S. Reynolds raised a concern about the proposed saving in translation services and particularly the impact on deaf people as 40% of the budget was for sign language and the Council had responsibilities under equalities legislation. Cllr. Lawrence agreed it was a very difficult choice but other authorities had made the choice and there could be alternative ways of providing the service. Cllr. G. Reynolds asked if any of these authorities had been challenged as a result and Cllr. Lawrence said if any had been, they had not reinstated the service but the agreed they were difficult issues.

- Cllr. S. Reynolds questioned the proposal to delete the Equalities Officer post and how this could impact on the Council's ability to fulfil its responsibilities within the General Equality Duty. Cllr. Lawrence said that other authorities around the country were providing the service in other ways and did not have a dedicated officer. They had looked at what other authorities were doing because they did not have the luxury of being presented with officer saving proposals so they had been creative and had contacted other authorities to find ideas from where they had made savings. Cllr. Reynolds asked if they had looked at any of the impacts or consequences of the savings and Cllr. Lawrence said they had only had a limited amount of time and had tried to select changes which had worked so there was a logic behind the ideas. If they were in administration, they would ask officers to look into each case, and the £475k contingency had been built into the budget to allow time to work up the detail.

- Cllr. S. Reynolds asked if the £2.3m investment in adult care was for one year only. Cllr. Lawrence said it would be an on-going investment funded from on-going savings. Money released from not investing in PIC and savings from staff remuneration provided an on-going ability to support adult social care to that extent.

- Cllr. G. Reynolds asked for clarification about the suggestion to scale up the apprenticeship scheme – was the idea to replace the 150 apprentices every 12 months or offer them employment which would cost more and what the extra cost of supervision would be. Cllr. Lawrence said there were only a relatively small number of apprentices in the organisation compared to permanent staff and what they were saying was that they agreed with the approach on apprentices but felt there was scope to do more. The vision was for a rolling programme of 150 apprentices a year – but it could go higher to 200 or 250. At the end of the apprenticeship they could apply for jobs with the Council or private organisations.

- Cllr. G. Reynolds asked whether there would be a net saving from the deletion of the Sustainability Officer posts because they generate income - the posts are half funded by income generated from the schools. Cllr. Lawrence said that the work would still be done but the concept was that it would be absorbed into other posts. Cllr. Reynolds said there were only 2 posts and deleting them could lead to a loss of savings from efficient buildings. Cllr. Lawrence said they could consider this. the ideas had been passed onto officers for comment but there had been a very limited timescale. Cllr. S. Reynolds said it was a relatively small saving and Cllr. Lawrence said there were some very small savings in the administration budget but they all added up.

- Cllr. S. Reynolds asked if the budget assumed the same growth levels assumed in the administration's budget for New Homes Bonus. Cllr. Lawrence said next year's income model was based on this year's planning consent so the budget would be the same even if the group had a different policy.

- Cllr. Guy clarified his understanding that what was being proposed was the administration's budget but with some changes. Cllr. Lawrence said there was limited scope to change any budget and only relatively discrete areas which could be changed - highways and adult social care were the two big areas they were changing.

- Cllr. S. Reynolds said the trade unions had shared accommodation so she could not see where the saving was. Cllr. Lawrence said the trade unions ought to pay for the space they occupied. Cllr. Reynolds said she felt the funding for staff work with trade unions was needed or it would be more difficult to negotiate with the unions in future. Cllr. Lawrence said they did not object to unions but they did not think it was right for Council Tax payers to support the unions financially by paying for accommodation or services.

- Relating to shared services, Cllr. G. Reynolds asked how managers' roles would be split across organisations and how they would deal with potential conflicts of interest and decide where their allegiance lay. Cllr. Lawrence said they would share the role across functions. They were professional officers capable of separating the roles and making professional decisions. The reality was that roles like finance were based on procedural rules and managers would rarely be in a position of conflict of interest and you couldn't throw away savings on the basis of something that would only happen on rare occasions. Cllr. Reynolds said she was still concerned that officers would be in a position of conflict of interest if they were employed by two authorities or organisations. Cllr. Lawrence said he thought people were able to separate roles – as an example he said represented Telford & Wrekin on the WMS Board and he was able to separate his role as a member of the Council and his role in considering the interests of Trustees. There would be different considerations on different days but he felt managers would act according to their professional standards of conduct. Cllr. Austin said on partnering arrangements, strategic objectives would need to be agreed by both authorities and he thought that could be difficult. He also felt that staff needed a reasonable amount of stability which could only be achieved if staff think they can depend on it. Cllr. Lawrence said that we were in a climate of reducing funding and although it would be nice for staff to have stability, giving them pay stability would mean creating instability on staff numbers. It was a choice between pay cuts and more jobs or no pay cut and losing 80 jobs and there was only so far you could cut jobs with a finite number of staff. Cllr. Eade made the points that there had already been 1075 staff redundancies and that the additional investment in adult social care should help create stability and maintain jobs in that area. Cllr, S. Reynolds repeated that not all staff were on a living wage and that an across the board pay cut was not fair. Cllr. Mollett said that from his reading of the document there would be a level of protection for staff on lower wages and Cllr. Lawrence clarified that the cut of 2.25% should not take staff below the minimum wage. Cllr. G. Reynolds said it was a case of priorities and everyone would agree that no one liked making cuts.

- Cllr. S. Reynolds asked whether the projected savings (£87k) from reductions in Delivery & Planning and Policy & Strategy were before or after the £40k saving projected from the restructure. Cllr. Lawrence said the proposal based on 10% reduction on the administration's budget and he would come back with clarification. Cllr. S. Reynolds asked about the impact of deleting the posts which carry out a key role in strategic activities and completing statutory returns to government. Cllr. Lawrence said the contingency had been set aside for non-achievement of savings but other authorities had made savings in these areas.

- Cllr. G. Reynolds noted that there were no proposals for income generation and wanted to know whether the alternative budget accepted the income generation proposals in the Cabinet report. Cllr. Lawrence said the alternative budget used the income generation projections in the administration's budget. The opposition group priorities were reducing the extent of the cuts in adult social care and highways and to find other ways to fund them. They had not had access to a team of officers so they had to find ideas themselves and it was not practical to develop suggestions with no officer support.

- Cllr. Austin said that Telford was growing quickly and he felt that the government should give a greater proportion of money from the sale of assets to the authority to assist with infrastructure work. Cllr. Eade agreed that a fair deal should be sorted out.

- Cllr. Guy said the Committee should thank the opposition group for their work in producing an alternative budget which was good for democracy. The Chair offered her thanks for their work and said it had been a very useful exercise.

- Cllr. Lawrence thanked the officer team for their work which had challenged workloads but was part of providing democratic challenge to the budget proposals. Cllr. Eade said scrutiny was the right place to provide challenge in a non-political way.

There were no further question for Cllrs. Lawrence or Eade and they left the table. The Chair invited comments and questions from members. The following points were made:

- Cllr. Dugmore said some of the suggestions in the budget about staff conditions were suggestions and it was difficult to go into detail but if the budget was adopted and once officers were working on it other ideas would fall out. The alternative budget accepted the current administration's assumptions on where income would come from but that did not mean the main opposition group agreed with it but the alternative budget had to be based on what officers said.

- Referring to the proposals for shared services, the Chair reminded members that the Managing Director and Cabinet Member Finance & Enterprise had given a presentation to the Committee about savings that had been made from back-office functions. The Chief Financial Officer said the assumption was that 20% was a good saving to make from shared services and there were one-off costs and there could be a time lag in making the saving. Telford & Wrekin had saved over 40% or £7m per year on back office costs.

- Cllr. Guy noted that the budget proposals said that officers were confident there could be a £250k annual saving from 2015/16 from shared services and asked the CFO for his view. The CFO confirmed that the view in the report was his view and he was confident that if the Council entered into shared arrangements with a willing partner, this level of saving was achievable from the large number of services identified on a list provided by the Opposition Group over and above those listed in the report. He confirmed that the numbers in the alternative budget added up and that the figures were robust.

- Cllr. G. Reynolds asked if it would be possible within the time available to have some case studies from other authorities' savings used as a basis for the proposals. The CFO said that some of the suggestions were from the Tax Payers' Alliance and they didn't know the specific authorities but could try to find out. Cllr. Lawrence said they were all unitaries or districts. The Chair suggested instead of chasing case studies now, this could be a topic for the work programme next year.

- Cllr. Guy said there may be some merit in savings from salaries but he would want the savings to come from higher earners.

When there were no further comments or questions, the Scrutiny Group Specialist said members would need to digest and consider the information discussed and the Committee would agree its response to the alternative budget at the meeting on 4th February.

The Chair invited Cllr. Lawrence back to the table.

BFSC-32 <u>SERVICE & FINANCIAL PLANNING STRATEGY 2014/15-2015/16</u>

The Chair reminded members that the questions put forward by members after the last meeting had been submitted to senior managers for responses to come back to the meeting on 4th February although the responses would be published on 27th January so members could check that the information provided was what they wanted.

The next meeting on 27th January would focus on the adult social care budget and savings proposals. Cllr. Lawrence queried the reference to zero hour contracts in the

administration's budget - there was a proposal to introduce them when the Council had said they would not use them. The CFO said there was a reference to zero hour contracts in one of the social care savings proposals but it was one of a number of different options which had been suggested and it was unlikely to be pursued. Members agreed that a question about this would be sent to the Cabinet Member and Interim Director to be answered at the meeting on 27th January. Cllr. Dugmore said he felt it was wrong to cast out all zero hours contracts because they could suit people's circumstances.
There was a discussion about the lines of enquiry on adult social care for the next meeting and it was agreed the following information would be requested:

- A breakdown of care packages by cost, type of care, the range of hourly rates for each type of care, and the number of people in each band. This was to establish whether there were fewer people receiving high cost care or more people receiving lower cost care to build a picture of where the budget pressures are.
- The distribution of care agencies in and out of the borough
- The % of care packages in each hourly cost band
- Detail on block contracts and block beds.

It was agreed other questions should be forwarded to the scrutiny team to be passed on for a response.

The Scrutiny Group Specialist reported that at a Health & Adult Care scrutiny meeting, the members had raised concerns about consultation on service changes with service users and the risk of legal challenge and the health scrutiny members may explore this at the meeting. The report of the LGA Peer Review of adult care would be circulated for information and other questions may arise from this.

The meeting ended at 8.20pm.

Chair:..

Date:...

BUDGET & FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Budget & Finance Scrutiny Committee held at 6.30pm on Tuesday, 27st January 2014 in Meeting Room 7, Darby House, Telford.

PRESENT: Councillors S. Reynolds (Chair), K. Austin, N. Dugmore, R. Evans, A. Lawrence, G. Reynolds and Co-optee R. Williams.

Also attending: Councillor A. England, Cabinet Member Adult Social Care; Cllrs. V. Fletcher, J. Greenaway and J. Seymour; P. Taylor, Interim Director Care, Health & Wellbeing; Tracey Smart, Finance Manager (Schools & Care Services); F. Bottrill, Scrutiny Group Specialist; S. Jones, Scrutiny Officer (part).

BFSC-33 MINUTES

RESOLVED – that the minutes of the meeting of the Budget & Finance Scrutiny Committee held on 7th January 2014 be confirmed and signed by the Chairman.

BFSC-34 APOLOGIES FOR ABSENCE

Councillors: C. Mollett, K. Guy, Co-optee F. Robinson.

Apologies were also received from Members of the Health & Adult Care Scrutiny Committee invited to attend the meeting: Cllr. D. White, Co-optees Richard Shaw and Jean Gulliver.

BFSC-35 DECLARATIONS OF INTEREST

Cllr. R. Evans declared an interest as an employee of an Adult Learning Disability provider that has 4 contracts out of 70 with Telford & Wrekin Council.

BFSC-36 SERVICE & FINANCIAL PLANNING STRATEGY 2014/15 (DRAFT BUDGET PROPOSALS)

The Chair welcomed everyone to the meeting particularly the members of the Health & Adult Care Scrutiny Committee. She also invited Cllr. Jacqui Seymour to the table. Questions from other Scrutiny Members would be permitted at the Chair's discretion. The Chair reminded everyone attending the meeting that this is a non-political process. She recognised that adult services can be a very emotive issue and everyone would have relevant experience either within their family or as part of their ward work.

The Chair also explained that there had been a power issue earlier in the day that had caused problems with the IT system. Unfortunately the information that the Cabinet

Member and Officers were going to provide at the meeting could not be printed. It was agreed that the information would be circulated to the Committee once the IT systems were working.

The Chair invited the Cabinet Member and officers to present the adult care budget and savings proposals.

The Interim Director Care, Health & Wellbeing suggested that he respond to the questions that had been agreed by the Committee and previously circulated to the Cabinet Member and Officers. The questions had come in different phases so a full written response had been prepared to the first two questions received and while further work had been carried out on the financial details for some of the responses this would be reported verbally to the meeting and the details circulated by e-mail afterwards.

Question 1:
What is the Council's position with regard to the use of zero contracts? The potential use of zero hours contracts is referenced in saving 179.
The Interim Director for Care, Health & Wellbeing explained that the Council has an in-house enablement provider which used to be the old home care service. This provides help for people to do more for themselves. As the service has developed it has become the pattern that people require support at particular times during the day – getting up in the morning, at lunch time and in the evening going to bed. This means that the Council has staff on contracted hours but that care is given at set times in the day so care is only being provided for a proportion of the contracted hours. It has been recognised that this is something the Council needs to look at. Zero contract hours is one extreme but there are other options. A report is being written which will be with the Cabinet Member within the week which will set out that the Council needs to reduce the contracted hours of workers with some guaranteed hours. The Council will need to formally consult, a 45 day consultation due to the number of people involved, with a view to changing contracted hours.

The Chair asked if split shifts had been considered.

The Interim Director for Care, Health & Wellbeing responded that one option would be that staff could work the current number of hours – but over a day – so a split shift could be an example. The current situation is unsustainable and not a good use of public money.

Cllr. England said that the overall figures of £9 million or £10 million savings were well known – but it is important to look at individual services. This situation has developed over a number of years and is untenable. He reported that the Council employs 58,000 hours of care per annum – but because of the pattern of demand was utilising 8,000 hours of the service. He recognised that there is a need for standby time – but this would not account for 80% of the hours.

The Interim Director for Care, Health & Wellbeing added that there is down time e.g. for holiday, sickness and training.

Cllr England emphasised that Service Delivery Managers (SDMs) must manage budget not just services. He said it was his preference not to use zero hour contracts but instead operate a split shift system or alternatively work with the private sector.

Cllr. Fletcher asked if a zero contract was used, would staff be paid the same rate regardless of the hours they work e.g. working early mornings or weekends?

The Interim Director for Care, Health & Wellbeing responded that he did not have the detail – this would be in the report. He said in his view he would rather keep the service in-house as there are links with assessment. But if a solution can't be found in-house we will look to external providers.

Cllr. Fletcher asked if there are sufficient providers.

The Interim Director for Care, Health & Wellbeing said this is a good question. The Council's approach is to work with staff to make this a viable service.

Cllr. Dugmore said that he had informed the Committee at the previous meeting that he was open minded regarding the use of zero hour contracts. From his experience at another organisation they had worked well for everyone. He was interested to find out how this situation had evolved. The peaks and troughs in the demand for the service will have been there for some time.

The Interim Director for Care, Health & Wellbeing said that this has been an issue and it should have been spotted.

Cllr. England said that the organisation is now financially driven so these issues are being picked up.

The Interim Director for Care, Health & Wellbeing added that the system of electronic rostering has only been in operation for 2 years.

Cllr. England said that since this issue has been picked up we are addressing it. He agreed that for some people zero hour contracts do suit and he gave an example from his own experience. The flexibility can help people who have retired to use their skills and experience.

Cllr. Dugmore said that he would not count out the use of zero hour contracts.

The Interim Director for Care, Health & Wellbeing said that it is important the people receiving care have consistency so people would not just be asked to work one or two hours a week. He said there is a balance – we do not want to go to zero hour contracts but neither do we want to give a lot of people contracts for just a few hours.

Cllr. Greenaway said that there is a risk that this situation could be exploited by other providers.

The Interim Director for Care, Health & Wellbeing said he had looked into zero hour contracts and where they worked well is when there is a good employer who offers good terms and conditions.

Question 2:
The Cabinet report sets out that one of the principles for reducing spend in Adult Care will be "reducing cost in areas where spend can be seen to be high in comparison to national averages" (p.37). Please provide information on these comparative costs setting out the areas where the Council has low, medium and high cost services.

The Interim Director Care, Health & Wellbeing responded that there has been a lot of bench marking work. This has shown that the domiciliary care hourly rate appears to be above the national average. The total spend on this service is about £10/12 million. There is a range of providers and a range of rates – some are at the national average and some are above. When the Council buys services from these organisation sometimes we buy at the going rate for that organisation – we need to be more sophisticated about how we do this.

Adult learning disability is an area of high spend. There are 2 strands to addressing high costs in this area – firstly to work with providers to agree what is a reasonable rate and then to agree with the client what the care package should include.

The Finance Manager informed the Committee that this information is available on charts but due to the IT issues they are not able to circulate it at the meeting. She provided an overview of the figures:

Domiciliary Care rates per hour

A comparison with other West Midlands Authorities showed Telford & Wrekin is the 3rd highest area
The national average pay for our statistical neighbours was £12 – 13.
The average cost in Telford and Wrekin is £19 – however this includes re-ablement which is a higher cost service.
The national average rate is £15 per hour.

Telford & Wrekin buys 685,000 hours of domiciliary care – if the cost can be reduced by £1.00 per hour this would save £685,000.

The Interim Director Care, Health & Wellbeing said the Council also wants to examine the rates paid for the type of service – currently the Council is paying the same hourly rate for a checking service as personal care or supporting someone with challenging behaviour.

Cllr. Green commented that individual care packages should be based on individual need.

The Interim Director for Care, Health & Wellbeing said that we do believe that some social workers can overprescribe – putting safety first. We really need to examine this is an essential need being met.

Cllr. Fletcher added that there may be some care that could be provided by other community organisations. The Health & Adult Care Scrutiny Committee has carried out a piece of work that had recommended that some low level services can be provided in this way e.g. shopping, collecting prescriptions.

The Interim Director for Care, Health & Wellbeing said that this is about building capacity in the community.

Cllr. Fletcher responded that it is about getting the right money to the right person and providing the right service. She said she was concerned about the reduction of NHS spend on Continuing Healthcare (CHC). She was deeply concerned that the Scrutiny Committee's report has not impacted on CCG. She asked what measures are being taken to address the issue of the reduction in CHC and if the Council is getting enough funding from the CCG for Adult Services?

Cllr. England said that the CHC spend in Telford and Wrekin had previously been from around £13 million – it was recognised that this was high and the funding reduced to £10 million. However, the funding continued to reduce further and is now unacceptable at around £3 million. He reported that he has raised this issue in a number of forums and following a discussion with the Deputy Director of Central and East Region of the Department of Health. He informed the meeting that if the situation was not resolved the matter would be referred to the Minister. The Deputy Director of Central and East Region of the Department of Health who offered to set up mediation with the CCG and the Council.

Cllr. Fletcher added that the Health and Adult Care Scrutiny Committee has the power to refer the matter to the Secretary of State for Health.

The Interim Director for Care, Health & Wellbeing said that the issues for Adult Social Care services were clearly not all relating to CHC. There is now the new Better Care Fund which will result in integrated working with the NHS. However, local politicians have been clear that if the situation with CHC is not resolved the Council will not sign up to the Better Care Fund.

Cllr. Fletcher expressed concern that patients may suffer as a result of this.

The Interim Director for Care, Health & Wellbeing said that this would not happen immediately as initially the Better Care Fund Plan that has to be submitted by 14 February is high level and there is still time to resolve this issue. He reported that there had been discussions regarding the response to the Scrutiny Report on CHC. There will be ongoing discussions with the CCG to agree a way forward regarding the BCF and CHC.

Cllr. England provided information on the funding allocation for Telford and Wrekin CCG which set out the degree of increase in funding for the CCG and compared this to the cuts that local government has experienced. He also commented the David Wright MP has raised the issue of CHC at the House of Commons.

Question 3:
What is the range of the hourly rate the Council pays for the different types of care

services (e.g. nursing care, domiciliary care etc.)

The Interim Director for Care, Health & Wellbeing set out that the hourly rates can be separated by service:

- Domiciliary care
- Day care (day centres)
- Residential care
- Nursing Care

The services provided within the categories are specific to the client group.

The Finance Manager provided information on the average weekly costs:

Older people: Nursing care: £ 436.19
Residential care: £423.89

78% of clients in nursing care were at the average cost or below.
75% of clients in residential care were at the average cost or below.

The Interim Director for Care, Health & Wellbeing explained that while the figures seem to show that there is not much different between the cost of nursing care and residential care – this does not include the NHS Funded Nursing Contribution which is about £109.00. The NHS has the responsibility of funding the nursing element of care. The requirement is that there is 1 registered nurse on site – the direct care would be provided by carers.

Cllr. Dugmore asked if a place were available at a nursing home but the client's needs were for residential care what rate would the Council pay?

The Interim Director for Care, Health & Wellbeing responded that the NHS would refuse to pay the Funded Nursing Care contribution and the Council would have a contractual duty to pay the full costs. He explained that what happens in practice is that each case it considered on its own merits. Historically negotiations for care have been with the individual social workers – but they are not always the best at negotiating contracts. A number of different tools have been developed to assess the level of care required and a brokerage team has been introduced to negotiate the price for specific care.

Cllr. England informed the Committee of a number of changes in senior staff which means that rather than having senior managers with general skills and duties people with specific skills have been appointed e.g. commissioning which will make the service more efficient.

The Chair asked how Adult Services will learn from the Children and Young People Services who have experienced similar issues in that the demand for the service is increasing and the council has a statutory duty to provide these services.

The Interim Director for Care, Health & Wellbeing responded that Adult Services is more difficult and complex but recognised that there are similarities in that both services have a small number of people who have very high cost needs. He also identified that there is an issue regarding the cost of young people coming out of care – we need to be realistic about the level of support we can provide to adults.

Cllr. England gave an example of a client who had challenging behaviour and previously had had to have two people accompany him when going out. The support now provided addressed the challenging behaviour rather than containing it and the person is living semi independently.

Cllr. Greenway raised a question about unregulated children's homes in the Borough that care for children from other areas. There are a number of these homes in Telford and Wrekin because of the relatively low cost of housing and planning permission is only required for change of use. She raised concern about the cost implications for the local authority adult services as these young people are likely to stay in Telford once they leave care and are no longer funded by the 'home' local authority but they may have significant ongoing care costs.

The Interim Director for Care, Health & Wellbeing responded that this question has been raised by another Councillor and he had looked into whether Telford and Wrekin is a 'net importer' of adults who have left the care system. The data showed that this is not the case. He added that the significant cost for the transition from children's services to adult services is for people with learning difficulties. Telford is seen as a disabled friendly town and people and people do move here and become the responsibility of the local authority.

Cllr. England added that he had worked with children with challenging behaviours. His view was that we need to work with them from a young age to promote independence so as a adult they can live an independent life. He also commented that as a new town people moved to Telford 30 or 40 years ago and as their parent get older some will move to Telford to be nearer family.

Question 4:
What is the relative cost of care packages to the Council? The Committee want to find out what is the proportion of high cost care packages and low cost care packages. Can you provide a break down of the weekly costs of care packages by cost? Members are interested to know, for example, are there a large number of low cost care packages that cumulatively result in a high spend or are there a relatively small number of care packages that are very expensive and account for a large proportion of the budget?

The Finance Manager provided information on the costs for Adult Learning Disability Services:

Residential cost per week: £1393.00
There are 62 clients 37% of whose residential care costs over £1,500 per week.

The Interim Director for Care, Health & Wellbeing added that previously some of the more expensive clients would have been funded by the NHS through CHC

There was some discussion regarding the average measure that had been used – it was confirmed it was the mean.

Cllr. England said it would be helpful to have the cost information broken down by decile.

The Interim Director for Care, Health & Wellbeing said that the costs will be looked by provider and then by service. It will be assessed if the service is addressing challenging behaviour or maintaining it.

The Finance Manager added that there may be some clients who are being funded for residential care 24/7 and who are also receiving local authority funded day care.

Question 5:
What proportion of the adult care budget is spent on local providers and what proportion is spent on providers outside the borough?

The Interim Director for Care, Health & Wellbeing responded that there are a range of providers some small local providers and some national organisation but these still employ local people. Most people prefer residential care closer to their home in Telford or the surrounding area. But older people and their family have the right to move nearer to their family and can look for a placement anywhere in the country at a reasonable rate. We usually pay our local rate – but there is a national agreement that a funding authority should pay the going rate in the area where the person is receiving care. There are also people who require specialist care that is not available in Telford who have care placements elsewhere. The report following the abuse at Winterbourne View means that authorities are now reviewing out of area placements as the risk to vulnerable people is increased if they are far from family and organisations responsible for commissioning the services. It was confirmed that Winterbourne View was a private NHS funded hospital. However there has been criticism as this has resulted in some people being moved from their 'home' and from the relationships they have developed. The Committee were informed that Telford does not consider Shropshire to be out of area.

The Finance Manager said she would email the Market Position Statement following the meeting.

Questions 6, 7 and 8

6. What advice has been given regarding the level of consultation required with Adult Care service users prior to implementing the changes required to achieve the savings? What are the timescales for the consultation? Will this impact on the ability to achieve the savings in year? How is the Council mitigating the risk of legal challenge to the savings proposals?

7. Saving of £1.957M: What is the estimated cost of legal advice required to mitigate the risk of legal challenge to these cuts?

8. Saving of £1M from Personalised saving model: What is the justification for this figure given the novel nature of this approach?

The Interim Director for Care, Health & Wellbeing explained that the savings referred to in questions 7 and 8 do not exist. These savings have been broken down in more detail and in the spreadsheet have been 'netted off' in the line below. He said he can provide information regarding the legal advice, mitigating risk and challenge but not in relation to these specific savings.

Question 9
Saving 138: (This links to questions 3 and 4 above about the high cost care packages). What is it that we expect providers to be doing differently to achieve the planned savings? Can we infer from this that we were previously paying too much – and if so why? Or that we are looking at a reduction in the standards of service provision – and if so how are we going to ensure that this is not detrimental to the service users?

The Interim Director for Care, Health & Wellbeing explained that the budget does set out that providers will be paid less – but not at a lower standard of care. There is a balance. If we drive the price down too low it will impact on care. We need to look at individual need.

Cllr. England added that it would be helpful to explain the systems of block and spot contracts and ensuring that these are managed in an efficient way.

The Interim Director for Care, Health & Wellbeing said that by far the greatest purchase was through spot contracts. Telford & Wrekin Council inherited some block contracts from Shropshire Council so these beds are purchased by the council up front. Other block contracts have developed to stimulate the market e.g. for care for elderly mentally ill people. If we have a block contract we need to maximise it but we must also meet individual needs. We do believe that we can deliver some block contracts at reduced rates. If we cannot get value for money we will need to re-commission.

Cllr. Fletcher asked if we do not use all the beds in a block contract can we sell these to other authorities?

The Interim Director for Care, Health & Wellbeing answered that if we are not using them we should decommission.

Cllr. Fletcher referred to the work of the Joint Health Overview and Scrutiny Committee in relation to mental health services. At a visit to the Redwood Centre it became apparent that Telford were paying for more beds than are being used at the Redwood Centre and then the Trust also closed Castle Lodge.

The Interim Director for Care, Health & Wellbeing said that we need to monitor block contracts and use the space – if we are paying a spot contract as well we are paying twice.

Mr. Roy Williams asked what happens in a situation where a person says they want to go to a particular care or nursing home but there is a block purchased bed available elsewhere?

The Interim Director for Care, Health & Wellbeing responded that if it was for respite care then they would have to use the block purchased bed. We would take circumstance into account in some cases e.g. if the care home is near to family.

Cllr. Greenways asked if there is a way of managing the increase in number of older people requiring care and the care placements that will be provided. She compared this to the process of managing school places.

The Interim Director for Care, Health & Wellbeing said that the local authority does not meet the demand as a service provider. But we have started to think can we deliver care at a cost effective rate? This is not a quick solution as with planning it would take up to 2 years. Currently the market seems to fill this quite well. There is increasing demand e.g. for dementia care. Our commissioners talk to providers and we develop a Market Position Statement.

Cllr. England said that we need to look at alternative means of care e.g. assistive technology. We are 2 years behind the game.

The Interim Director for Care, Health & Wellbeing said that the Council has invested in Extra Care Schemes where older people and people with Adult Learning Difficulties live under 1 roof but with individual tenancies.

Cllr. England gave an example from his experience that people living independently can be very isolated. When people are living together they can socialise and provide support.

Question 10
Saving 110: What is the current contribution to the Senior Citizens' Forum and how much will it be next year?

The Interim Director for Care, Health & Wellbeing explained that £48,000 saving is a target for a number of Service Level Agreements (SLAs) with voluntary organisation that provide support e.g. Age UK and Red Cross. The Senior Citizens' Forum does not provide direct support in this way. He set it up 10 years ago when it was recognised that older people needed a collective voice.

Cllr. Fletcher said that some Members of the Forum come from outside the borough and are on the Committee and voted on the budget.

The Interim Director for Care, Health & Wellbeing said that the Senior Citizens' Forum was individual membership and it was the original plan that it would become self funding. Commissioners have been in negotiations with the Forum.

Mr. Roy Williams said that the Forum did not have a membership fee and provided food at meetings.

The Interim Director for Care, Health & Wellbeing said that this was useful feedback and he will get more feedback from commissioners on what has been negotiated.

Cllr. Seymour said that the Forum must generate income as they have advertisements in their newsletter.

Question 10
Saving 142: Is this proposing the possible development of “care homes” for adults with a learning disability. If so what assurances do we have that these will take account of the recommendations of the Winterbourne report?

The Interim Director for Care, Health & Wellbeing said the Council does not provide most care we use independent providers. Amounting to £40 million net and £60 million gross (including individual contributions and NHS contributions) Of this £5 million care services are provided directly by 2 residential homes, Carwood and Downing House, Community Living Support Services, Day Opportunities and Shared Lives.

The proposed change is the use of the 2 residential care homes to use some of the in house provision more efficiently. This service is now under the Assistant Director for Customers and People. These services have to be on a proper business footing and must be cost effective. If not, down the road we may not provide them.

Cllr. England said he is keen to extend Shared Lives and would like to same focus on this service as there has been on fostering for young people.

The Interim Director for Care, Health & Wellbeing said that there have been some very good examples where care now costs £ 250 per week rather than high cost residential care.

Cllr. Fletcher said it is important the services still improve people’s lives but asked if the Council has the contingency available if the savings are not achieved within the timescales?

The Interim Director for Care, Health & Wellbeing responded that the Council does not have the level of funding to underwrite all the savings that have to be made.

Cllr. Fletcher said that the Council still has a statutory duty to provide services to adults and older people.

The Interim Director for Care, Health & Wellbeing responded that as an officer he has a duty to provide the required level of care but he also has a duty to make good use of public funds. The National Association of Directors of Adult Services has been lobbying for more funding.

We think that we can save £3million by re-negotiating with providers and this will not directly impact on people, £2.4 million savings from getting more out of enablement and we will continue to lobby the NHS to fund £2milllion in addition to the £2.4 million already being transferred or increase the number of CHC assessments as eligible.

We think that £1.5 million of the savings will impact on people directly. People would have had something but now have less.

Cllr. England set out his approach. He said he expected Service Delivery Managers to manage budgets – they have focussed on managing services and there must be a change of culture within senior management. He said he did not want to have the discussion with officer about not achieving the savings – we need to be positive. But if this time next year there is an overspend of £2 million of savings that have not been achieved I will talk to my cabinet colleagues and I would hope they would support the use of reserves. We do need to lobby Government to get adequate funding.

The Chair referred to the Peer Review Challenge feedback regarding the Peer percentage of people with direct payments in Telford and Wrekin is 8.1% with the Family Comparator Group at 14.4%. Saving proposal 111 sets out that this will be increased to 30% which will achieve £100,000 saving in 2014/15 and £425,000 in 2015/16. Is it realistic to sets the target at 30% and how will this result in the savings set out?

The Interim Director for Care, Health & Wellbeing replied that we need to invest to drive this forward. It is national policy to increase direct payments, but the national figures show that only 30% of service users will use this in its pure form where they are the employer. This does not work for everyone but the cost of care can reduce where the person uses a direct payment. We have set a target of 30% - other local authorities have achieved this.

Cllr. Seymour asked said that it is essential that the right steps are taken to ensure that where someone will have a change to their care package that this is explained to then and that no-one is just informed that it is happening without understanding why.

The Interim Director for Care, Health & Wellbeing said that there has been a consultation carried out on the New Options for the Adult Learning Disability services. No one should be in the situation where a service is just cut. There is a requirement for reviews to ascertain the level of need and if this has altered. Can we provide the support in a more cost effective way? If there is a substantial change in service we have to build in a transition period. If there is a significant reduction in the service we would have to give due notice and depending on the size make the change in stages. We must do this properly – if not there could be legal challenge or judicial review.

The Chair asked if the consultation on the budget proposals had provided any feedback on Adult Care Services e.g. from the Senior Citizens' Forum.

Cllr. England replied that he had attended the Senior Citizens' Forum on the 13th January and they had been unusually quiet. The Cabinet Member for Finance and Enterprise had provided all the information on the budget proposals.

Cllr. Evans asked if Shropshire Partners in Care had responded to the consultation.

The Interim Director for Care, Health & Wellbeing said that Council officers had met with Shropshire Partners in Care. There is some understanding that some providers will need to look at service costs – but SPIC does represent providers. We have had a ‘working together’ session with SPIC on the budget and integration agenda. There is a recognition that the Council cannot pay more – but there may be some opportunities for providers where the NHS is currently paying £1500 per week for someone to be in hospital when they don’t need that level of care.

Cllr. Greenaway said it is wise to consider the feedback from the peer review which identified further work is needed on the strategic vision and the Resource allocation system (RAS)

The Interim Director for Care, Health & Wellbeing said that he will be providing an update to the peer challenge 6 months on. We must make a step change with personalisation and with the RAS we are nearly there. With every assessment the RAS will be built into it. This will allocate the funding so if £100 is allocated – we will work with the service user to see how to use it best. The traditional system looked at needs, then care then cost at market. Now we will look with the individual how to make the money work for them. We can also analyse how different social workers assess needs and monitor if the similar level of need is given a similar level of resource. We will be introducing the RAS to those entering the system but will also need to introduce it to people in the system so, for example someone currently receiving £200 the RAS may allocate £100. We will need to deal with this.

Cllr. Fletcher asked for clarification regarding savings 105, 136 and 176.It was confirmed that these have been netted out.

The Chair thanked the Cabinet Member and officers for attending the meeting.

The Chair moved on to the second part of the agenda item to consider ant matters arising since the previous meeting and agree items for the next meeting.

It was confirmed that Assistant Directors Clive Jones and Karen Perry will attend the meeting on the 4th February to give an update on the cost improvement programme. At this meeting the Committee will also be asked to agree the comments on the budget proposals to go forward to Cabinet on the 20th February.

The meeting ended at 8.20pm.

Chair:..

Date:..

CHILDREN & YOUNG PEOPLE SCRUTINY COMMITTEE

Minutes of a meeting of the Children and Young People Scrutiny Committee held on Tuesday, 26th November 2013 at 6.00pm in Room E201, Telford College of Arts & Technology, Haybridge Road, Wellington, Telford TF1 2NP.

PRESENT: Councillors M. Ion (Chair), G. Green, T. Hope, A. Mackenzie, J. Pinter, C. Turley and Co-optees R. Aveley, S. Harris and M. Ward.

Attending: Bev Jackson, Assistant Principal – Learner Services, TCAT; Cllr. S. Davies; K. Callis, Assistant Director Development, Business & Employment; S. Marston, Skills Service Delivery Manager; A. Cooke, Achievement & Standards Service Delivery Manager; A Mason, Chair Local Children Safeguarding Board; S. Jones, Scrutiny Officer.

CYPSC-19 MINUTES

RESOLVED – that the minutes of the meeting of the Children & Young People Scrutiny Committee held on 23rd September 2013 be confirmed and signed by the Chair.

CYPSC-20 APOLOGIES FOR ABSENCE

Cllr. J. Loveridge and Co-optees S. Ali, A. Atkinson and S. Rayner.

CYPSC-21 DECLARATIONS OF INTEREST

None

CYPSC-22 TACKING YOUTH UNEMPLOYMENT AND NEETS

At the invitation of the Chair, Bev Jackson, Assistant Principal – Learner Services, opened with a presentation about Telford College of Arts and Technology (TCAT) which highlighted the following:

- The size of the budget (£32.6m in 2012/13) and establishment (largest in Shropshire, 637 staff of which 335 lecturers and assessors, 20 apprentices)
- The ethos as a college in the community "Where Great Futures Begin, Every Learner Matters"
- The number and types of learners (430 14-16, 1350 16-18, 5300 apprentices, 14 subject sectors, full-time, part-time, short courses, top-ups)
- Examples of training and programmes to improve employability and help bridge the gap between qualification and work mindset e.g. Positive Pathways focused on 17 year olds at risk of becoming NEET; employer-led qualifications for Balfour Beatty; the retail academy developed in conjunction with the Council; a pilot programme with REED to deliver bespoke support packages and access to client

vacancies.

The Chair thanked Ms. Jackson for the informative presentation and remarked on the significance of TCAT as an institution with the size of budget and number of learners and staff, and as a key partner to the Council. He recapped progress on work programme:

a) The review of the Children in Care Placement Strategy had been concluded and recommendations were being monitored
b) The review of arrangements for the Planning and Provision of Primary Places was underway and would be drawn to a conclusion after the next meeting in December.
c) Attention would now turn to the next in-depth review on the Youth Offer, focussing today on youth unemployment. The Cabinet Member and officers had been invited to set the scene by setting out the level and nature of the challenge in the borough and how the Council was supporting young people aged 16-24 looking for education, employment or training. Over the coming months the Committee would be looking at what was being done and the impact, what was being planned, and what else should be done. Scrutiny's role was to check whether resources were having an impact and benefitting young people, or if the money could be better spent in other ways.

Cllr. Davies made the following opening points:

- He had been appointed as Cabinet member with responsibility for employment and skills. Telford and Wrekin was above national and regional averages in terms of youth unemployment and he wanted to understand why when there was nothing wrong with young people in Telford and Wrekin. The skills team had been moved from education (under Jim Collins) to development and business support (under Kate Callis) to correlate skills development with business need. The advantage was in knowing what investment was coming into the borough so that skills development programmes could be planned to match demand – for example the retail academy had been set up to help fill vacancies in the Southwater development.

- The Council was running some really successful programmes. The Job Junctions were performing better than the national Work Programme for a fraction of the cost and if the government gave 1% of the national funding to the Council they could make an enormous difference.

- Detailed data had been compiled and broken down by ward. This showed youth unemployment was not just an issue in areas traditionally associated with higher levels of unemployment but also affected other areas where there had not been a problem in the past. The Chair asked how the data had been compiled and Cllr. Davies said it had been challenging. ONS data had a +/- 9% margin of error and Jobcentre Plus would not share information because of data protection issues. The only way around this had been to second an officer from DWP to the Council to allow data to be shared but this had cost £50k. It meant that the Council now had the names and addresses of over 300 young people who could be targeted directly, but this situation clearly showed the pressing need to break down national barriers to sharing information. The ward data would be forwarded to members following the meeting.

- He was very proud of the team at Telford & Wrekin which had received a national award, but financial support was needed to tackle the issue. Youth unemployment was increasing when unemployment was reducing and there had to be more that could be done by working together to benefit young people. His aspiration was to be able to guarantee a job or training offer to all young people.

The Skills Manager and Assistant Director gave a presentation on Youth Unemployment in Telford & Wrekin. In addition to the information in the slides, the following information was provided:

- **Update on unemployment levels within the borough**
  - Data showed the unemployment rate at 10.7% and youth unemployment rate (16-24 year olds) at 32.1% were above regional and national rates. 22% of JSA claimants aged 18-24 had been signing on for over 12 months which was an issue because the longer a person signs on the further away they get from the job market and the more likely they are to suffer from mental health problems or be involved in anti-social behaviour.
  - In July 2013, 6.8% (368) of young people aged 16-19 were not in education and training (i.e. NEET) from a cohort of around 6000. The data set and way of reporting changed in September when the age of participation (i.e. in education/training/employment with training) increased to 17. NEETs are still reported as those who were not engaged at all, but participation data would report on those who were engaged in activity that met certain criteria e.g. if you are in a job without training this is not counted as participating.

- **Understanding the youth unemployment data**
  - There were data collection and tracking issues especially post-19. The 32.1% rate of 18-24 year old employed equated to 3,700 young people. Local authorities have a statutory duty to track young people to age 19 – the team constantly keep in touch up to age 19 and are confident they know who is in this set. They are less confident about the post-19s where there is no statutory duty to track.
  - The secondment from DWP had been useful for identifying the 1400 18-24 year olds who were signing on. They had been contacted to ask permission to share their data so that the Council and partners could start working with them to support them back into education/employment. There was a resource issue with tracking everybody so the approach was to focus activity on those closest to the labour market first to move them into employment and then move on to people who needed more intervention to enable them to be job ready.
  - Work had been done to identify barriers to employment –the top 4 barriers were no qualifications, poor educational experience, no work history and no confidence. Resources would be targeted at removing these barriers.
  - Work had been done to understand why job-ready young people were unemployed. Many had become totally disengaged and the approach would be to re-engage them by providing one on one support - knocking on their door, making contact and offering support. By understanding the reasons for youth unemployment better, better interventions could be put in place.

- **Employer's views on skills and young people**
  The rationale for moving the service was to align skills with business need. A lot of businesses were cynical about young people and their skills and these businesses needed to be engaged or we would fail. An employer skills survey had been done in January 2013 – the key findings were:
  - Skills are top of the investor shopping list – the Invest in Telford campaign focussed on the central location and connectivity but more had to be done to link potential investors to the local workforce with the right skills. This was essential to win investment and jobs.
  - Only 20% saw apprenticeships as a way to fill vacancies. A number of reasons were cited; it was too complicated, employers don't know how they work, there was too much paperwork. This highlighted the need to streamline the process and remove administrative burdens, especially for SMEs with less resource. One option being looked at was shared apprenticeship schemes. There was also a need to demonstrate the long term success of apprenticeships.
  - Lack of basic employability skills was a recurring theme – the lack of soft skills (punctuality, personal presentation, being able to work with a team, being engaged with tasks) was a key gripe. There was a huge amount of work to do to support some young people.
  - A lot of businesses use agencies even though there is a cost which limits the recruitment pool and a lot has to be done to educate businesses.

- **Current interventions for young people**
  A massive amount of work had been done historically to address issues. The slide listed the range of providers, programmes and interventions which had grown up over time. There was so much happening that it was confusing for young people and for businesses and the offer needed to be made easy and coherent. The Council had a lead role to play as an employer (e.g. developing the apprenticeship programme) and as a facilitator and broker bringing partners together to bring coherence to the picture.

- **Suggestions for scrutiny support**
  The AD suggested three areas where a scrutiny review could add value: why youth unemployment in the borough is so high; best practice in other areas; working with external partners.

Members then discussed the information presented and asked questions as follows:

- Mrs. Ward asked how a young person under 18 actively looking for work and not signing on would know where to go to tap into help and how their parents would know where to go. Cllr. Davies agreed this was an issue. The Council had set up one-stop-shops for businesses and for Town and Parish Councils, and there needed to be a one-stop-shop for young people with cross-referrals between partners. The message also needed to get out to young people that there is help for them. Ms. Ward asked how they would know now which door to knock on and Cllr. Davies said this was exactly the problem. There are young people leaving school at 16 or 18 who are known not to be going to college, university or into work and they are tracked until 19 but then disappear off the radar and providers need to take responsibility for tracking young people through to age 24. There is a practical issue with resources – the Department for Education (DfE) cut the funding for the Connexions service, there is no duty to track 20-24 year olds unless they have learning difficulties or disabilities, responsibility is on colleges and other post 16 providers to move young people on to a positive destination. The Council launched the FutureFocus service to replace Connexions and has allocated funding to track young people to 19 when they move over to the national careers service. The AD said it was also critical to dispel myths around career pathways – some people think just getting a qualification will secure employment but that is not necessarily the case and there needs to be pathways and routes into work.

- Mr. Aveley commented on the use of agencies by young people and was concerned that they do not offer the right training as a route to careers and this could deter people.

- Cllr. Mackenzie questioned the process for getting accurate information from schools about excluded pupils. Cllr. Davies assured him that if a young person was excluded they may no longer be the responsibility of the school but they are still a young person in Telford and Wrekin and the Council has a duty to care for that young person and no one would be written off. The Achievements & Standards Manager clarified that all schools sign-up to an Access Protocol under which they agree not to suggest to parents the removal of a child, but to bring cases to the Access Panel to put measures in place to support the child. If as a last resort a child is excluded, there is a Pupil Referral Unit based at TCAT which supports the child and provides opportunities for them to take vocational programmes to stop them becoming NEET.

- Cllr. Davies said he had spoken to employers on the Telford Business Board who said young people do not always know how to behave, for example shaking hands. Sometimes this was a straightforward matter of business etiquette which could easily be addressed but other problems were not so straightforward.

- Another issue raised is that Jobcentre Plus (JCP) requires people to show they are actively seeking work and requires people to attend interviews even if they do not want or are not suitable for the job otherwise their benefit will be sanctioned. This wastes employers' time and means people are turned down when they were not suitable for the job in the first place and this knocks their confidence. Cllr. Pinter asked whether JCP were still mandating people to attend training (e.g. with a provider in Halesfield) and the Skills Manager said JCP mandate people to training or other elements of the work programme or their benefit is sanctioned. A lot of young people do not sign on because JCP rules make it too difficult, but they are still looking for work.

- Cllr. Green asked whether public transport was a barrier to employment and what happens if a young person is offered a job that they cannot get to on public transport. She wondered whether a minibus service to the retail parks was needed. The AD replied that the team had done a lot of work to look at the barriers to jobs. 29 possible barriers had been identified but transport was low down the list and only sited as an issue once a job was secured. The Skills team work with transport officers to help young people with transport problems e.g. with shared journey schemes, bicycles etc. Cllr. Davies pointed out that there were no buses into Hortonwood for night shifts and the jobs were too low wage for taxi fares and he felt that transport in the borough was not good in terms of helping people into jobs. Cllr. Green suggested that groups of companies could get together to look at the option of a shared minibus. Cllr. Turley raised a specific issue about a company offering jobs but expecting people to travel a long way for only a few hours work and Cllr. Davies said he was aware of the issue and that they could try to work with companies (or colleges with a similar issue) but he repeated that the young people had not identified travel as a particular issue.

- Cllr. Pinter raised the issue of agencies offering zero hours contracts. Cllr. Davies agreed this was an issue for people claiming JSA who cannot work one day on and one day off and these kinds of contracts offered no incentive to come off benefits. The Assistant Principal emphasised that there were a lot of reputable agencies and a lot of young people use them to access work and it is important to work with the reputable agencies. She also brought members' attention to the fact that some apprentices only earn £90 per week but unlike people in education they are not eligible for bus passes.

- The Chair remarked that there were no surprises in the results of the employer survey. He questioned what accounted for the high youth unemployment rate in the borough – the differential in the unemployment rate in Telford and Wrekin compared to regional and national rates was relatively small but the differential in youth unemployment was high and he was struggling to understand why. He also wanted to know, of all the current interventions, which were having the greatest impact and which had the least impact. Cllr. Davies said the underlying reasons for youth unemployment were a European issue - the current 16-24 generation was most likely to be out of work and worse off than their parents and this presented huge structural problems. Locally, there was very good support for unemployed people. The Job Junction was a really good model and Cllr. Davies said if he had more money to invest, he would put it into the Job Junctions. They were walk-in centres for local people, based in non-traditional settings in local communities i.e. not schools or places of authority. A list could be provided to scrutiny. In Brookside, a cleaning company needed staff and people were trained up for one week to NVQ L1 in return for a guaranteed interview and the trainees were offered jobs. This was an example of how the Job Junctions worked by offering tailored support. If the Council had a fraction of DWP funding, they could really make a dent in the figures. The challenge is how to make Job Junctions appeal to more young people as they are for all ages.

- The Chair asked about the outcomes of the other programmes. Cllr. Davies said they were all good but very targeted. FutureFocus focuses on engaging and turning around NEETs. There was a nationally funded bid for youth engagement activity but this was limited in what could be delivered by its funding rules. Job Junctions have limited staff. Four staff provide intensive support to a small caseload of ALD. So there are some very good programmes but they need more resource. The Chair asked if resources are limited whether we should do more of one thing and less of another to have greater impact. The Skills Manager said the thing that has the greatest impact is one-to-one support but they have to bid for resources and cannot deliver everything. The AD agreed that with limited resources it was a priority to make sure they were getting it right and a report was being prepared for Cabinet with some new and innovative proposals based on what the young people said they want. The problem is that funding comes from different external sources and is ring-fenced for particular activities so they cannot just stop some programmes and start others because the flow of funding doesn't work in that way. Cllr. Davies said local authorities have a statutory duty for young people and DWP should realise that JCP is not the only department who can help.

- Mr. Mason picked up the issue raised by businesses about the lack of soft business skills (for example eye contact, handshaking) and wanted to know if there were any low cost ways of addressing this and whether schools across the board offered this kind of training. Cllr. Davies said there was no across the piece offer and it was up to individual schools but and their priority would be GCSE results and Ofsted inspections.

When there were no further questions the Chair thanked Cllr. Davies and the officers for an informative presentation and they left the meeting.

CYPSC-23 UPDATE ON INDEPENDENT REVIEWING OFFICER SERVICE

This item was deferred until the next meeting due to the Assistant Director being unavoidably detained in a previous meeting.

CYPSC-24 EDUCATION RESULTS FOR THE BOROUGH

The Achievement & Standards Manager presented the analysis of the 2013 un-validated education results for the borough circulated as Appendix C. The data was un-validated i.e. it was the initial release and open to appeals and re-marking so it was subject to change before final validation in January/February 2014. The government had introduced new measures in education and lot of the indicators were new and could not be compared with previous results.

The following points were highlighted from the report and in response to questions:

- Early Years Foundation Stage (age 5, end of reception year) – 45% in Telford and Wrekin had achieved the good level of development measure, below regional and national averages. This tells us that early development before school, in early years settings and in reception class, is behind peers across the country. This is a new measure so there is no pattern.

- Phonics screening check – this has been run for 2 years for year 1 pupils. 67% had reached the required standard which was a significant improvement over 2012

(51%) and narrowed the gap against national average. This was pleasing and meant there was an improved standard moving into Key Stage 1.

- Key Stage 1 – children are assessed at age 5, 6 and 7 (before children in some countries have even started school!). Children achieving a Level 2 in reading increased from 85% in 2012 to 89% in 2013. Writing improved from 81% in 2012 to 86% in 2013 (1% above the national average). Speaking and listening results had improved by 3% points to 89%, matching the national average. Maths had improved by 2% points to 91%, matching the national average. The results showed Telford and Wrekin closing the gap nationally.

- Key Stage 2 – assessments are done in year 6, age 11. This is a key measure to show how children have progressed over the whole time in primary school. The government had brought in a new measure of reading, writing and maths combined (the previous measure was maths and English combined). English had been broken down into reading and writing and children had to do well in both for the school to do well. This could be a challenge because some children "click" in some subjects but struggle with others so the right support needs to be put in place. Telford and Wrekin was broadly in line with national (1% below) and regional (1% above) averages. Attainment of a Level 4 in reading was 1% below national. In writing children making 2 levels of progress had improved by 2% and was above national. Maths was less good – children attaining Level 4 was 2% below national and children making 2 levels of progress was 3% below national.

- Schools below floor (primary) – the threshold had changed and three schools were below floor. Previously there were no schools below floor. They were looking at how to support the schools which had fallen below. The threshold was: 60% achieving L4+ reading, writing and maths; 90% achieving 2 levels of progress in reading; 94% achieving 2 levels of progress in writing; 91% achieving 2 levels of progress in maths – all had to be met to be above floor. Ladygrove and Wombridge were not far off floor for reading and writing but both were significantly below for maths. One of the schools had just had an Ofsted inspection but the report had not been published. Ofsted has 4 grades: 1 = Outstanding; 2 = Good; 3 = Requires improvement; 4 = Inadequate. Schools judged Inadequate have serious weaknesses or need special measures. The three schools below floor were more likely to fall into grade 3.

- Key Stage 4 – these are secondary school assessments. A key indicator is attainment of 5 A*-C GCSEs including English and Maths. Telford and Wrekin had shown steady improvement over the last four years closing the gap against national averages and last year had been above national. The headline was that the figure had dropped from 61.3% in 2012 to 58.3% in 2013 and had fallen below the national average. The position may improve when the validated data is released. The English results had been hit by the grading change. There was a cohort of students achieving low Level 4s in English trying to convert to GCSE but now the boundary mark had changed they were just falling short and programmes needed to be put in place to help them make the jump. Telford and Wrekin was above the national average for attainment of 5 A*-C GCSEs not including English and Maths, and had been above for some time, which showed that the breadth of education was good and was opening doors to post-16 provision.

- Schools below floor (secondary) – there were 2 schools below floor. Lakeside was below for the first time and Phoenix was below for the second year. As part of the government's agenda around academies, both schools had converted under the Multi-Academy Trust alongside Wrokwardine. A lot of work was being put into supporting the Multi-Academy Trust and DfE were due to visit both schools before Christmas and they would need to demonstrate the right interventions were in place. In reply to an observation about failing schools going into a downward spiral as perceptions affect admissions, the Manager said that Phoenix was making good progress and the new building had had a big impact on applications and admissions which had increased.

When there were no further questions the Chair thanked the Manager and said the Committee looked forward to receiving an update when the validated results were out.

CYPSC-25 REPORTS CIRCULATED FOR INFORMATION

An update on the Ofsted Fostering Action Plan and feedback from the children's care home provider conference had been circulated as Appendix D1 and D2. The Chair asked members if there were any issues they would like to bring to a future meeting. No issues were raised.

A report on the Leaving Care Grant was tabled in response to the Committee's recommendation to uplift the grant to £2,000 inline with national best practice. The report explained that it was not possible to increase the grant in-year as there was no allocated budget, but a proposal to uplift the grant would come through the budget proposals for implementation in 2014. The Chair welcomed this as a positive step.

The report also stated that it was not possible to provide scrutiny with historic data on spending on the Leaving Care Grant requested at the August meeting due the amount of staff resource it would take to pull the information together. The Chair asked members for their views on this, and it was agreed that scrutiny was prepared to forego the historic data but that an update should come to the next meeting to explain how the grant would be administered in future and how it would be audited. It was agreed the Scrutiny Officer would request this for the next meeting.

CYPSC-26 WORK PROGRAMME AND CHAIR'S UPDATE

The Chair reflected on the joint meeting with the Budget & Finance Scrutiny Committee on 22nd October and the joint recommendation to increase the children in care placement base budget to reflect the priority the Council places on children in care as corporate parents.

The agenda for the next meeting on 13th December would include a presentation on youth offending and services for young people in the youth justice system as part of the review of the Youth Offer. Philip Wood from the National Governors Association would attend to speak about the role of head teachers and governors in the admission and appeals process. The committee would need to conclude the review of provision of primary places and the aim was to draft a report in January.

The meeting ended at 8.00pm.

Chairman:...

Date:...

HEALTH AND WELLBEING BOARD

Minutes of a meeting of the Health and Wellbeing Board held on Wednesday 22nd January 2014 at 2.00pm at the Business Development Centre, Stafford Park 4, Telford TF3 3BA.

PRESENT: Cllr R Overton (Chair) (Telford and Wrekin Council), Dr M Innes (Vice-Chair) (Clinical Commissioning Group), D Evans (Clinical Commissioning Group), Cllr E Clare (Telford and Wrekin Council), P Taylor (Telford and Wrekin Council), Cllr G Green (Telford and Wrekin Council), L Johnston (Telford and Wrekin Council), Cllr J Seymour (Telford and Wrekin Council), Liz Noakes (Telford and Wrekin Council), Cllr A England (Telford and Wrekin Council), Cllr P Watling (Telford and Wrekin Council), D Harrison (Clinical Commissioning Group)

Also Present: K Ballenger (Healthwatch Telford and Wrekin, on behalf of D Saunders), H Onions, (Consultant in Public Health), L Mills (Head of Health Inequalities and Lifestyle), C Harland (Health Improvement Commissioner) and K Roberts (Interim Service Delivery Manager, Commissioning)

Officers: M Cumberbatch (Legal Services) J Power (Delivery and Planning Manager) and J Clarke (Democratic Services Officer).

HWB-39 MINUTES

RESOLVED – that the Minutes of the meeting of the Health and Wellbeing Board held on 11th December 2013 be confirmed and signed by the Chair.

HWB-40 APOLOGIES FOR ABSENCE

D Wickham (NHS England Shropshire and Staffordshire Area Team), D Saunders (Healthwatch Telford and Wrekin)

HWB-41 DECLARATIONS OF INTEREST

D Harrison declared a personal interest in Agenda Item 7 – Support People with Autism.

HWB-42 PUBLIC SPEAKING

No members of the public had registered to speak.

HWB-43 6 MONTH PERFORMANCE REPORT: HEALTH AND WELLBEING STRATEGY OUTCOME MEASURES

J Power presented a joint report which set out the latest available performance against the Health and Wellbeing Strategy priority outcome measures.

The priorities were identified by areas of greatest challenge to the Borough and as a consequence of this the outcomes for the priorities were typically worse that the national comparators. The challenge was to show year on year improvements and out of the 31 measures that had been identified, 12 had improved, 10 had got worse and 9 awaited data. There had been changes to some of the measures and it had been difficult to track progress or compare data.

The report gave stock of the where things stood at mid-point through the year and full details of the outcome measures could be found at Appendix 1 to the Report.

Areas of discussion regarding the outcome measures included:

- Teenage Pregnancy
- Excess Weight in Children

A question was raised regarding what action was being taken to monitor the targets that had worsened and what could be done to improve the figures, whilst giving value for money. Each priority had a strategy and plan in place or being put in place which would give an understanding of what needed to be delivered and how this would be addressed. It was recognised by the Board that some indicators would not show a large amount of change and change would be a slow process ie obesity, whereas the teenage pregnancy rates had change much more rapidly.

With regard to the proportion of older people who were still at home after 91 days of being offered intermediate care, this was now much slower due to the enablement process. This was being reviewed through the Better Care Fund.

It was suggested that the targets needed to be looked at in the round and it was important to receive an update every 6 months. It was also important to work with all partners across the Borough and use all resources and links where possible.

RESOLVED – that:

a) the latest performance data against the Health and Wellbeing Strategy outcome measures were considered;

b) the outcomes were improving at a satisfactory rate;

c) the strategy's basket of outcome measures was complete.

HWB-44 LOCAL AUTHORITY TOBACCO CONTROL DECLARATION

H Onions presented a report which asked the HWB to sign up to the Local Authority Tobacco Control Declaration.

The Declaration had been initially developed by Newcastle City Council in May 2013 and was an agreement that demonstrated a Council's commitment to reducing smoking prevalence and the impact of smoking on communities.

A tobacco control strategy for Telford and Wrekin was being developed which was based on the ASH CLeaR self assessment. The strategy would be completed in March 2014. This fit with the Council's agenda and new responsibilities on tobacco control. The declaration had been taken to the Council's Policy Review Meeting who had given their full support.

A discussion took place including:

- The signing up of the CCG to the declaration
- Long term health strategy
- Quit rates

- Smoke free homes/cars
- Passive smoking
- E-cigarettes
- Mortality/Morbidity rates

Telford and Wrekin Council had a long-term aspiration of preventing children taking up smoking and would work with schools/education/school nurses, together with key partners in order to get the message across.

It was suggested that ward level data on morbidity and mortality was made available to members of the Board and this was available through the JSNA. A link would be forwarded to members of the Board.

A further report would be brought back to the Board.

RESOLVED – that:

a) the Board endorse and sign up to the principles set out in the Local Authority Tobacco Control Declaration;

b) the Board recommend to Telford and Wrekin Council that they endorse and support the principles.

HWB-45 FOCUS ON HWB PRIORITIES

Reduce Excess weight in adults/children

C Harland presented a report on the HWB priority of excess weight. The report summarised the work undertaken to date and provided an update on the latest information from the National Child Measurement Programme for 2012/13.

The implementation of the Excess Weight delivery plan would enable children, young people and adults to achieve and maintain a healthy weight by making healthy choices in their daily lives. This would be achieved by:

- population based programmes to reduce health inequalities
- local activities in order to encourage healthy eating and physical activity
- create environments that encourage healthy eating and being more active
- identify those people who are overweight/obese and give them support

Almost 1 in 4 children aged 4-5 were overweight or obese. In 10-11 year olds this figure was 1 in 3. The figure in adults was 2 in 3 who were overweight or obese. It was considered that due to the adult rates, obesity was being normalised within the Telford and Wrekin area, although the Borough had closed the gap on the national excess weight averages which had remained constant.

The excess weight review process included the following:

- HWB consultation on priorities
- Public consultation
- Asset mapping
- Review of the evidence and reference documents

- Individual meetings and workshops with stakeholders

The outcomes of the review process included a vision and identified target groups which were:

- Pregnant women
- Children born to obese parents
- Those with mental health problems
- Those with disabilities
- Those living in deprived areas

Eight work streams were being developed to support partners and embed healthy eating and getting active into their services which included:

- Branding
- Building intelligence
- Workforce development
- Maximising the contribution of key partners and stakeholders
- Providing information and toolkits
- Badging and Accreditation Schemes
- Community Asset Mapping and Building Capacity
- Evaluation and Review

There would be some small pilot projects around the Change 4 Life branding and badging schemes which would help individuals to make healthy food choices and become more active within the places they live, work, play and go to school. Individuals would be given the opportunity to talk about being overweight and be given information, advice and support. Further information could be accessed at the Healthy Lifestyles Hub, Family Connect and My Life.

A discussion took place including:

- Body image
- Smart Swap - national campaign
- Population approach
- Rising costs of treating adults who are overweight
- Fast Food Chain advertising
- Pro-active support of families
- Whole Council approach to campaign
- Sugar consumption – contribution to obesity

RESOLVED – that:

a) **the Board endorse the proposed partnership approach to reducing excess weight in adults and children;**

b) **the Board support the vision and population groups to be targeted for increased activity to reduce health inequalities;**

c) **the Board recognise the eight key work streams to be co-ordinated across the partners, including the Council, CCG and the voluntary sector;**

d) the Board note the updated national child measurement programme information for Telford & Wrekin including the further reduction to obesity in children aged 4-5 years.

Support People with Autism

D Harrison declared a personal interest. It was agreed that D Harrison would take part in the discussion but not vote.

K Roberts presented the report on the Autism Strategy and the Autism Self Assessment Submission.

Since preparing the report there had been some changes to strengthen the alignment between Children and Young People/Adult Commissioning with both Commissioning areas now located under the Assistant Director: Family, Cohesion & Commissioning. The Council had also recognised the need to review the number of partnerships boards that were in operation and the need for officer support. There was a recognition that the work outlined in the Action Plan (Appendix 1 to the report) may be better served through a Task and Finish Group. It was suggested that recommendation 2.2 of the report be modified to incorporate this change.

It was a requirement of the Department of Health that the Autism Self-Assessment be signed off by the Health and Wellbeing Board and this could be found at Appendix 2 to the report.

The low level hub was working well and highly regarded which, together with support from other agencies ie housing, employment and the voluntary sector, was making a real difference. "Listen not Label" were currently championing the hub.

There were currently conversations taking place with SSSFT with regard to diagnosis pathways. There was an increasing recognition that many people with mental health issues had a link to autism and steps were in hand to quantify the level of support provided. It was critical to establish a clear and consistent level of governance and leadership which would ensure a consistent approach to support and diagnosis. The re-design would be undertaken in partnership with, for example CCG/CAMHS. This would require a small level of investment per annum that would gradually decrease over time. The overall intention was to extend support within the community to reduce or prevent acute admissions.

The decision had been taken to make the Autism Strategy an all-age strategy. Whilst this created challenges it also provided opportunities to achieve real and sustainable change and improvement over time. If intervention took place which was matched to the individual's needs there would be less likelihood of increases in mental health and challenging behaviour, which would ultimately increase costs of supporting people in the long term as they move into adulthood. It was important to understand the needs of individuals and learn from mistakes in order to achieve the best for the individuals and their families. It was suggested that a strategic paper was brought back to the board in the summer/autumn period.

The next steps were to:

- convene a meeting of all parties to confirm roles and responsibilities for taking the Action Plan forward, which would be chaired by Clive Jones
- establish a Task and Finish Group meeting quarterly with the first meeting to be held in March
- named leads to develop a project plan to ensure engagement with individuals and family carers

The Board were in agreement and welcomed an all-age autism strategy as a positive move forward. Engagement, together with joined up working was important in smooth transitions into adulthood.

A discussion took place including:

- links with the criminal justice system
- early assessment together with early intervention and action
- the need for a seamless streamlined approach
- support to deliver enablement and re-ablement
- smooth transitions from 0-25 to adult services
- low level hub and the funding of the hub

It was suggested that an amendment to recommendation 2.2 be made in order to reflect the governance being passed to a Task and Finish Group.

Recommendation 2.2 would now read:

"2.2 To confirm that overall governance for the Autism Strategy will be with the Autism Task and Finish Group and the Health and Wellbeing Board to receive an annual report on progress."

This amended recommendation was proposed by Laura Johnston and seconded by Paul Taylor and agreed by the Board.

RESOLVED: that

a) the Autism Strategy 2014-2017 and the accompanying Autism Action Plan be approved;

b) the overall governance for the Autism Strategy would be with the Autism Task and Finish Group and the Health and Wellbeing Board would receive an annual report on progress;

c) a further detailed paper outlining the overlapping strategic issues between a range of inter-dependent areas (autism, learning disability, the confidential inquiry into premature deaths of people with learning disabilities) which would propose actions to ensure the needs are met locally and with the objective of increased efficiency be brought to the Board;

d) the submission of the Autism Self Assessment in September 2013 be noted.

The meeting ended at 3.33pm

Chairman:

Date:

LICENSING COMMITTEE

Minutes of a meeting of the Licensing Committee held on Tuesday 14th January 2014 at 6.00 pm at the Business Development Centre, Stafford Park, Telford, TF3 3BA

PRESENT

Councillors: C Turley (Vice-Chair in the Chair), T Hope, A Mackenzie, J Seymour, R Sloan, M Smith and J Thompson

Officers in attendance: L Noakes (Assistant Director: Health, Wellbeing and Public Protection), J Revell (Service Delivery Manager: Public Protection) T Street (Solicitor), S Fisher (Principal Licensing Officer) and J Clarke (Democratic Services Support Officer).

LC - 10 MINUTES

RESOLVED – that the minutes of the Licensing Committee meeting held on 1st November 2013 be confirmed and signed by the Chair.

LC - 11 APOLOGIES FOR ABSENCE

Councillors C Mason, R Scammell and K Tomlinson.

LC - 12 DECLARATIONS OF INTEREST

None.

LC – 13 REVIEW OF THE COUNCIL'S STREET TRADING POLICY, CONDITIONS AND FEES

The Principal Licensing Officer presented the report of the Service Delivery Manager – Public Protection. The Council's Street Trading Policy, Conditions and Fees had been in place for a considerable period of time and, although the Policy worked perfectly adequately, the Licensing Service considered that it was an appropriate time to revisit the Policy and Conditions issued by the Council. In particular the Borough was seeing a significant amount of new development and this was an opportune time for traders with events such as the "T Party" which was held in Telford Town Park in 2013. There were a growing number of requests for day street trading consents, but there was no policy or fee in place for such applicants.

The Licensing Service currently had two forms of street trading consent:

- Street Trading Consents for static sites
- Street Trading Consents for mobile units

Consents were for a period of 12 months at an initial cost of £300 which could then be renewed at a cost of £280 per annum.

As Telford and Wrekin Council was a business winning Council, the Licensing Service did have discretion, in certain circumstances to allow new businesses to pay the fee in instalments. There were currently 30 static traders who had consent for a specific site and 23 mobile traders, ie ice cream vans and snack vans.

Copies of the current consent conditions and policy statement for street trading were appended to the report. The main change being proposed was the introduction of day consents, with a proposed consent fee of £60 per day plus £18 per extra day. Any changes to the policy and conditions would be subject to a 12 week consultation period.

Whilst considering the report, Members raised concerns and issues relating to the impact of one-day traders on existing street traders and established local businesses. Consideration was given to:-

- the issuing and surrendering of licenses including the implications of allowing fees to be paid in instalments;
- proposals to change the conditions to require persons assisting on a stall to be aged 18 or over

The Principal Licensing Officer advised that the established traders would be fully consulted prior to a new trading consent being given and pitches would have 100m distance between them. It was anticipated that most one-day consents would involve events in parks ie Telford Town Park and Dale End Park and it would be unlikely that they would have an impact on local businesses.

In relation to the council's costs in administering the consents, the Principal Licensing Officer confirmed that these costs would be covered if the licence was not renewed. If a licence was surrendered, there was a formula to work out staff costs to produce the application, which were then deducted from the fee and any remaining monies were refunded to the applicant on surrender of the licence. With regard to the proposed condition of "persons assisting on the stall shall be 18 years of age or over", the Principal Licensing Officer explained that the Law stated that assistants should be 17 years old but it was felt that the age should be raised to 18 years in the Policy in order to provide more protection for the public.

Members commented that the proposed fees appeared competitive when compared with those charged by other authorities shown in the benchmarking information appended to the report.

References to Madeley Parish Council and Great Dawley Parish Council needed to be amended to read Madeley Town Council and Great Dawley Town Council prior to the documentation going out to consultation.

RESOLVED -

(a) that a twelve week consultation to amend the current Policy and Conditions in relation to Street Trading Consents be approved;

(b) **that authority be delegated to the Principal Licensing Officer, in consultation with the Chair, to consider and determine the results of the consultation. If there are any significant comments made as a result of the consultation, matters be brought back to Members of the Licensing Committee for consideration;**

(c) **that the proposed licence fees, subject to the above consultation and a legal notice subsequently being advertised in the local newspaper, be approved for implementation.**

The meeting closed at 6.45pm.

Chairman: ………………………………………….

Dated: ……………………………………………..

PERSONNEL COMMITTEE

Minutes of a meeting of the Personnel Committee held on Monday, 10 February 2014 at 3.00 pm at Addenbrooke House, Telford

PRESENT: Councillors K S Sahota (Chairman), E A Clare, S Davies, N A Dugmore, A J Eade and R A Overton

PEB-1 MINUTES

RESOLVED – that the minutes of the meeting of the Personnel Board held on 19 March 2013 be confirmed and signed by the Chairman.

PEB-2 APOLOGIES FOR ABSENCE

Councillor K R Guy.

PEB-3 DECLARATIONS OF INTEREST

Cllr A J Eade declared an interest in minute number PEB-4 in relation to his wife's employment but indicated that in the circumstances he would not be withdrawing from the meeting for that item.

PEB-4 PUBLICATION OF THE COUNCIL PAY POLICY STATEMENT

The People Services Manager presented the report of the Assistant Director: Law, Democracy & People Services, which outlined the content of the Council's updated pay policy for 2014/15. A copy of the Pay Policy Statement was attached to the report.

The Localism Act 2011 required local authorities to produce an annual Pay Policy Statement covering the setting of pay levels and remuneration at various tiers of the Council. The Statement followed a similar format to that approved a year ago but some minor changes were highlighted. Whilst Chief Officer remuneration remained static and termination payments were unchanged, the lowest salary paid had increased by 1% following a national pay award effective from 1st April 2013. The pay award had, therefore, impacted slightly on the pay multiple between the lowest paid FTE employee and Chief Officers and this still remained well below the threshold set out in the Hutton 'Review of Fair Pay in the Public Sector'.

Members asked a number of questions regarding the Statement. In response, the People Services Manager advised Members that Returning Officer Fees were paid by Central Government and he agreed to provide further detail in a written précis. He also gave details regarding the payments made to the Council's Apprentices and retention rates at the end of training contracts together with efforts to assist apprentices find employment with the Council or its partners. Members sought benchmark detail regarding the pay multiple of the lowest paid fte employee and the Managing Director and were reminded that the Council had voluntarily increased the lowest paid salary to scale point 5 on the national scale but there was no national published comparison data available.

RESOLVED (by majority)

(a) TO RECOMMEND TO COUNCIL that the Council's Pay Policy Statement for 2014/15, as amended, be approved for publication on the Council's website on 1 April 2014;

(b) that authority be delegated to the Assistant Director: Law, Democracy & People Services, in consultation with the Leader of the Council, to amend the Statement as necessary in line with any national guidance that is issued following the meeting.

The meeting closed at 3.12pm

Chair…………………………..

Date……………………………

PLANNING COMMITTEE

Minutes of a meeting of the Planning Committee held on Wednesday, 15 January 2014 at 6.00pm in the Walker Room, Meeting Point House, Telford

PRESENT: Councillors J C Minor (Chairman), I T W Fletcher, V A Fletcher (as substitute for N A Dugmore), E J Greenaway, A S Jhawar, J Loveridge, G C W Reynolds, S A W Reynolds and C R Turley.

ALSO PRESENT: Councillor A Lawrence (for planning application TWC/2013/0881).

PC-070 MINUTES

RESOLVED – that the minutes of the meetings of the Planning Committee held on 4 December 2013, 11 December 2013 and 18 December 2013 be confirmed and signed by the Chairman

PC-071 APOLOGIES FOR ABSENCE

Councillor N A Dugmore.

PC-072 DECLARATIONS OF INTEREST

None

PC-073 DEFERRED/WITHDRAWN APPLICATIONS

The Development Management Service Delivery Manager informed the Committee that further discussions with the applicant and Environment Agency were required regarding planning application TWC/2013/0871.

RESOLVED – that determination of planning application TWC/2013/0871 be deferred until the next meeting of the Planning Committee.

PC-074 SITE VISITS

RESOLVED – that site visits take place on Wednesday, 5 February 2014 as follows:-

3.30pm **Land off Shepherds Lane, Red Lake, Telford, Shropshire (TWC/2013/0824)**

4.15pm (approx) **Unit 108C, Halesfield 13, Halesfield, Telford, Shropshire, TF7 4QR (TWC/2013/0871)**

PC-075 PLANNING APPLICATIONS FOR DETERMINATION

(a) TWC/2013/0881 - Land to rear of 49, 51, 53, 55, 57, 59, & 61 Muxton Lane, Muxton, Telford, Shropshire

This was an outline application for the erection of 5 detached dwellings and double garages. Access, layout and scale were included for determination with appearance and landscape matters reserved for subsequent consideration. Councillor A Lawrence, Ward Member for Muxton had requested that the application be determined by the Planning Committee and determination had been deferred at the meeting of the Committee on 18 December 2013 to enable Members to undertake a site visit. Members received a comprehensive report for consideration.

Councillor A Lawrence spoke against the application in terms of the location of the site in proximity to the border of open countryside. Whilst he understood issues regarding housing supply, he feared that approval of this application would set a precedent for the erosion of the borough's Greenfield land.

Messrs H Haycocks, S Clinton and O Daley, local objectors, spoke to oppose the application which they believed was contrary to the National Planning Policy Framework (NPPF). Mr Haycocks stated his belief that the site was open countryside and development was, therefore, also contrary to the Local Development Plan. Mr Clinton expressed concern regarding the access in terms of pedestrian safety and Mr Daley commented upon the loss of green belt and countryside.

The Applicant, Mr A Williams, spoke in support of the application, focussing upon the principle of development in terms of changing policy context, accordance with highways guidance and standards, landscaping and minimising impact on residential amenity.

The Planning Officer noted issues raised by speakers and advised Members of the changing policy context since the previous application W2004/0965 was dismissed by the Planning Inspector. The current proposal conformed with current policies including the NPPF was, therefore, deemed acceptable subject to conditions and informatives. She noted that the Highways Engineer did not object to the proposal and that refusal on highways grounds had not been considered by the Planning Inspector when the previous application was dismissed.

Members referred to the site visit which had taken place that afternoon and expressed concern regarding agricultural land use, pedestrian safety, use of the access by the nearby ménage and dwellings which had taken place since the previous appeal decision, lack of footpath, impact on the visual amenity, loss of green network and a preference to reuse previously developed land, suitability of turning points, the weight of local objection, affordable housing and whether there was sufficient space allocated for car parking.

In response to questioning, the Planning Officer further outlined the changing planning context in terms of the appeal decision in 2005 and the current situation, particularly noting that the sequential assessment set out in PPG3 which prioritised brownfield land over Greenfield was no longer required. She noted that the site was not designated Greenfield despite its appearance but that a balance view had to be taken regarding the demand for housing in terms of the requirement for a five year housing supply. The Planning Officer advised that the number of houses proposed by the development did not meet the threshold to require affordable housing and that the size and nature of the proposed dwellings matched the character and setting of the area.

Members were provided with clarification regarding the process for change of use from agricultural land to paddock to development land and also regarding the location of the access road on the plans. Members were also provided with information regarding the upgrade of the access road following development in the immediate vicinity which had brought it to adoptable standard.

With regard to the presumption in favour of sustainable development when a five year housing supply did not exist, Members expressed concerns that developers' were failing to build despite significant consents being in place which was putting pressure on sites such as this. The Assistant Director: Planning Specialist acknowledged that consents were in place for significant developments on public land, many of which were owned by HCA.

Unfortunately, development was taking place at a rate determined by developers which was, in turn, determined by take up within the housing market. He also reminded Members of the government's interpretation of deliverability which affected whether a five year housing supply could be demonstrated. In addition, he advised that the access had been assessed by the Highways Engineer in terms of national government standards, that the site was not Green Network and, therefore, had always been considered suitable for development, that the urban boundary had been established when the New Town was designated, and that all forms of housing, not just affordable, were required throughout the borough.

Whilst some Members' concerns were not assuaged, other Members were of the view that the site was within the urban boundary and not part of the Green Network, that adequate separation distances could be demonstrated, there were no highways or drainage objections, and, whilst the loss of paddock land could be lamented, the hedgerow would be retained and the application concurred with current national and local policy. The majority of Members, therefore, considered that there were no justifiable or defendable reasons to refuse outline planning permission.

RESOLVED – that with respect to planning application TWC/2013/0881 outline planning permission be granted subject to the conditions set out in the report.

The meeting ended at 6.50pm.

Chairman: ....

Date: ....

PLANNING COMMITTEE

Minutes of a meeting of the Planning Committee held on Wednesday, 5 February 2014 at 6.00pm in the Auditorium, Abraham Darby Academy, Hill Top, Ironbridge Road, Madeley, Telford

PRESENT: Councillors J C Minor (Chairman), N A Dugmore, I T W Fletcher, E J Greenaway, A S Jhawar, J Loveridge, G C W Reynolds, S A W Reynolds and C R Turley.

ALSO PRESENT:

PC-076 MINUTES

RESOLVED – that the minutes of the meeting of the Planning Committee held on 15 January 2014 be confirmed and signed by the Chairman

PC-077 APOLOGIES FOR ABSENCE

None.

PC-078 DECLARATIONS OF INTEREST

Councillors N A Dugmore, I T W Fletcher and C R Turley declared an interest in planning application TWC/2013/0936 as they were all members of Granville Management Committee but, as they had not taken part in any prior discussions relating to the application, in the circumstances they would not be withdrawing from the meeting for that item

PC-079 DEFERRED/WITHDRAWN APPLICATIONS

The Development Management Service Delivery Manager informed the Committee that the applicant had withdrawn planning application TWC/2013/0824 (Land off Shepherds Lane, Red Lake, Telford).

RESOLVED – that planning application TWC/2013/0824 be withdrawn.

PC-080 SITE VISITS

None.

PC-081 PLANNING APPLICATIONS FOR DETERMINATION

Members had received a schedule of planning applications to be determined by the Committee and fully considered each report and the supplementary information tabled at the meeting regarding planning application TWC/2013/0936.

(a) TWC/2013/0806 - Wrockwardine Wood Arts College, New Road, Wrockwardine Wood, Telford, TF2 6JZ

This was an outline application submitted by the Council for residential development of up to 53 dwellings with associated open space, landscaping and infrastructure following demolition of existing school buildings. The current school would not be required following the construction and opening of the new Telford Co-Operative Academy to replace both Wrockwardine Wood Arts College and also Sutherland School (subject to a separate application) and, therefore, the application site would be available for redevelopment. All matters were reserved for a further application; however an illustrative layout had been submitted with the application which indicated the possible position of the access points. In addition to access, Members' attention was also drawn to aspects of the report relating to mine shafts, stability, green network and financial contributions.

Some Members expressed concerns regarding the lack of financial contributions and affordable housing, mine shafts, viability, traffic generation, lifting of highways restrictions with regard to parking in the School Zone and the low density of layout in light of the Council's housing land supply needs. Conversely, other Members pointed out that traffic generated by 53 dwellings would be significantly lower than that generated by a 1200 place school, welcomed the alternative access and considered that the site was sustainable.

Following questions by Members, the Development Management Service Delivery Manager advised that the outline application had been submitted by the Council in relation to disposal of the site and that any remedial works to treat mine entries would be the responsibility of the developer. Some Members considered whether the cost of remedial works would further impact upon viability and the Development Management Service Delivery Manager advised that the suggested low density of the housing was a direct result of the presence of the mine shafts and topographical constraints but that as the application was in outline with an indicative layout only, the detail could change at reserved matters stage. The Planning Officer pointed out that the financial contributions towards highways improvements would allow for the implementation of parking restrictions in the vicinity. Clarification was also provided regarding the Home Zone area. The Assistant Director: Planning Specialist elaborated that further financial contributions had not been requested due to a balance being considered with the community benefits brought by the Building Schools for the Future project and he emphasised that there was no difference in the way this application had been presented from a non-Council application. He added that the Highways Officer was satisfied with the proposals and, with regard to density, the application sought to use land effectively within constraints.

Councillor G C W Reynolds noted local understanding regarding the school clock tower and proposed a condition be added to the recommendation to ensure it was preserved.

On being put to the vote, it was by a majority

RESOLVED – that with respect to planning application TWC/2013/0806 subject to receiving written confirmation from the Assistant Director Development

Business and Employment and Assistant Director Education and Skills to provide financial contributions of £3,000 towards Traffic Regulation Order and a commuted sum, to be agreed, for the maintenance of open space and any surface water attenuation feature on site the Development Management Service Delivery Manager be authorised to grant planning permission subject to the conditions set out in the report and further subject to a condition to preserve the clock tower.

(b) <u>TWC/2013/0936 - Land off Lodge Road, Telford, Shropshire</u>

This was a Council proposal for the refurbishment and extension of the existing authorised gypsy and traveller site in Donnington Wood with the aim of tackling issues relating to unauthorised encampments through the improvement of available facilities and increased pitches. An update report was tabled which set out additional comments received since the publication of the main report. It was noted that the number of pitches was larger than recommended by Guidance but as the design was for two distinct areas, it was considered an appropriate context.

Concerns were raised for the safety of the proposed attenuation basin and Members were advised that details of fencing or other safety measures would be sought as part of the proposed conditions. Members were also advised that the services and portable pods were advocated by guidance. Members welcomed the widening of the access and were generally in favour of the proposals for the existing, well managed site.

<u>RESOLVED</u> – that with respect to planning application TWC/2013/0936 planning permission be granted subject to the conditions as set out in the update report tabled at the meeting.

The meeting ended at 6.31pm

Chairman: ....

Date: ....

SCRUTINY MANAGEMENT BOARD

Minutes of the meeting of the Scrutiny Management Board held on Friday, 15th November 2013 at 10.30am in Meeting Room 7, Darby House, Telford

PRESENT: Councillors D. White (Chair), V. Fletcher, M. Ion, A. McClements, S. Reynolds, C. Turley.

IN ATTENDENCE: J. Green, STAY Project; S. Watkins, KIP Project; A. Olver, Maninplace; C. Jones, Assistant Director Family & Cohesion Services; J. Bedesha, Cohesion Manager; T. Keever, Home Improvement Team Leader; F. Bottrill, Scrutiny Group Specialist; S. Jones, Scrutiny Officer.

SMB-7 MINUTES OF THE LAST MEETING

RESOLVED – that the minutes of the meetings of the Scrutiny Management Board held on the 12th July 2013 be confirmed and signed by the Chairman.

SMB-8 APOLOGIES FOR ABSENCE

Cllr. S. Bentley

SMB-9 DECLARATIONS OF INTEREST

None

SMB-10 HOMELESSNESS STRATEGY

The Chair welcomed everyone to the meeting and reminded members that the purpose of the meeting was to consider and respond to the draft Homelessness Strategy as part of the consultation process and following evidence taken by the Board from providers at the previous meeting. He invited opening remarks from the officers present.

The Assistant Director informed members that the review of the strategy had included consideration of the responses to recommendations made by scrutiny in the report on Housing and Homelessness. The Cohesion Manager outlined the approach to developing the strategy and the process for agreeing it. Cabinet had endorsed the process in September and agreed a 6 week consultation until 29th November. A Homelessness Task Force had been set up under the Local Strategic Partnership as a strategic body to oversee the delivery of the strategy. There were three key elements to the strategy:

- To look at homelessness across the board and not just statutory duties
- How to develop services with partners
- The Council’s responsibility towards Gypsies and Travellers

Members then asked questions and made comments on the strategy.

- The Chair asked officers how the public had been consulted on the strategy and the Manager said they had consulted through partners who work with service users.

- The Chair said in his view partners were working with some very vulnerable people. He was aware of someone who had been through the process and received excellent support but there was a clear need for accommodation. He welcomed views from providers in attendance and said we could not work without them.
    - Mr. Green from STAY said he thought the initial strategy had been disjointed but this strategy had a more joined-up approach. There was a better relationship with STAY and other voluntary sector providers and better buy-in from voluntary sector partners. The borough was facing increased needs and challenges and the only way they would be addressed was through the relationship between the Council and voluntary sector which was key to delivery.
    - Mr. Watkins said he was glad the Council had acknowledged there was an issue with non-statutory services. The difficulty was the limited options for people coming in to use the service. Maninplace was the first choice; the SAP (Single Allocation Panel) process was laborious and took time and the only other option was private landlords. The greatest difficulty was the massive increase in demand from 18-26 year olds to the point where there was no other option than to pass them on to private landlords which Mr. Watkins said was frustrating because he felt these young people were being let down and set up to fail and this was not a comfortable position

- Cllr. McClements said she had been a member of the Housing & Homelessness scrutiny review group which had identified concerns about partners not working together and about the lack of support for non-statutory homeless and was pleased that these issues had been picked up and looked at. She noted the strategy stated that the Homelessness Task Force would meet quarterly and asked for assurance from the partners that this was happening. Mr. Olver confirmed that partners met quarterly or more often around the issue of rough sleeping. The strategy endorsed the government's No Second Night Out vision and to enable Maninplace to adopt the model there had to be quality provision in place. The Night Inn had been developed from the Bleak Midwinter project as a point of access 365 days a year to emergency or temporary accommodation for non-statutory homeless as an alternative to B&B. The Night Inn (6 beds) had been full the night before and there had been one person in B&B – these 7 people might have slept rough if the service had not been there. Maninplace provided 70 places every night for people who may otherwise be sleeping rough or sofa surfing. People referred from KIP receive an element of support but with 70-80 people they do not all get the support they need and not enough to prevent them from reappearing so accommodation was essential. The second step was to help them get support and this is where there are opportunities to work better with the Council so they can help people access the right provision.

- The Cohesion Manager explained that the Homelessness Task Force was a strategic officers group for the Council and relevant partners (e.g. mental health services) to ensure all partners were aware of what support is available from the Council and other partners. In terms of young people, the Joint Allocation Panel and Single Allocation Panel put support around the child. The Home Improvement Team was looking at a social lettings and landlord accreditation schemes to help connect potential tenants with good quality accommodation with accredited landlords. The Chair said in his view some private rented accommodation was very poor quality and not fit for young people and the Manager said there were some poor landlords but the Home Improvement Agency was working on this with property services and to help bring empties back to use. The Team Leader said that bringing empties back to use was a long-term strategy - they were aware that there were some rogue landlords and were working with scrutiny to look at this issue.

- Cllr. Fletcher asked what measures were in place to take action with rogue landlords or owners. The Team Leader said the Council could inspect and serve notice to improve if a property falls below statutory health or safety or environmental standards. The landlord is responsible for the carrying out the work. If they refuse, in some circumstances the Council will carry out the work and charge the landlord. The Cohesion Manager said for landlords to become accredited and for the Council to deal with them the properties should meet the Decent Homes standard defined by Shelter. In the past, property and people had been managed by different teams but they were now working together to make sure that a) the Council is dealing with properties that meet the Decent Homes standard with responsible landlords and are appropriate to people's needs and b) people are supported to get them tenant-ready, e.g. people with complex needs identified through the Troubled Families work. This was a long journey and the infrastructure was being put in place although resources were reducing.

- The Chair reminded members that a £150k investment had been made to bring empty properties in Sutton Hill back to use. Mr. Olver said that he had to negotiate leases with private landlords which could be expensive but was the only option and said it would be helpful if the empty properties work could help identify properties which were less expensive to run – this would make an enormous difference. The Team Leader said they were working with owners of empty properties to marry up supply with demand. Often there were emotional reasons why properties were empty such as bereavement so they were working with bereaved owners who needed a lot of handholding – it was not easy and could be a long process to bring the property back to use. Enforcement was only considered it owners are un-cooperative. They had recently written to owners of empty properties to offer them help and there had been a positive response from many with whom they were now working to help bring the empties back to use or to market. The Chair said he would prefer to use money on houses which could be rented socially and the Team Leader explained that the money ring-fenced for Sutton Hill was for loans which had to be repaid so the money could be recycled.

- Cllr. McClements said the Co-operative & Communities Scrutiny Committee had been looking at the welfare benefit reforms and was now interested in looking at the issue of debt and wanted to know if the providers had noticed any issues which the Committee may be interested to hear about. Mr. Olver said they had an immediate problem if people had their benefit sanctioned – they did not want to make people homeless because they had no money, but Maninplace was a community business and needed a contribution to the rent. Cllr. White asked if Maninplace had experienced difficulties with people moving in and out of work paying rent. Mr. Olver said there had been an issue with the non-payment of £10,700 worth of housing benefits but he had raised this with the Benefits Manager who had put an immediate plan in place to resolve the issue. Maninplace was not in business to make money, but a deficit of that amount could make or break the organisation. On further questioning Mr. Olver said the issue dated back to July but had been astounded by how quickly the Benefits Manager had taken action and the new system was set up to circumvent previous issues and they were having weekly meetings to turn around the back-log. Cllr. Ion said that members had sought and received assurance that the Homeless Task Force met quarterly, but the Scrutiny Management Board needed assurance that the financial issues had been resolved and he requested a report back to the Board at a future meeting. The Assistant Director said the Board could receive copies of the Homeless Task Force reports if they tied in – the issue with Maninplace had been raised with relevant Assistant Directors who were working to sort it out.

- The Chair referred again to support for vulnerable people and said he believed mental health services had a big role to play. The Manager said there had been an issue identified with people being discharged or self-discharging from hospital with no support in place and the Hospital to Home protocol had been put in place to ensure support was put in place before people left hospital. This had been developed with partners so that vulnerable people were not discharged with nowhere to go.

- The Manager drew attention to various ideas in the action plan including; converting one of the houses currently used for victims of domestic abuse (but not suitable for the purpose) into non-statutory homeless provision and one bed-roomed emergency accommodation, setting up a hub and crash pad for young people, and looking at options for Dodmoor Grange. He said there was a need to be more creative in involving young people in tenancies. Mr. Green informed members that STAY was working with Bromford on a supported housing project for young people with higher complex needs. A site had been identified for a 16 bed facility with 4 move-on flats on the same site. A planning application was due to be submitted soon and they were hoping to start work on-site in May/June with handover early 2015. This would go some way to filling the gap in left by the closure of Wesley House. There had been an increase in young people presenting at KIP (125 under-26s in 2011/12, 125 by September 2012/13) – the Bromford scheme would fill some of the gap but not all of it. Clarification about what was happening with Wesley House would be circulated after the meeting. The Chair said he was pleased to hear about the Bromford scheme and other members agreed.

- Cllr. Fletcher asked if STAY still provided mentoring to help get young people back home and whether they worked with the cohesion team. Mr. Green confirmed that they did and hey had developed a very positive relationship with the safeguarding team so that when a young person presents they can have a conversation.

- The Chair wanted to know who owned the strategy. The Assistant Director said it was the Council's strategy but reflected the joint work of the Council and partners and further reports could be brought back to the Board.

- Cllr. McClements said the Gypsy and Traveller provision was an important part of the strategy which the Board should consider especially because there had been a lot of concerns from local residents and businesses about the challenges. The Cohesion Manager said there were a number of strands of work. As a Business Winning Council, Telford & Wrekin was working to attract business investment and there had been issues with unlawful encampments. The Council had a duty to provide for gypsies and travellers. There were 2 sites in the borough which were both full, and with a waiting list, and unlawful encampments had therefore sprung up. A transit site was required to accommodate people on unlawful encampments and to enable enforcement. If the Council offered people on an unlawful encampment a place on a transit site and the place was not accepted, the Police have powers to seize vehicles and move them out of the borough. If the Council cannot offer them a place the Police and Council have no powers to move them on from the unlawful encampment unless they are infringing the highway. It was therefore important to be able to provide a transit site and the Council had been working with the HCA to identify a suitable site. The proposal was to establish a temporary transit site with a view to having a permanent transit site. The Chair said it would be important to control the site to ensure it remained a transit site and did not become a permanent site. The Assistant Director said a planning application had been made for a transit site for 2 years in St. Georges. It was critical to get the licensing agreement right and a lot of work was being with colleagues and the police to ensure there would be strict restrictions in place. The application was for a temporary transit site and it was also necessary to identify a permanent transit site. The risk with transit sites was that they become permanent sites and lose their transit status. If the permanent sites are full, the authority has no alternative accommodation to offer people on unlawful encampments and loses its powers of enforcement. Officers were looking at the impacts of the site and consulting with local businesses and local people. Sometimes there was a lot of ignorance about gypsies and travellers.

- Cllr. Ion said there were three points he would like to follow up:
  - Prevention was a big area of work and should be looked at further. Mr. Olver said they were taking on more long-term properties and developing high-spec accommodation to prevent homelessness, for example an old solicitors' office was being developed into a 15 en suite bed-sit units with a shared kitchen. The Chair said he had been involved in homelessness issues for a long time as was grateful for Mr.

Olver's work over that time.
- An update on how the accounting issues referred to by Mr. Olver had been resolved should be brought to the next meeting. This was agreed.
- A further report on the empty properties work should be brought back to the Board. Cllr. Turley reminded members that the Housing, Economy & Infrastructure Scrutiny Committee was looking at this issue and would be making a report which could come back to the Board.

- In terms of the launch of the strategy, the consultation would close in 2 weeks and a report would be taken back to Cabinet. The providers suggested launching the strategy at the same time as a homelessness event in December at Meeting Point House. It was hoped the Bleak Midwinter project could be launched at the same time. People were being invited to access pop-up tents and post photos of them in locations around the borough on Facebook and Twitter to raise consciousness about rough sleeping in the winter, although Mr. Olver said the vision was for No First Night Out and to get people into a bed and not a tent but at the moment they had no other option.

When there were no further questions the officers and providers left the meeting.

SMB-11 <u>PLANNING THE SCRUTINY WORK PROGRAMME 2013/14</u>

It was noted that the two year Scrutiny Work Programme would end in May 2014 and it was agreed that a report would be brought to a future meeting with a proposal for the process for setting the work programme for 2014/15.

SMB-12 <u>CHAIRS' UPDATES</u>

- Cllr. Ion reported on the recommendation of the Children & Young People and Budget & Finance Scrutiny Committees to increase the base budget for children in care placements. The recommendation had cross-party support and he felt it had been well received by the Cabinet member as part of the debate. The rationale for the recommendation was that children in care are a core priority for all local authorities and the Council's budget should reflect this. It would also help take the politics out of it. Cllr. Reynolds said the recommendation was not meant to detract from the hard work that had been done to make savings which should be recognised but had been offset by the cost of new admissions. Cllr. Ion said the challenges would not go away and the recommendation was about committing the budget because children in care were so important. He said there had been a consensus on both Scrutiny Committees and the members would be failing in their duty if they did not say what they thought and make this recommendation. It was now up to Cabinet to agree or disagree with the recommendation. The Chair agreed that the Council needed to decide its priorities and he was concerned that vulnerable people may be hit because of the need to make savings. Cllr. Ion reminded members that the LGA projections for local authority funding was that by 2020 about 90% of Councils' budgets would be spent on children's services, adult services and environmental services. The Chair expressed his full support for the recommendation and sought agreement from other members that the Board to formally endorse the recommendation, and this was agreed. The Chair also said that a similar debate needed to be held about the adult care budget. He was also concerned that the opportunity to save money by reducing the frequency of garden waste collections during the winter had been missed in the new waste contract.

RESOLVED: That the Board endorses the recommendation of the Budget & Finance and Children & Young People Scrutiny Committees to increase the base budget for children in care placements.

- The Chair Cllr. White reported the West Midlands Scrutiny Network had continued its focus on developing links with Select Committees. David Natzler, Director General of Chamber and Committee Services to Parliament, had attended a meeting hosted by Telford & Wrekin to explore ways for the network to work more effectively with the Select Committees. Telford & Wrekin had co-ordinated a submission from the network to a Health Select Committee call for evidence which was used as an example. As part of his role as Chair of the Network Cllr. White had attended the National Overview & Scrutiny Forum in hosted by the Centre for Public Scrutiny which and the agenda included a discussion about the role of local authorities and scrutiny in education. The Health & Adult Care Scrutiny Committee was finalising recommendations on the Community Meals Review. The Joint HOSC was meeting in December as part of the NHS Call to Action.

- Cllr. McClements reported that the Co-operative & Communities Scrutiny Committee has completed the review of the Employee Commission and Co-operative Values and the recommendations from the report were tabled. She felt the review had been a very positive experience and a good opportunity to promote scrutiny. Staff had been very open and honest in their views. The overall conclusions were that generally morale was good and some staff said it was good compared to other authorities. Team briefs had been identified as the best way to communicate with staff. The report highlighted some areas of good practice. Staff had raised time constraints as a key reason for lack on involvement in the Employee Commission or to reading e-mails. There were a number of recommendations which had been presented to SMT and Cabinet, and the Board were asked to note the recommendations for Scrutiny.

- Cllr. Turley updated members on the work of the Housing, Economy & Infrastructure Scrutiny Committee. The key pieces of work were the waste procurement process, the review of empty properties and rogue landlords which was underway and the consultation process for Shaping Places.

- Cllr. Reynolds update members on the work of the Budget & Finance Scrutiny Committee. Key issues looked at were the children in care placement budget as reported by Cllr. Ion, capital receipts with the Audit Committee and the welfare benefit reforms with the Co-operative &

Communities Scrutiny Committee. Cllr. Reynolds was pleased to note that the Managing Director had presented the Council's Way Forward at a number of staff engagement sessions following a recommendation from scrutiny. Key issues for the future were the adult care budget and the budget proposals.

SMB-13 **SCRUTINY MANAGEMENT BOARD WORK PROGRAMME**

The time and date of the next meeting were noted. It was agreed that the agenda items would be agreed by the Chair.

The meeting ended at 12.45pm.

Chairman: ....

Date: ....

TELFORD & WREKIN COUNCIL

Budget Proposals 2014/15

REPORT OF MAIN OPPOSITION GROUP

1. OVERVIEW

The Opposition key budget strategy proposals for 2014/15 include:-

Freezing Council Tax for the next two years - Following unsuccessful attempts to persuade the Current Administration to freeze Council Tax for residents in the Borough over the past two years, we welcome the change in policy to freeze Council Tax during 2014/15 and again in 2015/16. This measure recognises the severe pressure placed on many local people by the nation's financial situation and retains additional disposable income in the local economy.

Protecting Adult Social Care – The current Administration's proposals include a reduction in adult social care budgets of £6.0m by 2014/15 rising to £7.65m by 2015/16. In addition, a further £2.85m will need to be saved to address ongoing overspends against the current budget giving a total savings target of £10.5m. put forward by the Administration. We propose additional funds of £2.3m to cushion the impact of the worst reductions in Adult Care and Support services.

Investment in highways – Following many successive years of under investment we propose to invest £7.1m per year in highways for 5 years in order to clear the backlog of highways works in the Borough and return the highways to a high standard desired by residents and business.

We recognise that the Current Administration's proposals to commit £2m from the Councils Capital Programme per year for highways over a 3 year period is much less than what is required to offset day to day wear and tear and that their proposed programme will result in even further deterioration in the Borough's road system. (Although we accept that the Administration's Pride in Your Community proposals would make around £2.5m additional funding available pa over the next two years).

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

Review of Remuneration packages – We propose a review of employee terms and conditions to generate ongoing annual savings of £1.8m pa. Areas for consideration in this review would include sick pay entitlements, potential reduction to all salary grades of up to 2.25% and a reduction in entitlements to car user allowances.

Partnering with other authorities – We believe that significant savings can be achieved over time by partnering with adjacent authorities and have provided a list of potential areas which may be suitable. Part Year savings of £125K are included as a part of this proposal.

Spending Review - We have identified a number of non-essential posts and spending that can be undertaken in other ways or deleted from the council budget.

Parking Charges – We propose to cancel the proposed increase to parking charges

CSO / Environmental – We propose to cancel the proposed cuts to Community Support Wardens and Environmental budget items

Contingency – We have included a contingency figure of £475K, to cover slower than envisaged implementation of our proposals or any additional one-off implementation costs.

2. SUMMARY

The current Administration's proposals include a reduction in adult social care budgets of £6.0m by 2014/15 rising to £7.65m by 2015/16. In addition, a further £2.85m will need to be saved to address ongoing overspends against the current budget giving a total savings target of £10.5m. put forward by the Administration

Our proposals seek to cushion the impact of the Adult Social Care cuts by making £2.3m of other savings available during 2014/15 to alleviate the worst of these proposals and to use the MRP fund reserve (see below) to cover the cost of financing the Highways capital spend to cover the remedial work programme.

A revenue saving has been indentified of £4.89m as part of a change to accounting for interest and capital repayments on the Councils Borrowing. (Known as MRP) The current Administration has proposed to place this 'windfall' in a reserve to fund their unspecified Pride in the community scheme. **It should be noted that this change to accounting does not involve any cash savings over the life of a loan, and increases the level of future interest payments to balance the savings in the earlier years.**

Highways' spending is a key concern of residents, though only £2m per year has been committed from the Councils Capital resources to this area by the current Administration as part of the council's long term highways capital program. (Although we recognise that the Administration's Pride in Your Community proposals would increase this amount by around £2.5m for the next two years). This compares poorly to the £7.1m per annum needed to clear the backlog of Highways remedial works.

Adult Social Care

This is a particularly challenging area for the council as it involves some of the most vulnerable and needy members of our community

The focus of the current Administration is to realise these savings over a two year period by:-

- Re-commissioning and negotiating down provider costs (c. £3.3m)
- Lobbying Telford & Wrekin CCG for £2.0m of funding due following their transfer of Continuing Health Care (CHC) Cases to the Council.
- Efficiencies, service re-design, reviewing block care contracts, more effective enablement, and review and maximisation of income (c.£3.4m)
- Reducing care packages for existing people in the community care system where there is likely to have been historical over-prescription of essential need or support elements can be replaced by, for example, assistive technology or community-based support of lower cost (c.£1.4m)
- Restricting access to the community care system for people with a relatively low level of need and supporting families and communities to do more to support their own without the need for funded care (c. £0.4m).

We propose to make £2.3m additional funding available to help protect Adult Care Services from the worst of these cuts. Detailed proposals on the use of this funding would be developed should this budget be approved.

Furthermore, successful lobbying of CCG to achieve fair ongoing funding (over and above the £4.4m assumed) for the Borough would reduce cuts to front line services during 2014/15.

Highways

Our proposals include an investment in highways of £7.1m per annum, this is based on advice and recommendations from officers as to what incremental spending levels, above and beyond that contained within the current administration's budget, are required to bring our highways back to up to an acceptable standard.

The current Administrations budget contains £2m per year for 3 years (Although we recognise that the Administration's Pride in Your Community proposals would increase this amount by around £2.5m for the next two years) and nothing allocated for years 4 or 5 as financial planning is limited to a 3 year period only. Our proposal takes a 5 year view of highways condition in the Borough, consequently we propose planned work over a longer term to clear the backlog and maintain standards borough wide.

When complete, this work in itself will realise further significant savings and eradicate much reactive work on continually repairing pot holes and also reduce insurance claims. This will also have additional benefits to the economy as the borough will then be more attractive for inward investment to business and more driver friendly.

Officers have confirmed that the MRP reserve will be sufficient to cover the revenue impact of our additional proposed Highways spending for 5 years. Future years would then require far lower levels of funding to maintain the condition.

Table showing Administration budgeted planned highways work

Labour Administration Budget Expenditure	**14/15 £,000**	**15/16 £,000**	**16/17 £,000**	**17/18 £,000**	**18/19 £,000**	**Total £,000**
Annual required Investment	10,500	10,500	10,500	10,500	10,500	52,500
Funding						
DfT Grant	3,400	3,400	3,400	3,400	3,400	17,000
Existing capital programme	2,000	2,000	2,000			6,000
Additional Capital Funding required	**5,100**	**5,100**	**5,100**	**7,100**	**7,100**	**29,500**

Notes
DFT grant has remained around this level for last 8 or so years.
The amount of extra funding required to offset the wear and tear on the highways is equivalent to around £2.5m per year. For the purpose of these proposals it is assumed that the DfT Grant will continue at the same level.

The current spend level is £29.5m short of what is required to clear the highways backlog

Capital expenditure of approximately £2.5m per year, over a two year period, is apparently included within Pride in the Community (PIC) proposals; however at this time that budget is unplanned and appears to be aimed at a narrow section of the community. If this was included in the administration plan as part of highways work the table would appear as follows

Including PIC funds Expenditure	**14/15 £,000**	**15/16 £,000**	**16/17 £,000**	**18/19 £,000**	**19/20 £,000**	**Total 5 years £,000**
Annual required Investment	10,500	10,500	10,500	10,500	10,500	52,500

Funding						
DfT Grant	3,400	3,400	3,400	3,400	3,400	17,000
Existing capital programme	2,000	2,000	2,000			6,000
Pride	2,500	2,500				5,000
Additional Capital Funding required	2,600	2,600	5,100	7,100	7,100	24,500

At current investment levels, including any potential PIC capital monies, highways spend is still £24.5m short of what is required to clear the highways backlog.

This table has been provided by highways officers based on their understanding of the "Pride" proposal

Council Officers have provided the following overview of the highways backlog as follows:

Highways Backlog - The figures provided are an estimate of the costs of addressing the highways maintenance backlog and are based upon two options; the first option with an annual additional investment of £4.1m pa will address the backlog by 'asset sweating.' This seeks to gain as much value from the asset (highway) as possible but is only a short term solution to extending the asset life until further infrastructure improvements are required. This will be done by maximising the surface dressing programme to extend the carriageway life.

The second option with an estimated additional annual investment of £7.1m pa will allow for an improvement to the condition of the network, remove the existing backlog and address many of the current issues highlighted by residents, businesses and Councillors, including addressing maintenance issues on the 'unclassified' roads within the borough.

A capital investment at this level would bring the highway network up to an acceptable standard and reduce the pressure on future years capital programme. An ongoing maintenance programme would be required to maintain the highway at this standard and to address pressures from growth in the network.

Some marginal savings in the annual reactive maintenance budgets for highways would be expected; however these savings would need to be offset against the increase in revenue borrowing costs as a result of the investment. Five years has been used as a planning and modelling assumption, but programmes could be adapted to other timeframes

Putting aside the PIC program the administration is proposing a level of highways spend below that needed to cover wear and tear of highways

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Youth Unemployment

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

Partnering with other authorities

We envisage partnership working with other neighbouring authorities, as has been achieved elsewhere across the country. We would welcome a close working arrangement with the Unitary Shropshire Council, which is our nearest neighbour where significant savings could be realised due to close proximity, shared borders and many similar issues. However, when considering joint working, and after careful consideration, any proposal to formally merge has been ruled out due to reasons of community identity and significant differences in make up.

There are a number of areas of the council that can be usefully shared to achieve costs savings. A comprehensive list has been passed to officers but examples include

- Payroll
- Internal Audit
- Finance Team
- Legal
- Treasury Management
- Senior Officer team / Directors
- Architectural services
- Highway maintenance for example shared use of equipment such as pot-hole busters

Officers are confident that £125K can be saved in 2014/15 with an annual saving potential of £250K per annum achievable thereafter. This strategy has been successfully pursued by other authorities although some implications may arise. We anticipate that a more comprehensive review of the areas proposed could lead to far higher levels of usable savings. We also recognise the potential for conflicts of interest to arise from sharing senior officers and propose that back office functions be evaluated initially.

Review of staff Terms and Conditions

Given the difficult financial position of the authority, we would review the terms and conditions of staff with a view to streamline the benefits available.

The following areas have been identified for review out of which we would seek to generate additional annual ongoing savings of £1.8m pa with an assumption of £0.8m being available during 2014/15.

- Apply a reduction to all pay grades of up to 2.25% saving up to £1.5m pa in a full year (after allowing for any impact of known changes to NMW)
- Sick Pay – the council offers 6 months of full sick pay and 6 months of half pay for employees with more than 5 years of service. - Potential Savings: £500K in 2014/15 and £1.5m in a full year if we only paid Statutory Sick Pay.
- Essential Car users allowance. – Potential Savings: £300K

We would seek to renegotiate contracts with staff and have only shown a part year saving for 2014/15 due to introduction timescales.

We recognise that a change like this would entail a number of costs which would be charged to the restructuring reserve. Where possible we would seek to achieve this through negotiation and discussion with staff.

A number of Officers currently receiving an Essential Car Users Allowance would be able to claim recompense through the council's standard millage allowance scheme.

Single Status Accrual and Employers NIC

Tax consulting firms who specialised in Single Status advise that other authorities who have settled single status have come to arrangement with HMRC over employer's national insurance. Rather than going into detailed calculations and listing NI numbers etc- they simply agreed a % with HMRC and paid it. The typical % being around 5.5% compared to the current employers rate of NIC of 11.8%

We suggest a similar approach is taken reducing the accrual rate for Employers national insurance retrospectively which dependent on the eventual terms of settlement of the Council's equal pay project may offer scope for some one-off saving..

There may additionally be an opportunity to fill vacancies with Apprentice roles, reducing the ongoing cost to the authority whilst further benefiting youth employment opportunities within the Borough. The Administration are assuming 150 specific apprentice roles and these would be additional opportunities for Apprentices over and above that number.

Other savings

A list is included with Appendix A. We have identified a number of roles and functions that can be undertaken by other team members and our proposals include the removal of

- Direct Financial Support for Trades Unions
- Indirect Union support via free accommodation
- Reductions to membership subscriptions
- Reductions to conference attendance

Union membership and participation is welcomed; however it is considered iniquitous that tax payers in Telford & Wrekin should be paying for Union representation for Council Officers, facilities which should be paid for by employees themselves. In many instances Council Officers also live outside of the Borough.

Contingency

We have included a £475K contingency to cover non-deliverability or delays in delivery of some of the savings

Any associated one-off implementation costs e.g. data migration costs and system changes where services are to be shared would be charged to reserves.

Ongoing Savings. Our proposals include ongoing savings of £1.8m in respect of the Review of Remuneration, we consider that there are a number of different approaches which could achieve that, individually or using a different combination of approaches.

Higher savings may be achieved via Partnering with Other Authorities

Greater use of Apprentices within the authority could make savings and at the same time promote youth employment.

Access to data

Inaccessibility, for the main Opposition Group, to Officer Saving's proposals prior to the publication of the Administration's budget has made the identification of alternative savings more problematic than would otherwise have been the case. In our experience other savings are likely to be available however, given the timescales available, we have used information readily available to us.

We support the Administration's proposal to bring forward savings proposals from future years where they are possible and practical to achieve within existing resources. Savings delivered early can be used to create one-off resources to fund ‘Invest to Save’ initiatives, support and preserve ‘key’ front line services and build capacity to review services and support the development of more cost effective methods of future service delivery.

It may for example be possible to limit the extent of reductions to the staff sick pay scheme, reduction in pay grades or the removal of essential user car allowances by indentifying alternative savings such as more extensive partnering with other authorities.

Lobbying for a fair deal

Councils are losing income from some businesses that abuse Business Rates exemptions – we will lobby Government for changes in the law to end this abuse. This Council, like most other administrations before it, is also lobbying Government for a “Growth Deal” to ensure that more of the proceeds from the sale of Government land in the Borough is invested back in the Borough and for more than 49% of the business rates generated in the Borough to be retained by the Council in order to help the Council deliver growth.

3. COUNCIL TAX

Council Tax, under the last Administration, reached historic low levels and, prior to the local elections of 2011, Telford & Wrekin had the lowest Unitary Council tax in the entire Midlands and was the fifth lowest unitary in England.

Over the past two years the current Administration have reintroduced Council Tax increases and in so doing have taken in excess of £2m from the pockets of the local community to the detriment of the local economy.

Although we consider it to have arrived two years too late, we welcome the policy u-turn from last years budget strategy and the introduction of a Council Tax freeze in line with our neighbouring Unitary Authority in Shropshire,

The Government’s decision to include council tax support grant within the RSG was predicted by Opposition Members but dismissed by the administration at the Council’s Budget setting meeting in 2013.

Damping

A factor that has reduced resources in this area is “grant damping’ whereby part of the grant calculated by the Government for Telford & Wrekin is withheld and used to support spending by councils that would otherwise receive less grant e.g. as a result of reducing population numbers. In the calculations used to establish the new local government finance system which came in to effect from 1st April 2013, £1.6m pa of this loss was perpetuated in the new baseline funding settlement for the Council and will be withheld from us for the foreseeable future.

4. REVIEW OF APPROACH TO DEBT REPAYMENT

The Local Authorities (Capital Finance and accounting) (England) (Amendment) Regulations 08 (SI 08/414) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision (MRP) 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.

Given the scale of the accounting entries, this approach has been discussed with the Council’s External Auditors who have looked at the information that we have provided and have also reviewed the relevant guidance, which “gives councils quite a lot of breadth in assessing and calculating a prudent minimum revenue provision,” and have confirmed that the current administrations proposals appear to satisfy the conditions in the guidance.

We do however remind members that this is not a windfall or one off gain, but a re-phasing of interest from earlier budget years to later ones, and that future councils and budgets, and hence tax payers, will need to support the higher interest charges that will feature as a result of this change.

We do accept and concur with the concept of ‘net present value’ as the future value of money will be less than its current value due to inflation. This change is therefore acceptable given the economic circumstance and financial challenges facing the council.

However, given the different and difficult circumstances we now face, we fully support this change

Our strategy is to invest the full benefit of this reserve into the restoration of the highways condition for 5 years as this long term benefit appears to be the most appropriate use of future tax payer’s monies.

We do not agree with using future tax payers money to fund cosmetic, short term, or unsustainable measures limited to narrow segments of the community as appears to be embedded within the PIC proposal of the current administration.

Report prepared by:-

- **Councillor Adrian Lawrence FCA – Main Opposition Shadow Cabinet Member for Resources**

- **Andrew Eade – Main Opposition Group Leader**

Budget Summary Table - 2014/15

	Cabinet Budget	Main Opposition Proposals	Main Opposition Budget
Projected Budget Gap	**2014/15 £m**	**2014/15 £m**	**2014/15 £m**
Base Budget gap per report to Cabinet 14 November 2013	12.147		12.147
Changes to projected budget gap since November:-			
• Cut in Housing benefit/council tax support admin. grant	0.095		0.095
• Cost of capital investments	0.515		0.515
• Additional New Homes bonus	- 0.100		- 0.100
• Pension fund contributions	- 0.694		- 0.694
• Other changes	- 0.535		- 0.535
Updated Budget Gap	11.428	-	11.428
Savings proposals (net of provision for "leakage" from general fund and savings needed to cover service pressures)	- 14.133	- 1.213	- 15.346
Reduction in Care & Support Savings		2.338	2.338
Revised approach to calculation of Minimum Revenue Provision	- 1.489		- 1.489
Revenue investment over two years, in "Pride In Your Community" initiative *	1.608	- 1.608	-
Revenue Investment over two years in Initiatives to tackle youth unemployment *	1.305		1.305
Revenue investment increasing care Leavers Grant per scrutiny recommendation	0.030		0.030
Additional "Draw-down" budget for Safeguarding	1.200		1.200
Destination Telford initiative	0.100		0.100
Budget Contingency - provision for one-off costs/phasing, non-delivery of savings and any leakage from savings		0.483	0.483
Projected net Budget shortfall	**0.049**	**-**	**0.049**
Contribution from Provision to fund debt charges on the proposed "Pride In Your Community" initiative	- 0.049		- 0.049
Restated shortfall before use of general balances or identification of further savings	**0.000**	**-**	**0.000**

Breakdown of £1.213m savings changes:

		£
Additional Savings		
Stop funding translation/interpreting for Council documents and services	-	23,000
Cease employing an equality officer	-	39,000
Cease employing sustainability development officers	-	66,000
Reduce memberships and subscriptions across the council	-	55,000
Reduce attendance at conferences across the council	-	20,000
Reduce the costs of recruitment advertising	-	25,000
Cease paying staff to work for trade unions	-	82,000
Charge trade unions for office accommodation	-	14,000
Reduce Delivery & Planning and Policy & Strategy spend by around 10%	-	87,000
Savings through partnership working/shared services with other authorities	-	125,000
Re-negotiate sick pay entitelments and/or % reduction to pay grades	-	500,000
Cease paying essential car user lump sum payments	-	300,000
Savings Deleted		
Environmental		80,000
Parking Charges		25,000
COS		18,000
Total Additional Savings	**-**	**1,213,000**

SCHEDULE OF MAIN OPPOSITION SAVINGS PROPOSALS

No.	Service	Description of Saving	2014/15 £	2015/16 £	Total £	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
1	Cooperative Council	Stop funding translation/interpreting for Council documents and services	23,000		23,000		Total spend across Council from 1.4.13 to 31.12.13 = £16,994 40% of the expenditure relates to Sign Language. Sign Language is provided as a 'reasonable adjustment' within the scope of the Equality Act 2010. There is a direct instruction in the Act that public bodies provide information to disabled people in a format that they can understand. It is likely that there would be some cost to the Council for the provision of this service even if delivered in an alternative way.		Translation and interpretation costs are funded from services own budgets. The contract for translation and interpretation is managed and monitored by the Equality Officer who was responsible for the new contract that was implemented in 2012. If a corporate contract or provision wasn't in place services would need to access their own provision in terms of translation and interpretation.	Public bodies have a legal responsibility to provide information to disabled people in a format that they understand, this provision generally relates to sign language. If the Council did not have a mechanism to provide this service would be open to legal challenge and the related costs of contesting the challenge and any award that might be made. The risk of the Council not providing some level of community language interpretation and translation relates to consequential costs. There is no requirement within the Equality Act 2010 for public bodies to provide translation and interpretation for community languages, however we could be subject to significant consequential costs if the Council was found to have failed to meet the General Equality Duty and discriminated on the grounds of race and nationality.
2	Cooperative Council	Cease employing an equality officer	39,000		39,000		The role of the Equality Officer relates to developing the Council's policies and providing advice to services on implementing these policies, each service area carries out their own impact assessments within the framework developed by the Equality Officer and Team Leader. The Council is required to demonstrate how it meets its General Equality Duty under the Equality Act 2010, the way in which public bodies do this is not prescribed. If this was not delivered in the current format there would be the need for the Council to demonstrate how it ensures that it meets the General Equality Duty. It is likely that the Council would need to use external resources to develop our policies to ensure that we comply with our duties under the Equality Act as there is insufficient capacity with the remaining members of the team to deliver this service. The Equality Officer also delivers community engagement activity to the wider community and supports the Armed Forces Covenant Partnership. The removal of this post would impact on the Council's ability to deliver its commitments within the Armed Forces Covenant and wider community engagement activity.	1 employee would be placed at risk - and the post would be deleted.	Services would need to ensure that they met their responsibility within the General Equality Duty without advice and guidance from within the Council. A number of Local Authorities have been subject to Judicial Reviews as the process that they have followed in relation to reviewing services and making savings was not robust. Reduced capacity to support services to deliver community engagement activity.	The Equality Officer is also the Lead Officer in relation to the delivery of the Armed Forces Covenant and supports the Partnership. If this post was removed there would be limited capacity to deliver this work. Also the Equality Officer directly delivers Community Engagement activity with other members of the team. There would be a reduction in capacity to deliver community engagement activity on behalf of the Council.
3	Customer Services	Cease employing sustainability development officers	66,000		66,000			2 employees would be placed at risk		The Sustainability team made up of 2 officers are now the only energy related posts operating in the Council, so consequently their work is very varied and links with a number of other Council services. The work that the 2 officers undertake with Council staff and clients is integral to driving efficiencies in energy usage in both operational and school buildings. The service they offer is one that is well received by schools with the vast majority of primary schools and some secondary schools buying back their support service, which not only helps schools identify savings on their energy consumption but also helps to educate both staff and pupils to become more sustainable. A proportion of the 2 officers salaries (approx 50%) are reimbursed from schools buyback. The team are actively involved with a number of building projects and play a leading role in assessing and reviewing utilities charges for Academies within the BSF programme and the PFI, to ensure that the recharges for utilities usage for Council services operating from these sites are equitably spilt. They are responsible for reviewing all utilities charges across the Council operational buildings and with ensuring that the Council receives best value when procuring its energy packages and energy initiatives. The officers work has been vital in enabling the Council to achieve the excellent CRC rating we received and without the team's contribution, the Council could have been issued with significant financial penalties.
4	Council Wide	Reduce memberships and subscriptions across the council	55,000		55,000	Spend was £158k in 2012/13 across the whole council	This represents a cut of just over 1/3 but specific proposals for which memberships and subscriptions would be deleted are not available so the impacts can not be assessed.	This represents a cut of just over 1/3 but specific proposals for which memberships and subscriptions would be deleted are not available so the impacts can not be assessed.	This represents a cut of just over 1/3 but specific proposals for which memberships and subscriptions would be deleted are not available so the impacts can not be assessed.	This represents a cut of just over 1/3 but specific proposals for which memberships and subscriptions would be deleted are not available so the impacts can not be assessed.
5	Council Wide	Reduce attendance at conferences across the council	20,000		20,000	Spend was £32k in 2012/13 across the whole council	This represents a cut of over 60% but specific proposals for which events would no longer be attended are not available so the impacts can not be assessed. However, access to knowledge about the significant changes taking place affecting local government and best practise would be reduced which may impact on the ability to identify further opportunities for efficiency savings.	This represents a cut of over 60% but specific proposals for which events would no longer be attended are not available so the impacts can not be assessed. However, access to knowledge about the significant changes taking place affecting local government and best practise would be reduced which may impact on the ability to identify further opportunities for efficiency savings.	This represents a cut of over 60% but specific proposals for which events would no longer be attended are not available so the impacts can not be assessed. However, access to knowledge about the significant changes taking place affecting local government and best practise would be reduced which may impact on the ability to identify further opportunities for efficiency savings.	This represents a cut of over 60% but specific proposals for which events would no longer be attended are not available so the impacts can not be assessed. However, access to knowledge about the significant changes taking place affecting local government and best practise would be reduced which may impact on the ability to identify further opportunities for efficiency savings.
6	Council Wide	Reduce the costs of recruitment advertising	25,000		25,000	Spend was £57k in 2012/13.		Saving of a few hours		Currently implementing new recruitment/advertising process which will deliver savings.
7	Law, Democracy & People Services	Cease paying staff to work for trade unions	82,000		82,000			Redundancy of two employees		Negotiation framework becomes unstructured. Changes, redundancies etc become more difficult to agree. Likely to be a greater number of disputes with greater call on elected member's time . More tribunal /legal claims as regional officers will place holding applications because of time pressures.
8	Law, Democracy & People Services	Charge trade unions for office accommodation	14,000		14,000					May not be easy to cash this saving as the space used by the Unions is shared with the Civil Resilience Team.

9	Cooperative Council	Reduce Delivery & Planning and Policy & Strategy spend by around 10%	87,000		87,000		We have just completed a restructure of the whole of the Co-operative Council and Commercial Delivery Team. This will deliver £40k more savings than our original target. As part of this, the Policy & Strategy Team has become the Co-operative and Commercial Projects Team and will provide corporate project management capacity to deliver a range of projects linked to the Council's priorities and to generate additional income for the Council. These include youth employment, therefore any further reduction in capacity would impact on our ability to meet the priorities and needs of the community. It would also reduce the capacity available to deliver commercial projects and generate additional income, which would potentially mean more reductions to services for the community. Similarly, Delivery & Planning is primarily focussed on supporting service delivery (existing and new ways of working), partnership working and the provision of performance and management information.	To deliver the proposed saving, at least 1 post in the new Projects Team and additional 1.5 posts in Delivery & Planning would be deleted.	Many of the projects being delivered by the new Projects Team are being delivered on behalf of or in conjunction with different service areas across the Council and partner agencies. Any further reduction in capacity would place additional pressures on other council services who in some cases would not be in a position to take projects forward. Delivery & Planning has a key role supporting services to deliver+N6 savings through the provision of management and performance data (for example around adult social care and children social care) and developing new ways of working. Further savings for the service would impact on the ability of the team to do this.	A key role of Delivery and Planning is to complete a number of statutory activities including data returns to Government, partnership working, and inspection activities including, for example, OFSTED's inspection of children safeguarding. A further cut to the team would impact on the ability of the team to complete these activities and potentially have a negative impact on the reputation of the Council.
10	Council Wide	Savings through partnership working/shared services with other authorities	125,000	125,000	250,000		There is a potential for conflicts of interest to arise if senior roles are shared e.g. the attraction of inward investment which could generate additional business rates - which authority's interests would the officer put first?	Asking senior officers to fulfil their role for two authorities may be unrealistic given the hours currently worked by senior officers following the halving of resource at this level and the scale and pace of change demanded by the radical changes taking place in local government. Staffing structures and areas of responsibility may need to be rationalised between the two authorities.	Some of the services identified as potentially being shared are already generating external income (e.g. from schools in Shropshire) which is reducing the Council's net costs. If services are shared it is unclear how this income being earned by T&WC from schools in Shropshire would be treated.	A list of potential services to share with Shropshire has been identified but no discussions have taken place at officer level between the authorities to identify the one-off costs associated with for example data migration or system developments, timescales or how any savings generated would be apportioned between the two authorities. In the absence of any specific detailed business case the savings figure is a target.
11	Law, Democracy & People Services	Re-negotiate terms and conditions including sick pay policy and/or potential % reduction to all pay grades	500,000	1,000,000	1,500,000					Sick pay is governed by national terms and conditions agreements, If the Council only paid SSP there will be impacts on the level of sickness absence which are difficult to have a sound basis to estimate. It will be necessary to enter into lengthy collective negotiations to change employment contracts but ultimately the council is likely to have to terminate the contracts of all employees and offer revised terms of engagement. This will lead to employment tribunal applications and legal costs. In the time available the estimated saving was the best figure that could be arrived at but has a high degree uncertainty.
12	Law, Democracy & People Services	Cease paying essential car user lump sum payments	300,000		300,000					This is an area a number of council's have changed.
Total			**1,336,000**	**1,125,000**	**2,461,000**					

Summary of Savings Proposals - Main Opposition Budget

Category	2013/14 £	2014/15 £	2015/16 £	2016/17 £	Total £
Funding	366,856	1,449,010	872,360	-	2,688,227
Income	404,526	1,401,157	656,276	179,000	2,640,959
Non-Staff	632,145	1,661,609	451,000	38,000	2,782,754
Procurement	123,000	2,120,912	658,500	-	2,902,412
Property Rationalisation	108,100	194,826	75,000	30,000	407,926
Service Review/Redesign	743,960	5,464,179	1,989,200	8,000	8,205,339
Strategic Review of Capacity (Staffing)	216,480	2,807,070	2,131,784	103,000	5,258,334
Total Savings	**2,595,067**	**15,098,763**	**6,834,121**	**358,000**	**24,885,951**
Less Pressures	- 726,334	- 1,333,146	- 43,000	- 10,000	- 2,112,480
Savings Less Pressures	**1,868,733**	**13,765,617**	**6,791,121**	**348,000**	**22,773,471**
Less Provisions for leakage and pensions adjustment	- 80,000	- 208,000	- 86,000	- 5,000	- 379,000
Net Savings	**1,788,733**	**13,557,617**	**6,705,121**	**343,000**	**22,394,471**
Cumulative		**15,346,350**	**22,051,471**	**22,394,471**	

Notes

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

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

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

Capital Programme - 2013/14 - 2016/17 & Later Years

Policy Area	Total £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	Later Years £'000
Adult Care & Support	2,049	1,499	550	0	0	0
Development Business & Employment	55,782	36,014	16,728	1,570	970	500
Neighbourhood & Leisure Services	83,316	17,796	28,595	15,300	7,425	14,200
Education & Corporate Parenting	123,456	41,567	70,440	10,048	469	932
Customer & People Services	2,970	870	700	700	700	0
Co operative Council	1,000	500	500	0	0	0
Corporate	116	879	(763)	0	0	0
	268,689	**99,125**	**116,750**	**27,618**	**9,564**	**15,632**
Resources						
Borrowing Approval	1,950	1,292	658	0	0	0
Government Grant	141,238	57,764	75,018	6,198	655	1,603
Prudential	41,648	33,915	1,404	(5,120)	920	10,529
Capital Receipts	81,655	5,374	38,252	26,540	7,989	3,500
Revenue	(1)	(41)	40	0	0	0
Other	0	0	0	0	0	0
External	2,199	821	1,378	0	0	0
Total funding	**268,689**	**99,125**	**116,750**	**27,618**	**9,564**	**15,632**

Capital Programme - 2013/14 - 2016/17 & Later Years
Scheme Summary showing major schemes separately

	Expenditure						Funding					
Scheme	**Total £'000**	**2013/14 £000**	**2014/15 £000**	**2015/16 £000**	**2016/17 £000**	**Later Years £'000**	**Grant £'000**	**Prudential £'000**	**Receipts £'000**	**Borrowing £'000**	**S106/Other £'000**	**Revenue/External £'000**
Social Care Capital Grant	662	662	0	0	0	0	662	0	0	0		0
ICT Social Care Review	1,037	637	400	0	0	0	235	550	0	0		252
Social Education Centre	350	200	150	0	0	0	0	0	350	0		0
	2,049	**1,499**	**550**	**0**	**0**	**0**	**897**	**550**	**350**	**0**	**0**	**252**
Supported Independent Living - Disabled Facilities Grant	2,867	1,446	1,421	0	0	0	1,424	1,443	0	0		0
Extra Care	1,000	800	200	0	0	0	0	1,000	0	0		0
Town Centre - Phase 1 & Accommodation Strategy	22,623	17,926	4,697	0	0	0	4,688	4,817	13,118	0		0
Telford Ice Rink	35	35	0	0	0	0	0	-742	777	0		0
Housing Related Schemes	4,270	2,805	1,465	0	0	0	1,735	2,426	335	0		66
Sutton Hill	292	160	132	0	0	0	0	0	0	0		0
Hadley Local Centre Phase 1 & 2	1,870	703	1,167	0	0	0	885	985	0	0		0
Woodside	269	61	208	0	0	0	0	39	230	0		0
Brookside	5,592	3,551	2,041	0	0	0	0	4,457	980	0		155
Borough Towns Initiative	743	743	0	0	0	0	50	-24,166	24,859	0		0
Improve Local People's Prospects All Other Schemes	10,056	6,129	3,927	0	0	0	8,754	24	618	161		499
Asset Management Plan - General Works & Surveys	2,947	847	700	700	700	0	0	2,947	0	0		0
Managing the Organisation Other Schemes	3,268	858	770	870	270	500	0	1,330	1,938	0		0
	55,832	**36,064**	**16,728**	**1,570**	**970**	**500**	**17,536**	**-5,440**	**42,855**	**161**	**0**	**720**
Oakengates	691	691	0	0	0	0	0	691	0	0		0
Parks for People	2,186	1,013	223	950	0	0	1,360	301	525	0		0
Newport Fitness facility	1,019	1,019	0	0	0	0	0	1,019	0	0		0
Crazy Golf in the Town park	100	100	0	0	0	0	0	100	0	0		0
Improved Health & Well Being Other Schemes	767	77	690	0	0	0	33	722	0	0		12
Transport & Highways Schemes	31,387	12,773	13,964	2,325	2,325	0	16,195	13,131	0	521		1,540
Highways Investment Programme	29,500	0	5,100	5,100	5,100	14,200	0	29,500	0	0		0
Ironbridge Gorge Stability	17,256	1,713	8,618	6,925	0	0	11,656	5,600	0	0		0
Jiggers Bank Stabilization	410	410	0	0	0	0	302	108	0	0		0
	83,316	**17,796**	**28,595**	**15,300**	**7,425**	**14,200**	**29,546**	**51,172**	**525**	**521**	**0**	**1,552**
Building Schools For The Future	123,456	41,567	70,440	10,048	469	932	93,259	-1,165	30,420	1,268		-326
	123,456	**41,567**	**70,440**	**10,048**	**469**	**932**	**93,259**	**-1,165**	**30,420**	**1,268**	**0**	**-326**
ICT/ eGov	2,920	820	700	700	700	0	0	2,920	0	0		0
	2,920	**820**	**700**	**700**	**700**	**0**	**0**	**2,920**	**0**	**0**	**0**	**0**
Commercial & Business Fund	1,000	500	500	0	0	0	0	0	1,000	0		0
	1,000	**500**	**500**	**0**	**0**	**0**	**0**	**0**	**1,000**	**0**	**0**	**0**
Managing the funding of the Capital Programme	116	879	-763	0	0	0	0	-6,389	6,505	0		0
	116	**879**	**-763**	**0**	**0**	**0**	**0**	**-6,389**	**6,505**	**0**	**0**	**0**
	268,689	**99,125**	**116,750**	**27,618**	**9,564**	**15,632**	**141,238**	**41,648**	**81,655**	**1,950**	**0**	**2,198**

ROBUSTNESS OF THE ALTERNATIVE BUDGET STRATEGY PROPOSED BY THE MAIN OPPOSITION GROUP.

The Council is required to set a balanced budget and under section 25 of the Local Government Act 2003, the Council's Chief Financial Officer is required to give a view on the robustness of the Council's financial strategy including the use of balances and of the financial planning process.

The alternative budget put forward by the main Opposition group will be considered by full Council on 27th February 2014 and it is therefore appropriate that a view on the robustness of the alternative budget proposals is provided as well as the view expressed on the Administration's budget proposals.

The proposals put forward by the main Opposition Group are substantially the same as those put forward by the Administration including:-

- Acceptance of the Council Tax Freeze Grant,
- No planned use of the Council's limited available balances, (although reference is made to charging one off implementation costs relating to implementation of shared services and of changing terms and conditions to reserves.)
- The same assumptions on the generation of capital receipts and growth in income from business rates, new homes bonus and additional council tax from new developments across the borough,
- Substantially, the same savings package – except for a reduction in the savings target for Adult Services and the deletion of 3 other savings proposals but with the addition of further savings – principally from amending employee terms and conditions and cancelling the revenue as well as capital elements of the "Pride in Your Community" Programme,
- The same capital investment proposals except that the "Pride in Your Community Programme" would be deleted and replaced with additional investment in maintenance of roads committing a further £21.5m of capital spending (and therefore debt to be repaid).

Appendix 11 to the main Service & Financial Planning report is therefore substantially still relevant but I wish to make the following additional comments:-

- The additional commitment to capital spending in the Alternative budget proposal totals £21.5m more than in the Administration's proposals (i.e. £29.5m rather than £8m). Therefore the amount of debt outstanding would be £21.5m higher and the eventual strain on the revenue budget to fund the debt charges would therefore be greater. The debt charges would still be met from the reserve created by the change in approach to the calculation of MRP but, due to the higher amount of debt this would only fund the debt charges for 5 rather than for 12½ years. After this 5 year period the cost of funding the £29.5m would fall on the revenue budget. The additional cost of this would be £1.603m pa. and would necessitate further cuts to be made to the revenue budget. From the end of 2026/27 the additional annual cost compared to the Administration's proposals would reduce to £1.168m because from that year the provision proposed to fund the debt charges associated with the Pride in Your Community Programme would have been fully drawn down.

- The additional savings proposals were put forward relatively late in the budget process but have been subject to some review by service area officers. Comments on the deliverability and impact of these additional savings proposals are included in the appendix to the Main Opposition Groups budget report which highlights some significant potential impacts.

  However, whilst concerns are raised relating to some of the savings proposals, the overall target for savings to be generated in 2014/15 put forward by the Opposition would enable the creation of an additional revenue budget contingency of £0.483m which gives comfort that overall, despite challenges in some of the areas put forward, the overall budget for 2014/15 would be likely to balance and can therefore be considered as robust.

Ken Clarke,
Chief Financial Officer.

Budget & Finance Scrutiny Committee

Response to Main Opposition Group Budget Proposals 2014/15

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.

Under the Council's Constitution the Budget & Finance Scrutiny Committee acts as a consultee for draft budget proposals published by the administration and any alternative proposals developed by opposition groups.

This year the main opposition group notified scrutiny that they would be putting forward an alternative budget and the Committee met on 21st January to consider the main opposition group's Budget Proposals 2014/15.

The proposals were presented by the main opposition group Leader and the Shadow Member for Finance. Following advice from the Monitoring Officer, Cllr. Lawrence declared a conflict of interest between his role as a member of the Budget & Finance Scrutiny Committee and his role in developing the alternative proposals and that he would not take part in agreeing the response to the proposals. Cllr. Lawrence emphasised the difficulty of developing an alternative budget in a limited time and thanked officers who had supported their work at a busy time.

The Chief Financial Officer attended the meeting on 21st January and confirmed to the Committee that the numbers in the alternative budget added up and that the figures were robust.

Further clarification on a number of questions was provided at the meeting on 4th February.

Following consideration and debate of the proposals, the Committee has agreed the following response.

Comments of the Committee

1. The Committee thanked the opposition group for their work in producing an alternative budget which members felt was good for the democratic process and for providing challenge.

2. **Partnering with other authorities**

   There was overall agreement with the principle that all opportunities to work with other authorities or organisations to deliver services through a Co-operative approach should be explored. The Council could not afford to ignore potential opportunities and savings, particularly where there were opportunities to develop services locally and to create jobs in the borough.

However, views were split between members who felt strongly that in exploring such options senior management posts must not be merged with other organisations as this would compromise the autonomy of the Council, and those who felt that all options should be kept open.

All members of the Committee agreed that scrutiny has a duty to give this matter full consideration.

3. Review of staff Terms and Conditions

Members were very concerned about the impact that reducing staff terms and conditions would have on staff morale and the ability of the Council to recruit and retain good staff. It was also highlighted that some staff have already experienced a reduction in salary through previous restructures and a large percentage of staff are earning low wages or earning below the national average wage for their service area.

The Committee discussed the implications of reducing staff salaries across the board and expressed concerned about the impact on the local economy.

4. Translation services

Some members of the Committee expressed their primary concern regarding this proposal was that it would reduce the Council's ability to communicate effectively with individuals and communities that are vulnerable or disadvantaged, particularly people with sensory disabilities. Members felt the Council has a moral as well as a statutory obligation to provide information to disabled people in a format they understand. Some members were also concerned about potential legal challenge.

5. Impact of withdrawal of Pride in Your Community funding on Parish Environmental Team apprentices

Some members of the Committee questioned the implications of withdrawing the Pride in Your Community programme funding on the apprentices that are employed by the Parish Environmental Teams and whether they would be made redundant.