

## **CABINET**

**Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 15th May, 2014 at 5.00 p.m. at Dawley Town Hall, Dawley, Telford**

**PUBLISHED ON WEDNESDAY, 21<sup>ST</sup> MAY, 2014**

**(DEADLINE FOR CALL-IN: TUESDAY, 27<sup>TH</sup> MAY, 2014)**

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

**ALSO PRESENT:** Councillor W.L. Tomlinson (Liberal Democrat/Independent Group Leader), and Councillors C.R. Turley and M.G. Ion

### **CB-113      MINUTES**

**RESOLVED** – that the minutes of the meeting held on 24<sup>th</sup> April 2014 be confirmed and signed by the Chair.

### **CB-114      APOLOGIES FOR ABSENCE**

None

### **CB-115      DECLARATIONS OF INTEREST**

None

### **CB-116      SCRUTINY REVIEW OF EMPTY PROPERTIES AND PRIVATE LANDLORDS**

**Key Decision** identified as **Housing, Economy & Infrastructure Scrutiny Committee Report on Empty Properties and Rogue Landlords** in the Notice of Key Decisions published on 24 March 2014.

Councillor C.R. Turley, Chair of the Housing, Economy & Infrastructure Scrutiny Committee, presented the Committee's report looking at bringing empty properties back into use and tackling rogue landlords to help address shortages in the availability of some types of housing.

The Committee had focussed on two main strands of enquiry:

- How to identify empty properties as early as possible?
- How to address issues of poor practice by private landlords?

There were an estimated 400 empty properties in Telford & Wrekin, around 97% of which were in private ownership. This was a waste of opportunity

when there were significant numbers of people on the waiting list for houses. In addition, empty properties were sometimes a cause of blight or focus of antisocial behaviour as well as a potential loss of New Homes Bonus income for the Council. Evidence was taken from the relevant Cabinet member, Council officers, Madeley and Ketley Town and Parish Councils (in whose areas high concentrations of empty properties had been identified), and from other local authorities who had been successful in bringing empty properties back into use. The Committee had looked at the national picture, local authority enforcement powers, and the local picture as described in a Cabinet report from September 2013.

The Committee had concluded that over recent months the Council was focussed on the issue of empty properties and overall found much to welcome in the overall direction of travel and work being undertaken. However, the review identified some areas it was felt could be strengthened, and the Committee had therefore made a significant number of recommendations which were intended as constructive suggestions as to how things could be improved. This was also based on the experiences in other authorities and examples of good practice that could be used to make a difference in Telford & Wrekin. The recommendations were set out in detail in the Scrutiny report.

Councillor C.F. Smith, Cabinet Member for Housing, Development & Borough Towns, responded to the report on behalf of the Cabinet. He thanked the Committee for the work they had done. The detailed response to each of the Scrutiny Committee's recommendations was appended to the report attached to the agenda. Most of the recommendations had been wholly or partially accepted, and actions identified to implement them. A couple of recommendations had been rejected, as it was not considered to be the right way forward – and the reasons for this were explained in the report. Considerable progress had been made over the past six months to assist owners to bring their property back into use. Where owners had not been willing to engage, intervention and support had been successfully used to clear or clean-up properties. There was also much more going on to identify empty properties at an earlier stage, and a number of the Scrutiny recommendations would enhance this.

Members welcomed the report, and the work being done to tackle these issues. While there were many good landlords, it was important that all landlords were made aware of their responsibilities in terms of keeping their properties maintained and fit for occupation –with action being taken if problems arise. Reference was also made to social landlords, who sometimes took some time to re-let vacant properties.

**RESOLVED – that the recommendations made by the Housing, Economy & Infrastructure Scrutiny Committee be noted, and the response set out in Appendix 1 of the Cabinet Member's report be approved.**

**CB-117**      **SCRUTINY REVIEW OF LOCAL ARRANGEMENTS FOR THE  
PLANNING AND PROVISION OF PRIMARY SCHOOL  
PLACES**

**Key Decision** identified as **Children & Young People Scrutiny Committee Report on the Review of the Planning and Provision of Primary School Places** in the Notice of Key Decisions published on 24 March 2014.

Councillor M.G. Ion, Chair of the Children & Young People Scrutiny Committee, presented the Committee's report looking at the local arrangements for the planning and provision of primary school places between April 2013 and February 2014. He thanked all the people who had been involved in compiling the report and who had provided evidence.

With the rising birth rate and the scale of housing development in the Borough, the Committee's main concern was whether there would be sufficient capacity in primary schools to meet the growing demand. The review considered the methodology for projecting pupil places, how additional capacity was planned and the role of headteachers and governors in the process, and the link between the expansion of places and the quality of provision. Evidence was taken from the relevant Cabinet member, Council officers, members of the Primary Heads' Forum, school governors and an expert advisor from the National Governors Association.

The Committee had concluded that, in spite of some challenging local pressures for particular primary schools in areas where there was a lot of new development, enough capacity was being planned within the existing primary schools to meet the demand from growing pupil numbers across the Borough as a whole over the next 5-10 years. However, the review identified some areas of concern in which it was felt some improvements could be made. The Committee had therefore made a number of recommendations which were detailed in the Scrutiny report. In particular, the Committee felt there was a lack of clarity regarding payments for education provision by developers under Section 106 agreements and how that money was used, and had made a recommendation for the publication of a Section 106 Annual Report.

Councillor P.R. Watling, Cabinet Member for Children, Young People and Families, and Councillor C.F. Smith, Cabinet Member for Housing, Development & Borough Towns, responded to the report on behalf of the Cabinet. They thanked the Committee for their work on the Review, and for the high standard of scrutiny. The detailed response to each of the Scrutiny Committee's recommendations was appended to the report attached to the agenda. Recommendations 1, 2 and 6 had been wholly accepted, with recommendations 3, 4 and 5 being partially accepted for further consideration and investigation. The report set out the rationale regarding the response to these latter recommendations. The Cabinet Member for Children, Young People & Families added that Government education policy in favour of academies and free schools outside the LA was making it increasingly difficult to plan for future provision.

**RESOLVED** – that the recommendations made by the Children & Young People Scrutiny Committee be noted, and the response set out in Appendix 1 of the Cabinet Members’ report be approved.

**CB-118      TELFORD LOYALTY CARD**

**Non-Key Decision.**

Councillor S. Davies, Cabinet Member: Neighbourhood Services, Employment & Skills, presented the report of the Managing Director which updated Members on the uptake of the Telford Loyalty Card (TLC) and plans to further develop the use of the Card to help to actively promote local businesses and to provide value-for-money for residents.

Since its launch in April 2013, around a third of the Borough’s population now had a registered TLC, which was a 151% increase compared with the Flex card it replaced. More than 230 Telford & Wrekin businesses had joined the scheme offering a wide variety of incentives to cardholders to use their business. Examples of the increase in trade and footfall of participating businesses/services were detailed in the report.

It was now intended to build on this success by increasing the numbers of businesses who supported the scheme, developing a smartphone app, encouraging greater use of TLC’s leisure offer, and improving the offer for visitors in relation to attractions and places to eat/drink. In terms of growing the number of TLC businesses, it was proposed to create TLC High Street Zones (particularly in the Borough Towns), and to develop the concept of a TLC that could be used by businesses when purchasing from other local businesses. It was also proposed to offer enhanced levels of support for businesses to buy into a series of graded levels offering a variety of options including enhanced web listings and digital marketing.

Members welcomed the report, and the further extension of the TLC scheme, which aligned with many of the Council’s key priorities. Councillor E.A. Clare, Cabinet Member: Leisure Services & Culture, referred to the role that the TLC was playing in encouraging people to participate in sports and leisure activities, and its usefulness as a marketing tool by the Council’s leisure facilities.

**RESOLVED** –

- (a) that a commitment to further developing the Telford Loyalty Card to strengthen Council services such as Leisure, Pride in Your Community and Public Health, including the offer of an enhanced level of support that businesses can buy into, be approved.**
- (b) that the success and achievements of the Telford Loyalty Card since its launch in April 2013, which has seen the card registered by around one third of Borough residents and a take-up by more than 230 businesses, be noted.**

**CB-119      REPRESENTATION ON OUTSIDE BODIES 2014/15**

**Non-Key Decision**

Councillor K.S. Sahota, Council Leader, presented the report of the Assistant Director: Law, Democracy & People Services regarding the appointment of up to eight representatives to the Telford Trust for the 2014/15 Municipal Year.

Telford Trust was a long-standing local charity, which was now undertaking a more strategic, advisory and consultative role on promoting healthy and active lifestyles across the Borough. The Chair of Telford Trust had requested that Cabinet appoint the Council's representatives to the Trust for 2014/15 at this meeting in order to allow the appointees to attend the Trust's Annual General Meeting on 4 June 2014. The Cabinet Member for Leisure Services and Culture was an ex-officio appointee, and up to seven further appointments could be made. Political Group leaders had been advised to submit nominations, and it was reported that six nominations had been received.

**RESOLVED - that Councillors E.A. Clare (as Cabinet Member for Leisure Services & Culture), A.R.H. England, R.C. Evans, G.M. Green, K.R. Guy, A.A. Mackenzie and P.R. Watling be appointed as the Council's representatives to the Telford Trust for 2014/15.**

The meeting ended at 5.45 pm.

**Signed for the purposes of the Decision Notices**

**Jonathan Eatough  
Assistant Director: Law, Democracy & People Services  
Date: 21 May 2014**

**Signed:** .....

**Date:** .....

**TELFORD & WREKIN COUNCIL**

**CABINET – 26 JUNE 2014  
COUNCIL – 14 JULY 2014**

**2013/14 OUTTURN AND 2014/15 INITIAL UPDATE**

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

**LEAD CABINET MEMBER – CLLR BILL McCLEMENTS**

**PART A) – SUMMARY REPORT**

**1.0 SUMMARY OF KEY ISSUES**

**1.1 2013/14 Financial Outturn**

Telford and Wrekin Council has a long track record of very effective financial management. Cabinet Members and senior officers have worked together to maintain tight financial control which is ever more important in the face of the most challenging financial environment that local government has faced for 70 years. We have focussed on seeking to maximise the financial position for the Council through closedown of the 2013/14 accounts in order to put us in the best possible financial position moving forward to what will be our most difficult year yet. Financial prospects for the medium term are expected to continue to be extremely challenging with savings of £10m - £13m required each year for at least the next 3 years based on current national planning totals as the Government continues to reduce funding for essential local services.

Despite our track record of having already delivered £53m pa of ongoing savings, the Council has launched a culture change programme to further develop the disciplines of effective financial management across all parts of the Council. It is in this context of constantly trying to improve cost effectiveness so that we can make cost reductions whilst always seeking to minimise the impact on front line services delivered to our community that the Council has managed the closedown of our accounts for 2013/14. Where possible savings planned for 2014/15 have been delivered as early as possible to create some one-off flexibility to help ease the transition for other services where delivery of savings is more challenging.

This decisive management action has achieved a very positive financial outturn for 2013/14 and positions the authority well for 2014/15. Effective financial control has meant that the £2.5m general budget contingency available for use in 2013/14 was not touched. As a result of this prudent financial management, the whole amount of this general contingency fund can therefore be used to create a one-off draw down

budget facility for Adult Services to help phase-in the delivery of the 2014/15 service and financial planning savings targets. The gross revenue budget for 2013/14 was £445m and the net budget for reporting purposes £134m. The revenue outturn position is clearly well within budget with a final net underspend of £0.100m (which is equivalent to only -0.07% of net budget). However, as agreed in the 2014/15 budget strategy report, this is after having made provision for a number of transfers to reserves, subject to Member approval, which will support the delivery of future budget strategies and these are detailed in section 5.3 of the report. This position has been achieved after delivering £11m of budget savings in 2013/14, on top of the £42m made in the previous 4 years.

Our pro-active approach and actions secured a number of favourable variations during the year which contributed to the overall final position being within budget. These included:

- A very significant one-off benefit of £4.884m was generated from back-dating the change in accounting treatment of the calculation of Minimum Revenue Provision – this has been transferred to a reserve in accordance with the agreed service and financial planning strategy for 2014/15 to fund the debt charges for the Pride in Your Community Initiative for the next 12 years.
- A benefit of £1.546m arising from treasury management activities. This includes £0.250m generated as a one-off saving in 2013/14 as a result of changing our accounting policy in relation to capitalisation of interest on capital projects pending their completion. As well as generating a significant one-off revenue benefit this change in accounting policy will also help facilitate commercial developments (including potentially building houses for rent) more in line with private sector practices.
- Ongoing close management of employee budgets during the year has given rise to savings totalling £1.5m relating to vacant posts, many linked to service restructures i.e. tight management of employee budgets has enabled early delivery of future planned savings.
- A rigorous review of all contingencies, provisions and central budgets has identified £1.1m which can be freed-up on a one-off basis from the funding set aside for contractual inflation commitments due to the low inflation environment which has prevailed in recent years releasing a one-off benefit of £1.1m
- A refund of £0.731m from the Government relating to an excessive top-slice from our Revenue Support Grant made by the Government to fund capitalisation directions.
- Services delivered in year savings of £0.370m

The main pressures experienced during 2013/14 were:

- Adult Social Services ended the year with a £2.9m overspend. As reported throughout the year, the cost of purchasing care packages

from external providers was the key issue with a £2.8m overspend. This was due to increased demand and the impact of the NHS reducing funding available for Continuing Health Care cases. There were also pressures relating to Supporting People which had a £0.5m overspend at year end.

- Children's Safeguarding ended the year with a £1.4m overspend. This was a combination of the cost of Children in Care Placements, which had an overspend of £2.1m at year end, parenting assessments which was £0.3m overspent, and the transition and leaving care budget which was £0.4m overspent at year end; offset by £1.4m one off service contingency funds and other service underspends.
- Re-ablement and in house service provision for Adults with Learning Disabilities ended the year at £0.4m overspent mainly due to staffing costs. A review of this service is currently underway.

## **1.2 Capital**

Capital spend ended the year at £84.6m against an approved estimate of £99.1m which was in the main due to re-phasing into 2014/15. This underspend will enable some treasury management savings to be made in 2014/15.

## **1.3 Income Monitoring**

Council Tax (£66m), business Rates (£70m) and sales ledger income collection (£27m) were slightly behind targets for the year. However, the total amount of council tax collected was £4.17m greater than the previous year whilst total business rates cash collected was £1.47m greater than the previous year. Debt is pursued rigorously and continues to be collected after the end of the financial year with all recovery avenues being explored.

## **1.4 General**

The draft formal statement of accounts will be available in July as KPMG begin the external audit and will also be available for public inspection for 20 working days from 30 June.

- 1.5** Summaries of the outturn on revenue and capital along with major variations are shown as appendices to this report.

## **1.6 2014/15 Update**

Whilst tight management and effective financial control by both Cabinet Members and senior officers has generated a favourable out-turn position in 2013/14, the Council faces a very challenging year in 2014/15 and a number of key issues are already highlighted in this first high level review of the budget position. Once the final accounts are completed more detailed new year monitoring will take place and a further, more detailed, report will be brought to a future meeting of the Cabinet with an updated position.

## **2.0 RECOMMENDATIONS**

**2.1 In relation to the 2013/14 Financial Outturn, Members are asked to approve the following recommendations which will go forward to Full Council for approval:**

- (i) The Revenue outturn position and related virements in Appendix 3 for 2013/14 which is subject to audit by the Council's external auditors; also, the transfer to reserves detailed in paragraph 5.3 and the earmarking of the 2013/14 general contingency as a specific drawdown budget available to Adult Social Services in 2014/15.**
- (ii) Approve the Capital outturn position and related supplementary estimates, virements and re-phasing shown in Appendix 4 as summarised in the report.**

**2.2 To note the performance against income targets.**

**2.3 To note the initial pressure areas identified for 2014/15.**

## **3.0 SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Delivery of all priority objectives depend on the effective use of available resources. Financial management ensures best use of resources.
<b>TARGET COMPLETION/DELIVERY DATE</b>	Outturn forms the basis of the formal statement of accounts which are audited during July and will be published by the end of September following consideration by the Audit Committee.	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	The financial impacts are detailed throughout the report.
<b>LEGAL ISSUES</b>	No	None directly arising from this report. The S151 Officer has a statutory duty to monitor income and expenditure and to take action if overspends /shortfalls emerge. There is a requirement to publish the audited Statement of Accounts by the end of September and the draft accounts

		should be presented to the Audit Committee before the end of June.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	No	
<b>IMPACT ON SPECIFIC WARDS</b>	No	Borough Wide

## **PART B) – ADDITIONAL INFORMATION**

### **4.0 2013/14 REVENUE BUDGET**

**4.1** The Council had a gross revenue budget of £411m for 2013/14 and the final net revenue outturn position is as follows (a summary is provided in Appendix I):

	£m
Net Budget	133.830
Net Expenditure	133.730
Net Underspend	-0.100
Percentage Net Variance	-0.07

**4.2** Variations by Service Delivery Unit are summarised below and further detail is provided in Appendix 2.

Service Area	Budget £	Outturn £	Variance £
Children's Safeguarding & Specialist Services	22,221,497	23,573,072	1,351,575
Education & Corporate Parenting	10,847,377	10,044,921	(802,456)
Family, Cohesion & Commissioning Services	12,508,492	11,879,498	(628,994)
Development, Business & Employment	625,361	254,722	(370,639)
Neighbourhood & Leisure Services	28,242,966	28,102,071	(140,895)
Adult Social Services	41,961,534	44,895,606	2,934,072
Public Health, Well Being & Public Protection	1,825,860	1,801,548	(24,312)
Customer Services	8,143,546	7,958,108	(185,438)
Law, Democracy & People Services	367,410	271,155	(96,255)
Finance, Audit & Information Governance	10,374,051	8,563,873	(1,810,178)
Cooperative Council Delivery Unit	1,418,590	1,361,850	(56,740)
Council Wide	(4,706,284)	(9,659,717)	(4,953,433)
<b>Total before Transfers to Reserves</b>	<b>133,830,400</b>	<b>129,046,707</b>	<b>(4,783,693)</b>
Transfers to Reserves		4,684,000	4,684,000
<b>Total after Transfers to Reserves</b>	<b>133,830,400</b>	<b>133,730,707</b>	<b>(99,693)</b>

Note: the above figures include both service and corporate variances (such as asset rentals) - the detailed analysis is shown in Appendix 2. The figures are

also before pensions accounting entries (as required by International Accounting Standard 19) and impairment costs which will be finalised for the production of the Statement of Accounts – these are technical accounting entries which are reversed out in the Income & Expenditure Account and do not impact on the overall outturn position shown above but which are required by accounting regulations that the Council must comply with. Therefore the position in the published accounts will differ from that set out above.

4.3 Variances over £0.100m are highlighted below.

<b>Service Area</b>	<b>Variance £m</b>
<b><u>Children's Safeguarding &amp; Specialist Services</u></b>	
<b>Children in Care (CiC)</b> – the number of children in care at 31 March 2014 was 309 with a £2.090m overspend reported at year end. This compares to 321 children in care at 31 March 2013 and a reported overspend of £2.397m. There was an increase in costs relating to Internal Fostering/Relative Carers and other Internal care during the year which has been offset by a reduction in costs relating to External Residential and External Foster Care. The Service continues to closely monitor and review all placements in line with their Cost Improvement Plan.	+2.090
<b>Contingency</b> – set aside to meet CiC pressures as part of service and financial planning strategy for 2013/14.	-0.930
<b>Parenting Assessments</b> – The overspend reflects both the costs associated with court proceedings and parenting assessments. These are specialist assessments of parents' abilities to meet the needs of their children and are sometimes court ordered. The service is currently exploring more cost effective methods of undertaking this work.	+0.287
<b>Care Leavers</b> – overspend relating to the cost of supporting 16-18 year olds as they leave care.	+0.374
<b><u>Education &amp; Corporate Parenting</u></b>	
<b>Corporate Parenting</b> – a benefit of £0.144m has arisen due to rationalisation of funding for spending on Education.	-0.144
<b>ICT Commissioning</b> – a benefit of £0.170m has arisen due to rationalisation of funding for spending on Education.	-0.170
<b>Joint/Community Use</b> – loss of school income arising from the requirement to implement a new funding formula for schools.	+0.104

<b>Education Services Grant</b> – updated grant following conversion of several secondary schools to academies.	+0.139
<b><u>Family &amp; Cohesion Services</u></b>	
<b>Cohesion</b> - close budgetary control has resulted in an underspend of £0.296m at year end. This is a combination of staffing vacancies, successful income generation within the Youth Service and a general tightening of spend throughout the year. This area will contribute to savings proposed as part of the approved 2014-17 budget strategy.	-0.296
<b>Early Intervention</b> – close budgetary control has resulted in an underspend of £0.347m at year end which is a combination of reduced spending and vacant posts.	-0.347
<b>Shortbreaks</b> – a number of projects scheduled for 2013/14 have not progressed as quickly as anticipated which has resulted in an underspend at year end.	-0.159
<b><u>Care &amp; Support</u></b>	
<b>Purchasing budgets</b> – the overspend relates to increased caseload and the impact of the CCG policy on continuing health care cases and increased costs relating to the purchase of externally purchased care. One-off funds from the CCG are being used in 2013/14 to help offset an element of the significant ongoing additional cost pressures relating to Continuing Health Care clients consistently reported throughout the year. New governance arrangements have been implemented to monitor the service, including financial and service delivery performance, with a clear aim to deliver cost reductions and service transformation which should result in lower unit costs of care.	+2.760
<b>CCG contribution</b> towards Continuing Health Care costs – lower than anticipated funding	+0.500
<b>In House Services</b> – this overspend relates to salaries, including overtime paid to staff, delivering in house support services as part of care for ALD clients. This service now sits within Customer Services and a review of internal ALD services is currently underway.	+0.444
<b>Supporting People</b> – delay in achievement of saving combined with an increase in demand for the service.	+0.501
<b><u>Public Health</u></b>	
<b>Staffing and operational budgets</b> – savings arising from	-0.558

both vacancies in posts and underspend on contingency budgets agreed as part of transition arrangements.	
<b><u>Neighbourhood &amp; Leisure Services</u></b>	
<b>Leisure Centres</b> – shortfall on income across various sites including the Ice Rink, Horsehay Golf Centre, the Town Park and Oakengates net of an overachievement at Wellington relating to Aspirations and swimming lessons.	+0.221
<b>Highways Maintenance</b> – increased costs associated with pothole and minor resurfacing gangs working Jan-Mar.	+0.278
<b>Highways Maintenance</b> – savings to mitigate costs of pothole and minor resurfacing gangs.	-0.187
<b>Waste</b> – savings as a result of round reductions/changes to domestic refuse collection	-0.246
<b>Waste</b> - increased costs relating to the purchase, delivery and storage of replacement bins, boxes and bags.	+0.158
<b><u>Development, Business &amp; Employment</u></b>	
<b>Lifelong Learning</b> – largely as a result of loss of government grant funding	+0.168
<b>Lifelong Learning</b> – use of one of grant reserves	-0.133
<b>Estates &amp; Investments</b> – loss in Property Investment Portfolio investment income arising from the longer-term rationalisation of the property portfolio to secure a more sustainable income position ongoing. This includes income targets for the retail units in Southwater and BDC.	+0.223
<b>Southwater</b> – the multi-storey car park currently being constructed is now operational although this was slightly later than originally anticipated when the budget for 2013/14 was prepared in the Winter of 2012 and therefore the part-year budgeted income anticipated was not fully received. However the programme for capital spend has also slipped which will reduce borrowing costs in 2013/14; the benefit of this is included in the Treasury Management underspend shown below.	+0.165
<b>Development Management</b> – net of additional income in line with significant inward investment and other development activity and additional appeal costs.	-0.173
<b>Business &amp; Dvpt Planning</b> – There is a net one off, in year	-0.192

benefit due to vacancy management across the service area.	
<b>Management Account</b> – reduced use of consultants	-0.137
<b>Management Account</b> – higher income than budgeted due to planned capitalisation of costs.	-0.110
<b><u>Customer Services</u></b>	
<b>ICT</b> – additional project income being used to offset additional staffing costs for corporate ICT projects and PC replacement programme	-0.276
<b>ICT</b> – supplies and services underspend relating to some system costs being shared by schools and a general saving on computer costs through robust contract negotiations.	-0.334
<b>ICT</b> – contribution to corporate ICT reserve to support essential investment in ICT infrastructure and kit as part of the overall ICT and customer services strategy	+0.520
<b>Revenues &amp; Benefits</b> – printing service income shortfall due to work being given to some external providers, this has now ceased and a general reduction in the amount of printing as we increase use of technology. .	+0.107
<b>Revenues &amp; Benefits</b> – additional income from court fees	-0.129
<b>Catering</b> – additional income due to increased take up in school meals and impact of new commercial catering activity	-0.154
<b><u>Finance, Audit &amp; Information Governance</u></b>	
<b><u>Treasury Management</u></b>	
Benefit of active treasury management including the impact of prevailing low interest rates during the year and lower than budgeted capital spend. This also includes £0.250m relating to capitalisation of interest for assets under construction which has been undertaken as part of year end and will require a change in accounting policy to be approved as part of the approval of the statement of accounts.	-1.546
As agreed in the 2014/15 budget strategy report, the £4.9m that has been generated from the back-dating of the change in accounting treatment of calculation of Minimum Revenue Provision is being transferred to a provision to fund the debt charges for the Pride in Your Community Initiative for the next 12 years.	-4.884m
	+4.884m

<b><u>Law, Democracy &amp; Public Protection</u></b>	
<b>Licensing</b> – shortfall in licensing income	+0.154
<b>Land Charges</b> – additional income relating to land charges	-0.112
<b>Car Parking</b> – as previously reported	+0.111
<b><u>Government Funding Refund</u></b> –refund in relation to previously top-sliced Revenue Support Grant.	-0.731
<b><u>Housing &amp; Council Tax Benefit Subsidy</u></b> Projected benefit from recovery of overpayments.	-0.374
<b><u>Purchase Rebates</u></b> The majority relates to surplus dividend from West Mercia Energy relating to 2012/13 outturn performance.	-0.186
<b><u>Other One off Resources</u></b> – identified to contribute to service overspends.	-2.368
<b><u>Other Council Wide Items</u></b> –includes one-off benefit from review of funding set aside for contractual inflation being and the delivery of in year savings.	-2.228

#### 4.4 Public Health.

Responsibility for Public Health transferred to the Council from the NHS in April 2013 together with the associated specific ring-fenced grant funding, totalling £10.6m in 2013/14. The conditions of the grant are that it must be used to address health needs and improve health and well-being in the community. Improving public health outcomes is delivered across a number of Service Areas and a summary of the application of the grant in 2013/14 is shown in the table below:

	£
Public Health, Well Being & Public Protection	(7,424,998)
Children's Safeguarding & Specialist Services	(100,000)
Family, Cohesion & Commissioning Services	(1,287,835)
Neighbourhood & Leisure Services	(502,490)
Development, Business & Employment	(302,809)
Adult Social Services	(997,567)
<b>Total Public Health Grant 2013/14</b>	<b>(10,615,699)</b>

The majority of the grant was allocated to Services during the year, with the exception of £0.834m which was applied to eligible expenditure at year end (£0.533m to Adult Social Services; £0.302m to Development, Business & Employment) – and therefore appears as

additional income in these areas as it was not included in the budget. Overall, including a small balance carried forward to 2014/15 in accordance with the grant conditions, the grant was fully spent in 2013/14.

## 5.0 RESERVES & BALANCES

5.1 The main General and Special Fund balances are £3.124m at 31<sup>st</sup> March 2013. Subsequent to closedown a full risk based evaluation of all balances will be undertaken to provide an updated view of balances available for the budget strategy. It should be noted that this is likely to generate a slightly greater figure as being available to support future service and financial planning strategies.

5.2 The position on the main General and Special Fund Balances is:

	£m
Balances at 1 <sup>st</sup> April 2013	<b>3.124</b>
Contribution to General Fund Balances i.e. 13/14 underspend	0.100
<b>Balances at 31<sup>st</sup> March 2014</b>	<b>3.224</b>

The General/Special Fund balance forms part of the Council's overall reserves and balances.

5.3 The following transfers to reserves are suggested:-

	<u>£m</u>
<ul style="list-style-type: none"> <li>Bad Debt Reserve – all avenues are exhausted before debt is written off, however it is prudent to set aside a one-off reserve given the difficult economic climate we are currently in.</li> </ul>	0.500
<ul style="list-style-type: none"> <li>Waste – the new contract began in 2013/14 but it isn't until 2019 that all waste services are transferred into it; this provides a contingency against cost pressures in the early years when the contractor is not able to fully control all waste services and additional costs may arise.</li> </ul>	0.200
<ul style="list-style-type: none"> <li>Severance Fund –this fund supports the delivery of ongoing savings.</li> </ul>	3.000
<ul style="list-style-type: none"> <li>Accommodation –Contribution towards various accommodation and ICT related work.</li> </ul>	0.300

<ul style="list-style-type: none"> <li>Capacity Fund – to provide one off resources required for service development and the delivery of savings.</li> </ul>	0.250
<ul style="list-style-type: none"> <li>Economic Development - Contribution towards infrastructure improvements.</li> </ul>	0.400
<ul style="list-style-type: none"> <li>Healthy Breakfast Initiative - research shows that children being hungry on arrival to school can create problems such as tiredness, lack of concentration and poor behaviour of learning. This 12 month pilot scheme, which involves 3 primary schools, Donnington Wood Infant, Donnington Wood Junior and Old Park, will provide up to 830 pupils with a healthy snack during morning registration, between 8.45am and 9.00am Monday to Friday. Progress will be reported throughout the pilot to all Primary Heads.</li> </ul>	0.034
<b>Total</b>	<b>4.684</b>

Within the overall outturn position funds have also been set aside to create a corporate ICT reserve totalling £0.520m. This will support essential investment in ICT infrastructure and kit as part of the overall ICT and customer services strategy which is integral to the future delivery of many savings as well as enhancing our customers experience of doing business with us.

## 6.0 2013/14 CAPITAL PROGRAMME

6.1 The capital programme for 2013/14 was £99.1m; spend at year end was £84.6m giving a year end variation of £14.5m which is summarised in the table below:

Priority	Budget	Spend		Variance
	£m	£m	%	£m
Protect and Support Our Vulnerable Children & Adults	3.745	2.441	65	-1.304
Protect and Create Jobs as a 'Business Supporting, Business Winning Council'	17.926	19.012	106	1.086
Improve the Health and Well Being of our Communities and Address Health Inequalities	2.244	1.412	63	-0.832
Regenerate Those Neighbourhoods in Need	7.971	5.693	71	-2.278
Ensure That Neighbourhoods are Safe, Clean and Well Maintained	15.639	15.088	96	-0.551

Priority	Budget	Spend		Variance
	£m	£m	%	£m
Improve Local People's Prospects through Education and Skills Training	47.696	38.326	80	-9.370
Managing the Organisation	3.904	2.603	67	-1.301
<b>Total</b>	<b>99.125</b>	<b>84.574</b>	<b>85</b>	<b>-14.550</b>

6.2 The main scheme delays/re-phasing to 2013/14 are shown below with detail included in Appendix 4.

	£m
<p><b><u>Vulnerable Children &amp; Adults</u></b></p> <ul style="list-style-type: none"> <li>• Social Care ICT Review: fully committed in 2014/15; delays in programme which has resulted in re-phasing</li> <li>• Social Education Re provision – scheme currently being assessed</li> <li>• Disabled Facilities Grant – in progress; fully committed in 2014/15.</li> </ul>	-0.295
<p><b><u>Business Support, Business Winning</u></b></p> <ul style="list-style-type: none"> <li>• Town Centre – scheme ahead of budget forecast resulting in re-phasing.</li> </ul>	+0.822
<p><b><u>Health &amp; Wellbeing</u></b></p> <ul style="list-style-type: none"> <li>• Parks for People – Phase 2- fully committed; the scheme is due to be completed by March 2015 in line with lottery grant funding.</li> </ul>	-0.760
<p><b><u>Regenerating Neighbourhoods in Need</u></b></p> <ul style="list-style-type: none"> <li>• Travellers Operational Sites – scheme evaluation in progress.</li> <li>• Housing – fully committed in 2014/15 for social housing provision.</li> </ul>	-0.690
Brookside – fully committed in 2014/15	-0.744
	-0.865
<p><b><u>Ensure Neighbourhoods are Safe, Clean and Well Maintained</u></b></p> <ul style="list-style-type: none"> <li>• Box Road – the scheme started later than anticipated. The project is on target as per the revised work schedule and will be completed before the end of March 2015.</li> </ul>	-1.949

<ul style="list-style-type: none"> <li>• Property Investment Portfolio – new allocations to be approved to fund spend in year</li> </ul>	+0.586
<ul style="list-style-type: none"> <li>• Ironbridge Gorge Stability – preparation work ahead of main contract</li> </ul>	+0.337
<ul style="list-style-type: none"> <li>• Highways/Footpaths – general schemes ahead of schedule</li> </ul>	+0.332
<b><u>Education &amp; Skills</u></b>	
<ul style="list-style-type: none"> <li>• Building Schools for the Future: amendments to phasing; fully committed.</li> </ul>	-8.873
<ul style="list-style-type: none"> <li>• Schools: various schemes most which are grant funded. Fully committed.</li> </ul>	-0.908
<b><u>Managing the Organisation</u></b>	
<ul style="list-style-type: none"> <li>• ICT – rephasing to 14/15</li> </ul>	-0.206
<ul style="list-style-type: none"> <li>• Asset Management Plan – rephasing to 2014/15</li> </ul>	-0.139

6.3 There are a number of new approvals and virements which are also detailed in Appendix 4 and require formal approval.

6.4 The funding for the capital programme in 2013/14 included £5.4m estimated income from capital receipts. The actual income received in year was lower at £3.5m – the difference was mainly due to a number of receipts delayed. The shortfall in 2013/14 can be accommodated within the overall capital spend slippage and consequently does not result in any additional temporary borrowing. The position for 2014/15 is covered later in this report.

## **7.0 CORPORATE INCOME MONITORING**

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

7.2 In summary, the overall position shows collection levels ended the year below the targets set for the year; Council Tax and NDR collection was also slightly lower than 2012/13 levels whereas Sales Ledger ended the year in a better position than 2012/13.

	Actual	Target	Performance
<b>Collection Levels:</b>			
Council Tax Collection	96.6%	97.00%	0.40% behind target
NNDR Collection	97.3%	97.4%	0.10% behind target
Sales Ledger Outstanding Debt	6.28%	5.50%	0.78% behind target

### 7.3 Council Tax (£66.5m)

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

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

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

Month End Target	Month End Actual	Last year Actual
97.0%	96.6%	97.3%

The council tax debit figure increased by £5 million in 2013/14 as a result of:

- The abolition of council tax benefit and the introduction of a local council tax support scheme. This resulted in a 21% reduction in benefit for working age taxpayers, and 8000 people having to pay council tax for the first time.
- An increase in the property base of over 700 properties.
- The abolition of Class A and C exemptions resulting in no discount period for empty properties.

We've collected just over £4 million of this additional council tax despite the challenges facing collection from these particular taxpayers who are facing numerous financial and budgetary issues. As expected, the collection rate overall for council tax has out turned at 0.4% under target and 0.70% below collection for the previous financial year. Collection on outstanding amounts will continue in 2014/15.

Collection for April 2014 is slightly above this point last year (10.46% compared with 10.45%), with an additional £186k collected.

### 7.4 NNDR-Business Rates (£69.5m)

The Government changed its funding mechanism for local government in 2013/14 with the implementation of the business rates retention

scheme. Under the new arrangements 50% of business rates collected is retained locally (49% for the Council; 1% for the Fire Authority) and forms part of the Council's overall funding. This transfers more risk to the Council from Central Government as any fluctuations and changes in the amount of business rates collected directly impacts on the Council's financial position. Collection and maximisation of business rates has therefore been a key priority during 2013/14.

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

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

Year end performance 2012/13	97.4%
Year End Target for 2013/14	97.4%

Month End Target	Month End Actual	Last year Actual
97.4%	97.3%	97.4%

The collectable debit figure increased by £1.7 million in 2013/14 compared to 2012/13. We collected £1.4 million more in 2013/14 than in 2012/13.

In collection rate terms, we out turned at just 0.10% behind the previous years collection rate. Work continues to collect any outstanding debt.

The funding from business rates included in the Council's budget is based on estimated figures – for 2013/14 an estimate was calculated in January 2013. Any difference between this and the final business rates yield for the year feeds into future years funding as an adjustment so doesn't directly affect 2013/14 outturn. In January 2014 an estimate of the business rates income expected in 2014/15 was calculated which included the estimated outturn for 2013/14 and these figures were included in the 2014/15 budget. As previously reported, although there was growth in the business rates base during the 2013/14, there was also an increase in the value of reliefs granted (the majority being mandatory) which outweighed the benefit. At 31 March 2014, there was also £84.8m rateable value under appeal and, in line with accounting requirements, a provision has been set aside to meet the potential costs when these are settled. Overall the final position for 2013/14 is in line with the estimate included in the 2014/15 budget.

Collection for April 2014 is slightly lower than this point last year both in terms of collection rates (12.75% compared to 12.92% last year), and cash collected (£5k).

The 2014/15 budget strategy includes £1.1m growth from business rates income which will be monitored throughout the year.

#### 7.5 **Sales Ledger (£26.6m)**

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

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

Age of debt	Annual Target %	January 2013	
		£m	%
Total	5.50	1.633	6.28%

The amount outstanding sales ledger debt has reduced by 1.17% compared to this point last year.

Sales ledger performance for April 2014 continues to improve; 6.07 outstanding compared to 7.31% this time last year.

#### 8.0 **2014/15 UPDATE**

The first detailed monitoring report for 2014/15 will be considered at Cabinet in July. However, this section of the report will give an early indication of some emerging issues for the new financial year, informed where relevant, by the closedown position reported above. Inevitably, early focus is on areas of potential pressure and managers are now taking action to seek ways to minimise these pressures and to identify ways to mitigate remaining issues.

#### 8.1 **Revenue**

##### **Adult Social Services**

The service was overspent by just under £3m in 2013/14 (after adjusting for the impact of the last organisational restructuring exercise). This position is exacerbated in 2014/15 by the need to deliver significant savings whilst at the same time work towards delivery of the Better Care Fund and prepare for the introduction of the Care Act. Considerable work is being done within the service area actively led by the Director and Assistant Director to deliver against the financial targets which is requiring a root and branch review of data, systems, staffing structures, processes and culture within the service. Governance structures are in place to ensure monitoring of the effectiveness of this activity at the highest levels within the organisation and further details will be included in future reports to Cabinet. The creation of a draw down budget for Adult Social Services in addition to

the corporate budget contingency would allow some re-phasing of savings to cover any shortfalls from not realising a full year impact in 2014/15.

### **Adult Care In-House Provider Services**

The service faces a significant challenge in addressing an overspend against the 2013/14 budget and contributing towards savings targets for 2014/15. A full review of the service is therefore underway and action plans are already in place to ensure realisation of savings from January 2015 onwards.

### **Single Status.**

The 2014/15 budget allows provision for the implementation of the single status agreement; however, whilst work is on-going to implement this negotiations are unlikely to be completed until 2015/16.

### **Childrens' Safeguarding**

Early projections and monitoring information, after 6 weeks of the new year, in relation to Children in Care placements shows reasonable progress against the cost improvement plan and expected placement "step downs". They do, however, reflect the projected use of just under £1m of the £1.2m draw down budget due to new demand.

### **Education & Corporate Parenting**

Education Services Grant – the level of Education Services Grant will reduce in year by the conversion of any existing maintained school to Academy status. Whilst known conversions have been reflected in the current 2014/15 budget any further changes will have an impact.

### **Transport**

The 2014/15 budget relies on the delivery of Transport savings within various Service Areas, progress on these targets will need to be closely monitored to ensure timely delivery.

### **DSG**

Pressure continues to be experienced in the budgets funded by Dedicated Schools Grant especially in the high needs area of education. Robust management and control of these areas is required to ensure all expenditure can be met from within the total grant available and does not impact on the Council's General Fund budget.

### **Neighbourhood and Leisure Services**

Leisure:

- The income targets for the leisure centres for 2014/15 are challenging. The refurbishment of Oakengates Leisure Centre, planned for Summer 2014, will limit the availability of some facilities during this period. The estimated impact on income is a shortfall against budget of £40,000. However, the new facilities at Newport and Telford Ice Rink will be fully open during 2014/15, and increased income from these sites could mitigate the temporary

shortfall at Oakengates. Leisure income is closely monitored, and management action taken where possible. Any significant variances will be reported through the S&FP process during the year.

- The impact of new pension regulations is estimated to add an additional £10,000 of costs across leisure as additional hours payments become eligible as pensionable pay.

Waste:

- There is an ongoing pressure in the waste service relating to the replacement costs of red top and green wheelie bins, which remain a council cost until 2019 when the new contractor takes responsibility for all aspects of waste collection. The estimated overspend on this budget for 2014/15 is £50,000.

### **Development, Business and Employment**

The economic climate is likely to continue to cause some residual pressure on income targets in this service area, including shortfalls in rent and service charge income as a result of void commercial properties. However plans are in place to modify the property investment portfolio to address this in the medium to longer term. There is a specific pressure relating to the new multi storey car park in Southwater, which opened in June although this is offset by re-phasing of the capital spend as explained earlier in this report . The position on all income budgets will be closely monitored during the year and remedial action taken where possible. Any significant variances will be reported through the S&FP process during the year.

### **Treasury**

A benefit of £0.25m is estimated due to the prevailing low interest rates and impact of the outturn position. This may improve further as the year progresses and projections are updated.

## **8.2 Capital**

The 2014/15 capital programme relies on £38.2m of capital receipts as part of its funding. Adjusting this for the receipts deferred from 2013/14, mentioned earlier in this report, brings the total value of receipts required in 2014/15 to £40.1m. Early monitoring indicates that around £10m of these receipts will not now be received until future years. A full review of all capital receipts included in the medium term budget strategy is underway and updates will be provided in future monitoring reports.

## **9.0 PREVIOUS MINUTES**

07/03/2013 – Full Council, Service & Financial Planning Strategy  
25/07/2013, 31/10/2013, 12/12/2013, 20/02/2014 – Cabinet, Financial Monitoring Reports  
12/09/2013, 21/11/2013, 23/1/2014– Full Council, Financial Monitoring

10.0 **BACKGROUND PAPERS**

2013/14 Budget Strategy and Financial Ledger reports  
2014/15 Budget Strategy

Report Prepared by:

Ken Clarke, Assistant Director: Finance, Audit & Information  
Governance – 01952 383100;

Pauline Harris, Corporate Finance Manager – 01952 383701

## Summary of 2013/14 Outturn Variations

Service Area	Budget	Outturn	Variance	Analysis of Variance	
				Asset Rentals	Service
	£	£	£	£	£
Children's Safeguarding & Specialist Services	22,221,497	23,573,072	1,351,575		1,351,575
Education & Corporate Parenting	10,847,377	10,044,921	(802,456)	(491,496)	(310,960)
Family, Cohesion & Commissioning Services	12,508,492	11,879,498	(628,994)	(4,287)	(624,707)
Development, Business & Employment	625,361	254,722	(370,639)	(80,382)	(290,257)
Neighbourhood & Leisure Services	28,242,966	28,102,071	(140,895)	1,213	(142,108)
Adult Social Services	41,961,534	44,895,606	2,934,072	0	2,934,072
Public Health, Well Being & Public Protection	1,825,860	1,801,548	(24,312)	(4,168)	(20,144)
Customer Services	8,143,546	7,958,108	(185,438)	(318,699)	133,261
Law, Democracy & People Services	367,410	271,155	(96,255)	0	(96,255)
Finance, Audit & Information Governance	10,374,051	8,563,873	(1,810,178)		(1,810,178)
Cooperative Council Delivery Unit	1,418,590	1,361,850	(56,740)		(56,740)
Council Wide	(4,706,284)	(9,659,717)	(4,953,433)	897,819	(5,851,252)
<b>Total before Transfers to Reserves</b>	<b>133,830,400</b>	<b>129,046,707</b>	<b>(4,783,693)</b>	<b>0</b>	<b>(4,783,693)</b>
Proposed Transfers to Reserves					
Severance Fund		500,000	500,000		
Bad Debt Reserve		500,000	500,000		
Adult Social Care draw down		2,500,000	2,500,000		
Waste contingency		200,000	200,000		
Accommodation		300,000	300,000		
Capacity Fund		250,000	250,000		
Economic Development		400,000	400,000		
Breakfast Club		34,000	34,000		
<b>Final Outturn</b>	<b>133,830,400</b>	<b>133,730,707</b>	<b>(99,693)</b>		
Percentage under spend against budget			-0.07%		
<b>Application of Public Health Grant within Service Area Outturn Above</b>					
Public Health, Well Being & Public Protection		(7,424,998)			
Children's Safeguarding & Specialist Services		(100,000)			
Family, Cohesion & Commissioning Services		(1,287,835)			
Neighbourhood & Leisure Services		(502,490)			
Development, Business & Employment		(302,809)			
Adult Social Services		(997,567)			
<b>Total Grant</b>		<b>(10,615,699)</b>			

2013/14 Revenue Budget Variations over £50,000						
Description	Budget	Outturn	Variation	Asset Rent	Service	Comments
	£	£	£	£	£	
<b>Childrens Safeguarding</b>						
Children in Care Placements	10,097,009	12,186,921	2,089,912		2,089,912	The 2012/13 reported outturn position was £2.397m overspent. The 13/14 budget strategy included growth of £600k and a review of costs resulting in a Cost Improvement Plan. The number of Children in Care at 31st March 2014 : 309 compared to 31st March 2013:321. There is a growth in 2013/14 outturn (compared to 2012/13) of £231k for Internal Fostering / Relative Carers and other Internal care. This is offset by a £510k reduction in costs relating to External Residential and External Foster Care over the same period. The CiC Placements budget for 2014/15 has savings of £1.190m included and a Cost Improvement Plan is in place to deliver spend within this resource.
Corporate Contingency	-	(930,000)	(930,000)		(930,000)	One off contingency used as part of the budget strategy to meet demand of new admissions.
Other placement and parent assessments	497,430	784,649	287,219		287,219	This overspend reflects both the costs associated with court proceedings (in-house legal fees and the use of barristers) and parenting Assessments. There has been growth in expenditure from 2012/13 for both Residential / Community based assessments (200k) and Legal Fees (£44k). This increased pressure has been reported throughout the year. Processes were put in place at Resource Allocation Management Panel to control costs in the last quarter of 2013/14 financial year, which will help deliver the target set in the Cost Improvement plan for 2014/15 to bring spend back to budgeted levels.
Staffing	4,864,199	4,773,711	(90,488)		(90,488)	The 2013/14 Cost Improvement Plan included a target to reduce the use of Agency staff from the numbers called upon in 2012/13 of around 13fte's. Number of agency staff at 31st March 2014 was 9, against a target of 0. The final outturn in 2013/14 for Safeguarding included £465k for the cost of agency staff compared to £807k in 2012/13. This is mostly offset by costs incurred for T&W staff appointed to cover posts critical for capacity in delivering the service. There is an objective in the 2014/15 Cost Improvement Plan to deliver further reductions in Agency costs and keep spend within budgeted levels across all staffing budgets.
Variations under £50k	2,238,769	1,986,426	(252,343)		(252,343)	
Asset Rentals						
<b>Total Children's Safeguarding</b>	<b>17,697,407</b>	<b>18,801,707</b>	<b>1,104,300</b>	<b>0</b>	<b>1,104,300</b>	
Plus Children's Specialist Services underspend variance	3,810,640	3,683,977	(126,663)		(126,663)	
Plus Transition & Leaving Care Team - overspend variance	713,450	1,087,388	373,938		373,938	
<b>Total Children's Safeguarding &amp; Specialist Services</b>	<b>22,221,497</b>	<b>23,573,072</b>	<b>1,351,575</b>	<b>0</b>	<b>1,351,575</b>	
<b>Education &amp; Corporate Parenting</b>						
Corporate Parenting	222,849	79,003	(143,846)		(143,846)	Rationalisation of funding for spending on Education has resulted in a variation on the Council's General Fund position
ICT Commissioning	411,228	240,886	(170,342)		(170,342)	Rationalisation of funding for spending on Education has resulted in a variation on the Council's General Fund position
Supply Agency	(56,297)	(834)	55,463		55,463	Reserves previously used to support this budget have been fully spent
Joint/Community Use	728,600	833,046	104,446		104,446	Loss of income mainly relating to Shortwood School arising from requirement to implement a new funding formula for schools.

2013/14 Revenue Budget Variations over £50,000						
Description	Budget	Outturn	Variation	Asset Rent	Service	Comments
	£	£	£	£	£	
Education Services Grant	(2,930,000)	(2,790,602)	139,398		139,398	Revised Grant projection following the conversion of several secondary schools to Academies - ESG is paid at a reduced rate for pupils in academies.
School Transport	2,780,055	2,691,603	(88,452)		(88,452)	Outturn expenditure is at a similar level to 2012/13 resulting in a saving against the 2013/14 budget, which had assumed some inflationary pressure.
Miscellaneous Mgt & Admin	73,530	(16,125)	(89,655)		(89,655)	Review of spending and a revision to forecasts within the service has resulted in savings being identified
Curriculum & Provision	137,548	79,950	(57,598)		(57,598)	Salary savings connected to the ending of the Springboard project.
Misc Special School Expenditure	34,338	99,294	64,956		64,956	Largest contribution to this is £33K Queensway redundancy costs arising from provision changing from Jigsaw to Queensway and associated staffing changes
Misc Primary School	3,329,075	3,385,058	55,983		55,983	Additional expenditure on primary remissions compared to budget
Misc Secondary School	3,435,252	3,338,078	(97,174)		(97,174)	Most significant contribution to underspend is remissions expenditure being £24K compared to £66K in 1213 (MAT academy conversions contributed to this)
Variations under £50k	(2,420,931)	(2,505,070)	(84,139)		(84,139)	
Asset Rentals	5,102,130	4,610,634	(491,496)	(491,496)		
<b>Total Education &amp; Corporate Parenting</b>	<b>10,847,377</b>	<b>10,044,921</b>	<b>(802,456)</b>	<b>(491,496)</b>	<b>(310,960)</b>	
<b>Family &amp; Cohesion Services</b>						
Transport	2,790,587	2,865,187	74,600		74,600	The overspend reported on Transport in 2013/14 is due to an underachievement of planned savings. A full review of transport commenced during the year, and a strategy is in place to deliver savings in line with the Council's current budget strategy. This position is an improvement on that last reported due mainly to a lower than forecast cost of Concessionary fares
Cohesion	3,035,656	2,739,811	(295,845)		(295,845)	Careful budget management has resulted in the increased level of savings being reported. The total underspend across operational (mainly staffing) budgets equates to £179k from a total budget of £2.187m, of which £106k relates to staffing vacancies. The Youth Service have underspent by £68k, resulting from prudent spending in year and successful income generation exceeding targets. The remaining £48k results from Family Intervention services and Community Safety. This is one of the areas delivering savings as part of the 2014-17 approved budget strategy
Housing	592,524	657,690	65,166		65,166	The main cause of this overspend is a shortfall in rents collected against target for BTW owned/operated properties. A strategic review of property utilised for Homelessness is being undertaken and a package of measures to address the financial issues is being implemented
Early Intervention	3,899,839	3,553,029	(346,810)		(346,810)	Careful budget management in the Children's and Family Centres and Early Intervention has resulted in the savings reported. This has increased from the recently reported position by around £206k from a combination of reduced spending needs and staff vacancies. This is one of the areas delivering savings as part of the 2014-17 approved budget strategy
Shortbreaks	544,035	384,635	(159,400)		(159,400)	This underspend has not been reported prior to final accounts. The expectation was that the majority of this budget would be spent but a number of projects scheduled for 2013/14 have not been progressed as quickly as anticipated. This is one of the areas delivering savings as part of the 2014-17 approved budget strategy

2013/14 Revenue Budget Variations over £50,000						
Description	Budget	Outturn	Variation	Asset Rent	Service	Comments
	£	£	£	£	£	
Other variations under £50k	4,152,567	4,084,642	(67,925)		(67,925)	Savings within various budgets which are already subject to action to deliver savings or are already under spending in year
Asset Rentals	791,404	787,117	(4,287)	(4,287)		
<b>Total Family and Cohesion Services</b>	<b>15,806,612</b>	<b>15,072,111</b>	<b>(734,501)</b>	<b>(4,287)</b>	<b>(730,214)</b>	
Less Children's Specialist Services overspend variance	(3,810,640)	(3,683,977)	126,663		126,663	
Plus Commissioning for Adult Services - underspend variance	512,520	491,364	(21,156)		(21,156)	
<b>Total Family, Cohesion &amp; Commissioning</b>	<b>12,508,492</b>	<b>11,879,498</b>	<b>(628,994)</b>	<b>(4,287)</b>	<b>(624,707)</b>	

Care & Support						
Description	Budget	Outturn	Variation	Asset Rent	Service	Comments
	£	£	£	£	£	
Revised purchasing variation after delivering savings identified in the Financial Improvement Plan and delivered in 2013/14	39,171,688	41,931,256	2,759,568		2,759,568	The purchasing of Care from external providers continues to be a pressure on the Adult Social Services budget. This is the result of increased demand for care mainly arising from the evident increasing complexity of cases with a small proportionate increase in numbers, one of the main causes being the impact of the NHS review of clients who were formerly funded by the NHS from Continuing Healthcare Funds. The costs of care purchased are currently growing month on month and this overspend has increased by £166k on that previously reported.  This overspend is the final 2013/14 position which reveals significant pressure on the budget for purchasing externally purchased care. The increasing pressure has been reported throughout the year and has consistently increased despite efforts in year to generate savings to reduce the cost base of the service, savings which have been made and are netted off this position were £393k in 2013/14. The budget strategy for 2014/15 included over £10m of cost reductions to be made to the base costs of the service by 2015/16, the majority relating to the reduction of purchased care costs. These savings are required in order to align the current cost base with the reduced 2014/15 budget. A new governance arrangement has been established to monitor various aspects of the service including financial and service delivery performance, with a clear view on implementation of cost reductions through challenging procurement costs and embracing transformation to service delivery which should result in lower unit costs of care.
Income-CCG contributions towards CHC	(500,000)	0	500,000		500,000	During the course of the year discussions took place with NHS Colleagues about increasing the level of contribution the CCG could make towards the costs being picked up by the Council for clients formerly funded by the CCG from Continuing Health Care funding. A further £0.5m was added to the expected income in the base budget as part of additional savings/income requested in the 2013/14 financial year. The CCG considered this request and further contributions were agreed over a three year period as part of the integration of the delivery of Community care services with the CCG. However, the additional £500k included in the 2013/14 financial year has not been agreed and the result is a shortfall in income in 2013/14 of £500k.
Reablement and In House ALD service provision	3,525,350	3,968,986	443,636		443,636	This overspend relates to salaries including overtime paid to staff delivering in house support services as part of care for ALD clients in services operated by the Council. The operation of these Council run care services is in the process of being reviewed in order to deliver reduced costs of operation to align the cost base with a reduced 2014/15 budget.

2013/14 Revenue Budget Variations over £50,000						
Description	Budget	Outturn	Variation	Asset Rent	Service	Comments
	£	£	£	£	£	
Care Leavers(Accommodation costs only)	713,450	1,087,388	373,938		373,938	The current forecasts reveal an improved position with overall lower cost care packages being awarded than last financial year for which the reported overspend was in excess of £700k. The residential care services and operational costs have been relocated within children's services and there is a cost improvement initiative as part of a wider programme of cost reductions to be made within Children's Safeguarding services. A large part, £385k of this overspend is as a result of the additional savings agreed with WHT expected to result from a claim against Housing Benefit by the WHT. The remainder is forecast to arise from demand on the service. Further savings are expected in 2014/15 following successful procurement processes to meet renewed models of service delivery at reduced cost. The movement from the last reported monitoring is a decrease in forecast spending of £145k an improvement in the period of reporting
Supporting People	2,022,050	2,522,852	500,802		500,802	
Other variations under £50k	1,780,316	1,465,362	(314,954)		(314,954)	
Public Health Grant		(532,500)	(532,500)		(532,500)	
<b>Total Care &amp; Support</b>	<b>46,712,854</b>	<b>50,443,344</b>	<b>3,730,490</b>	<b>0</b>	<b>3,730,490</b>	
Less ALD In House Provider Services overspend variance	(3,525,350)	(3,968,986)	(443,636)		(443,636)	
Less Transition & Leaving Care Team overspend variance	(713,450)	(1,087,388)	(373,938)		(373,938)	
Less Commissioning for Adult Services underspend variance	(512,520)	(491,364)	21,156		21,156	
<b>Total Adult Social Services</b>	<b>41,961,534</b>	<b>44,895,606</b>	<b>2,934,072</b>	<b>0</b>	<b>2,934,072</b>	
<b>Public Health</b>						
Staffing and operational budgets	1,244,270	686,611	(557,659)		(557,659)	This underspend has arisen due to both vacancies in posts during the year and underspends on contingency budgets from transition arrangements.
Drugs and Alcohol Services	2,763,032	2,668,947	(94,085)		(94,085)	An underspend of £200k within the internal service has offset significant cost pressures within the overall position, such as Prescribing and Shared Care (£212k overspend). £96k of one-off underspends in year.
Sexual health Services	1,010,968	1,160,978	150,010		150,010	£100k of this overspend results from prescription services linked to locally enhanced services. These will be addressed as part of the overall Public Health budget in 2014/15.
Variations under £50k	3,297,530	2,927,462	(370,068)		(370,068)	Underspend has arisen from Community infection prevention and control (£100k) and underspends on the Healthcheck contract (£140k).
Grant income	(8,115,800)	(7,274,998)	840,802		840,802	
Carry Forward		31,000	31,000		31,000	
<b>Total Public Health</b>	<b>200,000</b>	<b>200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Add :Public Protection overspend variance	1,325,470	1,329,196	3,726	(4,168)	7,894	
Add Coroners underspend variance	300,390	272,352	(28,038)		(28,038)	
<b>Total Public Health, Well-being &amp; Public Protection</b>	<b>1,825,860</b>	<b>1,801,548</b>	<b>(24,312)</b>	<b>(4,168)</b>	<b>(20,144)</b>	
<b>Neighbourhood &amp; Leisure Services</b>						
<b>Environment &amp; Open Spaces</b>						
Winter Maintenance	609,017	526,050	(82,967)		(82,967)	£150k growth received in 13/14, however reduced pressure due to mild winter. Review of standby payments has resulted in further reduction in expenditure.
Flooding & Drainage	506,190	592,834	86,644		86,644	Additional expenditure due to severe wet weather.

2013/14 Revenue Budget Variations over £50,000							
Description		Budget	Outturn	Variation	Asset Rent	Service	Comments
		£	£	£	£	£	
Highways Maintenance		312,425	590,902	278,477		278,477	Increased costs associated with Pothole and minor resurfacing Gangs working Jan - March.
Highways Maintenance		2,793,526	2,606,281	(187,245)		(187,245)	Savings in Highways maintenance to mitigate costs of Pothole and minor resurfacing gangs.
Street Lighting - Special Fund	Energy & maintenance costs	712,827	677,693	(35,134)		(35,134)	Net saving as a result of capped prices and benefits of innovation and replacement program installing more efficient lighting.
Street Lighting - General Fund	Energy & maintenance costs	1,356,366	1,331,347	(25,019)		(25,019)	Net saving as a result of capped prices and benefits of innovation and replacement program installing more efficient lighting.
Variations under £50k		3,468,486	3,514,551	46,065		46,065	
Asset Rentals		1,459,834	1,460,032	198	198		
<b>Highways &amp; Transport</b>							
Traffic Management		131,815	73,797	(58,018)		(58,018)	Net saving as a result of reduced use of consultancy.
Highways Development		(36,267)	(72,881)	(36,614)		(36,614)	Net one off savings from vacancy management.
Variations under £50k		1,141,617	1,169,810	28,193		28,193	
Asset Rentals		21,090	22,105	1,015	1,015		
<b>Waste &amp; Neighbourhood Services</b>							
Waste Collection	Supplies & Services	74,360	232,308	157,948		157,948	Purchase, delivery & storage of replacement bins/boxes/bags.
	Third Party Payments	3,136,745	2,891,258	(245,487)		(245,487)	Saving as a result of round reductions/changes for domestic refuse collection.
Waste Disposal	Waste Disposal	4,892,400	4,864,116	(28,284)		(28,284)	Net waste disposal savings including gate fee, landfill tax and road sweepings offset by pressures on Wood, Green waste and Hazardous waste.
Civic Amenities	Civic Amenities	807,828.00	724,348	(83,480)		(83,480)	Net full year effect of savings following changes to CRC opening hours and efficiency initiatives.
Variations under £50k		2,237,158	2,044,373	(192,785)		(192,785)	
<b>Leisure Facilities &amp; Services</b>							
Ice Rink	Income	(15,040.00)	66,358	81,398		81,398	Net shortfall on income due to planned reduced service offer arising from redevelopment work in the surrounding area.
Horsehay	Income	(265,910.00)	(185,192)	80,718		80,718	There has been a national downturn in the use of Golf courses which has impacted on this net shortfall of income in addition to competition from other courses.
Town Park	Income	314,118.00	394,634	80,516		80,516	Net shortfall on income, of which the majority relates to the Adventure Golf facility which opened later than the income targets anticipated.
Wellington	Income	124,369.00	19,929	(104,440)		(104,440)	Net overachievement of income due to increased memberships, swimming lessons and use of pool facilities.
Oakengates	Oakengates	605,449.00	690,019	84,570		84,570	The closure of the Synthetic Turf pitch impacted on the ability to achieve the income target. The remainder shortfall of income relates to the impact of the changing room and gym refurbishment.
Variations under £50k		2,405,111	2,402,867	(2,244)		(2,244)	
Asset Rentals		533,022	533,022	0	0.00		
Arts & Culture							

2013/14 Revenue Budget Variations over £50,000							
Description		Budget	Outturn	Variation	Asset Rent	Service	Comments
		£	£	£	£	£	
Variations under £50k		574,750	624,892	50,142		50,142	
Other Service Wide Variations under £50k		341,680	306,618	(35,062)		(35,062)	
<b>Total Neighbourhood &amp; Leisure Services</b>		<b>28,242,966</b>	<b>28,102,071</b>	<b>(140,895)</b>	<b>1,213</b>	<b>(142,108)</b>	
<b>Development, Business &amp; Employment</b>							
<b>Skills</b>							
Lifelong Learning	Income	(490,910)	(322,576)	168,334		168,334	Loss of grant, growth given in 14/15 £133k
	Income	-	(133,000)	(133,000)		(133,000)	Use of one off grant reserve
Post 16 Transport	Income & Transport	177,000	120,662	(56,338)		(56,338)	Savings delivered through rationalisation of Post 16 transport.
<b>Connexions for Youth</b>	Employees	700,644	759,661	59,017		59,017	Unachievable savings target set, growth given in 14/15
<b>Next Steps</b>	Income	(183,340)	(122,400)	60,940		60,940	Loss of grant, growth given in 14/15
Variations under £50k		1,032,529	1,060,911	28,382		28,382	
Asset Rentals		588	-	(588)	(588)		
<b>Development Management</b>							
Building Regulations Applications	Income	(337,210)	(267,742)	69,468		69,468	Shortfall in Building Regulation fee income.
	Supplies & Services	20,630	92,878	72,248		72,248	MIS maintenance costs.
Planning Applications	Supplies & Services	5,830	119,082	113,252		113,252	Includes the costs of representation at planning appeals.
	Income	(919,210)	(1,205,686)	(286,476)		(286,476)	Increased income from Planning Applications.
Variations under £50k		1,900,997	1,792,769	(108,228)		(108,228)	
<b>Business &amp; Development Planning</b>							

2013/14 Revenue Budget Variations over £50,000							
Description		Budget	Outturn	Variation	Asset Rent	Service	Comments
		£	£	£	£	£	
<b>Business &amp; Development Planning</b>	Employees	1,654,406	1,461,923	(192,483)		(192,483)	Savings from one off vacancy management across the Service area.
	Variations under £50k	989,929	883,021	(106,908)		(106,908)	
	Asset Rentals	97,422	142,044	44,622	44,622		
<b>Regeneration &amp; Investment</b>							
<b>PIP Management</b>	Income	(5,928,700)	(5,705,566)	223,134		223,134	Ongoing rationalisation of the PIP resulted in an in year pressure, this includes income targets for retail units in Southwater & BDC. Growth of £88k has been given in 14/15. Net of one off funding.
	Service Charges	(19,400)	75,091	94,491		94,491	Service Charge voids.
<b>Southwater Park</b>	Income	(162,000)	3,044	165,044		165,044	Multi Storey Car Park operational from June 2014, part year budgeted income could not be achieved.
	Variations under £50k	1,804,267	1,843,320	39,053		39,053	
	Asset Rentals	237,001	266,554	29,553	29,553		
<b>Property &amp; Design</b>							
<b>Operational &amp; Admin Properties</b>	Premises - Other costs	5,272,920	5,366,967	94,047		94,047	Pressures at Addenbrooke, growth given in 14/15 £90k.
<b>Management Account</b>	Employee Costs	1,592,192	1,527,308	(64,884)		(64,884)	One off savings from vacancy management.
	Supplies & Services	205,680	67,770	(137,910)		(137,910)	Reduced use of consultants.
	Income	(2,573,055)	(2,683,763)	(110,708)		(110,708)	Planned use of capital.
	Variations under £50k	(6,552,989)	(6,477,085)	75,904		75,904	
	Asset Rentals	2,020,871	1,866,902	(153,969)	(153,969)		
<b>Public Health</b>							
			(302,809)	(302,809)		(302,809)	Grant funding for eligible expenditure
<b>AD - Development, Business &amp; Employment</b>							
<b>Service Wide</b>	Employees	173,712	98,471	(75,241)		(75,241)	Release of top of scale funding. Given up as saving in 14/15.
	Variations under £50k	(94,443)	(73,029)	21,414		21,414	
<b>Total Development, Business &amp; Employment</b>		<b>625,361</b>	<b>254,722</b>	<b>(370,639)</b>	<b>(80,382)</b>	<b>(290,257)</b>	
<b>Customer &amp; People Services</b>							
	ICT Corporate Services Staffing - Income	(2,658,840)	(2,935,231)	(276,391)		(276,391)	Additional project income generated to cover staff costs.
	ICT Corporate Services Staffing - contribution to reserves		520,000	520,000		520,000	Contribution to Corporate ICT Reserve to support development of ICT Infrastructure
	ICT Schools - Supplies & Services	1,101,990	951,012	(150,978)		(150,978)	Under spend against MIS system costs as costs now picked up directly by the schools.
	ICT Corporate Services - Supplies & Services	1,401,930	1,218,436	(183,494)		(183,494)	Savings on computer costs

2013/14 Revenue Budget Variations over £50,000						
Description	Budget	Outturn	Variation	Asset Rent	Service	Comments
	£	£	£	£	£	
ICT Photocopying & Print Holding Account - Supplies & Services	110,060	175,214	65,154		65,154	Over spend on machine rental costs.
Catering - Primary Schools - Supplies & Services	800,390	875,653	75,263		75,263	Increased purchase costs as a result on an increase in number of meals provided.
Catering - Primary Schools - Income	(2,427,750)	(2,581,738)	(153,988)		(153,988)	Increase in number of free school meals provided.
Catering - Secondary Schools - Income	(500,760)	(568,250)	(67,490)		(67,490)	Increase in number of paid meals
FM & Cleaning - Building Support Services - Premises	50,000	103,953	53,953		53,953	Over spend on R & M building recharge, offset by additional income generated
Libraries - Telford Library - Employees	162,290	109,333	(52,957)		(52,957)	Saving arising from vacant posts
Revenues & Benefits - Income	(811,690)	(941,046)	(129,356)		(129,356)	Additional income from court fees
Revenues & Benefits - Print Services - Income	(362,740)	(255,643)	107,097		107,097	Shortfall against internal income targets due to lower volumes of printing being processed via the print room.
People Services - Employees	1,368,440	1,304,293	(64,147)		(64,147)	Impact of People Services restructure
Variations under £50k	3,895,466	3,818,484	(76,982)		(76,982)	
Asset Rentals	2,489,410	2,170,711	(318,699)	(318,699)		
<b>Total Customer &amp; People Services</b>	<b>4,618,196</b>	<b>3,965,181</b>	<b>(653,015)</b>	<b>(318,699)</b>	<b>(334,316)</b>	
Plus ALD In-House Provider Service and reablement services overspend variance	3,525,350	3,968,986	443,636		443,636	
Plus Web Services overspend variance	0	(12)	(12)		(12)	
Less People Services underspend variance	0	23,953	23,953		23,953	
<b>Total Customer Services</b>	<b>8,143,546</b>	<b>7,958,108</b>	<b>(185,438)</b>	<b>(318,699)</b>	<b>133,261</b>	
<b>Finance, Audit &amp; Information Governance</b>						
Treasury	10,374,051	8827598	(1,546,453)		(1,546,453)	Benefit from low interest rates and slippage in 13/14 together with capitalisation of interest for assets under construction at year end.
Variations Under £50k		(289,863)	(289,863)		(289,863)	Under spends mainly arising from staffing due to vacant posts and back fill arrangements. £15k saving from Life Assurance Policy due to reducing numbers of staff on old Wrekin terms.
<b>Total Finance, Audit &amp; Information Governance</b>	<b>10,374,051</b>	<b>8,537,735</b>	<b>(1,836,316)</b>	<b>0</b>	<b>(1,836,316)</b>	
Less Contracts Team Underspend Variance and CRB Checks	0	26,138	26,138		26,138	
<b>Total Finance, Audit &amp; Information Governance</b>	<b>10,374,051</b>	<b>8,563,873</b>	<b>(1,810,178)</b>	<b>0</b>	<b>(1,810,178)</b>	
<b>Law, Democracy &amp; Public Protection</b>						
Licensing	Income	(381,600)	(227,065)	154,535	154,535	Shortfall against licensing income mainly arising from taxi drivers choosing to renew their licenses at Shropshire Council.
Land Charges	Income	(54,570)	(166,594)	(112,024)	(112,024)	Additional income generated from Land Charges.
Car Parking			111,766	111,766	111,766	As previously reported.
Variations Under £50k		2,423,910	2,203,325	(220,585)	(220,585)	
Asset Rentals		5,530	1,362	(4,168)	(4,168)	

2013/14 Revenue Budget Variations over £50,000						
Description	Budget	Outturn	Variation	Asset Rent	Service	Comments
	£	£	£	£	£	
<b>Total Law, Democracy &amp; Public Protection</b>	<b>1,993,270</b>	<b>1,922,794</b>	<b>(70,476)</b>	<b>(4,168)</b>	<b>(66,308)</b>	
Less Public Protection overspend variance	(1,325,470)	(1,329,196)	(3,726)	4,168	(7,894)	
Less Coroners underspend variance	(300,390)	(272,352)	28,038		28,038	
Plus People Services underspend variance	0	(50,091)	(50,091)		(50,091)	
<b>Total Law, Democracy &amp; People Services</b>	<b>367,410</b>	<b>271,155</b>	<b>(96,255)</b>	<b>0</b>	<b>(96,255)</b>	
<b>Cooperative Delivery Unit</b>						
Corporate Marketing - Sponsorships	(54,740)	14,570	69,310		69,310	Loss due to marketing company going into administration; new in house service now in place.
Delivery & Planning - Employees	606,244	555,336	(50,908)		(50,908)	Saving from vacant posts during the year.
Variations Under £50k	867,086	791,932	(75,154)		(75,154)	Savings as a result of VR's, vacant posts and additional income generated in Corporate Communications.
<b>Total Cooperative Delivery Unit</b>	<b>1,418,590</b>	<b>1,361,838</b>	<b>(56,752)</b>	<b>0</b>	<b>(56,752)</b>	
Less Web Services overspend variance	0	12	12		12	
<b>Total Cooperative Council &amp; Commercial Delivery Team</b>	<b>1,418,590</b>	<b>1,361,850</b>	<b>(56,740)</b>	<b>0</b>	<b>(56,740)</b>	
<b>Council Wide</b>						
Housing Benefit Subsidy	(13,980)	(387,715)	(373,735)		(373,735)	Variation from budget as a result of recovery of overpayments.
Central Government Grant Refund		(731,308)	(731,308)		(731,308)	The Revenue Support Grant settlement included a reduction in funding relating to central support costs of academies; the information and formula used to calculate this has been changed which results previously disadvantaged local authorities receiving a refund.
Purchase Rebates	(202,500)	(388,467)	(185,967)		(185,967)	The majority relates to surplus dividend from West Mercia Energy
One Off Resources and Additional Funds		(2,368,000)	(2,368,000)		(2,368,000)	Mainly one off resources and some uncommitted ongoing budgets identified to contribute to the Care & Support overspend
Other Council Wide Items, including the Central Contingency MRP benefit	3,780,470	1,552,129	(2,228,341)		(2,228,341)	
MRP - transfer to reserve	0	4,884,103)	(4,884,103)		(4,884,103)	
MRP - transfer to reserve	0	4,884,000	4,884,000		4,884,000	
Variations under £50,000	4,825,259	4,833,613	8,354	(27,848)	36,202	
Asset Rental Reversals	(13,095,533)	(12,169,866)	925,667	925,667		
<b>Total Council Wide</b>	<b>(4,706,284)</b>	<b>(9,659,717)</b>	<b>(4,953,433)</b>	<b>897,819</b>	<b>(5,851,252)</b>	
<b>Total Variations</b>	<b>133,830,400</b>	<b>129,046,707</b>	<b>(4,783,693)</b>	<b>0</b>	<b>(4,783,693)</b>	

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## 2013/14 Revenue Virements for Approval

Virements To:	£	Virements From:	£
<b>Children's Safeguarding</b>			
Children In Care Placements	2,089,912	Corporate Contingency	930,000
Other Placements and Parenting Assessments	287,219	Employee Costs	90,488
		Variations under £50,000	252,343
	<u>2,377,131</u>		<u>1,272,831</u>
<b>Education &amp; Corporate Parenting</b>			
Joint/Community Use Income	104,446	Corporate Parenting	143,846
Education Services Grant	139,398	ICT Commissioning	170,342
Special School Expenditure	64,956	School Transport	88,452
Primary School Expenditure	55,983	Management & Admin	17,606
Supply Agency	55,463		
	<u>420,246</u>		<u>420,246</u>
<b>Family &amp; Cohesion Services</b>			
Transport	74,600	Cohesion Services	139,766
Housing	65,166		
	<u>139,766</u>		<u>139,766</u>
<b>Customer &amp; People Services</b>			
ICT Contribution to Reserves	520,000	ICT Corporate Income	276,391
ICT Photocopying and Print Holding Account	65,154	ICT Supplies & Services	334,472
Catering Primary Schools supplies and services	75,263	Catering Income	210,604
FM & Cleaning - Premises	53,953		
Revenues & Benefits Print Services	107,097		
	<u>821,467</u>		<u>821,467</u>

<b>Virements To:</b>	<b>£</b>	<b>Virements From:</b>	<b>£</b>
<b>Neighbourhood &amp; Leisure Services</b>			
Flooding and Drainage	86,644	Winter Maintenance	82,967
Highways Maintenance - pothole and minor resurfacing	278,477	Highways Maintenance - general	187,245
Waste Collection - supplies and services	157,948	Waste Collection - payments	245,487
Leisure Income shortfalls	327,202	Leisure income overachievement (Wellington)	104,440
		Street lighting energy and maintenance costs	60,153
		Traffic Management	58,018
		Highways Development	36,614
		Civic Amenity Sites	75,347
	<b>850,271</b>		<b>850,271</b>
<b>Development, Business &amp; Employment</b>			
Lifelong Learning - Income	168,334		
Connexions for Youth	59,017	Business & Dvpt Planning Employees	192,483
Next Steps	60,940	Management Account	313,502
Building Regulations Applications Income	69,468	Public Health Grant Funding - applied to eligible expenditure	302,809
Planning Application Costs	113,252	Planning Application Income	286,476
Building Regulations Applications - Systems Costs	72,248	Variations under £50,000	24,705
Property Investment Portfolio Income	223,134		
Property Investment Portfolio Service Charges	94,491		
Southwater Park Income	165,044		
Operation & Admin Properties	94,047		
	<b>1,119,975</b>		<b>1,119,975</b>
<b>Care &amp; Support</b>			
Purchasing Care - all client groups	2,759,568	Public Health Grant - applied to eligible expenditure	532,500
Income	500,000	Variations under £50,000	314,954
Reablement and In House ALD Services	443,636		

<b>Virements To:</b>	<b>£</b>	<b>Virements From:</b>	<b>£</b>
Care Leavers	373,938		
Supporting People	500,802		
	<b>4,577,944</b>		<b>847,454</b>
<b>Public Health</b>			
Sexual Health Services	150,010	Staffing and Operational Budgets	557,659
Grant Income	840,802	Drugs and Alcohol Services	94,085
		Variances under £50,000	339,068
	<b>990,812</b>		<b>990,812</b>
<b>Law, Democracy &amp; Public Protection</b>			
Licensing Income	154,535	Land Charges Income	112,024
Car Parking	111,766	Variances under £50,000	154,277
	<b>266,301</b>		<b>266,301</b>
<b>Cooperative Council Delivery Unit</b>			
Corporate Marketing Sponsorship Income	69,310	Delivery & Planning - employees	50,908
		Variances under £50,000	18,402
	<b>69,310</b>		<b>69,310</b>
<b>Council Wide</b>			
Treasury - transfer to reserve	4,884,000	Treasury Benefit from changing MRP charging methodology	4,884,103
		Housing Benefit Subsidy	373,735
		One Off Resources / Additional Funds	2,368,000
		Other Council Wide Items	2,092,952
	<b>4,884,000</b>		<b>9,718,790</b>
<b>Total</b>	<b>16,517,223</b>		<b>16,517,223</b>

**Capital - Slippage, Supplementary Estimates & Virements**

Slippage - Scheme	Priority	Slippage - £	Funding Analysis					
			Prudential	Capital Receipts	External	Govt. Grant	Borrowing	Revenue
A&C ICT Programme	Protect and Support our Vulnerable Children & Adults	-294,893	-150,000			-144,893		
Abraham Darby - Fire and Intruder Alarm	Improve Local People's Prospects through Education and Skills Training	-3,327				-3,327		
Aggresso Project	Managing the Organisation	-40,920	-40,920					
Arthog - Boiler	Improve Local People's Prospects through Education and Skills Training	15,241				15,241		
Asset management plan - general works and surveys	Managing the Organisation	-138,542	-138,542					
Basic Need - Contingency	Improve Local People's Prospects through Education and Skills Training	-77,507				-74,057		-3,450
Bishton Court	Improve Local People's Prospects through Education and Skills Training	-67,154				-67,154		
Borough Towns Initiative-Dawley	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	-83,052		-83,052				
Box Road	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	-2,860,520				-2,860,520		
Bridge Maintenance	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	48,262				48,262		
Brindleyford	Improve the Health and Well Being of our Communities and Address Health Inequalities	-11,190			-11,190			
Brookside	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	-865,178	-385,178	-480,000				
Building Schools for the Future	Education & Skills BSF	-8,873,051	6,862,723	-9,546,566	-7,000	-5,730,607	-784,601	333,000
Capital receipts Site Preparation	Managing the Organisation	233,294		233,294				
Commercial and Business Fund	Managing the Organisation	-33,281		-33,281				
Contingency for reactive works	Improve Local People's Prospects through Education and Skills Training	-1,566				-42		-1,524
Dawley PRU - KS3	Improve Local People's Prospects through Education and Skills Training	-7,500				-7,500		
Dawley Tennis Courts	Improve the Health and Well Being of our Communities and Address Health Inequalities	-3,046			-3,046			
Devolved Formula Capital	Improve Local People's Prospects through Education and Skills Training	-4,527			-526	-4,000		
Donnington Wood Infants - New Early Years Development	Improve Local People's Prospects through Education and Skills Training	-54,224			-44,549	-9,675		
Energy Sustainability Schemes	Improve Local People's Prospects through Education and Skills Training	-16,258						-16,258
Hadley	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	-79,021	-403,000			323,979		
Haughton Special School - Extension	Improve Local People's Prospects through Education and Skills Training	-99,230			-99,230			
Highways additional £3m	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	332,327	332,327					
Highways Additional Allocation	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	1,000				1,000		
Highways General	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	-160,680				-160,680		
Hollinswood Primary - Line Marking	Improve Local People's Prospects through Education and Skills Training	-750				-750		
Horsehay Fitness Facility	Improve the Health and Well Being of our Communities and Address Health Inequalities	-7,504	-7,504					
Housing	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	-1,656,044	-850,816	-130,000		-675,228		
ICT/eGov	Managing the Organisation	-206,043	-188,809					-17,234
Integrated Transport	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	88,019				88,019		
Ironbridge Gorge Stability	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	337,312				337,312		
John Fletcher - Rewiring Phase 1	Improve Local People's Prospects through Education and Skills Training	-14,488				-14,488		
Lilleshall Primary -Dropped Kerb	Improve Local People's Prospects through Education and Skills Training	-3,257				-3,257		
Loan Contingency Grant	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	-52,969			-52,969			
Local Transport Body	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	-93,101				-93,101		
LSTF-small scheme	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	-19,316				-19,316		
Malinslee	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	-30,416	-30,416					
Managing the funding of the Capital Programme	Managing the Organisation	-878,000	-9,593,718	8,715,718				
Meadows Primary - 4 Classbase	Improve Local People's Prospects through Education and Skills Training	46,081				46,081		
Moorfield Primary - Man hole and Boiler Replacement	Improve Local People's Prospects through Education and Skills Training	-385				-385		
Muxton Primary - 3 Classbase extension	Improve Local People's Prospects through Education and Skills Training	-30,000				-30,000		
Newdale Primary - classbase extension and roof works	Improve Local People's Prospects through Education and Skills Training	-107,505				-107,505		
Newport Fitness Facility	Improve the Health and Well Being of our Communities and Address Health Inequalities	-25,679	-25,679					
Newport Infant - Internal Adaptation to form classbase & 1 classbase/Family R	Improve Local People's Prospects through Education and Skills Training	-36,582				-36,582		
Newport Juniors - DDA Works	Improve Local People's Prospects through Education and Skills Training	-6,000				-6,000		
Oakengates	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	-210,161	-210,161					
Parks and Play	Improve the Health and Well Being of our Communities and Address Health Inequalities	-16,940	-16,940					
Parks For People	Improve the Health and Well Being of our Communities and Address Health Inequalities	-760,219		-272,922		-487,297		
Property and Design Fees	Managing the Organisation	-120,240	-120,240					
Queenswood Primary Accessibility Adaptations	Improve Local People's Prospects through Education and Skills Training	-2,230				-2,230		
Short Breaks - Ican2 Providers	Improve Local People's Prospects through Education and Skills Training	-9,000				-9,000		
Short Breaks - Playscheme	Improve Local People's Prospects through Education and Skills Training	-8,000				-8,000		
Short Breaks - Transport	Improve Local People's Prospects through Education and Skills Training	-12,000				-12,000		
Short Breaks for Disabled Children	Improve Local People's Prospects through Education and Skills Training	-154,119				-154,119		
Short Breaks for Disabled Children - Building adaptations for Foster Carers	Improve Local People's Prospects through Education and Skills Training	-10,000				-10,000		
Short Breaks for Disabled Children - SIS	Improve Local People's Prospects through Education and Skills Training	-2,660				-2,660		
Short Breaks for Disabled Children - Southall School Imersion Room/Igloo, biki	Improve Local People's Prospects through Education and Skills Training	-1,932				-1,932		
Social Care Capital Grant	Protect and Support our Vulnerable Children & Adults	-60,836				-60,836		

Social Education Reprovision	Protect and Support our Vulnerable Children & Adults	-350,000							-350,000
St Matthews Primary - Hi Lo Bed	Improve Local People's Prospects through Education and Skills Training	-4,645							-4,645
Street Lighting Invest To Save	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	118,869	118,869						
Supported Independent Living	Protect and Support our Vulnerable Children & Adults	-326,700	-326,700						
Sutton Hill	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	-115,770	-115,770						
TCAT - The Bridge 16+ Provision	Improve Local People's Prospects through Education and Skills Training	-34,076							-34,076
Teagues Bridge Primary - 3 classbase extension , Hall , Boiler & Roof	Improve Local People's Prospects through Education and Skills Training	-141,982							-141,982
Telford Ice rink	Improve the Health and Well Being of our Communities and Address Health Inequalities	-5,456	-5,456						
Town Centre - Accommodation Strategy	Protect and Create Jobs as a 'Business Supporting, Business Winning Council'	81,494	81,494						
Town Centre - Phase 1	Protect and Create Jobs as a 'Business Supporting, Business Winning Council'	822,764	822,764						
Various Schools - Asbestos Removals	Improve Local People's Prospects through Education and Skills Training	-15,098	-7,760						-7,338
Various Schools - Asbestos Surveys	Improve Local People's Prospects through Education and Skills Training	-29,418		-1,378				-22,802	-5,238
Various Schools - Energy Management Support Package	Improve Local People's Prospects through Education and Skills Training	-2,409						-2,409	
Various Schools - Equipment (Vehicle DV07 VGE)	Improve Local People's Prospects through Education and Skills Training	-1,900						-1,900	
Various Schools - Tree Maintenance	Improve Local People's Prospects through Education and Skills Training	-10,201						-10,201	
Woodside Regeneration	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	-30,734	-8,748	-21,986					

<b>Total</b>		<b>-17,254,767</b>	<b>-4,408,180</b>	<b>-1,620,173</b>	<b>-218,510</b>	<b>-10,505,261</b>	<b>-818,409</b>	<b>315,766</b>
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New Allocations	Priority	Value - £	Funding Analysis					
			Prudential	Capital Receipts	External	Govt. Grant	Borrowing	Revenue
Asset management plan	Managing the Organisation	10,000				10,000		
Borough Towns Initiative-Dawley	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	21,396					20,000	1,396
Box Road	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	911,156				213,787	697,369	
Brookside	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	58,620	58,620					
BSF	Education & Skills BSF	-246,309		-246,309				
Burton Borough - Main roof	Improve Local People's Prospects through Education and Skills Training	260						260
Burton Borough - Maths Block 3 Roof	Improve Local People's Prospects through Education and Skills Training	6,375						6,375
Dawley	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	0	50,000				-50,000	
Dawley Tennis Courts	Improve the Health and Well Being of our Communities and Address Health Inequalities	19,625				19,625		
Donnington Wood Infants - New Early Years Development	Improve Local People's Prospects through Education and Skills Training	49				49		
Dothill Primary - Kitchen Refurbishment	Improve Local People's Prospects through Education and Skills Training	53,375				53,375		
Haughton Special School Extension	Improve Local People's Prospects through Education and Skills Training	100,000				100,000		
Highways General	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	34,473				34,473		
Holinswood Primary - Line Marking	Improve Local People's Prospects through Education and Skills Training	1,185						1,185
Housing	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	283,436		26,767			133,989	122,680
ICT/eGov	Managing the Organisation	120,000						120,000
Integrated Transport	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	2,862				2,862		
Jiggers Bank Stabilization	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	17,345					7,319	10,027
Lilleshall Primary - Flood Damage	Improve Local People's Prospects through Education and Skills Training	46,970						46,970
Lilleshall Primary - Pressure Reducing Valve	Improve Local People's Prospects through Education and Skills Training	2,382						2,382
Lilleshall Primary -Dropped Kerb	Improve Local People's Prospects through Education and Skills Training	1,621						1,621
Local Transport Body	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	151,579				20,000	131,579	
LSTF-small scheme	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	5,636				5,636		
Meadows Primary	Improve Local People's Prospects through Education and Skills Training	31,123				31,123		
Millbrook Primary - Internal Works	Improve Local People's Prospects through Education and Skills Training	18,000				18,000		
Muxton Primary - 3 Classbase extension	Improve Local People's Prospects through Education and Skills Training	33,928				33,928		
Muxton Primary - DDA Equipment	Improve Local People's Prospects through Education and Skills Training	349						349
Newport Fitness Facility	Improve the Health and Well Being of our Communities and Address Health Inequalities	11,035	11,035					
Newport Infant - Internal Adaptation to form classbase & I classbase/Family Rc	Improve Local People's Prospects through Education and Skills Training	36,000				36,000		
Newport Infants - Heat Exchangers	Improve Local People's Prospects through Education and Skills Training	1,692						1,692
Newport Infants - Toilet refurbishment	Improve Local People's Prospects through Education and Skills Training	-3,027				-3,027		
Newport Juniors - DDA Works	Improve Local People's Prospects through Education and Skills Training	1,076						1,076
PIP reinvestment program	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	586,082	11,381	559,952				14,749
Redhill Primary - Automated Gates	Improve Local People's Prospects through Education and Skills Training	619						619
Redhill Primary - Roof Works (following Lead Theft)	Improve Local People's Prospects through Education and Skills Training	5,972						5,972
Social Care ICT Review	Protect and Support our Vulnerable Children & Adults	-252,000						-252,000
St Georges - 3 New Classbases	Improve Local People's Prospects through Education and Skills Training	106,599				106,599		
Supported Independent Living	Protect and Support our Vulnerable Children & Adults	180,874		38,436			142,439	
Teagues Bridge Primary - Flood Damage	Improve Local People's Prospects through Education and Skills Training	25,260						25,260
Town Centre	Protect and Create Jobs as a 'Business Supporting, Business Winning Council'	182,299	182,299					
Various Schools - Asbestos Removals	Improve Local People's Prospects through Education and Skills Training	49,684						49,684
Various Schools - Asbestos Surveys	Improve Local People's Prospects through Education and Skills Training	10,351						10,351
Various Schools - Asset Management System	Improve Local People's Prospects through Education and Skills Training	47,882						47,882
Various Schools - Energy Efficiency	Improve Local People's Prospects through Education and Skills Training	13,157				13,157		

Wellington civic	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	4	4					
William Reynolds Jnr - Toilet and additional works	Improve Local People's Prospects through Education and Skills Training	16,173			16,173			
<b>Total</b>		<b>2,705,167</b>	<b>313,338</b>	<b>378,846</b>	<b>711,760</b>	<b>1,082,694</b>	<b>0</b>	<b>218,529</b>

Virements	Priority	Value - £	Funding Analysis					
			Prudential	Capital Receipts	External	Govt. Grant	Borrowing	Revenue
Housing	Regenerate Those Neighbourhoods in Need and Work Hard to Ensure That Local People Have Access to Housing	390,214		390,214				
Social Education	Protect and Support our Vulnerable Children & Adults	-200,000		-200,000				
Commercial Fund	Managing the Organisation	-390,214		-390,214				
Asset management plan	Managing the Organisation	200,000		200,000				
Social Education Centre	Protect and Support our Vulnerable Children & Adults	350,000				350,000		
Social Care ICT Review	Protect and Support our Vulnerable Children & Adults	252,000				252,000		
Social Care Capital Grant	Protect and Support our Vulnerable Children & Adults	-350,000				-350,000		
Social Care Capital	Protect and Support our Vulnerable Children & Adults	-252,000				-252,000		
BSF	Education & Skills BSF	31,717				31,717		
Borough Towns Initiative-Dawley	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	2,744				2,744		
Hartshill & Bowring Tennis Courts Refurb	Improve the Health and Well Being of our Communities and Address Health Inequalities	-31,717				-31,717		
Access - Contingency	Improve Local People's Prospects through Education and Skills Training	-2,744				-2,744		
Property and DeslGn Fees	Managing the Organisation	-79,760	-79,760					
BSF	Education & Skills BSF	-60,000	-60,000					
Asset management plan	Managing the Organisation	23,308	23,308					
Horsehay Fitness Facility	Improve the Health and Well Being of our Communities and Address Health Inequalities	-2,446	-2,446					
Adventure Golf	Improve the Health and Well Being of our Communities and Address Health Inequalities	2,446	2,446					
All other School schemes	Improve Local People's Prospects through Education and Skills Training	79,760	79,760					
Integrated Transport	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	60,000	60,000					
BTI Small Grants	Ensure That Neighbourhoods are Safe, Clean and Well Maintained	-23,308	-23,308					
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**TELFORD & WREKIN COUNCIL**

**CABINET – 26 JUNE 2014**

**NON-ACCOMMODATION SERVICES PREFERRED PROVIDER  
FRAMEWORKS**

**REPORT OF ASSISTANT DIRECTOR FAMILY, COHESION &  
COMMISSIONING**

**LEAD CABINET MEMBER – CLLR PAUL WATLING**

**PART A) – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

- 1.1 To seek Cabinet approval to tender a preferred provider framework for non-accommodation services (therapy, psychological assessment, parenting assessment, contact, family group conferencing and mediation).

**2. RECOMMENDATIONS**

It is recommended that Cabinet approve the following:

- 2.1 **A tender for a preferred provider framework to secure non-accommodation services for children, young people and families.**
- 2.2 **To tender a preferred provider framework which can be used by other local authorities in the West Midlands.**
- 2.3 **The Assistant Director: Family, Cohesion & Commissioning is granted delegated authority, following consultation with the Cabinet Member to award qualifying providers entry to the Preferred Provider Framework for a period of 3 years with the option of extending the framework for a further 1 year.**
- 2.4 **To delegate the authority to the Assistant Director: Law, Democracy and People Services to execute all documentation required to give effect to the agreements reached in relation to 2.1 above.**

### 3. SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	<ul style="list-style-type: none"> <li>• Protect and support our vulnerable Children and Adults</li> <li>• Improve the health and wellbeing of our communities and address health inequalities</li> </ul>
	Will the proposals impact on specific groups of people?	
	No	<p>Non-accommodation Services are put in place to;</p> <ul style="list-style-type: none"> <li>• Support children, young people and families to work on their emotional and behavioural difficulties by providing a safe and nurturing place where trained practitioners help bring about change or enhance well-being.</li> <li>• Have a psychological assessment to determine what support is needed to improve children and young people's outcomes.</li> <li>• Have a psychological assessment which is court ordered.</li> <li>• Provide parenting assessments to evaluate the motivation and ability to change and to parent, evaluate the child's development needs and wider family as an early intervention.</li> <li>• Ensure children and young people can have contact with people they are living apart from.</li> <li>• Support the process by which family members plan and make decisions for a child who is at risk.</li> <li>• Facilitate meetings where family members (parents) agree to discuss areas of difficulty or dispute.</li> </ul>

<b>TARGET COMPLETION/DELIVERY DATE</b>	The aim is to put the new Preferred Provider Framework in place by October 2014.	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes/No	<p>Non-accommodation services are currently provided for children, young people and families via a number external providers on a spot basis i.e. as and when required.</p> <p>The cost of the non-accommodation services for 2013-14 was £436k against a budget of £250k. There was a mixture of organisations and sole traders who delivered these services. The Safeguarding &amp; Early Help Cost Improvement Plan includes a target of a reduction of £106k against the use of external providers to deliver parenting assessments – this amount plus another £80k needs to be delivered against non accommodation support services to contain the costs within budget.</p> <p>It is, however, envisaged that this new framework, giving more access to social work and prevention teams to enable this prevention work to be undertaken earlier and so enable families to remain together, will result in an increase in the costs but will be offset by a reduction in the costs of care by preventing children coming into the care. The offsetting of the two areas of spending must be balanced.</p> <p>It is vital that this framework delivers value for money and any use of accredited providers produces the desired outcomes of keeping children out of care. If this change is not realised then the costs of care are unlikely to fall and the service will experience a significant overspend against a budget already subject to a planned cost improvement target.</p> <p>TAS 28/5/14</p>

<p><b>LEGAL ISSUES</b></p>	<p>Yes/No</p>	<p><b><u>Frameworks</u></b></p> <p>The aggregate value of the various Individual Service Agreements (<b><i>“Call-Off contracts”</i></b>) that will be procured under the proposed Preferred Provider Framework Agreement (<b><i>“the Framework”</i></b>) requires these services to be procured in accordance with EU legislation, the Public Contracts Regulations 2006 (as amended) (<b><i>“the Regulations”</i></b>) and the Council’s Finance Regulations and Contract Procedure Rules.</p> <p>The Regulations define a framework agreement as <b><i>“an agreement or other arrangement between one or more contracting authorities and one or more economic operators, which establishes the terms under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework applies”</i></b>. The Regulations permit local authorities to enter into framework agreements with a number of service providers, following a competitive tendering process, and to thereafter select from those service providers to provide particular services, as and when required for a maximum period of four years. This obviates the need to undertake a wide competitive process.</p> <p>In general terms, in letting each Call-Off contract the Council can choose to appoint a service provider off the Framework, directly based on the pricing and/or other information established in the original tender process, or if the price cannot be directly determined or in order to ensure best value it can hold a mini-competition between the suppliers appointed to the Framework in or to make an award.</p> <p><b><u>Social Value</u></b></p> <p>The <b>Public Services (Social Value) Act 2012</b> (<b><i>“the Act”</i></b>) applies to Framework Agreements. Section 1 (3) requires an</p>

	<p>authority to:</p> <p>(a) <i>consider how what is proposed to be procured might improve the social economic and environmental well-being of the <b>relevant area</b> and</i></p> <p>(b). <i>how, in conducting the process of procurement, it might act with a view to securing that improvement.</i></p> <p><b>(“the relevant area”</b> means the area consisting of the area or areas of the one or more relevant authorities on whose behalf a public services contract is, or contracts based on a framework agreement are, intended to be made.)</p> <p>Section 1 (7) requires that, <i>“The authority must consider whether to undertake any consultation as to the matters that fall to be considered under subsection (3).”</i> The Act is silent on how, or with whom, consultation must be held but a presumption is that this could include the voluntary and community sector, along with other providers and interested groups.</p> <p>The intention is that, as well as the larger Providers of these services, the procurement process will encourage small to medium local Providers to tender for a place on the Framework. Care however, will need to be taken to ensure that the possible introduction of current (or future) technology, such as the current electronic monitoring systems (that monitor care staff attendance time in the service user’s home) does not result in a disproportionate and adverse costs penalty (from the system licence fee and call-rate charges) on these small to medium local Providers as this may negate the intended local benefits under the Act.</p> <p><b><u>Best Value</u></b></p> <p><b>Section 3(1) of the Local Government Act 1999</b> imposes a general duty, <i>“to make arrangements to secure continuous improvement in the way in which its</i></p>
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	<p><i>functions are exercised, having regard to a combination of economy, efficiency and effectiveness".</i></p> <p><i>In addition to demonstrating value for money via continuing market testing and quality control, Call Off contracts will contain provisions which enable continuing value for money to be tested and provisions to allow termination in the event that the service cannot be provided on terms which remain acceptable to the Council.</i></p> <p>Section 3(2) of the Local Government Act 1999 requires that an authority, when deciding how to fulfil its duty under S3 (1), must consult</p> <ul style="list-style-type: none"><li>a) representatives of persons liable to pay any tax, precept or levy to or in respect of the authority,</li><li>(b) representatives of persons liable to pay non-domestic rates in respect of any area within which the authority carries out functions,</li><li>(c) representatives of persons who use or are likely to use services provided by the authority, and</li><li>(d) representatives of persons appearing to the authority to have an interest in any area within which the authority carries out functions.</li></ul> <p><b>(3)For the purposes of subsection (2) "representatives" in relation to a group of persons means persons who appear to the authority to be representative of that group</b></p> <p><b><u>Best Value and the Phased Transfer of Current IPA's onto the Framework</u></b></p> <p>Achieving value for money for the Council includes the phased transfer of all current Individual Placement Agreements on to the new Framework, however in view of the impact that the changes may have on current service</p>
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		<p>users it is likely that the duty to consult under section 3(2) arises.</p> <p>In R (On the Application of Nash) v Barnett LBC) [2013] EWHC ( judicial review of outsourcing services) the Judge noted that Section 3 of the Local Government Act 1999 required the local authority to consult on the way in which it exercised its functions and that <u>this included high-level</u> choices about how an authority went about performing its functions. If such consultation does not take place there is a risk that service users and current/potential providers may be able to challenge the final decision, although that risk is likely to be low</p> <p><b><u>Public Sector Equality Duty.</u></b></p> <p>The Council must have due regard to the Public Sector Equality Duty as imposed by s149 (1) of the Equality Act 2010, which states:</p> <p><i>(1) A public authority must, in the exercise of its functions, have due regard to the need to—</i></p> <p><i>(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;</i></p> <p><i>(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;</i></p> <p><i>(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it...</i></p> <p>Consideration needs to be given to carrying out an Equality Impact Assessment in respect of the proposal to transfer current Individual Placement Agreements onto the new Framework in order to assist the Council in meeting its</p>
<b>OTHER IMPACTS, RISKS</b>	Yes/No	Having a preferred provider

<b>&amp; OPPORTUNITIES</b>		<p>framework will mean there is a diverse range of providers available, increased capacity to meet not only the needs of children, young people and families, but also meet their needs in a timely manner.</p> <p>The ability to run mini tenders will offer the Council the opportunity to secure best value and reduce the risk of spot purchasing at prices which are too high.</p>
<b>IMPACT ON SPECIFIC WARDS</b>	Yes/No	Borough wide impact: Non-accommodation service purchasing will be delivered across Telford & Wrekin and the wider West Midlands.

**PART B) – ADDITIONAL INFORMATION**

**4. INFORMATION**

**Contracting Arrangements**

The current spot contracting arrangements are undertaken by several different providers on a number of different terms and conditions. The preferred provider framework will use the Council’s new contract Terms and Conditions and incorporate an outcome focused specification. This in turn will mean improved ability to monitor performance of providers.

As the framework will be open to all West Midlands local authorities to join, Telford & Wrekin Council may benefit from the increased number of providers who historically may have worked only in particular local authorities.

**5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

**Community Impact:** The setting up of a Preferred Provider Framework, will enable the Council to expand the number of providers they contract with allowing both larger organisations and sole traders to enter the framework and reduce the need for spot contracts.

**Financial Impact:**

Providers will be required to offer competitive prices at the mini-competition stage and therefore the Council will benefit by being able to get best value to meet the needs of the children, young people and families.

The Preferred Provider Frameworks will also support the **Agresso system**: It will bring in requirements around raising service orders and contracts that will be compliment the work to ensure these processes operate efficiently.

**6. PREVIOUS MINUTES**

Commissioning Plan 2013

**7. BACKGROUND PAPERS**

Prior Information Notice

**Report prepared by Manny Jhawar-Gill, Commissioning Contracts  
Officer, Telephone: 01952 385044**

**TELFORD & WREKIN COUNCIL**

**CABINET – 26 JUNE 2014**

**DOMICILIARY CARE PREFERRED PROVIDER FRAMEWORKS**

**REPORT OF ASSISTANT DIRECTOR FAMILY, COHESION &  
COMMISSIONING**

**LEAD CABINET MEMBER – CLLR ARNOLD ENGLAND**

**PART A) – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

- 1.1 To seek Cabinet approval to award qualifying providers entry to the Preferred Provider Framework for domiciliary care.

**2. RECOMMENDATIONS**

It is recommended that Cabinet approve the following:

- 2.1 The Director: Care, Health and Well-being is granted delegated authority, following consultation with the Cabinet Member for Adult Social Care to award qualifying providers entry to the Preferred Provider Framework for a period of one year with the option of extending the Framework annually for a further 3 years.**
- 2.2 To delegate the authority to the Assistant Director: Law, Democracy and People Services to execute all documentation required to give effect to the agreements reached in relation to 2.1 above.**

### 3. SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	<ul style="list-style-type: none"> <li>Protect and support our vulnerable Children and Adults</li> </ul> <p>Improve the health and wellbeing of our communities and address health inequalities</p>
	Will the proposals impact on specific groups of people?	
	Yes	<p>Domiciliary care is put in place to support:</p> <ul style="list-style-type: none"> <li>Older and vulnerable people, with Community Care needs to live independently in their own homes.</li> <li>Children and Young people with disabilities to enable and support them to live ordinary lives, to access a range of specialist activities including short break services</li> </ul> <p>The needs of these vulnerable groups were considered in relation to the Equality Duty 2010 when developing the Framework and its adoption will deliver an improvement to care standards, health and equality of opportunity.</p>
<b>TARGET COMPLETION/DELIVERY DATE</b>	The aim is to put the new Preferred Provider Framework in place by September 2014.	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	Domiciliary Care is currently provided for all client groups in Adult Social care. The care is purchased in the main from external providers. The cost of externally purchased homecare in 2013/14 including block contracts was £12m of which spot purchased care was around £10.3 m

	<p>and block purchased care a £1.7m .</p> <p>Adult Social Services has a savings target of £10.5m over the period of years 2014/16. These are contained in the current budget strategy and the adopted financial recovery plan. Over £3m of this is proposed to be met from Homecare and almost all from Homecare spot purchasing – required reduction of around 30%. The proposals to deliver this saving include proposals to reduce rates and to deliver demand management for example through the use of Assistive Technology etc.</p> <p>Recent updated work on spot purchased Homecare suggests there has been a small reduction in the average rate at which the Council purchases homecare the spot average rate in 2013/14 was around £15 per hour. The savings proposals included in the above totals and expected to be made from reducing Homecare rates is £650k. In order to achieve this the current average spot rate would need to reduce by up to 10% and based on best information held the rate would need to reduce to between £13.50 and £14.00 per hour.</p> <p>Through the tender process the Framework will accredit service providers and ask for costs that are below £14.00 per hour for general domiciliary care and a cost for specialist support. In order to deliver the saving proposed of £650k the call off contract “mini bids” would have to deliver a reduction to an average rate of between £13.50 and £14 per hour (being the maximum level in the proposed banding).</p> <p>TS/RP/28/05/14</p>
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<b>LEGAL ISSUES</b>	Yes	The aggregate value of the various Individual Placement Agreements (" <b>Call-Off contracts</b> ") that will be procured under the proposed Preferred Provider Framework Agreement (" <b>the Framework</b> ") requires these services to be procured in accordance with EU legislation, the Public Contracts Regulations 2006 (as amended) (" <b>the Regulations</b> ") and the Council's Finance Regulations and Contract Procedure Rules.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	The Care & Support Act places a duty on the Council to ensure a diverse market of care providers. This in turn, supports the personalisation agenda in ensuring provider choice.  Adopting a Preferred Provider Framework will retain a diverse provider market, whilst offering the Council the opportunity to secure best value from the market.
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	Borough wide impact: Domiciliary care purchasing takes place across all wards of the Council.

## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

#### **Tender**

The tender for the Preferred Provider Framework was opened on 2 May 2014. The response to date has been positive with over 50 domicilliary care providers showing interest in the tender. The closing date for the tender was 9 June 2014, 37 providers formally submitted a response, and evaluation of the tenders is underway..

#### **Contracting Arrangements**

The current spot contracting arrangements for domiciliary care under which Adult Social Care services are currently being purchased are not in line with

good practice; use out of date Terms & Conditions; have no service specification and prices have not been competitively set through a contracting process.

Although children's contracting arrangements for domiciliary care and support are in place we are taking the opportunity to include these services into this tender and rationalise our contracting arrangements. This supports the move to a single commissioning/contracts team: The restructure is almost complete and will be implemented from 1 July 2014.

The Framework will use the Council's new contract Terms & Conditions, and incorporate an outcome based specification. These will provide a more robust basis for monitoring the performance of care providers, and supporting safeguarding obligations. The Framework will also improve market management in terms of supply and transparency of pricing.

Through the tender process the Framework will accredit service providers and ask for costs that are below £14.00 per hour for general domiciliary care. For specialist care, consideration may be given to costs that are above £14.00, but below £16.00 per hour.

### **Adult Social Care**

Adult Social Care has arranged domiciliary care for over 1800 older and vulnerable people within Telford & Wrekin.

Domiciliary care focuses on allowing people to stay in their own home. Domiciliary care aims to keep people healthy, well and active; able to take part in, and contribute to, their local community. Good domiciliary care, linked to other community based services, delays the need for moving to a care home. For most people, care in their own home is a preferred and more cost effective alternative to residential or nursing care.

The majority of this care is delivered by independent as well as not for profit care providers, under spot purchasing arrangements linked to individual care plans.

To achieve savings on purchasing domiciliary care Adult Social Care need to reduce both the demand for care and associated hours of provision and the cost of care. The Financial Recovery Plan sets out a series of initiatives that seek to address each of these priorities. The tendering of a Preferred Provider Framework seeks to reduce the cost of care. Under the new Framework bids will be invited for packages of domiciliary care for individuals. Bids will only be considered if they fall within the price band set out within the Framework. This approach will ensure the Council can maximise the opportunity associated with a competitive process, whilst creating control around the highest and lowest prices. A brokerage process has been operating during 2012/13, testing this approach, and there is evidence that it is reducing the average price that Adult Social Care is paying for domiciliary care.

## **Children and Young People with a Disability**

It is estimated that there are between 1,132 and 2,037 children and young people experiencing some form of disability living within Telford & Wrekin.

Approximately 160 children and young people require some support and about a third of these currently choose an agency to supply the support. This equates to 88 support sessions per week and nearly 1000 hours per year.

Families with an assessed need will have access to provision that will enable them to be cared for in their own home or given opportunities to access activities and places, and to become involved and included, in the wider community. The children of these families may use the services procured via this Framework contract if appropriate.

## **5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

### **Community Impact**

The setting up of Preferred Provider Frameworks, with potential exclusion of some lower quality providers from the Framework, should ensure that the Council focuses its purchasing on care providers delivering safe care. This arrangement lessens the risks associated with safeguarding issues that could arise from buying low cost care. Safeguarding issues signal poor care practices with the potential of harm and distress to vulnerable people in the borough. Additionally any major safeguarding issue carries reputational risks for the Council.

### **Financial Impact**

The proposal is intended to deliver care in the Community at a lower unit cost than is currently the case. .

The Preferred Provider Frameworks will also support the **Abacus Project and Agresso system**: It will bring in requirements around raising service orders and contracts that will be compliment the work to ensure these processes operate efficiently.

Long term sustainable savings from domiciliary care purchasing will result from the combination of use of the Preferred Provider Frameworks and activities to transform the way care is delivered i.e. by using Assistive Technology, etc.

### **Market Impact**

At present the Council is the major purchaser of domiciliary care locally. The expectation is that, via the policy to promote personal budgets and direct payments Council purchasing will reduce, and purchasing will be led by individuals accessing Council funding where appropriate. This shift requires

that a wide range of providers of domiciliary care and low level care are available within the local market.

Rigid, formal framework contracts would adversely affect the provider market, potentially pushing the majority of providers out of business. The Preferred Provider Frameworks can include a wide range of care providers, and have greater development potential around a quality mark or ratings system to support purchasing decisions, by the Council or by individuals

## **Legal Impact**

### **Frameworks**

The Regulations define a framework agreement as ***“an agreement or other arrangement between one or more contracting authorities and one or more economic operators, which establishes the terms under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework applies”***. The Regulations permit local authorities to enter into framework agreements with a number of service providers, following a competitive tendering process, and to thereafter select from those service providers to provide particular services, as and when required for a maximum period of four years. This obviates the need to undertake a wide competitive process.

In general terms, in letting each Call-Off contract the Council can choose to appoint a service provider off the Framework, directly based on the pricing and/or other information established in the original tender process, or if the price cannot be directly determined or in order to ensure best value it can hold a mini-competition between the suppliers appointed to the Framework in or to make an award. It is the Council's intention to hold mini-competitions in relation to each Call-Off contract and to have a fixed pricing band in place (with pre-set maximum and minimum values) to ensure that competitive bidding does not come at the expense of service quality and integrity.

### **Social Value**

The **Public Services (Social Value) Act 2012** (“the Act”) applies to Framework Agreements. Section 1 (3) requires an authority to:

- (a) *consider how what is proposed to be procured might improve the social economic and environmental well-being of the **relevant area** and*
- (b). *how, in conducting the process of procurement, it might act with a view to securing that improvement.*

**(“the relevant area”** means the area consisting of the area or areas of the one or more relevant authorities on whose behalf a public services contract is, or contracts based on a framework agreement are, intended to be made.)

Section 1 (7) requires that, *“The authority must consider whether to undertake any consultation as to the matters that fall to be considered under subsection*

(3).” The Act is silent on how, or with whom, consultation must be held but a presumption is that this could include the voluntary and community sector, along with other providers and interested groups.

The intention is that, as well as the larger Providers of these services, the procurement process will encourage small to medium local Providers to tender for a place on the Framework. Care however, will need to be taken to ensure that the possible introduction of current (or future) technology, such as the current electronic monitoring systems (that monitor care staff attendance time in the service user’s home) does not result in a disproportionate and adverse costs penalty (from the system licence fee and call-rate charges) on these small to medium local Providers as this may negate the intended local benefits under the Act.

## **Best Value**

**Section 3(1) of the Local Government Act 1999** imposes a general duty, “*to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness*”.

*In addition to demonstrating value for money via continuing market testing and quality control, Call Off contracts will contain provisions which enable continuing value for money to be tested and provisions to allow termination in the event that the service cannot be provided on terms which remain acceptable to the Council.*

Section 3(2) of the Local Government Act 1999 requires that an authority, when deciding how to fulfil its duty under S3 (1), must consult

- a) representatives of persons liable to pay any tax, precept or levy to or in respect of the authority,
- (b) representatives of persons liable to pay non-domestic rates in respect of any area within which the authority carries out functions,
- (c) representatives of persons who use or are likely to use services provided by the authority, and
- (d) representatives of persons appearing to the authority to have an interest in any area within which the authority carries out functions.

**(3)For the purposes of subsection (2) “representatives” in relation to a group of persons means persons who appear to the authority to be representative of that group**

## **Best Value and the Phased Transfer of Current IPA’s onto the Framework**

Achieving value for money for the Council includes the phased transfer of all current Individual Placement Agreements on to the new Framework, however in view of the impact that the changes may have on current service users it is likely that the duty to consult under section 3(2) arises.

In R (On the Application of Nash) v Barnett LBC) [2013] EWHC ( judicial review of outsourcing services) the Judge noted that Section 3 of the Local Government Act 1999 required the local authority to consult on the way in which it exercised its functions and that this included high-level choices about how an authority went about performing its functions. If such consultation does not take place there is a risk that service users and current/potential providers may be able to challenge the final decision, although that risk is likely to be low.

### **Public Sector Equality Duty.**

The Council must have due regard to the Public Sector Equality Duty as imposed by s149 (1) of the Equality Act 2010, which states:

*(1) A public authority must, in the exercise of its functions, have due regard to the need to—*

*(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*

*(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*

*(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it...*

Consideration needs to be given to carrying out an Equality Impact Analysis in respect of the proposal to transfer current Individual Placement Agreements onto the new Framework in order to assist the Council in meeting its Public Sector Equality Duty.

### **TUPE 2013**

If the transfer of current Individual Placement Agreements onto the Framework results in a change of service provider the consideration will need to be given as to whether any obligations under TUPE arise.

### **Equality analysis outcomes**

Consultation with service users of adult Social Care has highlighted concerns regarding consistency and continuity of care, as well as good quality care and respect for privacy.

Whilst the overall objective of the Domiciliary Care Preferred Provider Frameworks is to deliver financial savings and a consistent market, it will, as a by-product ensure improvement in care and quality for an individual. It will do this by introducing a quality threshold for providers, a robust contract specification and a right for the Council to monitor provider performance. It is anticipated that it may also lead to a smaller number of providers, improving the capacity of the Council to monitor quality and contract delivery. Safety will be improved as the Framework will not include agencies that exhibit consistently poor practice. This will be assured through normal safeguarding and quality monitoring processes.

Concerns for the transition of individuals from one agency to another have been considered. Service users impacted by the Framework will be informed of changes in an appropriate manner to their needs and will effectively have three options:

- The transfer of individual placements from agencies who have not managed to integrate with the Framework to one within the Framework will be a managed process that will reflect the Service Users choice to receive care from a new agency.
- For individuals who choose not to transfer to a Framework agency, they will be invited to take up a personal budget and supported to appropriately direct their own support. It is unknown how many affected individuals would exercise this choice nor is it possible to identify until the Framework has been compiled.
- For individuals who do not wish to transfer to an agency on the Framework, and who do not wish to take a direct payment, the Council can consider continuing to secure their care package via their existing provider to facilitate service user choice.

The overall implementation of the Framework will be monitored through our normal contracting and commissioning process and individual outcomes will be monitored through the community care review process and statutory complaints system.

## **6. PREVIOUS MINUTES**

Procurement Intentions report: Cabinet 20 Feb 2014. Minute 8

## **7. BACKGROUND PAPERS**

**Report prepared by Fran Jones, Commissioning Specialist, Telephone:  
01952 381215**

## **TELFORD & WREKIN COUNCIL**

**CABINET - 26 JUNE 2014**

### **A NEW APPROACH TO SUPPORTING HOUSING OPTIONS**

**JOINT REPORT OF ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & EMPLOYMENT and ASSISTANT DIRECTOR: FAMILY, COHESION & COMMISSIONING**

**LEAD CABINET MEMBER: CLLR CHARLES SMITH**

## **1 SUMMARY OF MAIN PROPOSALS**

As a local authority TWC have a number of statutory housing responsibilities including:

- A duty to provide accommodation for a number of priority categories of individuals/families when they are found to be homeless or threatened with being made homeless.
- The development and adoption of a Housing Allocations Policy.

Since 2006, the allocation of social housing in the Borough has been provided via the choice based letting system "Choose Your Home" (CYH) which is managed by the Wrekin Housing Trust (WHT). Three other Registered Providers (RPs); Bromford, Bournville Village Trust (BVT) and Sanctuary, are part of the CYH partnership and advertise their properties via the system. Some 16,000 people are currently registered on CYH forming the 'waiting list' for social housing.

WHT has given notice to cease managing CYH from 4 July 2014, after which they will launch a new system for allocating their properties via their own web site. This means that the Council and other housing providers need to implement their own processes for managing housing allocations in the borough.

In this context, this report sets out the Council's proposals to launch a new web based housing assessment tool on 7 July 2014. This will provide a bespoke housing options appraisal to every applicant including realistic, tailored advice across the full range of housing options, adaptations and financial support. This will also include links to Telford Homefinder, a new TWC managed Lettings Agency website, also online from 7 July, which will provide accredited accommodation in the private rented sector, significantly extending viable housing options for those currently focussed solely on accessing social housing.

The Housing Act 1996, as amended, requires all local authorities to make housing allocations and nominations in accordance with an Allocations Policy. The Council will need to prepare a new Housing Allocations Policy to reflect the above proposal. Work has commenced on this and a draft will be brought to Cabinet in due course.

## **2 RECOMMENDATIONS**

- **That Cabinet grant delegated authority to the Assistant Director for Development, Business & Employment, in consultation with the Cabinet Member for Housing, Development & Borough Towns, to implement the proposals set out in paragraph 4 of this report.**

- That Cabinet approve the one off and ongoing expenditure being incurred by the Assistant Director: Development, Business & Employment and the Assistant Director: Family, Cohesion & Commissioning from the funding sources outlined at paragraph 5 of this report.

### 3 SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	Individuals that are currently on the CYH waiting list will receive better housing advice and greater housing options. In particular the proposals within this report will contribute towards: <ul style="list-style-type: none"> <li>• Regenerating those neighbourhoods in need and working to ensure that local people have access to suitable housing</li> <li>• Ensuring neighbourhoods are safe, clean and well maintained through improving the private rented accommodation in the borough and promoting good landlords</li> </ul>
	Will the proposals impact on specific groups of people?	
	Yes	Residents in the borough in need of housing options and communities affected by poor housing
<b>TARGET COMPLETION/ DELIVERY DATE</b>	4 July 2014	
<b>FINANCIAL/ VALUE FOR MONEY IMPACT</b>	Yes	The proposals in this report require a one-off investment of £62k to implement the development of the Telford Housing Options and Telford Homefinder scheme as per the table in section 6. These one off costs will be funded from available housing reserves. The ongoing costs will be met from existing budgets and monitored through Financial Monitoring. It is anticipated that the scheme will generate income in future years which will be used to develop the service and ensure its ongoing financial sustainability. The potential to develop Telford Homefinders further as a commercial lettings operation will also be considered. JAC 150514
<b>LEGAL ISSUES</b>	Yes	The statutory duties in relation to housing and homelessness are detailed in the main body of the report and the report details how these duties are to be met in the future. Implementation of these new proposals will need to be aligned to the adoption of an amended housing allocations policy and be subject to an equalities impact assessment. The detailed communications plan detailed below is the way that the Council is managing the risk of challenge.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	The proposals aim to provide tailored, realistic housing options advice, which will manage expectations around the likelihood of accessing social housing and direct clients to consider alternative options including private rented

		accommodation. The new arrangements will remove the need for a housing waiting list and increase opportunity to discharge housing duty into the private rented sector. The proposals also offer the opportunity to raise the quality of private rented accommodation and landlord practices through incentivising accreditation. There are also commercial opportunities associated with the development of a Lettings Agency model. Risks include negative response to the withdrawal of the waiting list and client's associated date of registration and banding, but these are being managed through the implementation of a detailed communications plan as set out at paragraph 4.5.
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	The changes have the potential to impact on all Wards

## **4. INFORMATION**

### **4.1 Background**

Choice based letting schemes were developed to provide an element of choice for people applying for social housing, including existing tenants who wanted to transfer to another home. They were intended to make the allocation of homes fairer and more transparent.

Telford & Wrekin's choice based letting scheme, "Choose Your Home" (CYH), was launched in 2006 and since then has been managed by WHT. Sanctuary Housing (formerly Beth Johnson), Bromford and Bournville Village Trust were founding partners and remain members today.

Under the existing CYH scheme there are circa 16,000 people on a waiting list for social housing with a further c.100 joining the scheme each week. People on the list are allocated to one of three categories – urgent (814), needing (11,781) and wanting (2,793). Anecdotally, a significant number of those on the list are not active (i.e. not regularly bidding for properties).

Currently circa 1,000 affordable homes are made available to let through CYH every year meaning that only around 6% of those on the waiting list will successfully access a property each year. Although the Borough saw 300 affordable homes built in 2013/14 (30% of total housing completions) the reality is that the majority of those on the waiting list have little hope of getting a property through the existing scheme. Choose Your Home is not designed to offer additional advice or signpost to alternative, more viable housing options or support.

### **4.2 The Council's Position**

As a local authority TWC have a number of statutory housing responsibilities including:

- A duty to provide accommodation for a number of priority categories of individuals/families when they are found to be homeless or threatened with being made homeless.
- The development and adoption of a Housing Allocations Policy.

There is no legal requirement for the Council to develop or host any equivalent to CYH or to hold a waiting list. However the Council is committed to supporting customers to meet their

housing needs and has therefore developed a new approach to housing options and allocation that aims to provide tailored housing options with a greater focus on accommodating people through a well regulated, private rented sector.

### **4.3 New Approach to Meeting Housing Needs**

In detail the new approach has two elements:

#### **Telford Housing Options**

Telford Housing Options will be an online assessment tool which, through a series of questions, filters clients' housing needs and provides a bespoke housing options report. The report will provide a range of tailored advice depending on the client's needs. This could, for example, include advice on mortgage rescue, how homes can be adapted and opportunities to access accredited private rented accommodation via Telford Homefinders (see below).

Where social housing is identified as a viable option (and this will typically be 'last resort' rather than the automatic response) information on the likely waiting times for preferred accommodation will be highlighted and links then made to WHT web site and to Homes Direct. Homes Direct is a choice based lettings system, similar to CYH but operated by Midland Heart, through which properties in the Borough owned by BVT, Sanctuary Housing and Bromford will be advertised. Clients signposted to the WHT website or Homes Direct will need to register and wait for appropriate accommodation to become available. If people are homeless or threatened with being made homeless, the Council's new system will automatically email a member of the Council's Housing Options Team who will call them to book a face to face appointment.

The new system will go live on 7 July and be hosted on the Council's website. Screen shots of the system are included at Appendix 1.

#### **Telford Homefinders**

On the 7 July the Council will also launch Telford Homefinders. This will be a web based Lettings Agency managed by TWC's Home Improvement Agency (HIA), advertising private rented accommodation provided by landlords accredited by TWC. Telford Homefinders will link with the assessment tool as well as being accessible as a stand alone Lettings Agency website. The site extends the existing approach to sourcing private rented accommodation as temporary accommodation and prevention for homelessness. The HIA already have established links with the Wrekin Landlord Association and are actively building the landlord/property database.

All landlords that advertise through Telford Homefinders will be expected to join the T&W Landlord Accreditation scheme. The accreditation scheme will not only accredit the landlord but also each property.

In order to grow the landlord/property database it is proposed to offer incentives for landlords to join the scheme. The landlord accreditation scheme is free to join, but all landlords must attend a training course within 6 months of joining at a cost of £50, this course will need to be refreshed on an annual basis. As an introductory offer, landlords will be able to advertise their properties free of charge for the first six months, following which it is proposed that there will be a c£100 fee to find a tenant. This will include an inventory, tenancy agreement and a credit check if required. The figures are based on market testing of existing letting agencies in the borough and their tenant finding fees. While fees differ between letting agencies, these

figures are competitive in relation to agencies providing accommodation to clients in receipt of housing benefit. Other incentives will include access to advice through the Tenancy Relations Officers regarding tenancy issues and landlord advice. Where landlords have properties that would enable us to meet high levels of need stemming from discharge of our housing duty, we will consider waiving up to two weeks council tax if they agree to hold the property vacant for a homeless client.

Branding has been developed for Telford Homefinders and this is included in Appendix 2.

#### **4.4 Timescales**

The transition to the new system includes a number of key stages and dates:-

- **From w/c 2 June 2014**
  - notification via CYH website to all customers that the CYH system will cease to operate from 7 July 2014. WHT start to remove their frequently let properties from CYH
  - inclusion message notification via CYH website visible to all accessing CYH regarding forthcoming changes
- **4 July 2014** – Properties cease to be advertised on the CYH website.
- **7 July 2014** – CYH scheme closes
- **7 July 2014** The Council launches Telford Housing Options and Telford Homefinder

In parallel with these dates WHT, BVT, Bromford and Sanctuary will brief their existing tenants of the changes.

#### **4.5 Communications Plan**

It is critical that a robust communications plan is implemented that ensures all existing users of CYH, as well as those wishing to access housing support are aware of the changes and the benefits of the new system and customers are supported in accessing the new systems.

In order to manage the transition from CYH to the new Housing Assessment Tool effectively, communications around the new system have already begun.

To support this, a TWC Housing Options Contact Centre is in place to address all enquiries. In addition customers can access support and advice via First Point, libraries, community centres and links are being made with drop in sessions such as Job Junctions to provide opportunities for people to talk to Officers and access the new system on line. All 800 clients on the “urgent” band on CYH and the 270 customers who bid for properties through mailouts and do not have access to CYH online have already been contacted by phone to explain the changes. Advertising via Parish and Town Councils and at WHT Shops as well as use of social media also forms part of the communication plan. This is illustrated in summary for the transition period detailed in Appendix 3.

### **5. FINANCIAL RESOURCES**

The table below sets out the anticipated one off and ongoing resources associated with the development and implementation of the preferred option set out in this report.

<b>Resources</b>	<b>Cost</b>
<b>One-Off Investment Required</b>	
Development of the websites and web tool	£18,000
Upgrade of phones for call centre in Housing Options	£871
Additional Staff for 3 months for inward and outbound Calls starting the 2 June – estimated 4 staff needed:	
Option 1: Agency staff based on 3 months:	£38,400
Option 2: Internal staff at scale 6 based on 3 months:	£27,600
Contingency	£5,000
<b>Total</b>	<b>£51,471 to £62,271</b>
<b>Ongoing Annual Costs – Telford Homefinders</b>	
Marketing and Promotion	£1,000
Landlord 2 week Council Tax Break	£3,000
20 Hours Tenancy Relation Officer	£18,000
1 FTE Social Lettings Officer	£39,324
<b>Total</b>	<b>£61,324</b>

It is proposed that the one of costs are funded from reserves within Development, Business & Employment (DBE). Ongoing costs associated with the operation and development of Telford Homefinders will also be met by existing budgets within DBE. The costs of operating Telford Housing Options will be met by Family & Cohesion Services. A draft business case has been developed which identifies opportunities to make savings to offset any increase in costs through reduction in usage of B&B accommodation as a result of developing opportunities to discharge our housing duty into the private rented sector.

## **6. PREVIOUS MINUTES**

Draft Homelessness Strategy 19 September 2013.

## **7. BACKGROUND PAPERS**

Housing Act 1996

***Report prepared by Toni Keever (Home Improvement Team Leader),  
[toni.keever@telford.gov.uk](mailto:toni.keever@telford.gov.uk), 01952 381860***

# Appendix 1 – Screen Shots of the New Housing Options Tool

**Assessment**

You are logged in as: adamwinsper@gmail.com [change password] [update your details] [log out]

Please state your current housing status

How many adults are in your household (including yourself?)

Occupant 1. Date of Birth

Occupant 1. Sex

How many children are in your household?

Are you or your partner pregnant?  Yes  No

Are you currently homeless or threatened with homelessness?  Yes  No

Are you currently experiencing domestic abuse?  Yes  No

Are you looking to move home?  Yes  No

Are you currently in paid employment?  Yes  No

Are you currently in receipt of benefits?  Yes  No

Are you having trouble managing in your current home due to health or mobility reasons?  Yes  No

Is your accommodation in disrepair?  Yes  No

Are you interested in energy efficiency advice?  Yes  No

Are you currently experiencing anti-social behaviour?  Yes  No

Are you currently experiencing harassment?  Yes  No

Would you benefit from additional support to sustain your current living arrangements?  Yes  No

Are you experiencing problems with your current landlord?  Yes  No

**Housing Pre-assessment Tool**

This tool will ask a series of questions and then guide you through the different options you can explore to enhance your housing situation.

If you have already registered for the Housing Pre-assessment Tool, then please [click here to log in](#).

[Click here to begin a new Assessment](#)

[Click here to Register](#)



TELFORD  
**HOME**FINDER

### Appendix 3 Communications Plan

Date	Activity
2 June 2014	Message to those logging into CYH on the urgent band that it is ceasing – signposted to log onto <a href="http://www.telfordhousingoptions.co.uk">www.telfordhousingoptions.co.uk</a> or to call the call centre to find out more
2 June 2014	Holding page details on <a href="http://www.telfordhousingoptions.co.uk">www.telfordhousingoptions.co.uk</a> provide clients with details of the new system coming on the 7 July 2014
2 June 2014	TWC call centre function set up and outbound calls begin to the 800 urgent banded clients and the 270 clients with no access to CYH online
2 June 2014	TWC call centre function prepared for any inbound calls generated from on-line message on CYH
w/c 2 June 2014	Promoting the new Telford Homefinder to local landlords through the Home Improvement Agency
w/c 2 June 2014	Message provided to all those who log into CYH that the scheme is ceasing and to log onto <a href="http://www.telfordhousingoptions.co.uk">www.telfordhousingoptions.co.uk</a> or to call the call centre function
w/c 9 June 2014	TWC call centre to complete calling the 800 urgent banded clients and the 270 clients with no access to CYH online
w/c 9 June 2014	TWC call centre ready to answer all incoming calls generated from the message on CYH and any word of mouth or social media enquiries
w/c 16 June 2014	Promotion to private landlords and private landlord properties to be sought for <a href="http://www.telfordhomefinder.co.uk">www.telfordhomefinder.co.uk</a>
w/c 16 June 2014	Posters and info about changes and new system distributed to key venues including PC/TC, WHT Shops, community centres
4 July 2014	Last day that any properties will be advertised on CYH
7 July 2014	CYH ceases to function
7 July 2014	TWC launches the <a href="http://www.telfordhousingoptions.co.uk">www.telfordhousingoptions.co.uk</a> online web tool and the <a href="http://www.telfordhomefinder.co.uk">www.telfordhomefinder.co.uk</a>
7 July 2014	BVT, Sanctuary, Bromford properties transfer to Homes Direct
c.3 months	Call centre, libraries, community centres, First Point and other TWC led community based sessions (e.g. Job Junction) provide info, advice, support (period of time dependent on response)

**TELFORD & WREKIN COUNCIL**

**CABINET – 26<sup>th</sup> JUNE 2014**

**WEST MERCIA ENERGY JOINT AGREEMENT**

**REPORT OF ASSISTANT DIRECTOR OF LAW DEMOCRACY AND PEOPLE SERVICES**

**LEAD CABINET MEMBER – CLLR BILL McCLEMENTS**

**PART A) – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

1.1 For members to consider an extension of the current West Mercia Energy (WME) Joint Agreement which expires 31<sup>st</sup> March 2016 to 31<sup>st</sup> March 2020

**2. RECOMMENDATIONS**

**2.1 That Cabinet authorise the Assistant Director of Law, Democracy and People Services to agree and execute amendments to, and an extension of the WME Joint Agreement along with the three other owning Authorities; Shropshire Council, Herefordshire Council and Worcestershire Council as detailed in this report and as recommended by the Joint Committee that is responsible for the strategic management and oversight of West Mercia Energy.**

**2.2 That Cabinet note further investigations into the possible transformation of WME into a trading company and delegate decision-making in respect of this issue to the Cabinet representatives on that Joint Committee at the time when/ if the issue comes forward for consideration.**

### 3. SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes/No	The Council currently purchases energy from WME for schools and own properties and secured good value for money
	Will the proposals impact on specific groups of people?	
	No	
<b>TARGET COMPLETION/DELIVERY DATE</b>	Agreement to the extension is required by all 4 owning Authorities and is envisaged to be executed and agreed by September 2014	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes/No	The Joint Agreement includes the provision that accumulated surpluses identified for distribution are allocated to Member Authorities each year linked to the level of trading activity by each Member Local Authority. The dividend received by this Council in 2013/14 was £344k which exceeded the budgeted target by £144k. Based on monitoring information provided, WME performance continues to be extremely positive and the income target for 2014/15 has been increased to £300k, which supports the Council's overall budget. Any variations against the target will be reported through financial monitoring as appropriate. The agreement also highlights that Member Authorities are jointly liable in equal shares for any liabilities of WME. The amendments to the agreement allow WME to explore options which will help secure future business. In particular, the changes allow trading with organisations that have transferred from a local authority (for example to a local authority owned company). This is important to WME's income stream, as many councils are now looking at different service delivery models, which include the use of organisations which are not designated public bodies. To comply with regulations, any fee must be

		based on a cost-recovery basis only. <b>PH – 16 5 14</b>
<b>LEGAL ISSUES</b>	Yes/No	The Cabinet has delegated day to day decision-making to the West Mercia Energy Joint Committee where Telford & Wrekin Council are currently represented by Cllrs B McClements and A England. However as the proposals are significant and extend the agreement and propose significant amendments to the current joint agreement it is appropriate that this delegation is approved by Cabinet
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes/No	Any decisions about the future development of the WME business are determined by a Joint Committee upon which Telford & Wrekin Council are represented by Councillors B McClements and Cllr A England, acting upon advice from a management group comprising of senior officers.
<b>IMPACT ON SPECIFIC WARDS</b>	No	

## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

- 4.1 In 2012 Cabinet granted approval for the Council to enter into a Joint Agreement with Shropshire Herefordshire and Worcestershire Councils to form West Mercia Energy.
- 4.2 The Joint Agreement sets an initial membership term for all owning Councils of 1<sup>st</sup> October 2012 to 31<sup>st</sup> March 2016.
- 4.3 Following the Chief Executives meeting on the 28<sup>th</sup> January 2014, the following recommendations were put forward :
  - 4.3.1 Extension of the West Mercia Energy Joint Agreement to 31<sup>st</sup> March 2020 permitted by clause 3.1
  - 4.3.2 Retain current Joint Committee structure and utilise the general power of competence under the Localism Act 2011 to allow WME to provide services to the transferring supplies which are not designated public bodies under the 1970 Act.
  - 4.3.3 Amend the Joint Agreement referencing that the Joint Committee now also operates under provisions of section 1 of the Localism Act 2011;

- 4.3.4 Amend clause 4.1 'Objectives' to include additional wording which states "The objectives of the Joint Committee shall be to maintain effective, efficient and economic arrangements for the purchase and supply of energy at the request of and to the satisfaction of the Member Authorities and to other public bodies [*non-profit making and charitable organisations, education providers, including Academies, and private sector organisations delivering public services on behalf of public bodies and such other organisations which may be approved by the Joint Committee (including approval via the Annual Business Plan)*] where it is permitted by law and is to the benefit of Member Authorities to do so"
- 4.4 These recommendations are seen as a sensible approach to securing future public sector business and offering a cost effective solution to a wider market whilst fully recovering all attributable costs. However, this model might not provide sufficient flexibility and members are asked to endorse further work by officers to investigate the longer term option of establishing WME as a trading company in the future and delegate any decisions in respect of this to the Councillor representatives on the Joint Committee.
- 4.5 The WME business continues to make surpluses year on year. As of March 2014 WME reported that gas profit had been £88k greater than the budgeted figure of £264k and electricity figures were £83k greater than the budget of £675k. Oil profit increased by £12k and supplier rebates had also increased by £23k due to increased volumes.
- 4.6 Overall net profit was noted to be £1,352m which was £250k better than budgeted figures for the 10 month billing period. The actual figures to date and full year estimate are well above forecast. By including the remaining 2 months billing, the full year forecast is set to improve to £521k (£1.77m net result).
- 4.7 This month alone, WME have made trading gains by buying next years fuel whilst the markets are low and stable and offsetting and selling where required. Daily, proactive management ensures that the trading positions give the owners and customer the best value options. WME confidently operates in the energy market alongside competitors from larger Professional Buying Organisations such as Crown Commercial Services and ESPO
- 4.8 WMEs portfolio has also grown by winning tenders to supply to Swindon Council and Gloucestershire County Council. Contracts have also been extended with Blackpool & Fylde College, East Cheshire Council, Cheshire Police Authority and options to extend remain for a further 5 public sector organisations.

## 5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

**6. PREVIOUS MINUTES**

CB-58 West Mercia Energy 8<sup>th</sup> November 2012

**7. BACKGROUND PAPERS**

**Report prepared by Sarah Bass, Strategic Procurement Ext 82470**

**TELFORD & WREKIN COUNCIL****CABINET - 26th JUNE 2014****THE ANNUAL GOVERNANCE STATEMENT 2013/14****JOINT REPORT OF THE ASSISTANT DIRECTOR FINANCE, AUDIT & IG and THE MONITORING OFFICER****LEAD CABINET MEMBER – CLLR RICHARD OVERTON****1 SUMMARY OF MAIN PROPOSALS**

- 1.1 For the Cabinet to agree the Annual Governance Statement 2013/14 prior to the statement being signed by the Leader and Managing Director. The Statement will then be sent to the Audit Committee for review and approval and will accompany the 2013/14 annual accounts.

**2 RECOMMENDATION**

- 2.1 That members of the Cabinet agree the Annual Governance Statement 2013/14, attached as Appendix A, and note the information in the report.

**3 SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	<i>The Governance Framework encompasses the whole Council and therefore all of the Council's priorities.</i>
	Will the proposals impact on specific groups of people?	
	No	
<b>TARGET COMPLETION/ DELIVERY DATE</b>	<i>Annual Governance Statement signed and ready to accompany the 2013/14 accounts by 30<sup>th</sup> June 2014.</i>	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	No	<i>The governance framework includes several financial elements, including the Council's financial regulations, the budget strategy and the Treasury Management Strategy. These provide the financial parameters, systems, processes and guidelines within which the Council must operate and as such assists in the delivery of good governance. Strong financial management also supports the delivery of value for money in ensuring economy, efficiency and effectiveness in the Council's decision making and processes.</i>  <i>The Council's external auditors give an opinion on the financial statements of the authority and a value for money conclusion in their Annual Audit Letter each year which provides further assurance.</i>
<b>LEGAL ISSUES</b>	Yes	<i>The requirement for an Annual Governance Statement is established at paragraph 4 of the Accounts and Audit (England) Regulations 2011. Further details of this requirement are set out at sections 4.1 and 4.2 of this report.</i>
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	<i>Good governance supports the identification and management of risks and robust control arrangements.</i>
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	<i>Borough-wide impact</i>

## **4 INFORMATION**

- 4.1 Under the Accounts and Audit (England) Regulations 2011 the Council is required to produce an Annual Governance Statement and it is best practice that the statement is signed by the Leader and Managing Director of the Council. This statement should accompany the Annual Accounts.
- 4.2 The Annual Governance Statement for 2013/14 is attached at Appendix A and has been developed based on the requirements of the regulations and CIPFA/Solace guidance<sup>1</sup>. The statement includes an action plan (Annex 1) to ensure that we continue to improve our existing governance arrangements.
- 4.3 The action plan attached to the 2012/13 statement (implemented during 2013/14) has been reviewed and updated to reflect current progress. The position as at 31/03/14 is attached as Appendix B to this report.
- 4.4 The Annual Governance Statement outlines that the Council has been adhering to its Local Code of Corporate Governance, continually reviewing procedures to maintain and demonstrate good corporate governance and that it has in place robust systems of internal control. The Council can be assured that during 2013/14, including during organisational changes that the existing or revised governance arrangements have continued to support proper governance. Where required changes to procedures have been agreed by SMT and changes to the Constitution have been agreed by the Council, through the Council's Constitution Committee.
- 4.5 Assurance for the annual governance statement is provided by all areas of the Council and externally by the following:
- a) Leader and Managing Director – who sign the statement;
  - b) Senior management – Managing Director, Directors, Assistant Directors;
  - c) Chief Financial Officer;
  - d) The Monitoring Officer;
  - e) Members – Scrutiny arrangements, Standards Committee, Audit Committee and other Regulatory Committees;
  - f) Internal Audit ;
  - g) Partners;
  - h) External Audit; and
  - i) Other external inspection agencies.
- 4.6 The 2013/14 Annual Governance Statement sets out the Council's governance arrangements that operated during the period – 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 and measures the effectiveness of them.

## **5 IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

N/A

## **6 PREVIOUS MINUTES**

- 6.1 Cabinet 31<sup>st</sup> May 2012; 30<sup>th</sup> May 2013  
Audit Committee 26<sup>th</sup> June 2012; 25<sup>th</sup> June 2014

## **7 BACKGROUND PAPERS**

Local Code of Corporate Governance May 2008

CIPFA/SOLACE - Application Note to Delivering Good Governance in Local Government: a Framework March 2010

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<sup>1</sup> Application Note to Delivering Good Governance in Local Government: a Framework March 2010 and Delivering Good Governance in Local Government Guidance Note for English Authorities 2012 Edition

CIPFA/SOLACE – Delivering Good Governance in Local Government Guidance Note for English Authorities 2012 Edition and Addendum  
KPMG Report to those charged with governance 2012/13  
KPMG Annual Audit Letter 2012/13  
Ofsted inspection reports – Safeguarding and Fostering Services  
Annual Audit & Information Governance Report 2013/14

Report by Jenny Marriott, Audit & Information Governance Manager 383101



## ANNUAL GOVERNANCE STATEMENT 2013/14

### 1. Standards of Governance

- 1.1 The Council expects all of its members, officers, partners and contractors to adhere to the highest standards of public service with particular reference to the formally adopted Codes of Conduct, Constitution, and policies of the Council as well as applicable statutory requirements.

### 2. Scope of Responsibility

- 2.1 Telford & Wrekin Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively to secure continuous improvement.
- 2.2 To this end the Council has a local code of corporate governance to ensure that it is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and Delivering Good Governance in Local Government: Guidance Note for English Local Authorities 2012 edition. Within this code and to meet its responsibilities, the Council (members and officers) are responsible for putting in place proper arrangements for the governance of its affairs including risk management, the requirements of regulations<sup>1</sup> and ensuring the effective exercise of its functions.
- 2.3 The Council continues to review its arrangements against best practice and implement changes to improve the governance framework (including the system of internal control) - see paragraph 5.

### 3. The Purpose of the Governance Framework

- 3.1 The governance framework comprises the systems and processes, and cultures and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 3.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, priorities and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to appropriately identify, quantify and manage the risks to the achievement of the Council's priorities, objectives and policies.
- 3.3 The governance framework has been in place at the Council for the year ended 31<sup>st</sup> March 2014 and up to the date of approval of the statement of accounts. Reviews and updates to

<sup>1</sup> Regulations 4(2), 4 (3) and 4(4) of the Accounts and Audit (England) Regulations 2011

the framework will take place during 2014/15 and beyond to support good governance, revised service delivery and organisational change.

## 4. The Governance Framework

4.1 The key elements of the systems and processes that comprise the authority's governance framework include:

- Community Strategy - Shaping Our Future – Telford & Wrekin's Journey to 2020 - approved by Council on 2<sup>nd</sup> May 2013;
- The Council's Medium Term Plan 2013/14 to 2014/15 which outline the Council's ambitions and priorities based on stakeholder feedback and these inform the service and financial planning process and personal targets;
- The Constitution (which includes the scheme of delegations, financial regulations and contract standing orders), Forward Plan and decision making processes;
- Co-operative Council principles and clear vision and values<sup>2</sup> for the Council and the Community;
- Clear governance arrangements to manage the Council's change programmes and restructuring occurring across the Council and key capital projects;
- The Council has designated statutory officers – Head of Paid Service (Managing Director), Chief Financial Officer, Monitoring Officer, Director of Children's Services, Director of Adult Social Services, Director of Public Health and Scrutiny Officer;
- The Council's Information Governance Framework including a designated Senior Information Risk Owner (SIRO), data and information security and sharing policies and procedures. There is also a comprehensive training and awareness programme;
- The Performance management framework and data quality systems. These provide reports to SMT<sup>3</sup>, Cabinet and Scrutiny;
- Legal Services ensure that the Council operates within existing legislation and is aware of and acts upon proposed changes to legislation;
- The democratic decision making and accountability processes contained within the Constitution;
- SMT meets weekly with regular management meetings with Service Delivery Managers and Group/Team Leaders;
- Policy Review – appropriate SMT members and Cabinet meet regularly to discuss emerging key strategic issues which could affect the Council in the future and formulate medium term planning strategy/options.
- The Standards Committee, Audit Committee, scrutiny function and other regulatory committees;
- The development of internal controls and checks within new systems and when existing systems are reviewed;
- The Council's People Services and workforce/organisational development procedures<sup>4</sup> are supported by clear recruitment processes. These are followed up by induction training (which includes information on the constitution, key policies, procedures, laws and regulations appropriate to the post and experience of the post holder) and on going training and development;
- Member and Officer<sup>5</sup> Codes of Conduct and the Officer/member protocol underpin the standards of behaviour expected by members and officers;
- Member development programme to ensure members are properly equipped and have the capacity to fulfil their roles;

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<sup>2</sup> Co-operative values of ownership, openness & honesty, involvement, fairness & respect

<sup>3</sup> Senior Management Team – Managing Director, Directors and Assistant Directors.

<sup>4</sup> Further development work is continuing on these during 2014/15 to reflect the implementation of the People Services reorganisation and the Council's priority of Business Supporting, Business Winning Council

<sup>5</sup> The Employee Code of Conduct and was re-issued in April 2013.

- The Council's communication, consultation and engagement strategies ensure that the local community knows what the Council is doing, receives feedback from them including the identification of their needs for incorporation into the Council's priorities;
- The deputy Leader of the Cabinet is the lead member responsible for Corporate Governance including Risk Management. The key officer for Corporate Governance including risk management is the Managing Director. The service and financial planning process incorporates risk management and strategic risks are reviewed by SMT;
- The Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010);
- Comprehensive budget strategy and management of the associated risks of reduced resources provides robust financial management and regular reporting to members;
- The Council's Treasury Management Strategy and arrangements conform to CIPFA and Audit Commission guidance and is monitored by the Audit Committee;
- Internal audit on a risk basis reviews the Council's systems and processes set out to achieve the Council's priorities in order to provide an opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control;
- The External Auditor has previously satisfactorily measured the Audit & Information Governance Manager against the CIPFA Statement on the Role of the Chief Internal Auditor in Public Sector (2010) and they have also reviewed the team against the Public Sector Internal Audit Standards;
- Anti-fraud and Corruption, Speak Up and Prosecution policies support the council's governance processes and anti-fraud and corruption culture;
- The Council's Partnership protocol and agreed governance and reporting arrangements for the Council's significant partnerships;
- Projects are managed, as appropriate, within the principles of the PRINCE 2 methodology. This includes risk identification and management.
- Awareness and training for members within their member development programme and for officers through induction, Staff news, and update sessions on any revised governance arrangements (including information governance).

## **5. Review of Effectiveness**

- 5.1 Telford & Wrekin Council has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements including the system of internal control. The review of the effectiveness is informed by:-
- a) the senior managers within the authority who have responsibility for the development and maintenance of the governance environment;
  - b) the work of internal audit; and also
  - c) by comments made by the external auditors and other external review agencies and inspectorates.
- 5.2 The Cabinet monitors the effectiveness of the governance framework through the consideration of regular service and financial management information reports from senior management. Individual Cabinet members receive regular feedback from senior officers in respect to their areas of responsibility on the progress of priorities and objectives. Issues of strategic and corporate importance are referred to the Cabinet.
- 5.3 The Council's Scrutiny function continues to review the development of policy, the decision making process and areas of concern. The subject areas for review are informed by community engagement, direct feedback to members from within the community and the results of review and inspection (both external and internal) and areas of policy being developed by the Council and the Executive.

- 5.4 The Internal Audit plan is informed by the Council's service and financial planning processes, external inspection reports, external networking, the requirements of the External Auditor, comments from senior management and their opinion of the current state of the governance risk and internal control arrangements. During 2013/14 the Internal Audit team achieved over 90% of their planned work (best practice is 90%) and this has been used with the relevant output from unplanned work to form their opinion on adequacy and effectiveness of the Council's governance, risk management and internal control framework.
- 5.5 Internal Audit report on a quarterly basis and also annually to the Audit Committee. The Audit Committee has asked for additional information during the year and requested Assistant Directors and Service Managers to attend to provide assurance on the management of risks and implementation of recommendations.
- 5.6 Internal Audit undertook a review of the Adult Social Services financial system and associated processes reporting initially in September 2011 a grading of limited assurance. This was followed up in July 2012 with the grading remaining at the same level so another follow up took place in March 2013 which was reported by the Assistant Director to the Audit Committee to provide assurance that the desired improvements were being made. Further work was undertaken in August 2013 and reported to the Audit Committee in January 2014. Senior Management changes have been implemented and additional resources allocated but the Audit Committee requested a further update at their meeting in June 2014 with an interim update meeting with the Chair of the Audit Committee and Cabinet member which was held in April 2014.
- 5.7 The Council has an Anti-Fraud & Corruption Policy, supported by a Speak Up policy. The Council has a zero tolerance policy and it is service management's responsibility to ensure there are adequate controls in their areas to ensure the opportunities for fraud are minimised. It is everyone's responsibility to report suspicions and the Speak Up policy supports this. Internal Audit undertakes proactive fraud work based on a fraud risk register and will be re-reviewing the Council's anti-fraud activities against best practice (Audit Commission's Red Book) during 2014/15. Other specific anti-fraud and corruption activities are undertaken by Revenues & Benefits and Trading Standards. An annual report on these activities is presented to the Audit Committee.
- 5.8 The Audit Committee terms of reference also incorporates the review and monitoring of the Council's Treasury Management arrangements. Members of the Committee are kept up to date through awareness training on factors that influence/affect delivery of the strategy.
- 5.9 The Council's performance management framework has systems and procedures which drive continuous improvement in performance. This has been reviewed and developed to reflect the Government's Single Data List.
- 5.10 The Council has continued to review its governance framework to gain assurance that its approach to corporate governance is both adequate and effective in practice and that sound systems of internal control are operating. These reviews have included the Constitution and associated policies, procedures, management processes and reporting arrangements. However it is recognised that further work is required to some areas within the Constitution and management procedures and this is included in the action plan attached to this statement (Annex 1).
- 5.11 The Council recognises the importance of Information Governance and has been formalising its Information Governance framework which will be agreed in 2014/15. It has taken significant steps to improve the security of its IT, paper and handling processes to meet the compliance requirements for Data Handling in Government. The Information Governance

team has continued to report to the Audit Committee during the year including information on responses to information rights requests and data security breaches. During 2013/14 no enforcement action has been taken by the ICO against the Council despite exchanges of correspondence between the ICO and the Council due to referrals to the ICO by the public and other third parties.

- 5.12 ICT infrastructure upgrades during the year have further improved security, data handling and business continuity and work has commenced on a full review of the ICT strategy.
- 5.13 The Managing Director, Directors, Assistant Directors and Service Delivery Managers have signed annual assurance certificates confirming that the governance framework has been operating within their areas of responsibility, subject to the actions outlined in Annex 1.
- 5.14 The requirements under the Accounts and Audit (England) Regulations 2011 require a review of internal audit and the External Auditors review of Internal Audit has been used to meet this requirement. The results of the review will be presented to the Audit Committee as part of the Internal Audit Annual Report.
- 5.15 The External Auditor’s Annual Audit Letter 2012/13 included in its headlines:
  - VFM conclusion – We issued an unqualified value for money (“VFM”) conclusion for 2012/13 on 24 September 2013. This means we are satisfied that you have proper arrangements for securing financial resilience and challenging how you secure economy, efficiency and effectiveness. To arrive at our conclusion we looked at your financial conclusion we looked at your financial governance, financial planning and financial control processes, as well as how you are prioritising resources and improving efficiency and productivity
  - Audit opinion - We issued an unqualified opinion on your financial statements on 24 September 2013. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. We noted improvement in the quality of the accounts and many of the supporting working papers. We issued our certificate on 4 October 2013.
- 5.16 Whilst T&W Council is primarily a commissioner of care services, the Council does directly provide some care services which are registered and inspected by the Care Quality Commission. In 2013/14 CQC undertook the following inspections<sup>6</sup> and the outcomes were:
  - Intermediate Care – Care in the Home and supported living – All standards met – 15/03/14
  - Carwood Residential Home – All standards met – 25/01/14
  - Downing House Residential Home - All standards met – 30/10/13
  - Shared Lives - Adult Placement Scheme – All standards met – 20/03/14
  - Community Services – Learning Disability, Domiciliary Care – All standards met – 11/02/14
- 5.17 There were 2 Ofsted inspections of Children’s Centre in the Borough during 2013/14. Copies of the reports are available at [www.ofsted.gov.uk](http://www.ofsted.gov.uk) but the main findings were

Location	Date	Grading <sup>7</sup>
Hadley Castle Group	17/12/13	Requires improvement (3)
Lakeside South	12/11/13	Requires improvement (3)

<sup>6</sup> Copies of full reports are available on the Care Quality Commission website [www.cqc.org.uk/](http://www.cqc.org.uk/)

<sup>7</sup> Grades are 1 = Outstanding; 2 = Good; 3 = Requires improvement; 4 = Inadequate

Improvements have already been made and actions plan have been agreed and are in place to address remaining recommendations and these are being monitored by senior management and members.

- 5.18 In addition to formal external reviews Children and Family Services had a Peer Review in June 2013 and Peer Challenge in March 2014. There was an Adult Social Care Peer Challenge in July 2013. From these peer reviews/challenges improvement plans have been developed to ensure efficient, effective and robust processes including appropriate governance.
- 5.19 We have been advised on the implications of the review of the effectiveness of the governance framework by the Cabinet, Standards Committee, Audit Committee, Scrutiny, senior managers, Internal Audit and external review, and plan to address weaknesses and ensure continuous improvement of the framework as outlined in the action plan attached as Annex 1.

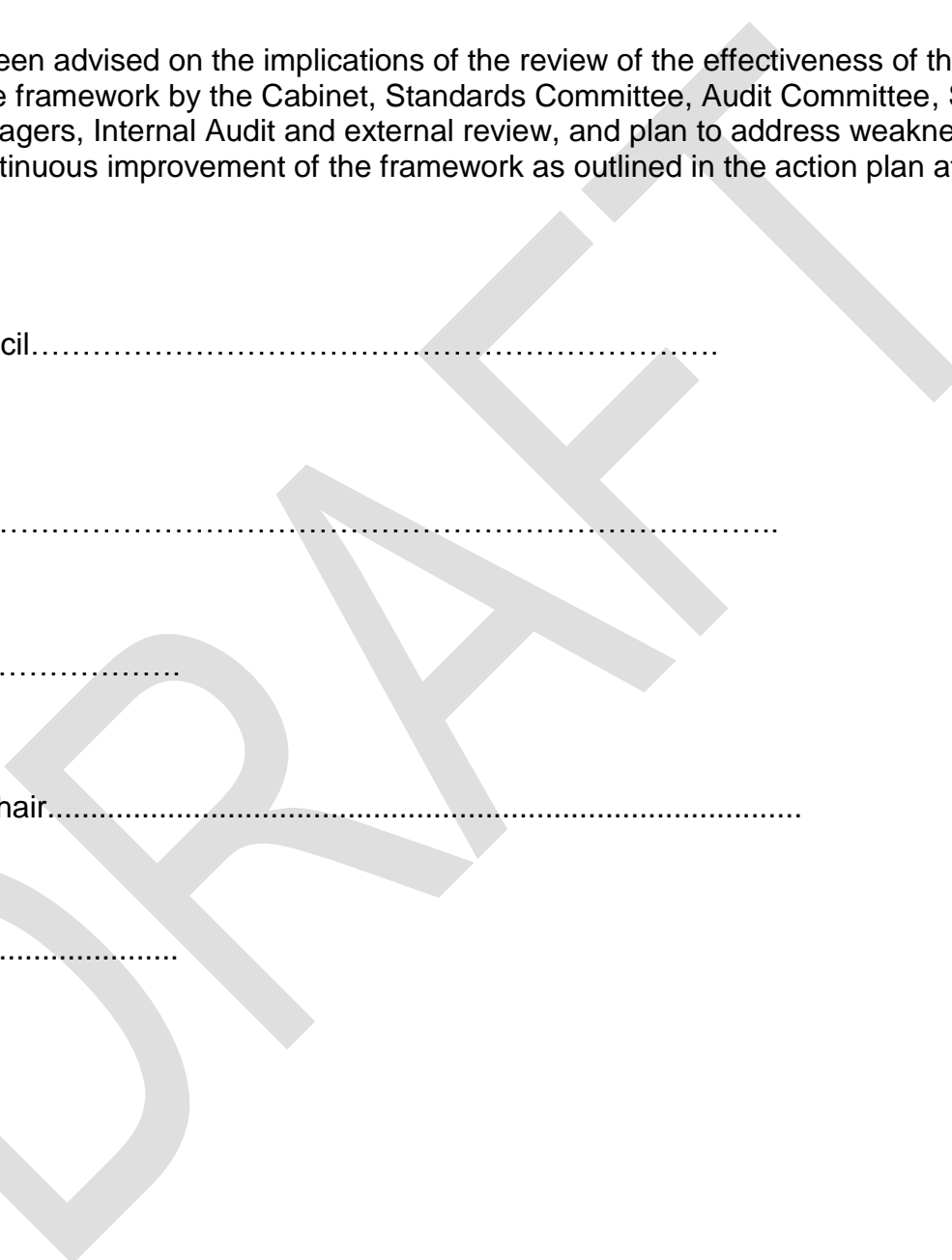
Leader of the Council.....

Managing Director.....

Date.....

Audit Committee Chair.....

Date.....



## 2013/14 ANNUAL GOVERNANCE STATEMENT ACTION PLAN

No	Action	Lead Officer	Comments when AGS agreed	Target Completion Date
1.	Continued strategic management of organisational change in respect to revised structures, new ways of working and business approach which links to the continued development and implementation of revised governance framework (encompassing information security, information technology, partnership and project governance).	Managing Director and SMT	Agreeing the revised governance requirements and incorporating into any changes to the Constitution, strategies and policies. Endorsing an awareness programme for officers and members. Final Constitution changes to be in place by May 2015.	Ongoing 31/03/15
2.	Preparations for the revised external audit arrangements.	AD Finance, Audit & IG	Local Audit and Accountability Act 2014 is now statute but secondary legislation and guidance still to be developed. Therefore continued need to respond to any consultations on these.	On going- respond to any consultations during 14/15 as required.
3.	Complete the review and implementation of Workforce Development priorities and delivery. Continue to review and update the management competencies and skills required in the revised organisation. Review of People Services policies and procedures to support the priorities and organisational change.	AD – Law, Democracy & People Services	Continue the work on workforce development, management competencies and policy and procedures review.	On going as agreed with SMT (31/03/15).
4.	Deliver the improved processes and associated governance to deliver savings and service improvements in Adult Social Services alongside the development of the processes and Council governance arrangements for the revised Social Care and Health agendas and changes proposed for 2014/15 and beyond.	Interim Director: Care, Health & Wellbeing; Interim AD – Adult Social Services	Implement control changes and deliver savings targets. Implement appropriate governance arrangements to meet the changes arising from the Care Act.	31/03/15 and on-going
5.	Implement the governance aspects of the improvement plans arising from external Ofsted and Care Quality Commission (CQC) inspection reports and peer reviews/challenges.	Director: Children & Family Services & Interim Director: Care, Health & Wellbeing	This action plan is particularly focussed on any recommendations that improve the governance arrangements in these areas.	Various dates throughout 2014/15
6.	Continue to develop and implement appropriate governance arrangements to support commercial projects including the setting up of a company.	Managing Director/ Monitoring Officer/CFO/ Director of Development,	Some commercial activities will require a separate company to be set up and appropriate governance within and in relation to the Council will need to be implemented.	Company by 09/14 and others on going during 2014/15

		Business & Customer Services		
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2012/13 ANNUAL GOVERNANCE STATEMENT ACTION PLAN – PROGRESS AS AT 31<sup>st</sup> MARCH 2014

No	Action	Lead Officer	Comments when AGS agreed	Original Target Completion Date	Updated Position as at 31/03/14
1.	Strategic management of continued organisational change in respect to the co-operative council and continued development and implementation of revised governance framework (encompassing the corporate governance structure incorporating information, information technology, partnership and project governance).	Managing Director and SMT	Agreeing the revised governance requirements and incorporating into any changes to the Constitution, strategies and policies. Endorsing an awareness programme for officers and members.	Ongoing 31/03/14 Note – final constitution changes to be in place by May 2015	Constitution review continuing with member working group and changes to strategies and policies.  Updates to officers and members as and when required.  On going 31/03/14 and beyond. Urgent constitution amendments are made when required. The full constitution review will be concluded by May 2015
2.	Managing Decision making: a) Outstanding constitutional changes to reflect the revised organisational structures & ways of working b) Preparations for the revised external audit arrangements.	AD Law, Democracy & People Services and AD Finance, Audit & IG	This action develops further the implementation of previous actions in respect to the Constitution and revised external audit arrangements.	(a) 31/03/14 - Note – final constitution changes to be in place by May 2015 (b) – will need to respond to consultations on the proposed future changes during 13/14.	(a) On target – see comments above regarding constitution changes. (b) Consultation on secondary legislation provided for deadline of 20/12/13. Others to be provided as required.
3.	<ul style="list-style-type: none"> <li>• Review of our Workforce Development priorities and delivery</li> <li>• Continue to review and update the management competencies and skills required in the revised organisation. Review of HR policies and processes to support the organisational changes and People Services restructure.</li> </ul>	AD – Law, Democracy & People Services	People Services has been fully restructured and implemented and interviews for an Organisational Development and Talent Manager will hopefully be appointed to on 15 <sup>th</sup> May. The post is critical in taking a lead on workforce development and management development. A workforce plan for children's services has already been completed in line with	31/03/14 and on going	Organisational Development and Talent Manager appointed and developing the service and workforce policies in consultation with service managers along with a revised learning and development plan.  Further restructures of People Services took place in Autumn 2013 and early 2014 and new structures are in place with recruitment due to be completed by Easter 2014.  Work has continued on workforce development and policy redesign is continuing into 2014/15.

			Ofsted requirements. A review of HR policies has commenced with priority being given to sickness absence and capability policies. A number of other policies have been redesigned and reduced to maximum of 4 pages to make them more accessible and more business relevant. Work to 'lean' the recruitment process from start to finish commences in June.		<p>Review of policies and procedures underway – priorities for policy review agreed with SMT. Negotiations underway with Trade Unions on Sickness Absence. Other policy changes already implemented. Next set of policies for review in 2014/15 include Grievance and Capability along with a revised PPD process</p> <p>A new lean recruitment process supported by technology went live at the end of March delivering further efficiencies and some cashable savings</p>
No	Action	Lead Officer	Comments when AGS agreed	Original Target Completion Date	Updated Position as at 31/03/14
4.	Further develop the governance and decision making arrangements for the Health & Well Being agenda and the transferred health services including Public Health	Director: Care, Health & Wellbeing	Further clarification required of the governance (including clinical governance) and decision making routes for transferred Public Health and other Health services to meet the Health & Well Being Strategy.	31/12/13	<p>Public Health services are now fully embedded within the Council, with a Director of Public Health in place. Health &amp; Wellbeing Board is well established.</p> <p>Complete</p>
5.	Implement the action plans from the Ofsted and Care Quality Commission (CQC) inspection reports (Safeguarding, Services for Looked after Children, Fostering Services, Children's Centres and Adult Care Provider Services).	Director: Children & Family Services and Director: Care, Health & Wellbeing	This action plan is particularly focussed on any recommendations that improve the governance arrangements in these areas.	Various dates throughout 2013/14	<p>Action plans being implemented and progress on target.</p> <p>On the 23.9.2013 the CQC confirmed that Downing House had fully implemented its action plan. This means that all of the Council's registered care services for adults are considered fully compliant with the standards set out by CQC</p> <p>Whilst T&amp;W Council is primarily a commissioner of care services, the Council does directly provide some care services which are registered and inspected by the CQC. In 2013/14 CQC undertook the following inspections and</p>

					<p>the outcomes were:</p> <ul style="list-style-type: none"> <li>a) Intermediate Care - Domiciliary Care – All standards met following inspection – 22.2.2013 and 15/03/14</li> <li>b) Carwood Residential Home – All standards met following inspection on 2.1.2014</li> <li>c) Downing House Residential Home - All standards met following inspection on 22.9.2013</li> </ul> <p>The following registered services were inspected in 2013/14 and information is included in the 2013/14 AGS. The results were as follows:</p> <ul style="list-style-type: none"> <li>d) Shared Lives – All standards met – 20/03/14</li> <li>e) Community Services – All standards met – 11/02/14.</li> </ul>
No	Action	Lead Officer	Comments when AGS agreed	Original Target Completion Date	Updated Position as at 31/03/14
6.	Agree and implement the appropriate governance arrangements in respect to the Commercial Projects which form part of the income generation programme.	Managing Director	An internal Commercial Board has been set up to oversee the development and implementation of key commercial projects (including the set up and design of the associated governance arrangements).	On going during 2013/14	The Commercial Board was established to oversee the development and implementation of commercial projects. A number of projects are now in the process of being implemented. Commercial Board required from November 2013 to provide updates to the Audit Committee as part of non-executive Member oversight.

**TELFORD & WREKIN COUNCIL**

**CABINET – 26<sup>th</sup> JUNE 2014**

**SCRAP METAL DEALERS ACT 2013**

**REPORT OF THE SERVICE DELIVERY MANAGER, PUBLIC  
PROTECTION**

**LEAD CABINET MEMBER – CLLR RICHARD OVERTON**

**PART A) – SUMMARY REPORT**

**1. Summary of Main Proposals**

1.1 The Scrap Metal Dealers Act 2013 replaces the previous registration system for scrap metal dealers under the Scrap Metal Dealers Act 1964 and the licensing system for motor salvage operators under the Vehicles (Crime) Act 2001. It is an Executive Function of the Council.

1.2 For the Cabinet to consider delegating authority to officers.

**2. RECOMMENDATION**

**It is recommended that :**

**2.1** Cabinet delegate authority to Officers as listed on Appendix 1, to carry out compliance and enforcement functions under the Scrap Metal Dealers Act 2013.

### 3. Summary Impact Assessment

<b>Community Impact</b>	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Protect and create jobs as a “Business Supporting, Business Winning Council”. Protect and support our vulnerable children and adults
	Will the proposals impact on specific groups of people?	
	No	
<b>Target Completion/Delivery Date</b>	Compliance and enforcement will be a statutory duty of the Council for the duration that the Scrap Metal Dealers Act 2013 is current law. It will be carried out in accordance with Public Protection’s enforcement policy. It is planned to carryout out the first compliance checks on licence holders after 1 <sup>st</sup> July 2014.	
<b>Financial/Value for Money Impact</b>	Yes	The cost of compliance is included within the current cost of business operations. The licence fee charged to operators includes a contribution towards this cost. However, where enforcement action ensues, this is not rechargeable through the licence fee and costs of enforcement or costs accruing from court action is not funded. Where legal costs are recovered these are credited to the service budget to offset the costs of court action. Therefore, there are no budget issues accruing from approving the recommendations to check compliance with the statutory provisions, but there may be cost pressures which are not budgeted for in future resulting from enforcement action being taken.
<b>Legal Issues</b>	Yes	Details of the relevant legislation are contained in the body of the report. Delegated authority is required to enable officers to carry out compliance and enforcement checks.
<b>Other Impacts, Risks &amp; Opportunities</b>	Yes	A legal challenge by way of Judicial Review should the Council not implement the changes brought about by the Scrap Metal Dealers Act 2013.
<b>Impact on Specific Wards</b>	Yes	This report has Borough wide Implications.

## **PART B) – ADDITIONAL INFORMATION**

### **4. Information**

- 4.1 The Scrap Metal Dealers Act 2013 came into force on 1<sup>st</sup> October 2013. It was introduced as a Private Members Bill by Richard Ottaway MP in order to tackle scrap metal theft and covers England and Wales.
- 4.2 Local Authorities have responsibility for administration, compliance and enforcement in relation to the Act.
- 4.3 Since the implementation of the Act on 1<sup>st</sup> October 2013, Telford & Wrekin Council has issued 10 Scrap Metal Site Licences and 27 Scrap Metal Collectors' Licences.
- 4.4 Sections 13-15 of the Act require scrap metal dealers to keep records of metal received and disposed of as well as details of the person it was received from, documents used to verify the name and address of the supplier and the payment made. Records must be recorded in a manner which allows the information and scrap metal to be easily identified by reference to each other (section 15 (1)). Records must be kept for three years (section 15 (3)).
- 4.5 Section 16 of the Act allows local authority officers to enter and inspect licensed sites to ensure compliance of the Act and also to enter premises which are not a licensed site but where there are reasonable grounds for believing that the premises are being used by a scrap metal dealer in the course of a business. Schedule 2 allows local authorities the power to issue Closure Notices for unlicensed sites.
- 4.6 Section 16 also allows local authority officers to request production of and to inspect any scrap metal and/or records kept by a scrap metal dealer.
- 4.7 Now that scrap metal licences have been issued by this Council under this new Act, Public Protection Officers plan to carry out compliance checks. Authorisation is therefore, requested, as outlined in this report above, to be delegated to officers in order that Officers may proceed with compliance and enforcement checks.

### **5. Impact Assessment – Additional Information**

- 5.1 Statutory provisions being implemented only.

**6. Previous Minutes**

6.1 Cabinet 19<sup>th</sup> September 2013

**7. Background Papers**

7.1 Scrap Metal Dealers Act 1964

7.2 Vehicles (Crime) Act 2001

7.3 LGA Guide to the Scrap Metal Dealers Act 2013

**Report prepared by** Suzanne Fisher, Principal Licensing Officer, Public Protection, Darby House - For further information please telephone 01952-383261 or email [suzanne.fisher@telford.gov.uk](mailto:suzanne.fisher@telford.gov.uk)

## Appendix 1

<b>Function</b>	<b>Delegation</b>
All entry, inspection and closure functions under the Scrap Metal Dealers Act 2013.	Public Protection Service Delivery Manager Public Protection Manager Principal Licensing Officer Licensing Officer Environmental Health Officer Trading Standards Officer Compliance Officer Scientific Officer District Officer
Authority to prosecute for offences under the Scrap Metal Dealers Act 2013	Public Protection Service Delivery Manager Assistant Director Health Well-Being and Public Protection

**TELFORD & WREKIN COUNCIL**

**CABINET – 26 JUNE 2014**

**REPRESENTATION ON OUTSIDE BODIES 2014-15**

**REPORT OF THE ASSISTANT DIRECTOR: LAW, DEMOCRACY & PEOPLE SERVICES**

**LEAD CABINET MEMBER – COUNCILLOR KULDIP SAHOTA**

**1.0 PURPOSE**

- 1.1 To request that Cabinet approves the nominations made to Outside Bodies as set out in Appendix 1 of the report.

**2.0 RECOMMENDATIONS**

- 2.1 **That the nominations to represent the Council on Outside Bodies, as set out in Appendix 1 of the report, be approved.**

**3.0 INFORMATION**

- 3.1 The nominations to represent the Council on Outside Bodies dealt with in this report are those which are appointed on an annual basis. Other organisations on which the Council has representation are appointed for varying periods; reports requesting nominations in relation to these will be brought to Cabinet as required.
- 3.2 The list of outside bodies for which appointments are required for 2014/15 is shown at Appendix 1. This is broadly the same as for the 2013/14 municipal year.
- 3.3 Members are reminded that only the named councillor or holder of the nominated Cabinet position should attend meetings of Outside Bodies.
- 3.4 Nominations have been sought from each of the political groups for those appointments that are not by position. The nominations received are shown in Appendix 1.

**4.0 OTHER CONSIDERATIONS**

**AREA**

Equality & Diversity  
Environmental Impact  
Legal Implications

**COMMENTS**

Not applicable  
Not applicable  
The outside bodies to which this report relates are to fulfil functions which are, under the

	relevant statutory and constitutional provisions, cabinet functions
Opportunities & Risks	Not applicable
Financial Implications	Not applicable
Links with Corporate Priorities	Not applicable
Ward Implications	Not applicable

## 5.0 **BACKGROUND PAPERS**

None.

***Report prepared by Phil Smith, Democratic Services Team Leader – 01952 383211***

ORGANISATION	CABINET MEMBER	OTHER MEMBER(S)	NOMINATION(S) for 2014/15
<b>National/Regional Bodies</b>			
Association for Public Service Excellence (APSE)		1 Councillor	1. Cllr J C Minor
Association of Councillors – English Region Branch		3 Councillors ( <i>one of which must be the representative to the National Association</i> )	1. NAC Rep: Cllr A A Mackenzie 2. Cllr A R H England 3. Cllr E J Carter
English Severn & Wye Regional Flood & Coastal Committee		1 Councillor	1. Cllr R A Overton
Local Government Association – General Assembly		3 Councillors  1 Observer	1. Cllr K S Sahota 2. Cllr S Davies 3. Cllr E J Carter Observer: Cllr R A Overton
Local Government Association – Unitary Special Interest Group		1 Councillor	1. Cllr K S Sahota
Local Government Association – World Heritage Sites Special Interest Group (LAWHF)		1 local Ward Member  1 Councillor as substitute	1. Ward Member: Cllr D G Davies 2. Substitute: Cllr G C W Reynolds

ORGANISATION	CABINET MEMBER	OTHER MEMBER(S)	NOMINATION(S) for 2014/15
Marches Local Transport Body	Cabinet Member: Finance & Enterprise  + 1 Substitute Cabinet Member  (to accord with Assurance Framework para 5.5)		1. Cllr W A M McClements 2. Deputy: Cllr H Rhodes
National Association of Councillors		<i>(Must be one of            the reps on the            English Region            Branch)</i>  1 Councillor	1. Cllr A A Mackenzie
Shropshire, Telford & The Marches Strategic Rail Group	Cabinet Member: Customer Services, Libraries and Transport		1. Cllr H Rhodes
South Staffordshire & Shropshire Mental Health NHS Foundation Trust Governing Body	Cabinet Member: Adult Social Care		1. Cllr A R H England

ORGANISATION	CABINET MEMBER	OTHER MEMBER(S)	NOMINATION(S) for 2014/15
West Mercia Energy Joint Board	(2 Cabinet Members and 2 substitute Cabinet Members to accord with Article 11 of the Constitution)		<p>1. Cllr W A M McClements</p> <p>2. Cllr A R H England</p> <p>Substitute 1: Cllr R A Overton</p> <p>Substitute 2: Cllr P R Watling</p>
West Mercia Energy Audit Committee		<p>1 Councillor</p> <p><i>Meetings are usually immediately before Joint Board meetings, so best to appoint one of the Joint Board reps (see above)</i></p>	<p>1. Cllr W A M McClements</p>
West Mercia Police & Crime Panel		<p>2 Councillors</p> <p>Substitute</p>	<p>1. Cllr R K Austin</p> <p>2. Cllr R C Evans</p> <p>Substitute: Cllr F R Picken</p>
West Midlands Regional Employers Organisation	Cabinet Member with Responsibility for HR		<p>1. Cllr K S Sahota</p>

ORGANISATION	CABINET MEMBER	OTHER MEMBER(S)	NOMINATION(S) for 2014/15
<b>Shropshire Organisations</b>			
Age Concern Shropshire, Telford & Wrekin		1 Councillor	1. Cllr F R Picken
County Sports Partnership (Energize STW)	Cabinet Member: Leisure Services & Culture		1. Cllr E A Clare
Shropshire Hills Area of Outstanding Natural Beauty		1 Councillor	1. Cllr C R Turley
Shropshire Pension Fund Committee		2 Councillors  2 Councillors (substitutes)	1. Cllr M J Smith 2. Cllr W A M McClements  Substitute 1: Cllr A R H England Substitute 2: Cllr R J Sloan
Shropshire Playing Fields Association	Cabinet Member: Leisure Services & Culture	+ 1 Councillor	1. Cllr E A Clare 2. Cllr H Rhodes
Shropshire & Telford Tourism Strategy Board (previously Shropshire Destination Management Partnership)			1. Cllr W A M McClements
<b>Telford &amp; Wrekin Organisations</b>			
Community Health & Enterprise Centre (CHEC)		1 Councillor	1. Cllr G M Green

ORGANISATION	CABINET MEMBER	OTHER MEMBER(S)	NOMINATION(S) for 2014/15
Granville Country Park (Local Nature Reserve) Management Committee		1 Councillor	1. Cllr C R Turley
Ironbridge Gorge World Heritage Site Strategy Group		1 Ward Councillor 1 Councillor	1. Ward Member: Cllr D G Davies 2. Cllr C R Turley
Ironstone (Lawley) Steering Group	Cabinet Member: Housing, Development and Borough Towns <i>+Assistant Director Planning Specialist (Strategic Lead)</i>		1. Cllr C F Smith
Lightmoor/TWC Liaison Group	Cabinet Member: Housing, Development and Borough Towns	+ 2 Ward Councillors	1. Cllr C F Smith 2. Ward Member: Cllr T J Hope 3. Ward Member: Cllr C P R Mollett
Local Strategic Partnership	Leader		1. Cllr K S Sahota
Safer Telford Partnership		1 Councillor	1. Cllr H Rhodes
Telford MIND Executive Committee		1 Councillor	1. Cllr F M Bould
Telford Tourism Partnership			1. Cllr W A M McClements
Telford Christian Council - Executive Committee		1 Councillor	1. Cllr R C Evans

ORGANISATION	CABINET MEMBER	OTHER MEMBER(S)	NOMINATION(S) for 2014/15
Telford Millennium Community Steering Group	Cabinet Member: Housing, Development and Borough Towns +Assistant Director Planning Specialist (Strategic Lead)	+ 1 Ward Councillor  <i>The site covers Ketley and Hadley</i>	1. Cllr C F Smith 2. Ward Member: Cllr R K Austin
Telford & The Wrekin Citizens Advice Bureau – Management Board		2 Councillors	1. Cllr A R H England 2. Cllr J Loveridge
Telford & Wrekin Council for Voluntary Services  • Executive Committee    • CVS Projects Ltd.		2 Councillors    2 Councillors	1. Cllr A R H England 2. Cllr R A Overton   1. Cllr A R H England 2. Cllr R A Overton
Telford & Wrekin Flood Risk Management Board	Cabinet Member: Public Health & Public Protection		1. Cllr R A Overton
Telford & Wrekin Home-Start Management Committee		1 Councillor	1. Cllr C N Mason

ORGANISATION	CABINET MEMBER	OTHER MEMBER(S)	NOMINATION(S) for 2014/15
Telford & Wrekin Local Admission Forum	Cabinet Member: Children Young People & Families		1. Cllr P R Watling
Telford & Wrekin Retirement Association	Mayor		1. Cllr M J Smith
Telford & Wrekin Standing Advisory Council for Religious Education (SACRE)		3 Councillors	1. Cllr L A Murray 2. Cllr K R Guy 3. Cllr A S Jhawar
Wellington Centre Management Committee		2 Councillors	1. Cllr B J Thompson 2. Cllr E A Clare
Woodside Regeneration Partnership	Cabinet Member: Housing, Development and Borough Towns	+ 1 Ward Councillor <i>Woodside Ward</i>	1. Cllr C F Smith 2. Ward Member: Cllr R C Evans
Wrekin Housing Trust		1 Councillor	1. Cllr F R Picken
Wrekin Landlords Association		1 Councillor	1. Cllr D R W White
<b>Companies Limited by Guarantee/Trusts/Charities, etc.</b>			
Ironbridge Gorge Museum Trust		1 Councillor	1. Cllr G C W Reynolds
Madeley United Charities of Shropshire -		1 Councillor	1. Cllr A A Mackenzie

ORGANISATION	CABINET MEMBER	OTHER MEMBER(S)	NOMINATION(S) for 2014/15
Meeting Point Trust		3 Councillors	<ul style="list-style-type: none"> <li>1. Cllr R A Overton</li> <li>2. Cllr C N Mason</li> <li>3. Cllr P R Watling</li> </ul>
Park Lane Centre – (NB: appointed as a Director)		1 Councillor	<ul style="list-style-type: none"> <li>1. Cllr K R Guy</li> </ul>

**TELFORD & WREKIN COUNCIL**

**CABINET - 26 JUNE 2014**

**UPDATE ON DAWLEY SOCIAL & MEMORIAL CLUB, KING STREET, DAWLEY**

**REPORT OF THE ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & EMPLOYMENT**

**LEAD CABINET MEMBER: CLLR BILL McCLEMENTS**

**PART A – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

1.1 The report provides an update to the Cabinet Report dated 20 September 2012 and seeks further approvals in relation to the refurbishment and ultimate disposal of Dawley Social & Memorial Club (The Club).

**2.0 RECOMMENDATIONS**

2.1 That Cabinet grant delegated authority to the Assistant Director: Development, Business & Employment, in consultation with the Cabinet Member for Finance and Enterprise to implement the proposals outlined in Section 4.5 of this report.

2.2 That Cabinet grant delegated authority to the Assistant Director: Law, Democracy & Peoples Services to agree and execute all necessary documentation to give effect to the proposals contained within this report.

**3.0 SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Priority Plan objective(s)?	
	Yes	The Club has been established in Dawley since around 1930. The building provides a focal point for the community and provides a meeting place for local clubs. It also provides accommodation from which valuable Council Services are delivered including Job Junctions, which provide community based support for those seeking employment and training. It is one of the most well attended Job Junctions in the Borough with over 80 people attending twice a week, many of which are supported into employment. As such The Club contributes to a range of Council priorities but directly towards: <ul style="list-style-type: none"> <li>Improving local people's prospects through education and skills training</li> </ul> The proposals outlined within this report seek to safeguard this valuable community asset and as such the delivery of community based activity and services.
	Will the proposals impact on specific groups of people?	
	Yes	The proposals will benefit residents within the local community but also for visitors from outside of the Borough.
<b>TARGET COMPLETION/ DELIVERY DATE</b>	Subject to approval, refurbishment works will be completed by October/November 2014.	
<b>FINANCIAL/ VALUE FOR</b>	Yes	All proposals within this report are subject to Great Dawley Town Council agreeing to act as guarantor to this agreement and therefore

<p><b>MONEY IMPACT</b></p>		<p>underwriting the ability of The Club to generate sufficient income to meet its liability to the Council in respect of rental payments and to carry out its obligations for insurance, ongoing maintenance and future repairs of the building throughout the 16 years of the agreement. In the event that Dawley Social Club default and do not make the required payments, the annual rental payments due to the Council will be recoverable from Great Dawley Town Council, the Town Council would then take possession of the building and continue to use it as a community building.</p> <p>The proposed repairs to the building, including fees, will cost £195,650 and these works will be funded from available capital within the Property Investment Portfolio (PIP). These costs and interest at 4.5% pa will be included in the annual rental payment over a 16 year period. Further details are contained within sections 4.5 to 4.9 of the report. All rental payments quoted in this report are net of VAT. VAT will be chargeable.</p> <p>As specified in paragraph 4.8, building contractors have mobilised on site under a licence at their own risk. It is understood that Great Dawley Town Council will consider the requirement to act as guarantor at their meeting on 15 July 2014. Therefore, any costs of building refurbishment works incurred by Telford and Wrekin Council before the guarantee is in place, over and above the £31,000 received by Dawley Social Club as a one off upfront payment under the terms of the agreement, will be at risk.</p> <p>If, at their meeting in July, the Town Council does not agree to act as guarantor to this agreement, Telford and Wrekin Council will be contractually committed to pay the contractor for the repair works – the full costs of £179,500.</p> <p>There are further financial risks associated with the proposal as detailed in the Risk Assessment at section 5.</p> <p>JAC 250614</p>
<p><b>LEGAL ISSUES</b></p>	<p>Yes</p>	<p>The land was acquired in 1928 by the Council's predecessor and the conveyance places an obligation on the Council to keep the building in repair. The building is subject to a restrictive covenant (as outlined below) which restricts the use of the site and therefore the value of the site and options on its future. The conditional contract for the sale of the land is for a value agreed as valid by the District Valuer (based on the building being transferred to The Club and taking into account the marriage value of their leasehold and the Council's freehold interest) and so constitutes best consideration in the circumstances and allows the land to be disposed of as proposed.</p> <p>The legal documentation will be drafted to ensure that the Council's position is protected vis a vis future repairing and insuring obligations and payment of the rent but, given the premium for the lease, as described below the risk is shared with The Club. Great Dawley Town Council will meet on 15 July 2014 to consider acting as guarantor for the Club. If that is the case then the Great Dawley Town Council will be a party to the leasing arrangement in their capacity as guarantor and due diligence will be carried out into their financial stability before they are accepted as guarantor.</p> <p>An application to register the car park area of the land (as coloured blue on the plan to the September 2012 Cabinet report) to the Council failed. This land would need to be transferred on the basis of "as far</p>

		as we are able”. The Club could be challenged as to ownership in the future; however, that is their risk and they would have to seek independent legal advice on this.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	Risks and associated mitigating actions are dealt with in Section 5 of the report.
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	The site is located on the Dawley Magna Ward.

**PART B – ADDITIONAL INFORMATION**

**4.0 INFORMATION**

- 4.1 The Club has been a key component of the Dawley community for many years. Founded around 1930 in a former hall gifted to the community, it has gradually been extended and currently provides a base for a range of social functions and community services. It currently has around 600 members, primarily from Dawley and the surrounding area.
- 4.2 The building is currently held in the PIP under a 20 year lease, which commenced in August 2010. In early 2012 the roof over the hall collapsed causing significant damage and undermining The Club’s ability to generate income. In response to this in September 2012, Cabinet approved a recommendation to dispose of the property to The Club for £21,000 on the basis that the Council could not justify further investment in the property and that The Club could seek funding, having acquired the freehold. The property value was determined following an independent valuation, undertaken in June 2012.
- 4.3 Since then volunteers at The Club have reorganised governance, staffing and operation to improve viability and have been pursuing funding to repair the damaged roof. Despite this, The Club have been unable to raise funds, with possible funders being concerned about their ability to secure the loan through the property, with one of the key factors being the restrictive covenant which requires the land to be held on trust “for the benefit of the inhabitants of the said District [of Dawley] in perpetuity”. The restrictive covenant directly impacts on the value of the property with redevelopment being virtually impossible without first seeking to lift the restrictive covenant, which would ultimately have a cost. It is therefore unlikely that a regular investor would see this as an attractive proposition
- 4.4 Over this period, The Club has continued to pay rent of £2,000 per annum but this leaves little money to invest in the repair and refurbishment of the building so as to maximise its use and potential. The Club is ultimately in breach of the terms of the lease in not meeting its repairing obligations but terminating the lease / seeking another lessee is not an attractive option to either party on the basis that:
- The Club support the use of the building as an important community asset from which community groups’ function and Council services are delivered (e.g. Job Junctions).
  - Volunteers at the club have worked hard to improve viability through reorganisation and have developed a business plan, identifying income generation opportunities which could be realised if the hall was brought back into use.
  - The PIP would be left with a property which they would struggle to let in its current state of repair, meaning the building would represent an ongoing liability for the council and a derelict, and increasingly dilapidated building which would cost more to repair in the longer term.

4.5 In this context, The Club approached the Council as landlord to see if they would consider undertaking refurbishment works on the back of an enhanced rent, payable by The Club to the Council, with the freehold of the building and associated site (shown edged red and blue in Appendix A) passing to The Club upon repayment of the refurbishment works: The following terms have been discussed and agreed in principal:

### **LEASE**

- The Council procure a contractor to undertake repairs to the roof, walls and floor at a tendered cost of £179,500. The Club will also make a payment of £16,150 to the council as a fee for designing, specifying, procuring and overseeing the works which will be recoverable through the rental payments in the lease.
- Concurrent with the award of contract, The Club enters into a new lease with the Council for 16 years. There will be a guarantor (subject to approval on 15 July 2014) who will also be a party to the lease.
- The Club pay a one off rental premium of £10,000 (excluding VAT) upon entering into the lease, plus rent which will be set to recover the costs of refurbishment works plus interest over the term of the lease.
- If at any time The Club default on payments due under the lease, and attempts to recover outstanding sums from the guarantor are not successful, then the property would revert, in its improved state, to the Council.

### **AGREEMENT FOR SALE**

- At the same time as entering into the lease, The Club would enter in an agreement for sale.
- Completion of the sale is conditional upon (a) practical completion of the works and (b) payment by The Club to the Council of all sums due under the lease. If the Club defaulted on payments in the lease, then the sale would not proceed (unless the guarantor was able to rectify this via their guarantor liability).
- The Club will pay £26,000 upon exchange of the agreement which will include the cost of previous works undertaken by the Council of £5,000 within this payment. The Council will retain title until the cost of the refurbishment works, plus interest, plus fees is repaid. If the guarantor provisions under the lease are activated, ultimate ownership of the property would be a matter between the Club and the guarantor (to be agreed) and the legal documentation would be drafted to incorporate these provisions.
- There is a longstop date which will mirror the end of the lease term but if The Club wish they can trigger an early freehold transfer by paying the total of the sums that would otherwise have been payable under the lease.
- There will be a covenant in place to restrict the use of the building to a social club only. This is imposing a wider covenant than the original 1928 Conveyance imposed and therefore this could be seen as further limiting the value of the building. The covenant to keep the building in repair would also be passed on to

The Club (thereby releasing the Council from their original liability).

- 4.6 It is proposed that the £179,500 cost of repairs and the associated fees of £16,150 are funded from the PIP's capital budget.
- 4.7 A draft Lease and Agreement for Sale have been drawn up on the basis of the above terms and will be circulated to The Club who will seek independent legal and accounting advice. The works have been competitively tendered by the Council in accordance with procurement procedures, with the contract to be awarded and legal agreements signed subject to Cabinet approval.
- 4.8 The Club are keen to have completed the works and to have the building operational by October 2014 to allow them to maximise income opportunities. In order to maintain momentum the contractor has mobilised on site under a licence at their own risk and are proceeding with site set up the week commencing 23 June 2014.
- 4.9 Whilst it is recognised that there are risks associated with the above proposals, these are deemed to have been mitigated to a large extent through the measures summarised in Section 5.0 below and on balance it is recommended that this investment aims to safeguard a valuable community asset whilst avoiding ongoing liabilities associated with a redundant building.
- 4.10 Great Dawley Town Council is committed to Social and economic regeneration within the local community. The Town Council has already invested in Dawley Town Hall, the Royal British Legion, St Leonard's Church and Dawley Christian Centre. The Town Council is committed to securing the long term future of the Dawley Social and Memorial Club with the £26,000 grant demonstrating this. The grant is already secured by way of a previous authority and the Town Council will meet on the 15<sup>th</sup> July to decide terms of becoming a guarantor.

**5.0 RISK ASSESSMENT**

5.1 Below is a summary of the potential risks arising out of the proposal as well as mitigating actions.

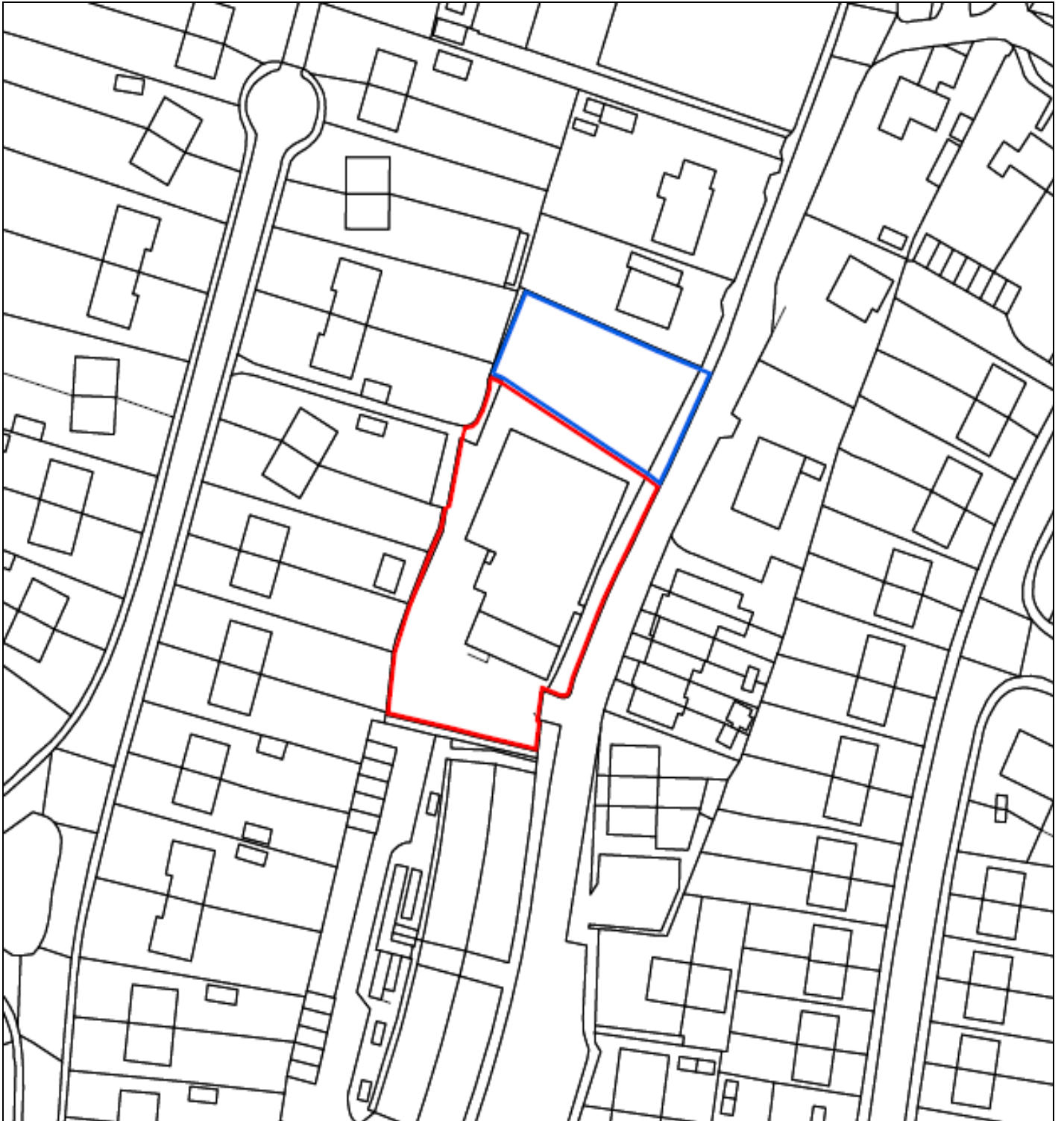
<b>Risk</b>	<b>Mitigation</b>
Works cost more than tendered due to unforeseen issues on site.	<ul style="list-style-type: none"> <li>• The lease allows for a rent adjustment after one year with the rent being adjusted up or down to reflect the total cost of the works.</li> </ul>
The valuation undertaken in June 2012 for £21k is out of date (the valuation was originally valid for 6 months) meaning that the premium payable under the agreement is not reflective of the current value and	<ul style="list-style-type: none"> <li>• The district valuer was asked to review their June 2012 valuation in June 2014 and has confirmed that the current value, pre works, would be no greater than the £21k previously quoted.</li> <li>• Since the transfer of The Club occurs post works then the value of the property is also of relevance. To this end the district valuer was contacted again in March 2014 and concluded that following works, when the sale to the club is completed and with the restrictive covenant in place the value of the property would be in the order of £160,000. With the current cost of the works and fees being £195,650, all or most of these costs would need to be considered as contributing towards the freehold valuation of £160,000 so that</li> </ul>

<p>therefore the property could be being disposed of at an under value.</p>	<p>the payment made on exchange of the contract of £21,000 is justified.</p>
<p>The Club default on payments during the lease term</p>	<ul style="list-style-type: none"> <li>• The Club will obtain a guarantor who will be a party to the leasing arrangement.</li> <li>• The net amount owed to the Council upon entering into the lease and Agreement will be £195,650 (exclusive of VAT and interest charges) which is broadly in line with the post works valuation, albeit that this accounted for marriage value associated with the existing tenant.</li> <li>• If The Club default, then the lease and agreement are terminated (unless the guarantor activates the guarantor provisions in the lease) and ownership reverts to the Council allowing them to identify alternative options. These options will be very limited, however, given the restrictive covenants on the property and land.</li> </ul>
<p>By funding the repairs to this property there is an opportunity cost to the PIP of investing in other property.</p>	<ul style="list-style-type: none"> <li>• The PIP is recovering the cost of the works plus interest at a rate of 4.5% ongoing after 12 months. Whilst this is a lower return than would be expected on a standard PIP investment it protects the building from becoming more dilapidated as the lease would be a full repairing lease where the on-going costs are being met by The Club.</li> <li>• Failure to repair the property is likely to result in the PIP being left with a liability with ongoing cost implications which are currently unfunded.</li> </ul>
<p>The Club cease to use the building as a social club and are successful in lifting the restrictive covenant as to use, and redevelop the site resulting in a significant uplift in value</p>	<ul style="list-style-type: none"> <li>• Although the lease will impose a covenant requiring use as a social club, once the sale is completed, imposing the same covenant, it may be difficult for the Council to enforce this as in order to do so the Council would have to show they have land surrounding the building which would benefit from the covenant. However, the benefit of the covenant would pass to other surrounding landowners (which are largely residential) and they would have the ability to enforce the covenant. However, as local authority, we could seek to rely on the fact that the covenant is being imposed to benefit the people in the community.</li> <li>• If The Club were successful in lifting the covenant (assuming they have the funds to do so) the transfer contains a restrictive covenant in favour of the Council not to use the land as anything other than a social club and therefore DSC would also need to approach the Council to seek a release, for which the Council could impose a charge.</li> </ul>

**6.0 BACKGROUND REPORTS**

Disposal of Dawley War Memorial Hall, King Street, Dawley – 20 September 2012

Appendix 1 - Plan of Dawley Social & Memorial Club and Associated Land



## **CABINET**

**Decision Notices and Minutes of a meeting of the Cabinet held on Thursday, 26th June, 2014 at 5.00 p.m. at the AFC Telford Learning Centre, Haybridge Road, Wellington, Telford**

**PUBLISHED ON WEDNESDAY, 2nd JULY, 2014**

**(DEADLINE FOR CALL-IN: MONDAY, 7th JULY, 2014)**

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

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

### **CB-1 MINUTES**

**RESOLVED** – that the minutes of the meeting of the Cabinet held on 15th May 2014 be confirmed and signed by the Chairman.

### **CB-2 APOLOGIES FOR ABSENCE**

None

### **CB-3 DECLARATIONS OF INTEREST**

Councillors S. Davies, A.R.H. England and K.S. Sahota declared an interest in agenda item 12 – Update on Dawley Social & Memorial Club – as members of the Club, and that they would withdraw from the meeting room during consideration of this item.

### **CB-4 2013/14 OUT-TURN AND 2014/15 INITIAL UPDATE**

**Key Decision** identified as **Financial Monitoring – 2013/14 Out-turn and Initial Trends for 2014/15** in the Notice of Key Decisions published on 23 May 2014.

### **Recommendation to Full Council – not subject to Call-in**

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Finance, Audit & Information Governance, which informed Members of the final outturn position for Revenue and Capital for 2013/14, and the initial trends for the current financial year.

The gross revenue budget for 2013/14 was £445m – and the net budget for reporting purposes was just over £134m. The revenue outturn position was well within budget, with a final net under-spend of £0.100m (-0.07% of net budget). Given the context of having to make further ongoing budget savings of £11m, this was a positive year-end position and thanks were extended to the management team, officers and Cabinet colleagues for their strong and effective financial management and the ability to make cost reductions while minimising the impact on front line services. There had been a number of favourable variations during the year which contributed to the final out-turn position. These included a one-off benefit of £4.884m from backdating the change in accounting treatment of the calculation of Minimum Revenue Provision; further savings of £1.5m relating to vacant posts, £1.546m arising from treasury management activities, and a Government refund of £0.731m. In addition, a rigorous review of all contingencies, provisions and central budgets had identified £1.1m which could be freed-up on a one-off basis from the funding set aside for contractual inflation commitments.

The main service pressures experienced in 2013/14 related to adult social services (£2.9m overspend, mainly on the cost of purchasing care packages from external providers); children's safeguarding (£1.4m overspend largely relating to the cost of Children in Care placements); and re-ablement and in-house service provision for Adults with Learning Disabilities (£0.4m overspend mainly due to staffing costs).

Decisive management action had achieved a very positive financial out-turn for 2013/14 and positioned the authority well for 2014/15. Effective financial control had meant that the £2.5m general budget contingency available for use in 2013/14 was not touched. This sum could therefore be used to create a one-off draw-down budget facility for Adult Services to help phase-in the delivery of the 2014/15 savings targets. As previously agreed in the budget strategy, a number of transfers to reserves had been made, and these would support the delivery of future budget strategies.

Capital spend ended the year at £84.6m, against an approved estimate of £99.1m, which was in the main due to re-phasing into 2014/15. The main scheme delays/re-phasing to 2014/15 were detailed in the report and appendices, along with a number of new approvals and virements.

Council Tax collection (£66m), Business Rates (£70m) and sales ledger income collection (£27m) were all slightly behind target for the year. However, debt would continue to be collected after the end of the financial year, with all recovery avenues being explored.

Summaries of the outturn on revenue and capital, along with major variations, were appended to the report.

The Council faced an even more challenging year in 2014/15, and the report highlighted a number of key issues and cost pressures, along with measures being taken to control and monitor expenditure.

## **RESOLVED**

- (a) to RECOMMEND to COUNCIL that
- (i) the Revenue out-turn position and related virements for 2013/14, shown in Appendix 3 of the report (and subject to audit by the Council's external auditors); the transfer to reserves detailed in paragraph 5.3 of the report; and the earmarking of the 2013/14 general contingency as a specific draw-down budget available to Adult Social Services in 2014/15 be approved;
  - (ii) the Capital out-turn position and related supplementary estimates, virements and re-phasing, shown in Appendix 4 of the report, be approved;
- (b) that performance against income targets be noted;
- (c) that the initial pressure areas identified for 2014/15 be noted.

### **CB-5            NON-ACCOMMODATION SERVICES PREFERRED PROVIDER FRAMEWORKS**

**Key Decision** identified as **Non-Accommodation Services Tender** in the Notice of Key Decisions published on 23 May 2014.

Councillor P.R. Watling, Cabinet Member: Children, Young People & Families, presented the report of the Assistant Director: Family, Cohesion & Commissioning, which sought approval to tender a preferred provider framework for non-accommodation services.

Non-accommodation services were put in place to provide help to families with children at risk of going into care, and to support young people already in the care system. Services included therapy, psychological assessment, parenting assessment, family group conferencing and mediation. These services were currently provided on a spot basis (ie as and when required) via a number of external providers on a number of different terms and conditions. The preferred provider framework would use the Council's new contract terms and conditions, and incorporate an outcome focussed specification. The framework would be open to all West Midlands local authorities to join, and this could lead to an increased number of providers becoming available to Telford & Wrekin. The new framework would result in an increase in costs, but these would be offset by a reduction in the costs of care by preventing children coming into care in the first place.

A question was asked about whether there were benefits from working with other local authorities to procure these services. The Cabinet Member advised that all options would be looked at, but that it was important that the right

services were procured at the right time – and that any delay in the process could impact on the outcomes for children and young people. The Commissioning Contracts Manager added that the Framework would provide more flexibility. Members welcomed the emphasis on early intervention and prevention, but that there needed to be close monitoring to ensure that the Framework delivered value for money and met its planned cost improvement target.

**RESOLVED –**

- (a) that a tender for a preferred provider framework to secure non-accommodation services for children, young people and families be approved;
- (b) that the preferred provider framework to be tendered on the basis that it can be used by other authorities in the West Midlands;
- (c) that authority be delegated to the Assistant Director: Family, Cohesion & Commissioning, in consultation with the Cabinet Member for Children, Young People & Families, to award qualifying providers entry to the Preferred Provider Framework for a period of 3 years, with the option of extending the framework for a further 1 year;
- (d) that authority be delegated to the Assistant Director: Law, Democracy & People Services to execute all documentation required to give effect to the agreements reached in relation to (a) above.

**CB-6      DOMICILIARY CARE PREFERRED PROVIDER FRAMEWORKS**

**Key Decision** identified as **Domiciliary Care Preferred Provider Framework Update** in the Notice of Key Decisions published on 23 May 2014.

Councillor A.R.H. England, Cabinet Member: Adult Social Care, presented the report of the Assistant Director: Family, Cohesion & Commissioning, which sought approval to award qualifying providers entry to the Preferred Provider Framework for domiciliary care.

Adult Social Care had domiciliary care arrangements for over 1800 older and vulnerable people within Telford & Wrekin. Such care focussed on allowing people to stay in their own home, and was a more cost effective alternative to residential or nursing care. The majority of the care was delivered by independent and not-for-profit providers under spot purchasing arrangements. However, the current spot contract arrangements were not in line with good practice, and to achieve savings there was a need to reduce the demand for and the cost of the care. The preferred provider framework would use the Council's new contract terms and conditions, and incorporate an outcome focussed specification. It would also improve market management in terms of

supply and transparency of pricing. Through the tender process, the Framework would accredit service providers and ask for costs that were below £14.00 per hour for general domiciliary care. The spot average rate in 2013/14 was around £15.00 per hour, and it was estimated that this needed to reduce to between £13.50 and £14.00 per hour in order to achieve the savings targets that had been set in the Financial Recovery Plan. Arrangements for domiciliary care and support for children and young people with a disability had been incorporated into this tender in order to further rationalise the Council's contracting arrangements.

Councillor A.J. Eade (Conservative Group Leader) expressed concern that by cutting costs there could be an adverse impact on the quality of care provided to elderly and vulnerable people. The Interim Director: Care, Health & Wellbeing advised that the award of contracts would be based on quality standards as well as price. If monitoring of the contracts by the in-house team revealed that quality was not good enough, the Council would be able to remove a provider from the Framework list. It was also stated that lower costs did not necessarily equate to lower quality.

#### **RESOLVED –**

- (a) that authority be delegated to the Interim Director: Care, Health & Wellbeing, in consultation with the Cabinet Member for Adult Social Care, to award qualifying providers entry to the Preferred Provider Framework for a period of one year, with the option of extending the framework annually for a further 3 years;**
- (b) that authority be delegated to the Assistant Director: Law, Democracy & People Services to execute all documentation required to give effect to the agreements reached in relation to (a) above.**

#### **CB-7            A NEW APPROACH TO SUPPORTING HOUSING OPTIONS**

##### **Non-Key Decision**

Councillor C.F. Smith, Cabinet Member for Housing, Development & Borough Towns, presented the joint report of the Assistant Director: Development , Business & Employment and the Assistant Director: Family, Cohesion and Commissioning, which set out proposals to launch a new web based housing assessment tool.

The Council had a number of statutory housing responsibilities in respect of homelessness and the adoption of a Housing Allocations Policy. Since 2006, the allocation of social housing in the Borough had been provided via the choice based letting system – 'Choose Your Home' – which was managed by Wrekin Housing Trust. The Trust had given notice that it would cease to manage 'Choose Your Home' from 4 July 2014, after which they would have a new system for allocating their own properties via their website. The Council (and other housing providers) therefore needed to implement their own processes for managing housing allocations in the Borough.

It was proposed to launch a new web-based housing assessment tool on 7 July 2014. This would provide a bespoke housing options appraisal to every applicant including advice across the full range of housing options, adaptations and financial support. There would be links to Telford Homefinder – a new TWC managed Lettings Agency website – which would provide accredited accommodation in the private rented sector. Incentives would be offered for landlords to join the Homefinder scheme, but they would have to attend a training course within 6 months of joining. It was proposed that one-off and ongoing costs arising from these initiatives would be funded from within existing budgets and reserves.

Members welcomed the proposals, and noted that this would be a more person-centred approach to dealing with housing need compared to the outgoing 'Choose Your Home' scheme. Councillor W.L. Tomlinson (Lib Dem/Ind Group Leader) expressed concern that not everyone would be able to access the website, and what other forms of help would be available? The Home Improvement Team Leader advised that Housing Options Advisors were available at First Point for face-to-face advice, and that service would continue to be provided. Advice on housing would also be available at the various 'Job Junctions' around the Borough.

#### **RESOLVED –**

- (a) that authority be delegated to the Assistant Director: Development, Business & Employment, in consultation with the Cabinet Member: Housing, Development & Borough Towns, to implement the proposals set out in paragraph 4 of the report;**
- (b) that the one-off and ongoing expenditure being incurred by the Assistant Director: Development, Business & Employment and the Assistant Director: Family, Cohesion & Commissioning from the funding sources outlined at paragraph 5 of the report be approved.**

#### **CB-8        WEST MERCIA ENERGY JOINT AGREEMENT**

**Key Decision** identified as **Extension to West Mercia Energy (WME) Joint Agreement** in the Notice of Key Decisions published on 23 May 2014.

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Law, Democracy & People Services, which asked Cabinet to consider an extension to the current West Mercia Energy (WME) Joint Agreement which expired on 31 March 2016.

WME was formed in 2012 as part of a Joint Agreement with Shropshire, Herefordshire and Worcestershire Councils to purchase and supply energy. The business had been very profitable and brought good returns to the Council – for example, a £344k dividend in 2013/14 – which was £144k more than the budgeted target. Returns were predicted to increase again in the current financial year. In order for the business to continue to expand and to

allow longer term planning and purchasing, the WME Joint Committee were recommending an extension of the current Agreement to 31 March 2020.

It was also proposed to use the general power of competence under the Localism Act 2011 to allow WME to provide services to a wider market. Investigations were taking place into the possibility of establishing WME as a trading company in the future.

**RESOLVED -**

- (a) that authority be delegated to the Assistant Director: Law, Democracy & People Services to agree and execute amendments to, and an extension of, the West Mercia Energy (WME) Joint Agreement along with the three other owning Authorities as detailed in the report, and as recommended by the Joint Committee responsible for the strategic management and oversight of WME;**
- (b) that it be noted that further investigations are taking place into the possible transformation of WME into a trading company, and that decision making in respect of this issue be delegated to the Cabinet representatives on the WME Joint Committee at the time when/if the issue comes forward for consideration.**

**CB-9            ANNUAL GOVERNANCE STATEMENT 2013/14**

**Non-Key Decision**

Councillor R.A. Overton, Cabinet Member: Public Health & Public Protection, presented the joint report of the Assistant Director: Finance, Audit & Information Governance and the Monitoring Officer, attached to which was the draft Annual Governance Statement for 2013/14.

Under the Accounts & Audit Regulations 2011, the Council was required to produce an Annual Governance Statement, and it was best practice that it was signed by the Leader and Managing Director of the Council. The Statement included an action plan to ensure that the Council continued to improve its existing governance arrangements. The action plan attached to the 2012/13 statement (implemented during 2013/14) had been reviewed and updated and was appended to the report.

The Annual Governance Statement outlined that the Council had been adhering to its Local Code of Corporate Governance, continually reviewing and improving its procedures to maintain and demonstrate good corporate governance, and that it had in place robust systems of internal control. The Council could be assured that during 2013/14, including during organisational changes, the existing governance framework had continued to support proper governance. Assurance for the Annual Governance Statement was provided by all areas of the Council including senior management, Members, the Chief Financial Officer, the Monitoring Officer and internal audit.

**RESOLVED** – that the Annual Governance Statement 2013/14, as shown at Appendix A of the report, be agreed.

**CB-10      SCRAP METAL DEALERS ACT 2013**

**Non-Key Decision**

Councillor R.A. Overton, Cabinet Member: Public Health & Public Protection, presented the report of the Service Delivery Manager: Public Protection, regarding the delegation of authority to Officers to carry out compliance and enforcement functions in relation to the Council's powers under the Scrap Metal Dealers Act 2013.

Since the implementation of the Act, the Council had issued 10 Scrap Metal Site Licences and 27 Scrap Metal Collectors' Licences. The Act put requirements on licence holders to keep proper records and documents, and gave local authority officers powers to enter and inspect both licensed and unlicensed sites. The Council would therefore be carrying out compliance checks at the sites it had licensed, and would potentially need to take enforcement action in relation to unlicensed sites. Appended to the report was a schedule of the Officers to whom authority was to be delegated.

**RESOLVED** – that authority be delegated to Officers as listed in Appendix 1 of the report to carry out compliance and enforcement functions under the Scrap Metal Dealers Act 2013.

**CB-11      APPOINTMENT OF REPRESENTATIVES TO OUTSIDE BODIES 2014/15**

**Non-Key Decision**

The Leader presented the report of the Assistant Director: Law, Democracy & People Services, which set out the appointments to outside bodies that the Council was required to make for 2014/15.

The list of outside bodies for which appointments were required for 2014/15, and the nominations received, was appended to the report. Nominations had been sought from the political groups for those appointments that were not by position. There had been a minor change to the nominations for Telford & Wrekin SACRE, and this was shown in a revised Appendix that was tabled at the meeting.

**RESOLVED** – that the nominations to represent the Council on Outside Bodies for 2014/15, as set out in the amended Appendix 1 of the report, be approved.

Before consideration of the next item, Councillors S Davies, A England and K Sahota, having previously declared an interest, withdrew from the meeting room. The Vice Chair presided for this item.

**CB-12      UPDATE ON DAWLEY SOCIAL & MEMORIAL CLUB, KING STREET, DAWLEY**

**Non-Key Decision**

Councillor W.A.M. McClements, Cabinet Member: Finance & Enterprise, presented the report of the Assistant Director: Development, Business & Employment, which provided an update regarding the Dawley Social & Memorial Club, and proposals relating to the refurbishment and ultimate disposal of the property.

The Club had around 600 members, and provided a base for a range of social functions and community services. The building was currently held in the PIP under a 20 year lease. In early 2012, the roof over half the hall collapsed, causing significant damage and undermining the Club's ability to generate income. Since then the Club had been unable to raise enough funds to repair the roof, partly due to a restrictive covenant on the property which limited its value as security for any lending. The Club had now asked the Council, as landlord, to consider undertaking refurbishment works on the back of an enhanced rent, with the freehold of the building and associated site passing to the Club upon repayment of the refurbishment works.

The report set out the terms for the Lease and Agreement for Sale that had been discussed and agreed in principal with the Club. The cost of the repairs had been estimated at £179,500, and this would be funded from the PIP's capital budget. Associated fees would be covered by a payment from the Club. It was proposed that the Club enter into a new lease with the Council for 16 years, and would pay an initial one-off rental premium of £10,000 plus rent which would be set to recover the costs of the refurbishment works plus interest. At the same time as entering into the lease, the Club would enter into an agreement for sale. Great Dawley Town Council were committed to the long-term future of the Club, and would be meeting on 15 July to decide whether to act as guarantor to the Lease.

During the ensuing discussion, Councillor A.J. Eade (Conservative Group Leader) expressed concern that a guarantor was not yet in place, and any agreement to the proposals should be subject to its confirmation. The Cabinet Member responded that, while it was recognised there were risks associated with the proposals, these were deemed to have been mitigated to a large extent through the measures summarised in the report. On balance, the investment would safeguard a valuable community asset whilst avoiding ongoing liabilities associated with a redundant building, returning it to a fully functional building as quickly as possible. Members accepted that there was a risk as identified, but were confident that Great Dawley Town Council would agree to act as guarantor to the proposed lease.

**RESOLVED –**

- (a) that authority be delegated to the Assistant Director: Development, Business & Employment, in consultation with the**

**Cabinet Member: Finance & Enterprise, to implement the proposals outlined in section 4.5 of the report;**

- (b) that authority be delegated to the Assistant Director: Law, Democracy & People Services to agree and execute all necessary documentation to give effect to the proposals contained within the report.**

The meeting ended at 6.00 pm.

**Signed for the purposes of the Decision Notices**

**Jonathan Eatough  
Assistant Director: Law, Democracy & Public Protection  
Date: 2 July 2014**

**Signed: .....**

**Date: .....**